

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

AN ORDER OF THE BOARD

NO. P. U. 7(2008)

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

6
7 **AND**
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9 **IN THE MATTER OF** the application by
10 Newfoundland Power Inc. (“Newfoundland Power”)
11 for approval of the balance of the Weather
12 Normalization Reserve as of December 31, 2007
13 pursuant to Sections 69(3) and 78 of the *Act*.

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

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21 **WHEREAS** by Order No. 1 (1974) the Board ordered Newfoundland Power to provide a reserve out
22 of its revenue to normalize for the average degree days and to combine the balance in this reserve
23 with the balance in the Hydro Production Equalization Reserve established pursuant to Order No. 32
24 (1968); and

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

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30 **WHEREAS** the Board, by previous Orders, approved Newfoundland Power’s Weather
31 Normalization Reserves up to and including December 31, 2006, at which time there was a Negative
32 Balance in the reserve of \$11,808,813; and

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34 **WHEREAS** Newfoundland Power has reported to the Board that its combined Weather
35 Normalization Reserve as at December 31, 2007 is a Negative Balance of \$10,516,682; and

1 **WHEREAS** the Board is satisfied that the balance of the Weather Normalization Reserve as of
2 December 31, 2007 properly reflects the effect that degree days and hydro equalization have had on
3 the operation of Newfoundland Power from January 1, 2007 to December 31, 2007, and the Board's
4 approval of the amortization of the recovery of \$5,600,000 of the balance in the Hydro Production
5 Equalization Reserve over five years beginning in 2003.

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7 **IT IS THEREFORE ORDERED THAT:**

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9 1. The Board approves Newfoundland Power's Weather Normalization Reserve of a Negative
10 Balance of \$10,516,682 as at December 31, 2007, pursuant to Sections 69(3) and 78 of the
11 *Act*.

2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 15th day of May 2008.

Andy Wells
Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Cheryl Blundon
Board Secretary