

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 19(2012)

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act, 1994* SNL 1994, Chapter E-5.1 (the
3 “*EPCA*”) and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the “*Act*”), and regulations thereunder;

5
6 **AND**

7
8 **IN THE MATTER OF** an Application by
9 Newfoundland Power Inc. for an Order of the Board
10 for approval of the balance in the Weather Normalization
11 Reserve as of December 31, 2011 pursuant to Sections 69(3) and
12 78 of the *Act*.

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14
15 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly
16 organized and existing under the laws of the Province of Newfoundland and Labrador, is a public
17 utility within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and

18
19 **WHEREAS** by Order No. P.U. 1(1974) the Board ordered that Newfoundland Power create a
20 Weather Normalization Reserve to normalize purchased power costs for variations in
21 hydroelectric production caused by varying levels of precipitation, as well as any variations in
22 kilowatt hours sold and purchased caused by varying temperatures and wind speed; and

23
24 **WHEREAS** by Order No. P.U. 32(2007), the Board ordered Newfoundland Power to amortize
25 the recovery of \$6,800,000 of the balance in the Degree Day Normalization Reserve over a five-
26 year period beginning in 2008 and the amortized amount net of income tax for 2011 is
27 \$1,366,300; and

28
29 **WHEREAS** Newfoundland Power has reported to the Board that its Weather Normalization
30 Reserve as of December 31, 2011, including the \$1,366,300 ordered to be amortized in Order
31 No. P.U. 32(2007), has a positive balance of \$5,019,776; and

32
33 **WHEREAS** the Board is satisfied that the Weather Normalization Reserve at December 31,
34 2011 properly reflects the normalization of variations in revenue and expenses caused by
35 meteorological conditions during 2011 and the amortization approved in Order No. P.U.
36 32(2007).

1 **IT IS THEREFORE ORDERED THAT:**
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- 3 1. Newfoundland Power's Weather Normalization Reserve of a positive balance of
4 \$5,019,776 as of December 31, 2011 is approved,
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6 2. Newfoundland Power shall pay all costs and expenses of the Board in connection with
7 this Application.

DATED at St. John's, Newfoundland and Labrador, this 22nd day of June, 2012.

Darlene Whalen, P.Eng.
Vice-Chairperson

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary