

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

**AN ORDER OF THE BOARD**

**NO. P.U. 8(2023)**

1 **IN THE MATTER OF** the **Electrical Power**  
2 **Control Act, 1994**, SNL 1994, Chapter E-5.1  
3 (the “**EPCA**”) and the **Public Utilities Act**,  
4 RSNL 1990, Chapter P-47 (the “**Act**”), as  
5 amended, and regulations thereunder; and  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland Power Inc. for approval of the  
9 disposition of the 2022 balance in the Demand  
10 Management Incentive Account pursuant to  
11 sections 58 and 80 of the **Act**.  
12  
13

14 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly organized  
15 and existing under the laws of the Province of Newfoundland and Labrador, is a public utility  
16 within the meaning of the **Act**, and is also subject to the provisions of the **EPCA**; and  
17

18 **WHEREAS** in Order No. P.U. 32(2007) the Board approved the Demand Management Incentive  
19 Account (the “DMI Account”) and approved the definition of the DMI Account to be included in  
20 Newfoundland Power’s System of Accounts; and  
21

22 **WHEREAS** in Order No. P.U. 43(2009) the Board approved continued use of the DMI Account;  
23 and  
24

25 **WHEREAS** the approved definition of the DMI Account establishes: (i) a range of  $\pm 1\%$  of test year  
26 wholesale demand costs for which no account transfer is required (the “Demand Management  
27 Incentive”); and (ii) the use of test year unit demand costs as the basis for comparison against  
28 actual unit demand costs in determining the purchased power cost variance (the “Demand  
29 Supply Cost Variance”) for comparison to the Demand Management Incentive to determine if an  
30 account transfer is required; and  
31

32 **WHEREAS** Newfoundland Power is required to file an application with the Board no later than  
33 the 1st day of March each year for the disposition of any balance in the DMI Account for the  
34 previous year; and

1 **WHEREAS** on February 28, 2023 Newfoundland Power filed an application for the disposition of  
2 the balance in the DMI Account (the “Application”); and

3  
4 **WHEREAS** under the terms of the DMI Account, the Demand Management Incentive is calculated  
5 as \$750,631, which represents the amount of the decrease in supply costs for 2022 that  
6 Newfoundland Power will retain; and

7  
8 **WHEREAS** in 2022 Newfoundland Power’s Demand Supply Cost Variance, determined in  
9 accordance with the DMI Account definition, exceeded the Demand Management Incentive by  
10 \$153,435 and, in accordance with Order No. P.U. 32(2007), resulted in an after-tax credit transfer  
11 to the DMI Account of \$107,404; and

12  
13 **WHEREAS** the Application proposes a credit to customers of the 2022 balance in the DMI  
14 Account, as well as the related income tax effects, through the July 1, 2023 Rate Stabilization  
15 Adjustment by crediting the Rate Stabilization Account (the “RSA”) as of March 31, 2023 in the  
16 amount of \$153,435, which is the 2022 DMI Account balance of \$107,404 plus the related  
17 income tax effects of \$46,031; and

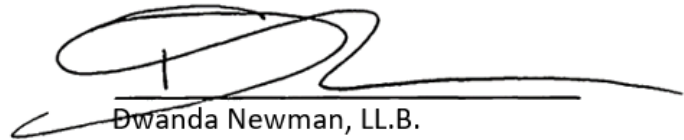
18  
19 **WHEREAS** in Order No. P.U. 6(2008) the Board approved Section II(6) of the Rate Stabilization  
20 Clause which provides for the RSA to be adjusted by any amount upon order of the Board; and

21  
22 **WHEREAS** the Board is satisfied that Newfoundland Power’s proposal to dispose of the 2022  
23 balance in the DMI Account, as well as the related income tax effects, by means of a credit in the  
24 amount of \$153,435 to the RSA as of March 31, 2023 is in accordance with previous Board Orders  
25 and should be approved.

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27  
28 **IT IS THEREFORE ORDERED THAT:**


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30 1. The disposition of the 2022 balance in the Demand Management Incentive Account and  
31 related income tax effects by means of a credit in the amount of \$153,435 to the Rate  
32 Stabilization Account as of March 31, 2023 is approved.  
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34 2. Newfoundland Power shall pay the expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador this 17<sup>th</sup> day of April, 2023.




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Dwanda Newman, LL.B.  
Vice-Chair



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John O'Brien, FCPA, FCA, CISA  
Commissioner



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Christopher Pike, LL.B., FCIP  
Commissioner



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Cheryl Blundon  
Board Secretary