

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

AN ORDER OF THE BOARD

NO. P.U. 11(2014)

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*”), as amended, and regulations
5 thereunder; and
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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, 2013 pursuant to
12 sections 69(3) and 78 of the *Act*.
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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
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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
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24 **WHEREAS** by Order No. P.U. 13(2013) the Board approved the amortization over three years
25 of the outstanding 2011 year-end balance due to customers in the Weather Normalization
26 Reserve of approximately \$5.0 million; and
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28 **WHEREAS** by Order No. P.U. 13(2013) the Board also approved Section 11(8) of the Rate
29 Stabilization Clause which requires that on March 31st of each year, beginning in 2013, the Rate
30 Stabilization account shall be increased (reduced) by the balance in the Weather Normalization
31 Reserve accrued in the previous year; and
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33 **WHEREAS** Newfoundland Power has reported to the Board that its Weather Normalization
34 Reserve as of December 31, 2013 has a positive balance of \$5,058,185; and

1 **WHEREAS** the Board is satisfied that the Weather Normalization Reserve at December 31,
2 2013 properly reflects the normalization of variations in revenue and expenses caused by
3 meteorological conditions during 2013 and the amortization approved in Order No. P.U.
4 13(2013).


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7 **IT IS THEREFORE ORDERED THAT:**

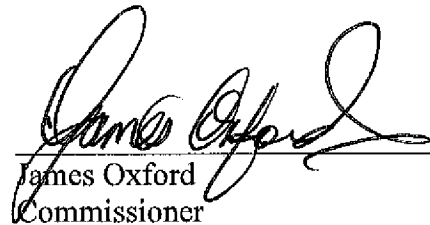
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- 9 1. Newfoundland Power's Weather Normalization Reserve of a positive balance of
10 \$5,058,185 as of December 31, 2013 is approved.
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12 2. Newfoundland Power shall pay all costs and expenses of the Board in connection with
13 this Application.

DATED at St. John's, Newfoundland and Labrador, this 9th day of April, 2014.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary