

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

AN ORDER OF THE BOARD

NO. P.U. 10(2024)

1 **IN THE MATTER OF the Electrical Power**
2 **Control Act, 1994**, SNL 1994, Chapter E-5.1
3 (the “**EPCA**”) and the **Public Utilities Act**, RSNL
4 1990, Chapter P-47 (the “**Act**”), as amended, and
5 regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for
9 recovery of the 2023 balance in the Isolated
10 Systems Supply Cost Variance Deferral Account
11 pursuant to sections 70(1) and 80 of the **Act**.
12
13

14 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
15 under the **Hydro Corporation Act, 2007**, is a public utility within the meaning of the **Act**, and is
16 also subject to the provisions of the **EPCA**; and
17

18 **WHEREAS** the definition of the Isolated Systems Supply Cost Variance Deferral Account was
19 approved in Order No. P.U. 22(2017); and
20

21 **WHEREAS** the approved account definition requires Hydro to file an application for the approval
22 of the account balance and disposition of any balance in the Isolated Systems Supply Cost
23 Variance Deferral Account no later than March 31st of each year; and
24

25 **WHEREAS** on March 12, 2024 Hydro filed an application requesting approval of the allocation of
26 the 2023 debit balance in the Isolated Systems Supply Cost Variance Deferral Account in the
27 amount of \$12,059,436, consistent with the methodology approved for disposition in previous
28 years (the “Application”); and
29

30 **WHEREAS** the Application proposes that the 2023 Isolated Systems Supply Cost Variance Deferral
31 Account debit balance be allocated between Newfoundland Power Inc. (“Newfoundland Power”)
32 and the Hydro Rural Labrador Interconnected System customers based on the 2019 Test Year
33 Rural Deficit allocation which would result in a debit balance of \$11,589,118 owing from
34 Newfoundland Power and a \$470,318 charge to Hydro’s net income; and

1 **WHEREAS** the Application proposes to transfer the allocated balance associated with the 2023
2 Isolated Systems Supply Cost Variance Deferral Account to Newfoundland Power's Rate
3 Stabilization Plan ("RSP") Current Plan balance as of March 31, 2024 to be recovered from
4 customers through the RSP Current Plan Adjustment starting July 1, 2024; and
5

6 **WHEREAS** the Application was circulated to: Newfoundland Power; the Consumer Advocate,
7 Dennis Browne, KC; a group of Island Industrial customers: Corner Brook Pulp and Paper Limited,
8 Braya Renewable Fuels (Newfoundland) GP Inc., Vale Newfoundland and Labrador Limited; Linde
9 Canada Inc.; and Teck Resources Limited; and
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11 **WHEREAS** Newfoundland Power advised on March 22, 2024 that they had no comments on the
12 Application and no other comments were received; and
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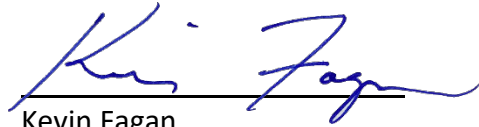
14 **WHEREAS** on March 25, 2024 Hydro noted that there were no comments received from the
15 parties and asked that the Board approve the Application as filed; and
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17 **WHEREAS** the Board is satisfied that Hydro's proposal for the allocation and recovery of the 2023
18 Isolated Systems Supply Cost Variance Deferral Account should be approved.
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21 **IT IS THEREFORE ORDERED THAT:**
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- 23 1. Hydro's proposed disposition of the \$12,059,436 balance in the 2023 Isolated Systems Supply
24 Cost Variance Deferral Account through the transfer, effective March 31, 2024, of a debit of
25 \$11,589,118 to the Newfoundland Power RSP Current Plan balance with recovery starting
26 July 1, 2024, and a debit of \$470,318 allocated to Hydro Rural Labrador Interconnected
27 System customers to be applied to reduce Hydro's net income is approved.
28
- 29 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 3rd day of April 2024.



Kevin Fagan
Chair and Chief Executive Officer



Christopher Pike, LL.B., FCIP
Commissioner



Jo-Anne Galarneau
Executive Director and Board Secretary