

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

AN ORDER OF THE BOARD

NO. P.U. 21(2024)

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** a request by
8 Newfoundland and Labrador Hydro for a
9 change or modification to Order No. P.U.
10 35(2023) pursuant to section 28(2) of the
11 **Board of Commissioners of Public Utilities**
12 **Regulations, 1996** (the “**Regulations**”).
13
14

15 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
16 under the **Hydro Corporation Act, 2007**, is a public utility within the meaning of the **Act**, and is
17 also subject to the provisions of the **EPCA**; and
18

19 **WHEREAS** in Order No. P.U. 35(2023) the Board approved, among other things, Hydro’s 2022
20 average rate base in the amount of \$2,334,120,000; and
21

22 **WHEREAS** on July 16, 2024 Hydro filed a request for change or modification to the Board’s order,
23 pursuant to section 28(2) of the **Regulations**, to approve a revised 2022 average rate base of
24 \$2,325,085,000; and
25

26 **WHEREAS** Hydro explained that subsequent to receiving approval of its 2022 average rate base
27 in Order No. P.U. 35(2023) it restated the working capital allowance for 2022 to exclude power
28 purchases and transmission expenses that were deferred in the Supply Cost Variance Deferral
29 Account; and
30

31 **WHEREAS** Hydro stated that the exclusion of the power purchases and transmission expenses
32 avoids earning a return on these payments in both the calculation of the working capital
33 allowance and through interest accrued in the Supply Cost Variance Deferral Account; and

1 **WHEREAS** the adjustment resulted in a reduction of \$9,036,000 for a revised working capital
2 allowance of \$1,276,000 and a revised 2022 average rate base of \$2,325,085,000; and

3
4 **WHEREAS** Hydro's request was copied to: Newfoundland Power Inc. ("Newfoundland Power");
5 the Consumer Advocate, Dennis Browne, KC; a group of Island Industrial Customers: Corner
6 Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc, and Vale
7 Newfoundland and Labrador Limited; and the communities of Sheshatshiu, Happy Valley-Goose
8 Bay, Wabush, and Labrador City; and

9
10 **WHEREAS** on July 30, 2024 Newfoundland Power submitted that it had no comment; and

11
12 **WHEREAS** no other comments were received by the Board; and

13
14 **WHEREAS** on August 1, 2024 Hydro filed a reply requesting that the Board approve the
15 application as submitted; and

16
17 **WHEREAS** based on the information provided the Board is satisfied that Hydro's request to
18 modify Order No. P.U. 35(2023) to approve a revised 2022 average rate base of \$2,325,085,000
19 should be accepted.

20

21

22 **IT IS THEREFORE ORDERED THAT:**

23

24 1. Order No. P.U. 35(2023) is amended at page 16 as follows:

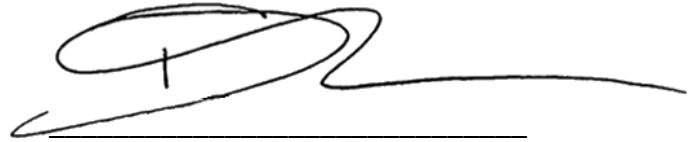
25

26 4) Hydro's proposed average rate base for the year ended December 31, 2022 is hereby fixed
27 and determined at \$2,325,085,000.

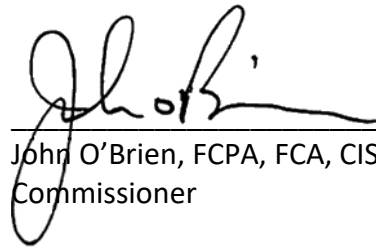
28

29 2. Hydro shall pay all expenses of the Board arising from this request.

DATED at St. John's, Newfoundland and Labrador, this 28th day of August 2024.



Dwanda Newman, LL.B.
Vice-Chair



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Jo-Anne Galarneau
Executive Director and Board Secretary