

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

AN ORDER OF THE BOARD

NO. P.U. 16(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**,
4 RSNL 1990, Chapter P-47 (the “**Act**”), as
5 amended, and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland Power Inc. for approval of:
9 (i) revised rate stabilization and municipal tax
10 adjustments for the period July 1, 2024 to June 30,
11 2025; and (ii) a revised Schedule of Rates, Tolls and
12 Charges, pursuant to sections 70 and 71 of the **Act**.
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14

15 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly organized
16 and existing under the laws of the Province of Newfoundland and Labrador, is a public utility
17 within the meaning of the **Act**, and is also subject to the provisions of the **EPCA**; and
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19 **WHEREAS** Newfoundland Power’s Rate Stabilization Clause provides for the calculation of the
20 balance in Newfoundland Power’s Rate Stabilization Account (“**RSA**”) and the inclusion of a Rate
21 Stabilization Adjustment in the rates charged by Newfoundland Power; and
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23 **WHEREAS** the Rate Stabilization Adjustment is to be recalculated on July 1st of each year to reflect:

- 24 i) the accumulated balance in the **RSA** as of March 31st of the current year;
25 ii) any changes in the rate to be charged to Newfoundland Power by Newfoundland
26 and Labrador Hydro (“**Hydro**”) for the coming year as a result of the operation of
27 **Hydro**’s Rate Stabilization Plan;
28 iii) the portion of **Hydro**’s Conservation and Demand Management costs to be
29 recovered from Newfoundland Power’s customers; and
30 iv) the Muskrat Falls Project Cost Recovery Rider; and
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32 **WHEREAS** Newfoundland Power’s Municipal Tax Adjustment Factor is also adjusted each year on
33 July 1st to reflect Newfoundland Power’s municipal tax costs for the year; and

1 **WHEREAS** on June 12, 2024 Newfoundland Power filed an application with the Board requesting
2 approval of rates, to be effective July 1, 2024, reflecting:

- 3 (i) an increase in the Rate Stabilization Adjustment to 2.448 cents per kWh from the
4 current adjustment of 1.180 cents per kWh; and
- 5 (ii) a decrease in the Municipal Tax Adjustment Factor to 1.02407 from the current
6 factor of 1.02472; and

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8 **WHEREAS** the Application set out that the changes to the Rate Stabilization Adjustment and the
9 Municipal Tax Adjustment Factor for the period July 1, 2024 to June 30, 2025 would result in an
10 overall average rate increase for Newfoundland Power customers of 9.3%; and

11
12 **WHEREAS** the Application was copied to Hydro and the Consumer Advocate, Dennis Browne, KC;
13 and

14
15 **WHEREAS** Hydro and the Consumer Advocate issued Requests for Information, which were
16 answered by Newfoundland Power on June 19, 2024; and

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18 **WHEREAS** on June 19, 2024 the Board's financial consultants, Grant Thornton LLP, filed a report
19 with the Board in relation to the Application confirming that the calculation of the proposed Rate
20 Stabilization Adjustment, Municipal Tax Adjustment Factor, and customer rates were in
21 accordance with the requirements of the Rate Stabilization Clause and the Municipal Tax Clause;
22 and

23
24 **WHEREAS** on June 21, 2024, the Board advised the parties that given the timing of the filing of
25 the Application and the schedule for the review process, an implementation date of August 1,
26 2024 would be targeted for Newfoundland Power's rate adjustments to its customers; and

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28 **WHEREAS** on June 26, 2024, Hydro and the Consumer Advocate filed comments; and

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30 **WHEREAS** on June 28, 2024, Newfoundland Power filed its reply stating that the delay in
31 implementation to August 1, 2024 does not require any modification to the proposed rates; and

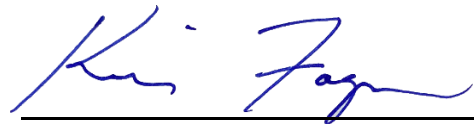
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33 **WHEREAS** in Order No. P.U. 15(2024) the Board approved the rate that Hydro will charge
34 Newfoundland Power effective August 1, 2024; and

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36 **WHEREAS** the Board has reviewed the record and is satisfied that to provide for implementation
37 of rates on August 1, 2024, an Order respecting the Application should be issued at this time with
38 reasons to be issued separately.

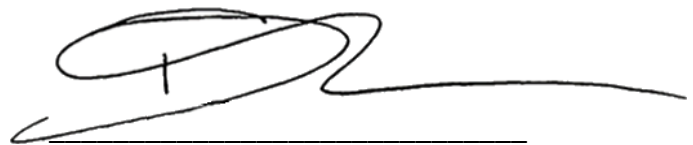
1 **IT IS THEREFORE ORDERED THAT:**
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- 3 1. The Municipal Tax Adjustment Factor of 1.02407 for the period August 1, 2024 to June 30,
4 2025 is approved.
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6 2. Newfoundland Power shall file a revised Rate Stabilization Adjustment to reflect recovery
7 of the portion of its Rate Stabilization Account balance at March 31, 2024 that would
8 provide for an overall average customer rate increase effective August 1, 2024 of
9 approximately 7.0%.
10
11 3. The remaining portion of Newfoundland Power's Rate Stabilization Account balance at
12 March 31, 2024 shall be maintained in the account.
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14 4. Newfoundland Power shall file a revised Schedule of Rates, Tolls and Charges reflecting the
15 Board's decisions in this Order, to be effective on all electrical consumption on and after
16 August 1, 2024.
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18 5. Newfoundland Power shall pay the expenses of the Board arising from this Application.

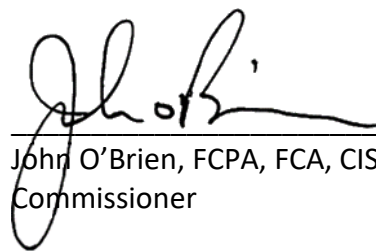
DATED at St. John's, Newfoundland and Labrador this 10th day of July, 2024.



Kevin Fagan
Chair and Chief Executive Officer



Dwanda Newman, LL.B.
Vice-Chair



John O'Brien, FCPA, FCA, CISA
Commissioner



Jo-Anne Galarneau
Board Secretary