

1 **Q. Identify and summarize the structure of any other Weather Normalization reserve**  
2 **funds used by other electric and gas utilities in Canada?**

3  
4 A. There are two separate mechanisms at work in the Weather Normalization Reserve of  
5 Newfoundland Power as explained on pages 59 and 60 of the *Finance & Accounting*  
6 *Evidence*. One mechanism removes purchased power expense volatility due to variability  
7 in annual hydrology levels, and the other mechanism removes the volatility related to the  
8 impact of abnormal weather on income.

9  
10 Newfoundland Hydro and NorthWest Territories Power Corporation use reserve funds to  
11 deal with hydrology variations from year to year. Gaz Metropolitain and BC Gas Utility  
12 Ltd. both have reserve funds that adjust for abnormal temperature.

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14 Attachment A provides information from the most recent financial statements of each of  
15 the four utilities referred to above outlining their reserve funds. The relevant discussion  
16 for each of the four utilities in Attachment A can be found under the following respective  
17 headings:

18		
19	Newfoundland and Labrador Hydro	“Rate Stabilization Plan”
20		
21	Northwest Territories Power Corporation	“Rate Stabilization Funds”
22		
23	Gaz Metropolitain	“Revenues”
24		
25	BC Gas Utility Ltd.	“Rate Stabilization Accounts”
26		