

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

**AN ORDER OF THE BOARD**

**NO. P.U. 9(2011)**

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*”), and regulations thereunder;

5  
6 **AND**

7  
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, 2010 pursuant to Sections 69(3) and  
12 78 of the *Act*.

13  
14  
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

18  
19 **WHEREAS** by Order No P.U. 1(1974) the Board ordered that Newfoundland Power provide a  
20 reserve out of its revenue to normalize for the average degree days (the “Degree Day  
21 Normalization Reserve”) and to combine the balance in this reserve with the balance in the  
22 Hydro Production Equalization Reserve established pursuant to Order No. P.U. 32(1968) to  
23 create a combined reserve referred to as the Weather Normalization Reserve; and

24  
25 **WHEREAS** by Order No. P.U. 32(2007), the Board ordered Newfoundland Power to amortize  
26 the recovery of \$6,800,000 of the balance in the Degree Day Normalization Reserve over a five  
27 year period beginning in 2008; and

28  
29 **WHEREAS** the Board, by previous Orders, approved Newfoundland Power’s Weather  
30 Normalization Reserve balance up to and including December 31, 2009, at which time there was  
31 a negative balance in the reserve of \$3,918,970; and

32  
33 **WHEREAS** Newfoundland Power has reported to the Board that its Weather Normalization  
34 Reserve as of December 31, 2010 has a Positive Balance of \$1,954,953; and

35  
36 **WHEREAS** the Board is satisfied from the Application and Affidavit that the reserve at  
37 December 31, 2010, properly reflects the effect that degree days normalization and hydro

1 production equalization have had on the operation of Newfoundland Power from January 1, 2010  
2 to December 31, 2010, and the Board's approval of the amortization of the recovery of  
3 \$6,800,000 of the balance in the Degree Day Normalization Reserve over five years beginning in  
4 2008.

5  
6 **IT IS THEREFORE ORDERED THAT:**

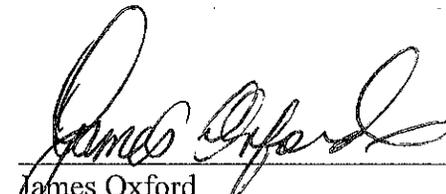
- 7  
8 1. The Board approves, pursuant to Sections 69(3) and 78 of the *Act*, Newfoundland  
9 Power's Weather Normalization Reserve of a positive balance of \$1,954,953 as of  
10 December 31, 2010.  
11  
12 2. Newfoundland Power shall pay all costs and expenses of the Board in connection  
13 with this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 26<sup>th</sup> day of April, 2011.



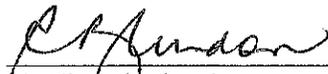
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Darlene Whalen, P.Eng.  
Vice-Chair



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James Oxford  
Commissioner



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G. Cheryl Blundon  
Board Secretary