



NEW BRUNSWICK
ENERGY & UTILITIES BOARD

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

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 2026/27 fiscal year and other approvals.

(Matter No. EL-003-2025)

April 1, 2026

Matter EL-003-2025 – NB Power 2026-2027 General Rate Application

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 2026/27 fiscal year and other approvals. (Matter No EL-003-2025)

APPLICATION: October 1, 2025
ORAL HEARING: March 9 to 20, 2026

NEW BRUNSWICK ENERGY AND UTILITIES BOARD:

Chairperson	Christopher J. Stewart
Member	Heather Black
Member	Michael Pickup

PARTICIPANTS:

New Brunswick Power Corporation	John Furey
New Brunswick Coalition of Persons with Disabilities	Shelley Petit
Saint John Human Development Council	Randy Hatfield
Solar NB Solaire	Michael Bourque
Utilities Municipal	Ryan Burgoyne

PUBLIC INTERVENER: J.M. Alain Chiasson

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- [1] The Board is issuing this Decision on an expedited basis to give ratepayers certainty about their electricity costs and provide NB Power with the information necessary to plan its business and operational activities. Detailed written reasons for this Decision will follow.
- La Commission émet cette décision de manière accélérée afin de donner aux contribuables une certitude sur leurs coûts d'électricité et de fournir à Énergie NB l'information nécessaire pour planifier ses activités commerciales et opérationnelles. Les motifs détaillés et écrits de cette décision suivront.
- [2] As contemplated in section 24 of the *Official Languages Act*, the Board is publishing this Decision in the English language only because publishing simultaneously in both official languages would result in injustice or hardship to NB Power and ratepayers by delaying the implementation of approved rates. The Board will publish this Decision in the French language at the earliest possible time.
- Conformément à l'article 24 de la *Loi sur les langues officielles*, la Commission publie cette décision en anglais seulement, car une publication simultanée dans les deux langues officielles causerait une injustice ou des difficultés à Énergie NB et aux contribuables en retardant la mise en œuvre des tarifs approuvés. La Commission publiera cette décision en français dans les plus brefs délais.

1 NB Power's rate application

- [3] The *Electricity Act* requires NB Power to apply to the Board for approval of the rates it proposes to charge customers for its services. NB Power is asking the Board to approve a 4.75% rate increase for the fiscal year ending March 31, 2027, to be applied uniformly, meaning that customers in all rate classes would see the same percentage increase. NB Power says it needs to increase rates to address a material and growing infrastructure deficit that places reliability at risk and will lead to higher costs in the future arising from unplanned outage events.
- [4] NB Power is also asking the Board to approve new rate designs and rates related to electric vehicle charging and an optional net-zero rate offering, rental rates increases for its customer energy solutions products and services, a higher wind balancing charge, an AMI opt-out fee, and other rates, charges and proposals.

2 The Board adjusts NB Power’s revenue requirement for the Fiscal Year ending 2027

[5] NB Power requests approval of a total revenue requirement of \$2.7403 billion for the Fiscal Year ending 2027. To fix just and reasonable rates, the Board adjusts the revenue requirement as set out in Sections 2.1, 2.2 and 2.3, below.

2.1 Adjustments to reflect reasonable vacancy credit assumptions

[6] NB Power includes a credit in the Labour and Benefits component of its Operations, Maintenance and Administration expense forecast to recognize the savings generated when budgeted positions are vacant. To calculate this vacancy credit, NB Power assumes a certain number of positions will be vacant at any time during the year and incremental costs incurred to backfill vacancies will reduce those savings by two-thirds.

[7] The Board concludes that a 5 percent vacancy rate assumption and a 20 percent benefit rate assumption no longer reasonably reflect NB Power’s average historical and test year vacancies. The Board reduces the Labour and Benefits expense forecast to reflect a vacancy rate assumption equal to the three-year historical average of 6.69 percent and a 22 percent benefit rate assumption. Additionally, the Board directs NB Power to apply these assumptions in its vacancy credit calculation in the next general rate application.

[8] In Matter 552, the Board directed NB Power to complete a backfill data capture initiative and incorporate the results into this application. The Board accepts NB Power’s explanation for not capturing and reporting on the specific costs of vacancies and backfilling in this application.

2.2 Adjustment to reflect reasonable Depreciation and Amortization expense

[9] NB Power’s budgeted Depreciation and Amortization expense forecast includes \$5 million related to the Point Lepreau Nuclear Generating Station generator rewind project. After the project was completed and the generator came back in service, NB Power applied for retroactive approval of the project under subsection 107(4) of the *Electricity Act*. Section 107 requires NB Power to apply to the Board for approval of large capital projects. The Board must approve the project if satisfied as to its prudence. That matter is scheduled to be heard in June 2026. NB Power proposes to rebate customers for this expense should the Board determine that the project was not prudent.

[10] The Board reduces the proposed Depreciation and Amortization expense by \$5 million relating to the generator rewind project as the Board has not yet satisfied itself as to the prudence of the project.

2.3 Adjustments to reflect revenue associated with the Net-Zero Rate and AMI Opt-out fee

- [11] In paragraph 28 of this Decision, the Board approves the proposed Net-Zero Rate. NB Power did not account for any related revenue in its proposed revenue requirement because it is unable to forecast how many customers will select the Net-Zero Rate. Without evidence of forecast revenue for the Fiscal Year ending 2027, the Board deems one-third of the \$4.2 million full-year revenue NB Power has assumed for pricing purposes to be a reasonable forecast. Accordingly, the Board adjusts the revenue requirement by the amount necessary to account for deemed revenue of \$1.4 million.
- [12] In paragraph 33 of this Decision, the Board approves the proposed AMI Opt-out fee. NB Power has not accounted for forecast AMI Opt-out revenue in its proposed revenue requirement. The Board heard evidence that NB Power anticipates two percent of customers will choose a non-standard meter after the completion of its Meter Choice campaign. The Board, therefore, adjusts the revenue requirement by the amount necessary to account for the forecast AMI Opt-out fee revenue for the Fiscal Year ending 2027, assuming a two percent opt-out rate.

3 The Board approves additions to the ERP deferral account

- [13] NB Power’s Enterprise Resource Planning system (“ERP”) is a complex system that manages the lifecycle of tangible and intangible assets and provides critical support and enablement to all of NB Power’s operations. NB Power’s current platform, SAP, runs the utility’s billing and financial systems, external financial reporting, internal controls, corporate information, customer data, procurement and inventory management, and work management systems at all of NB Power’s operational facilities.
- [14] In Matter 552, the Board found that NB Power’s current SAP platform has reached the end of its life and needs to be upgraded. The Board approved NB Power’s \$29.1 million budget to pursue an ERP Upgrade strategic initiative in the Fiscal Years ended 2025 and 2026 and established a regulatory account to defer recovery of its prudently incurred costs from ratepayers until the project is complete. The Board restricted future additions to the deferral account to approved expenses actually incurred.
- [15] The Board approves adding \$1,097,800 to the ERP Upgrade deferral account, representing the \$1,074,301 NB Power spent in the Fiscal Year ended 2025 for the ERP Upgrade plus interest.

4 Other issues related to the revenue requirement

- [16] The Board makes no other adjustments to NB Power’s revenue requirement for the Fiscal Year ending 2027.

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- [17] The Board approves the forecast Net Earnings of \$64.0 million for the Fiscal Year ending 2027. The Board will not increase Net Earnings by the amount of the disallowances described in Sections 2.1, 2.2 and 2.3 of this Decision.
- [18] The Board was presented with evidence that NB Power has retained some sustained savings within its continuous improvement credit, also known as its cost savings target, for more than three years. For its next general rate application, the Board orders NB Power to include in its continuous improvement credit forecast for the Fiscal Year ending 2028 new savings and sustained savings originating no earlier than April 1, 2024. As NB Power expects ERP-enabled improvements beginning in the Fiscal Year ending 2029, the Board directs NB Power to file, as part of its next general rate application, a proposal for resetting the baseline for the continuous improvement credit and establishing a reasonable rolling, multi-year period for sustaining savings in the credit.

5 The Board cannot arbitrarily restrict the revenue requirement or rates

- [19] Some interveners raised concerns about NB Power's proposed revenue requirement and its seeming inability to maintain spending within past forecasts. They argued in favour of capping the revenue requirement to reduce rates, presumably by forcing NB Power to operate within a smaller budget. In response, NB Power pointed to factors beyond its control, including severe weather and the unforeseen Point Lepreau Nuclear Generating Station outage, and submitted that the proposed revenue requirement is fully supported by the evidence and the spending is necessary to safely and reliably operate its system.
- [20] The Board is acutely aware of the effect of increased rates on NB Power's customers but cannot arbitrarily reduce rates to punish the utility for past shortcomings. Preventing NB Power from recovering costs where the evidence demonstrates those costs are prudent would harm ratepayers by leading to higher rates in the future or creating unacceptable reliability and safety risks. For better or worse, NB Power's current financial circumstances cannot be ignored. As tempting it may be to do so, setting rates below levels demonstrated to be just and reasonable after a thorough testing of the evidence would only perpetuate and exacerbate the burden on ratepayers.

6 The Board has considered affordability and vulnerable New Brunswickers

- [21] Rate increases disproportionately affect low-income and other vulnerable customers.
- [22] To support these customers, NB Power administers the Enhanced Energy Savings Program, offers payment assistance resources and energy efficiency tools, and ran a winter disconnection moratorium pilot program. The Board has facilitated these and other efforts through previous orders and directions. NB Power has also described its Net Earnings

forecast and 4.75% uniform rate request as an effort to balance the need to make necessary investments to reliably serve customers with affordability concerns in the wake of two years of 9.14% increases.

- [23] The *Electricity Act* requires the Board to fix rates based on NB Power's revenue requirements. The Board evaluates those revenue requirements on a forecast basis to ensure that rates will be fixed to recover only prudently incurred costs. In this Decision, the Board addresses affordability by accepting as prudent NB Power's mandated cost savings target and a Net Earnings forecast that is too low to make significant progress toward NB Power's statutory equity target while disallowing certain forecast costs that have not been proven to be prudent. The Board also accepts NB Power's proposal to implement its rate increase uniformly to avoid the higher rate consequences of differential rates on residential customers.
- [24] The Board heard evidence that energy poverty in New Brunswick is deepening. NB Power is uniquely positioned to support all stakeholders in understanding energy poverty in New Brunswick by tracking and publishing relevant affordability indicators such as arrears, payment plan and disconnection measures, as well as measures related to the Enhanced Energy Savings Program including participation, waitlist and energy savings information. The Board expects NB Power to build on the initial work of the Vulnerable Populations Committee to develop a scorecard for this purpose.
- [25] As an administrative tribunal with authority delegated by statute, the Board does not possess the jurisdiction to establish a rate relief program to support low-income or other vulnerable NB Power customers. The provincial government has the mandate and the necessary social program infrastructure to effectively provide this kind of support if and how it chooses. The Board recommends that the provincial government consider offering targeted relief to New Brunswickers experiencing energy poverty.

7 The Board approves uniform rates and other rates and charges

- [26] The Board approves uniform rates for the Fiscal Year ending 2027 as proposed by NB Power.
- [27] The Board approves the monthly rental service prices for NB Power's water heating, area lighting, and SureConnect backup power solution offerings presented in the tables on page 219 Line 7, page 222 Line 7, and page 225 Line 1 of Exhibit NBP1.03.
- [28] The Board approves a Net-Zero Rate in the amount of 8.32 cents per kWh for distribution-connected customers and 7.99 cents per kWh for transmission-connected customers. The Board approves the proposed language for the Rate Schedules and Policies Manual presented in Sections G-7 and N-15 of Exhibit NBP1.15 and confirms that NB Power has

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complied with the Board’s direction given in paragraph 19 of the decision dated July 28, 2023, in Matter 529. The Board grants NB Power’s request to add the Net-Zero Rate to the Customer Energy Solutions Portfolio.

[29] The Board approves the following user fees to apply to electric vehicle charging at NB Power’s eCharge Network:

Charger	Rate
Level 2	\$2.00 per hour
Level 3 50 kW	\$20.00 per hour
Level 3 100 kW	\$30.00 per hour

[30] The Board approves the creation of a rate class consisting of the owners of public electric vehicle charging sites and the rate design and rates presented on page 240 of Exhibit NBP1.03.

[31] The Board confirms that NB Power has complied with the Board’s directions related to public and fleet electric vehicle charging and residential and general service EV charging given in paragraph 20 of the decision dated July 28, 2023, in Matter 529.

[32] The Board approves NB Power’s proposed wind balancing charge of 0.256 cents per kWh for the Fiscal Year ending 2027 and confirms the updated wind balancing study filed as Exhibit NBP2.07 complies with the Board’s directions given in paragraph 31 of the decision dated November 8, 2024, in Matter 552.

[33] The Board approves the proposed Non-Standard Meter (AMI Opt-out) fee comprised of a one-time AMI Communications Disconnection Fee equal to \$76.78 and a monthly fee of \$4.65 to be effective September 1, 2026, and directs NB Power to file an annual opt-out cost report to demonstrate the cost of serving customers choosing a non-standard meter option. The Board also directs NB Power to evaluate the fully allocated labour costs and the cost of equipment and vehicles associated with this service and file the results of the evaluation in the next general rate application. The Board confirms that the proposed language for the Rate Schedules and Policies Manual presented in Section O-7 of Exhibit NBP1.15 complies with the Board’s direction given at paragraph 182 of the decision dated September 4, 2020, in Matter 452.

[34] Regarding interruptible and surplus rates, the Board approves:

- a) NB Power’s proposal to price interruptible and surplus energy at an hourly resolution;

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- b) the adder pricing methodology and adders for the interruptible and surplus offerings presented on page 248 of Exhibit NBP1.03;
- c) NB Power’s proposals to extend the standard notice period to 36 months and to allow load switching on short notice by exception, if demonstrably beneficial to other ratepayers;
- d) the proposed revisions to the Rate Schedules and Policies Manual to reflect these approvals and to specify customers’ obligation to forecast a material load reduction; and
- e) NB Power’s proposal to interpret “other supply commitments” for the purpose of calculating prices for interruptible and surplus energy as including all firm sales with a term of at least 6 months.

[35] The Board approves NB Power’s request to maintain the currently approved late payment charge and non-sufficient funds charge.

8 Other issues

[36] The Board approves the methodological changes reflected in NB Power’s 2026-2027 Class Cost Allocation Study models filed as Exhibits NBP1.98 and NBP1.99CR. The Board confirms that NB Power has complied with the directions given in paragraphs 9 and 10 of the decision dated December 19, 2024, in Matter 554 to allocate fuel and energy purchased power costs classified to energy on a seasonal basis and to evaluate the implicit or explicit capacity benefits of its purchased power agreements and supply mix.

[37] The Board approves the proposed changes to the Financial Risk Management Policies to which the New Brunswick Energy Marketing Corporation is subject.

[38] The Board denies NB Power’s request to delete MFR 37 and modify MFR 79. The Board approves modifying MFR 48 to remove category “4) Smart Grid OM&A costs” and renumber the remaining items accordingly. The Board approves the proposed deletions and modifications to all other minimum filing requirements presented in Exhibit NBP1.22. The Board directs NB Power to present in future general rate applications, as a minimum filing requirement, a single view of the typical residential customer bill impact of its requested rates and all other fees and charges, including the regulated rate rider.

[39] The Board denies NB Power’s request to implement a rate rider to recover revenue otherwise lost should rates be implemented after April 1, 2026.

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- [40] The Board confirms that NB Power has complied with the directions given in paragraph 24 of the decision dated November 8, 2024, in Matter 552 to improve transparency regarding the costs and benefits of its demand-side management and energy efficiency programs and acknowledges that renewable measures have been removed from the DSM Plan.
- [41] The Board expects NB Power to comply with the Board’s direction given in paragraph 25 of the decision dated November 8, 2024, in Matter 552 to account for the Continuous Improvement credit and similar future credits in its budgets in a way that shows the revenue requirement and variance accounts benefits.

9 Conclusion

- [42] The Board orders NB Power to refile its test year budget identifying the above-noted adjustments, and to refile its class cost of service study, proof of revenue, and the resulting rates. Subject to approving those documents, the Board will issue an order approving rates for each customer class and the related rate schedules and will set one or more dates for those rates to become effective.

10 Saint John Human Development Council claim for costs

- [43] The Saint John Human Development Council made a claim pursuant to section 47.1 of the *Energy and Utilities Board Act*, which allows the Board to make orders as to the payment of costs of and incidental to this proceeding. The Board will set a process to consider this claim.

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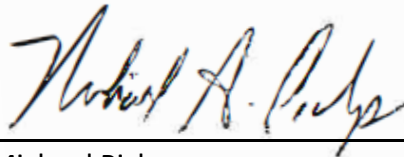
Dated at Saint John, New Brunswick, this 1st day of April 2026.



Christopher J. Stewart
Chairperson



Heather Black
Member



Michael Pickup
Member