

WHENEVER. WHEREVER.
We'll be there.



February 28, 2023

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Dear Ms. Blundon:

Re: Application for Approval of Balance in Weather Normalization Reserve

Please find enclosed Newfoundland Power Inc.'s (the "Company") application for approval of the balance in the Weather Normalization Reserve (the "Reserve") as of December 31, 2022. Schedule A to the Application, *Weather Normalization Reserve: Calculation of 2022 Balance*, shows the operation of the Reserve for the period January 1, 2022 to December 31, 2022, including the year-end balance.

The Reserve includes both degree day normalization and hydro production equalization. Degree day normalization adjusts revenue and purchased power expense for the impact of abnormal degree days and wind speed. Hydro production equalization adjusts purchased power expense for the impact on natural stream flows caused by variations in precipitation.

The balance in the Reserve as of December 31, 2022 is a credit balance of approximately \$6.6 million, which reflects an amount owing from the Company to customers. In accordance with the Rate Stabilization Clause, this amount will be credited to the Rate Stabilization Account balance as of March 31, 2023.

A draft of the Order requested is enclosed for the Board's convenience. If you have any questions on the enclosed, please contact the undersigned at the direct number noted below.

Newfoundland Power Inc.

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 693-3206 • FAX (709) 737-2974 • dfoley@newfoundlandpower.com

Board of Commissioners
of Public Utilities
February 28, 2023
Page 2 of 2

Yours truly,

A handwritten signature in blue ink, appearing to read "D. Foley", with a large, sweeping flourish at the end.

Dominic Foley
Legal Counsel

Enclosures

cc. Shirley Walsh
Newfoundland and Labrador Hydro

Dennis Browne, K.C.
Browne Fitzgerald Morgan Avis and Wadden

Newfoundland Power Inc.

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 693-3206 • FAX (709) 737-2974 • dfoley@newfoundlandpower.com

IN THE MATTER OF the *Public Utilities Act*, (the “Act”); and

IN THE MATTER OF an Application by Newfoundland Power Inc. for approval of the balance of the Weather Normalization Reserve as of December 31, 2022 pursuant to Sections 69(3) and 78 of the Act.

TO: The Board of Commissioners of Public Utilities (the “Board”)

THE APPLICATION OF Newfoundland Power **SAYS:**

A. Background

1. Newfoundland Power Inc., a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act and is subject to the provisions of the *Electrical Power Control Act, 1994*.
2. By Order No. P.U. 32 (1968), the Board ordered, in effect, that Newfoundland Power maintain a reserve to which it must credit or debit the value of energy generated by its hydro plants in years when total precipitation is above or below average (“hydro production equalization”).
3. By Order No. P.U. 1 (1974), the Board ordered, in effect, that Newfoundland Power maintain a reserve to normalize its revenue and power purchases to reflect the effects of abnormal weather. The Board subsequently approved the inclusion of adjustments for cooling degree days in June 1985 and wind speed in March 1995 (collectively, “degree day normalization”). The Board further ordered in Order No. P.U. 1 (1974) that Newfoundland Power combine degree day normalization with the hydro production equalization in a single reserve (the “Weather Normalization Reserve”).
4. By Order No. P.U. 13 (2013), the Board ordered, in effect, that Newfoundland Power’s Rate Stabilization Clause provide that, on March 31st of each year, the Rate Stabilization Account shall be increased (or reduced) by the balance in the Weather Normalization Reserve accrued in the previous year.

B. 2022 Weather Normalization Reserve Transfer

5. Schedule A to this Application, *Weather Normalization Reserve: Calculation of 2022 Balance*, shows (i) the calculated balance in the Weather Normalization Reserve at December 31, 2022 and (ii) a summary of the amounts transferred to and from the Weather Normalization Reserve by virtue of hydro production equalization and degree day normalization during 2022.

6. The net credit transfer to the Weather Normalization Reserve for 2022, which reflects the combined effect of hydro production equalization and degree day normalization, as shown in Schedule A to this Application, was \$9,393,910 before related income tax effects.
7. The net effect of the 2022 transfers after related income tax effects is a credit balance in the Weather Normalization Reserve as of December 31, 2022 in the amount of \$6,575,737. This represents a balance owing from Newfoundland Power to customers.

C. Procedural Matters

8. Schedule A to this Application properly reflects the effect that hydro production equalization and degree day normalization have had on Newfoundland Power's operations, and all adjustments and transfers have been made in accordance with Board orders and approvals relating to the Weather Normalization Reserve.
9. As the transfers summarized in Schedule A to this Application are made in accordance with Board orders and approvals, Newfoundland Power submits that public notice and hearing into this Application is not necessary for the protection of the public interest.
10. Communications with respect to this Application should be forwarded to the attention of Dominic Foley, Legal Counsel to Newfoundland Power.

D. Order Requested

11. Newfoundland Power requests that the Board make an order approving, pursuant to Sections 69(3) and 78 of the Act, a credit balance in the Weather Normalization Reserve of \$6,575,737 after related income tax effects as of December 31, 2022.

DATED at St. John's, Newfoundland and Labrador, this 28th day of February, 2023.

NEWFOUNDLAND POWER INC.



Dominic Foley
Legal Counsel
Newfoundland Power Inc.
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6

Telephone: (709) 693-3206
Telecopier: (709) 737-2974

IN THE MATTER OF the *Public Utilities Act*, (the “Act”); and

IN THE MATTER OF an Application by Newfoundland Power Inc. for approval of the balance of the Weather Normalization Reserve as of December 31, 2022 pursuant to Sections 69(3) and 78 of the Act.

AFFIDAVIT

I, Michael Penton, of the City of St. John’s in the Province of Newfoundland and Labrador, professional accountant, make oath and say as follows:

1. That I am Director, Finance of Newfoundland Power Inc.
2. That I have read and understand the foregoing application.
3. To the best of my knowledge, information and belief, all matters, facts and things set out in the Application are true.

SWORN TO, at City of St. John’s in the Province of Newfoundland and Labrador this **28** day of February, 2023:


Barrister – Newfoundland & Labrador


Michael Penton

**Weather Normalization Reserve:
Calculation of 2022 Balance**

February 2023

A. 2022 Weather Normalization Reserve Balance

Appendix A to this Report shows a summary of the amounts transferred to and from the Weather Normalization Reserve to reflect both degree day normalization and hydro production equalization during 2022. In addition, Appendix A shows the calculation of the credit balance of \$6,575,737 in the Weather Normalization Reserve as at December 31, 2022. This amount represents the total transfers to the reserve in 2022 of \$9,393,910 reduced by the related income tax effects of \$2,818,173.¹

B. Degree Day Normalization Calculations

For each weather sensitive rate class, and each of Newfoundland Power's eight operating areas, the number of units of abnormal weather is multiplied by the corresponding coefficient for each applicable weather variable to determine the resulting adjustments to kilowatt-hour sales and kilowatt-hour purchases for each month.

Appendix B to this Report shows the annual kilowatt-hour sales adjustments for each of Newfoundland Power's areas with the corresponding revenue adjustments. The rates used in deriving revenue adjustments are base rates which exclude the rate stabilization and municipal tax adjustments. The revenue adjustments for 2022 were derived from the base rates used in calculating the final rates charged to customers from January 1, 2022 to December 31, 2022.

Appendix C to this Report shows the annual kilowatt-hour purchases adjustments by area and the corresponding purchased power expense adjustments. The purchased power rate used in deriving the expense adjustments for January 1, 2022 to December 31, 2022 was 181.65 mills per kilowatt-hour (i.e., 18.165¢ per kWh). This represents the excess energy block tariff of the wholesale rate excluding the RSP adjustment charged to Newfoundland Power by Newfoundland and Labrador Hydro, approved in Order No. P.U. 30 (2019).

The total of the revenue adjustments shown in Appendix B, less the total of the purchased power expense adjustments shown in Appendix C, net of income tax, is transferred to or from the Weather Normalization Reserve.

The actual degree days and wind speed adjustments used in the Appendices to this Report have been taken from data supplied by the Government of Canada. The weather coefficients used in calculating monthly adjustments for the degree day normalization were derived using the methodology approved by the Board on March 29, 1995.

C. Hydro Production Equalization Calculations

Appendix D shows, on a monthly basis, the average natural stream flows, the actual natural stream flows, and the variation between the two. The monthly variation in thousands of kilowatt-hours (megawatt-hours) is multiplied by the purchased power rate of 181.65 mills per

¹ Transfers to the Weather Normalization Reserve in 2022: $(\$11,916,847) + \$2,522,937 = (\$9,393,910)$. Related income tax effects: $(\$3,575,054) + 756,881 = (\$2,818,173)$. Final balance in the Weather Normalization Reserve for 2022: $(\$9,393,910) - (\$2,818,173) = (\$6,575,737)$.

kilowatt-hour (i.e., 18.165¢ per kWh) for January 1, 2022 to December 31, 2022. The product of those calculations is then added by month to determine the annual purchased power expense adjustment.

The data used in the calculation of the hydro production equalization transfer was taken from measurements and readings made by employees of Newfoundland Power. The average annual natural stream flows (production) effective January 1, 2022 are those provided by Newfoundland Power to the Board on February 1, 2022.

The purchased power expense adjustment related to variations in stream flows shown in Appendix D, net of income tax, is transferred to or from the Weather Normalization Reserve.

Newfoundland Power Inc.
Weather Normalization Reserve
January 1 - December 31, 2022

Degree Day Normalization Reserve

Revenue Adjustment

Heating Degree Days	Appendix "B", Page 1 of 3	17,392,347.22
Cooling Degree Days	Appendix "B", Page 2 of 3	-
Wind Speed Adjustments	Appendix "B", Page 3 of 3	<u>(723,906.78)</u>
Total Revenue Adjustment		<u>16,668,440.44</u>

Less : Purchased Power Adjustment

Heating Degree Days	Appendix "C", Page 1 of 3	29,759,531.84
Cooling Degree Days	Appendix "C", Page 2 of 3	-
Wind Speed Adjustments	Appendix "C", Page 3 of 3	<u>(1,174,244.81)</u>
Total Purchased Power Adjustment		<u>28,585,287.03</u>

Net Adjustment (Before Tax) (11,916,846.59)

Less: Income Tax @ 30.0% (3,575,053.98)

Net Transfer (To) From Reserve (8,341,792.61)

Hydro Production Equalization Reserve

Transfer (To) From Reserve (Before Tax)	Appendix "D", Page 1 of 1	2,522,936.85
Less: Income Tax @ 30.0%	Appendix "D", Page 1 of 1	<u>756,881.06</u>
Net Transfer (To) From Reserve	Appendix "D", Page 1 of 1	<u><u>1,766,055.79</u></u>

Net Transfer (To) From Weather Normalization Reserve (6,575,736.82)

Balance of Reserve - December 31, 2021	\$ (2,019,715.69)
Transfer of 2021 Balance to RSA	2,019,715.69
Net Transfer	<u>(6,575,736.82)</u>
Balance of Reserve - December 31, 2022	<u>\$ (6,575,736.82)</u>

Newfoundland Power Inc.
Sales Normalization Adjustment - Heating Degree Days
January 1 - December 31, 2022

Rate Code	Rate Classification	St. John's	Avalon	Burin	Bonavista	Gander	Grand Falls	Corner Brook	Stephenville	Company Total	Revenue Adjustment
110.00	Domestic	6,829,535	3,707,851	1,331,566	1,890,011	1,695,282	2,807,991	1,982,871	1,883,446	22,128,553	\$ 2,605,647.04
112.00	Domestic EH	57,762,645	14,116,556	4,161,115	4,644,018	5,581,727	7,011,900	6,892,729	5,248,846	105,419,536	12,415,741.60
158.00	Domestic Reg - Seasonal Op	-	-	-	-	-	-	-	-	-	-
159.00	Domestic EH - Seasonal Op	-	-	-	-	-	-	-	-	-	-
210.00	General Service 0 - 10 kW	175,582	89,433	-	52,724	40,658	60,083	47,288	62,366	528,134	46,185.51
211.00	General Service 0 - 10 kW EH	612,326	181,151	57,406	112,198	64,421	111,480	79,845	81,001	1,299,828	113,680.95
212.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
213.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
220.00	General Service 10 - 100 kW	1,121,179	277,738	105,277	104,377	269,220	305,429	135,548	296,977	2,615,745	228,746.63
221.00	General Service 10 - 100 kW EH	6,169,053	1,258,069	225,778	541,459	686,532	1,179,512	885,304	484,713	11,430,420	999,718.76
222.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
223.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
230.00	General Service 110 - 350 kVA	-	-	-	-	-	-	-	-	-	-
231.00	General Service 110 - 350 kVA EH	3,927,583	-	-	136,130	321,410	756,659	564,136	483,350	6,189,268	494,381.79
232.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
233.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
234.00	General Service 350 - 1000 kVA	-	-	-	-	-	-	-	-	-	-
235.00	General Service 350 - 1000 kVA EH	4,002,257	-	-	-	-	336,721	607,443	486,703	5,433,124	434,031.43
236.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
237.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
240.00	General Service over 1000 kVA	-	-	-	-	-	-	-	-	-	-
241.00	General Service over 1000 kVA EH	555,476	-	-	-	-	22,556	107,496	-	685,528	54,213.51
242.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
243.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
410.00	Area Lighting	-	-	-	-	-	-	-	-	-	-
		<u>81,155,636</u>	<u>19,630,798</u>	<u>5,881,142</u>	<u>7,480,917</u>	<u>8,659,250</u>	<u>12,592,331</u>	<u>11,302,660</u>	<u>9,027,402</u>	<u>155,730,136</u>	<u>\$ 17,392,347.22</u>

Newfoundland Power Inc.
Sales Normalization Adjustment - Wind
January 1 - December 31, 2022

Rate Code	Rate Classification	St. John's	Avalon	Burin	Bonavista	Gander	Grand Falls	Corner Brook	Stephenville	Company Total	Revenue Adjustment
110.00	Domestic	(3,872,128)	(2,271,145)	-	-	-	-	-	-	(6,143,273)	\$ (723,906.78)
112.00	Domestic EH	-	-	-	-	-	-	-	-	-	-
158.00	Domestic Reg - Seasonal Op	-	-	-	-	-	-	-	-	-	-
159.00	Domestic EH - Seasonal Op	-	-	-	-	-	-	-	-	-	-
210.00	General Service 0 - 10 kW	-	-	-	-	-	-	-	-	-	-
211.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
212.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
213.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
220.00	General Service 10 - 100 kW	-	-	-	-	-	-	-	-	-	-
221.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
222.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
223.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
230.00	General Service 110 - 350 kVA	-	-	-	-	-	-	-	-	-	-
231.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
232.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
233.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
234.00	General Service 350 - 1000 kVA	-	-	-	-	-	-	-	-	-	-
235.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
236.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
237.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
240.00	General Service over 1000 kVA	-	-	-	-	-	-	-	-	-	-
241.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
242.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
243.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
410.00	Area Lighting	-	-	-	-	-	-	-	-	-	-
		<u>(3,872,128)</u>	<u>(2,271,145)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,143,273)</u>	<u>\$ (723,906.78)</u>

Newfoundland Power Inc. Purchased Power Normalization Adjustment - Heating Degree Days January 1 - December 31, 2022											
Rate Code	Rate Classification	St. John's	Avalon	Burin	Bonavista	Gander	Grand Falls	Corner Brook	Stephenville	Total Company	Purchased Power Adjustment
110.00	Domestic	7,184,739	3,900,680	1,400,769	1,988,123	1,783,423	2,954,026	2,086,066	1,981,491	23,279,317	\$ 4,228,687.93
112.00	Domestic EH	60,766,797	14,850,373	4,377,430	4,885,447	5,871,869	7,376,345	7,251,558	5,522,235	110,902,054	20,145,358.12
158.00	Domestic Reg - Seasonal Op	-	-	-	-	-	-	-	-	-	-
159.00	Domestic EH - Seasonal Op	-	-	-	-	-	-	-	-	-	-
210.00	General Service 0 - 10 kW	184,716	94,081	-	55,468	42,775	63,217	49,752	65,610	555,619	100,928.19
211.00	General Service 0 - 10 kW EH	644,169	190,568	60,389	118,031	67,769	117,272	84,005	85,225	1,367,428	248,393.30
212.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
213.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
220.00	General Service 10 - 100 kW	1,179,462	292,181	110,747	109,802	283,218	321,308	142,600	312,442	2,751,760	499,857.20
221.00	General Service 10 - 100 kW EH	6,489,798	1,323,484	237,512	569,600	722,222	1,240,828	931,378	509,960	12,024,782	2,184,301.65
222.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
223.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
230.00	General Service 110 - 350 kVA	-	-	-	-	-	-	-	-	-	-
231.00	General Service 110 - 350 kVA EH	4,131,820	-	-	143,209	338,113	795,988	593,499	508,513	6,511,142	1,182,748.94
232.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
233.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
234.00	General Service 350 - 1000 kVA	-	-	-	-	-	-	-	-	-	-
235.00	General Service 350 - 1000 kVA EH	4,210,390	-	-	-	-	354,221	639,044	512,057	5,715,712	1,038,259.07
236.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
237.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
240.00	General Service over 1000 kVA	-	-	-	-	-	-	-	-	-	-
241.00	General Service over 1000 kVA EH	584,344	-	-	-	-	23,729	113,080	-	721,153	130,997.44
242.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
243.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
410.00	Area Lighting	-	-	-	-	-	-	-	-	-	-
		<u>85,376,235</u>	<u>20,651,367</u>	<u>6,186,847</u>	<u>7,869,680</u>	<u>9,109,389</u>	<u>13,246,934</u>	<u>11,890,982</u>	<u>9,497,533</u>	<u>163,828,967</u>	<u>\$ 29,759,531.84</u>

Newfoundland Power Inc.
Purchased Power Normalization Adjustment - Wind
January 1 - December 31, 2022

Rate Code	Rate Classification	St. John's	Avalon	Burin	Bonavista	Gander	Grand Falls	Corner Brook	Stephenville	Total Company	Purchased Power Adjustment
110.00	Domestic	(4,074,305)	(2,390,021)	-	-	-	-	-	-	(6,464,326)	\$ (1,174,244.81)
112.00	Domestic EH	-	-	-	-	-	-	-	-	-	-
158.00	Domestic Reg - Seasonal Op	-	-	-	-	-	-	-	-	-	-
159.00	Domestic EH - Seasonal Op	-	-	-	-	-	-	-	-	-	-
210.00	General Service 0 - 10 kW	-	-	-	-	-	-	-	-	-	-
211.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
212.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
213.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
220.00	General Service 10 - 100 kW	-	-	-	-	-	-	-	-	-	-
221.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
222.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
223.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
230.00	General Service 110 - 350 kVA	-	-	-	-	-	-	-	-	-	-
231.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
232.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
233.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
234.00	General Service 350 - 1000 kVA	-	-	-	-	-	-	-	-	-	-
235.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
236.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
237.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
240.00	General Service over 1000 kVA	-	-	-	-	-	-	-	-	-	-
241.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
242.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
243.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
410.00	Area Lighting	-	-	-	-	-	-	-	-	-	-
		<u>(4,074,305)</u>	<u>(2,390,021)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,464,326)</u>	<u>\$ (1,174,244.81)</u>

Newfoundland Power Inc. Hydro Production Equalization Transfer (To) From Reserve January 1 - December 31, 2022													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Storage (GWH)													
Beginning of Period	67.384	78.361	79.286	69.126	74.766	64.811	55.107	44.137	38.249	46.907	45.757	55.301	
End of period	78.361	79.286	69.126	74.766	64.811	55.107	44.137	38.249	46.907	45.757	55.301	69.979	
Change	10.977	0.925	(10.160)	5.640	(9.955)	(9.704)	(10.970)	(5.888)	8.658	(1.150)	9.544	14.678	2.595
Production (GWH)	51.854	51.676	48.071	49.172	41.864	34.624	22.958	16.946	19.152	25.414	19.259	39.426	420.416
Actual Natural Flow (GWH)	62.831	52.601	37.911	54.812	31.909	24.920	11.988	11.058	27.810	24.264	28.803	54.104	423.011
Average Natural Flow (GWH)	33.200	30.700	45.400	69.600	47.400	26.900	19.800	15.700	26.800	37.700	44.300	39.400	436.900
Gross Variation	29.631	21.901	(7.489)	(14.788)	(15.491)	(1.980)	(7.812)	(4.642)	1.010	(13.436)	(15.497)	14.704	(13.889)
Amount (To) From Reserve	\$ (5,382,471.15)	\$ (3,978,316.65)	\$ 1,360,376.85	\$ 2,686,240.20	\$ 2,813,940.15	\$ 359,667.00	\$ 1,419,049.80	\$ 843,219.30	\$ (183,466.50)	\$ 2,440,649.40	\$ 2,815,030.05	\$ (2,670,981.60)	2,522,936.85
Less: Income Tax @ 30.0%	(1,614,741.35)	(1,193,495.00)	408,113.06	805,872.06	844,182.05	107,900.10	425,714.94	252,965.79	(55,039.95)	732,194.82	844,509.02	(801,294.48)	756,881.06
Transfer (To) From Reserve	<u>\$ (3,767,729.80)</u>	<u>\$ (2,784,821.65)</u>	<u>\$ 952,263.79</u>	<u>\$ 1,880,368.14</u>	<u>\$ 1,969,758.10</u>	<u>\$ 251,766.90</u>	<u>\$ 993,334.86</u>	<u>\$ 590,253.51</u>	<u>\$ (128,426.55)</u>	<u>\$ 1,708,454.58</u>	<u>\$ 1,970,521.03</u>	<u>\$ (1,869,687.12)</u>	1,766,055.79

NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NO. P.U. ____ (2023)

IN THE MATTER OF the *Public Utilities Act*, (the “Act”); and

IN THE MATTER OF an Application by Newfoundland Power Inc. for approval of the balance of the Weather Normalization Reserve as of December 31, 2022 pursuant to Sections 69(3) and 78 of the Act.

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

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

WHEREAS by Order No. P.U. 13 (2013), the Board approved Section II(8) of the Rate Stabilization Clause which requires that on March 31st of each year, beginning in 2013, the Rate Stabilization Account shall be increased (or reduced) by the balance in the Weather Normalization Reserve accrued in the previous year; and

WHEREAS the Board is satisfied from the Application and Affidavit that the reserve at December 31, 2022, properly reflects the effect that degree days and hydro equalization have had on the operation of the Applicant from January 1, 2022 to December 31, 2022 and all prior amortizations and transfers which have been approved by the Board.

IT IS THEREFORE ORDERED THAT:

1. Newfoundland Power's weather normalization reserve of a credit balance of \$6,575,737 after related income tax effects as of December 31, 2022 is approved.
2. Newfoundland Power shall pay all costs and expenses of the Board in connection with this Application.

DATED at St. John's, Newfoundland, this _____ day of March, 2023.

G. Cheryl Blundon
Board Secretary