

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

**AN ORDER OF THE BOARD
NO. P.U. 14(2025)**

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 2024 balance in the Demand
10 Management Incentive Account pursuant to
11 sections 58 and 80 of the **Act**.
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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; and
23

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

30 **WHEREAS** Newfoundland Power is required to file an application with the Board no later than the
31 1st day of March each year for the disposition of any balance in the DMI Account for the previous
32 year; and

1
2 **WHEREAS** on February 18, 2025 Newfoundland Power filed an application for the disposition of
3 the balance in the DMI Account (the “Application”); and

4
5 **WHEREAS** under the terms of the DMI Account, the Demand Management Incentive is calculated
6 as \$750,631, which represents the amount of the increase in supply costs for 2024 which will be
7 absorbed by Newfoundland Power; and

8
9 **WHEREAS** in 2024 Newfoundland Power’s Demand Supply Cost Variance, determined in
10 accordance with the DMI Account definition, exceeded the Demand Management Incentive by
11 \$2,207,721 and, in accordance with Order No. P.U. 32(2007), resulted in an after-tax debit transfer
12 to the DMI Account of \$1,545,405; and

13
14 **WHEREAS** the Application proposes a debit to customers of the 2024 balance in the DMI Account,
15 as well as the related income tax effects, through the July 1, 2025 Rate Stabilization Adjustment
16 by debiting the Rate Stabilization Account (the “RSA”) as of March 31, 2025 in the amount of
17 \$2,207,721, which is the 2024 DMI Account balance of \$1,545,405 plus the related income tax
18 effects of \$662,316; and

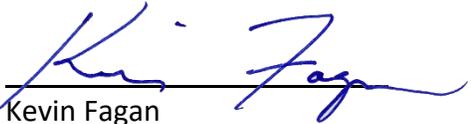
19
20 **WHEREAS** in Order No. P.U. 6(2008) the Board approved Section II(6) of the Rate Stabilization
21 Clause which provides for the RSA to be adjusted by any amount upon order of the Board; and

22
23 **WHEREAS** the Board is satisfied that Newfoundland Power’s proposal to dispose of the 2024
24 balance in the DMI Account, as well as the related income tax effects, by means of a debit in the
25 amount of \$2,207,721 to the RSA as of March 31, 2025 is in accordance with previous Board
26 Orders and should be approved.

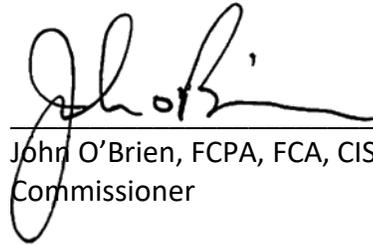
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28
29 **IT IS THEREFORE ORDERED THAT:**

- 30
31 1. The disposition of the 2024 balance in the Demand Management Incentive Account and
32 related income tax effects by means of a debit in the amount of \$2,207,721 to the Rate
33 Stabilization Account as of March 31, 2025 is approved.
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35 2. Newfoundland Power shall pay the expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador this 3rd day of April, 2025.



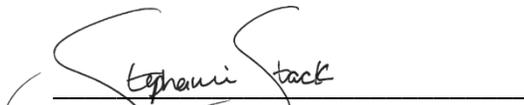
Kevin Fagan
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Stephanie Stack
Assistant Board Secretary