

P.U. 33 (2004)

IN THE MATTER OF the
Public Utilities Act,
R.S.N. 1990, c. P-47, as amended
("the *Act*")

AND

IN THE MATTER OF the application by
Newfoundland Power Inc. ("the Applicant")
for approval of the balance of the weather
normalization reserve as of December 31, 2003
pursuant to Sections 69(3) and 78 of the *Act*.

WHEREAS the Applicant is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act, and is also subject to the provisions of the *Electrical Power Control Act, 1994*; and

WHEREAS by Order No. 1 (1974) the Board ordered the Applicant to provide a reserve out of its revenue to normalize for the average degree days and to combine the balance in this reserve with the balance in the Hydro Production Equalization Reserve established pursuant to Order No. 32 (1968);
and

WHEREAS by Order No. P.U. 19 (2003) the Board ordered the Applicant to amortize the recovery of \$5,600,000 of the balance in the Hydro Production Equalization Reserve over a five year period beginning in 2003; and

WHEREAS the Board, by previous Orders, approved the Applicant's weather normalization reserves up to and including December 31, 2002, at which time there was a Negative Balance in the reserve of \$10,918,978; and

WHEREAS the Applicant has reported to the Board that its combined weather normalization reserve as at December 31, 2003 is a Negative Balance of \$10,434,575; and

WHEREAS the Board is satisfied from the Application and Affidavit that the reserve at December 31, 2003, properly reflects the effect that degree days and hydro equalization have had on the operation of the Applicant from January 1, 2003 to December 31, 2003, and the Board's approval of the amortization of the recovery of \$5,600,000 of the balance in the Hydro Production Equalization Reserve over five years beginning in 2003.

IT IS THEREFORE ORDERED THAT:

1. The Applicant's weather normalization reserve of a Negative Balance of \$10,434,575 as at December 31, 2003 be and the same is hereby approved.

DATED at St. John's, Newfoundland and Labrador, this 25th day of August 2004.

Darlene Whalen, P.Eng.,
Vice-Chair

Don R. Powell, C.A.,
Commissioner

G. Cheryl Blundon,
Board Secretary.