

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

**AN ORDER OF THE BOARD**

**NO. P.U. 16(2013)**

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 providing for disposition of: (i) the balance in the Pension  
11 Expense Variance Deferral Account (the “*PEVDA*”) and  
12 (ii) the balance in the OPEBs Cost Variance Deferral Account  
13 (the “*OPEVDA*”), pursuant to Sections 58 and 80 of the *Act*.

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

19  
20 **WHEREAS** in Order No. P.U. 43(2009) the Board approved the creation of the *PEVDA* to  
21 capture the difference between the approved test year annual pension expense and the actual  
22 annual pension expense (the “*Pension Expense Variance*”); and

23  
24 **WHEREAS** in Order No. P.U. 31(2010) the Board approved the creation of the *OPEVDA* to  
25 capture the difference between the approved test year annual other post-employment benefits  
26 (“*OPEBs*”) expense and the actual annual *OPEBs* expense (the “*OPEBs Expense Variance*”);  
27 and

28  
29 **WHEREAS** the approved definitions of the *PEVDA* and *OPEVDA* require that Newfoundland  
30 Power apply to the Board for approval of the amounts to be charged or credited to the *PEVDA*  
31 and *OPEVDA* in a year when an application for rates based on a new test year is outstanding as  
32 of the 31<sup>st</sup> of March; and

33  
34 **WHEREAS** on September 14, 2012 Newfoundland Power filed with the Board an application  
35 for rates based on a 2013 test year and a 2014 test year; and

1 **WHEREAS** on April 17, 2013, the Board issued Order No. P.U. 13(2013) approving  
2 Newfoundland Power's forecast 2013 test year pension expense of \$9,260,798 and OPEBs  
3 expense of \$10,461,440; and  
4

5 **WHEREAS** Newfoundland Power's actual 2013 pension expense is \$11,342,707 and actual  
6 2013 OPEBs expense is \$10,913,640; and  
7

8 **WHEREAS** on May 1, 2013 Newfoundland Power filed an application (the "Application")  
9 proposing that: (i) the Pension Expense Variance for 2013 of \$2,081,909 be charged to the  
10 PEVDA and that the balance in the PEVDA for 2013 be disposed of by means of a charge in the  
11 amount of \$2,081,909 to the Rate Stabilization Account as of March 31, 2013; and (ii) the  
12 OPEBs Expense Variance for 2013 of \$452,200 be charged to the OPEVDA and that the balance  
13 in the OPEVDA for 2013 be disposed of by means of a charge in the amount of \$452,200 to the  
14 Rate Stabilization Account as of March 31, 2013; and  
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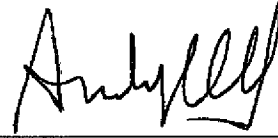
16 **WHEREAS** in Order No. P.U. 6(2008) the Board approved Section II(6) of the Rate  
17 Stabilization Clause which provides for such adjustment to the Rate Stabilization Account upon  
18 Order of the Board; and  
19

20 **WHEREAS** the Board is satisfied that the proposed treatment of the Pension Expense Variance  
21 and the OPEBs Expense Variance and the proposed disposition of the balances in the PEVDA  
22 and OPEVDA are in accordance with previous Board Orders and should be approved.  
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24 **IT IS THEREFORE ORDERED THAT:**  
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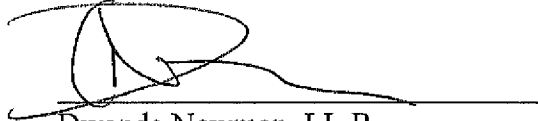
- 26 1. Newfoundland Power's proposal that the Pension Expense Variance for 2013 of  
27 \$2,081,909 be charged to the PEVDA and the balance in the PEVDA for 2013 of  
28 \$2,081,909 be charged to the Rate Stabilization Account as of March 31, 2013 is  
29 approved.  
30
- 31 2. Newfoundland Power's proposal that the OPEBs Expense Variance for 2013 of \$452,200  
32 be charged to the OPEVDA and the balance in the OPEVDA for 2013 of \$452,200 be  
33 charged to the Rate Stabilization Account as of March 31, 2013 is approved.  
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- 35 3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador this 10<sup>th</sup> day of May, 2013.



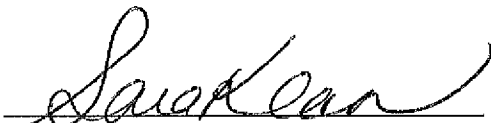
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Andy Wells  
Chair & Chief Executive Officer



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Dwanda Newman, LL.B.  
Commissioner



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Sara Kean  
Assistant Board Secretary