



**NEW BRUNSWICK**  
ENERGY & UTILITIES BOARD

COMMISSION DE L'ÉNERGIE ET DES SERVICES PUBLICS  
**NOUVEAU-BRUNSWICK**

**PARTIAL DECISION**

**IN THE MATTER OF** an application by New Brunswick Power Corporation pursuant to subsection 103(1) of the *Electricity Act*, S.N.B. 2013, c. 7 for approval of the schedules of the rates for the fiscal year commencing April 1, 2023.

(Matter No. 541)

March 16, 2023

## Partial Decision

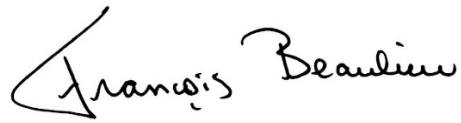
- [1] On October 5, 2022, the New Brunswick Power Corporation (NB Power) filed an application with the New Brunswick Energy and Utilities Board (Board) seeking approval as follows:
- (a) An 8.9 percent increase in rates across all customer classes based on a revenue requirement of \$2,314.6 million;
  - (b) The proposed schedule of rates, effective April 1, 2023;
  - (c) An increase of \$1.00 per month in the rental fee charged for hot water heaters;
  - (d) An increase of \$11.11 in the service call fee charged to customers for certain service calls; and
  - (e) Changes to NB Power's Financial Risk Management Policies and Financial Risk Management Policies to which New Brunswick Energy Marketing Corporation is subject.
- [2] The Board is not satisfied that the rates, as applied for, are just and reasonable and will fix just and reasonable rates in accordance with the following adjustments.
- [3] The Board relies on 2022/23 Q3R1 Forecast – January 2023 to March 2024 – PROMOD Output dated January 2023 (PROMOD Update) results based on commodity prices from market close of January 3, 2023, included as part of Exhibit NBP 26.01.
- [4] To calculate the revenue requirement and the resulting rates for the test year, NB Power is directed to update its fuel and purchase power expense, load forecast, and revenue forecast in accordance with the PROMOD Update.
- [5] In recognition of the effect on the total margin resulting from the calendar year contract period of the ISO New England standard offer service contracts, the Board approves a downward adjustment of \$31.5 million to the Export Gross Margin for the test year, resulting from the PROMOD Update, as described in Exhibit NBP 26.01.
- [6] Concerning the remaining components of the revenue requirement, the Board makes the following adjustments:
- (a) Depreciation and Amortization:
    - 1. The Board reduces the proposed amount of \$368.7 million by \$3.3 million relating to the Bayside Gas Turbine Project.

(b) Finance costs and other income:

1. In recognition of the impact of higher forecast interest rates and level of debt, the Board applies a manual upward adjustment of \$30 million.

- [7] There are no other adjustments to revenue requirement components, reflected in Exhibit NBP 20.08.
- [8] The Board approves NB Power's proposal for a uniform rate increase across all customer classes.
- [9] In addition, the Board approves an increase of \$1.00 per month in the rental fee charged for hot water heaters and an increase of \$11.11 in the service call fee charged to customers for certain service calls.
- [10] The proposed changes to NB Power's Financial Risk Management Policies and Financial Risk Management Policies to which New Brunswick Energy Marketing Corporation is subject are approved.
- [11] This partial decision is being rendered to enable NB Power to put its 2023/2024 rates into effect promptly. The Board will issue its final decision, with reasons, later. If there are any differences between the final and partial decisions, the final decision will govern.
- [12] NB Power is ordered to refile its 2023/2024 test year budget with the above-noted adjustments identified, cost of service study with adjustments, proof of revenue, and the resulting rates.
- [13] Subject to the approval of the above documents, the Board will issue an order approving all rates across all customer classes, and the remaining rate schedules, and will set a time at which those rates will take effect.

Dated in Saint John, New Brunswick, this 16<sup>th</sup> day of March 2023.

A handwritten signature in cursive script that reads "François Beaulieu".

---

François Beaulieu  
Chairperson

A handwritten signature in cursive script that reads "Heather Black".

---

Heather Black  
Member

A handwritten signature in cursive script that reads "Stephanie Wilson".

---

Stephanie Wilson  
Member