



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 sections
113(2) and 113(3) of the *Electricity
Act*.

(Matter No. EL-004-2025)

September 29, 2026

IN THE MATTER OF an application by New Brunswick Power Corporation pursuant to sections 113(2) and 113(3) of the *Electricity Act*.

(Matter EL-004-2025)

ORAL HEARING: May 26 & 27, 2026

NEW BRUNSWICK ENERGY AND UTILITIES BOARD:

Chairperson	Christopher J. Stewart
Member	John Logan
Member	Kenneth McCulloch, K.C.

PARTICIPANTS:

New Brunswick Power Corporation	John Furey
Houlton Water Company	Peter Hyslop
Northern Maine Independent System Administrator	Dwayne Conley

PUBLIC INTERVENER: J.M. Alain Chiasson

BOARD STAFF: Abigail Herrington

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1 Introduction and Overview

- [1] NB Power has applied to the Board for approval of its transmission revenue requirements, increased rates for the use of its transmission and ancillary services, and changes to the Open Access Transmission Tariff (“OATT”).
- [2] The *Electricity Act* (the “Act”) requires NB Power to apply for approval of its transmission revenue requirements at least once every three years. The Board last approved NB Power’s transmission revenue requirements in December of 2022. NB Power filed the current application in December of 2025, as required by the Act.
- [3] The OATT is the approved transmission tariff governing the provision of transmission service and ancillary services in the Province. In other words, the OATT governs the use of the transmission grid. It establishes the rules and conditions by which transmission customers may use the system, including the rates that must be paid to use it. The OATT is intended to guarantee all transmission customers equal access to the transmission system.
- [4] NB Power is the largest transmission customer. It is the exclusive user of network service, and it also uses point-to-point service alongside other customers moving electricity through the Province. Equal access to the transmission system means that transmission service and ancillary services should be provided in an open and non-discriminatory manner. Accordingly, when setting rates and approving changes to the OATT, the Board must be satisfied that NB Power does not enjoy preferential access to the transmission system.
- [5] For the reasons set out below, the Board:
 - (a) approves NB Power’s transmission revenue requirement subject to a \$300,000 reduction in the vacancy credit;
 - (b) directs NB Power to calculate its rates for Schedule 3(a), 3(b), 5, and 6 services using the embedded cost methodology set out in NBP1.25 and NBP1.27 instead of the proxy method;
 - (c) approves the proposed changes to the OATT in response to various FERC Orders outlined below; and
 - (d) makes several other orders, directions, and approvals as further described in Section 8.

2 The Issues

- [6] This application requires the Board to decide the following issues:
- (a) Is the applied-for transmission revenue requirement just and reasonable?
 - (b) Are the applied-for rate increases just and reasonable?
 - (c) Should the proposed changes to the OATT be approved?

3 Revenue Requirement

- [7] The fundamental goal of rate setting is to ensure that rates are just and reasonable. To be just and reasonable, rates paid by system users should be no higher than what is necessary to provide NB Power the revenue required to operate the transmission system safely and reliably and to earn a fair return on its investment. In setting rates for transmission customers, the Board is called upon to approve NB Power's overall transmission revenue requirements.
- [8] NB Power seeks Board approval of a transmission revenue requirement of \$177.8 million. The Act defines transmission revenue requirements as follows:
- “transmission revenue requirements”** means, in relation to the provisions of transmission service and ancillary services, the annual amount of revenue required by a transmitter to cover projected operation, maintenance and administrative expenses, amortization expenses, taxes, interest and other financing expenses and a reasonable return on equity.
- [9] In approving or fixing NB Power's transmission revenue requirements, the Board is required to permit a return on equity within a range prescribed by regulation and to adopt a capital structure prescribed by regulation. The prescribed capital structure is 65% debt and 35% equity. The prescribed range of return on equity is 10% to 12%.
- [10] Paragraph 113(14)(a) of the Act states that the Board shall approve or fix just and reasonable rates pertaining to the provision of transmission service that are common to multiple transmitters using the most recently approved revenue requirement of each of the transmitters. The only other transmitter in New Brunswick is Liberty Utilities (Tinker Transmission) LP, and NB Power has included its last approved transmission service revenue requirement of \$2.8 million in this application.

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- [11] Lastly, the Board is also required to consider the factors listed in subsection 113(15) of the Act.
- [12] The transmission revenue requirements in this application are based on a proposed budget for the 2026/27 fiscal year.

3.1 Operations, Maintenance and Administration

- [13] The expenses related to the day-to-day operations of the transmission system are included in the Operation, Maintenance and Administration (“OM&A”) budget. NB Power proposes to increase this budget by 28 percent to \$72.7 million.

3.1.1 Staffing

- [14] NB Power has budgeted salaries and benefits at \$55.1 million, an increase of \$10.1 million from the last approved transmission revenue requirements. This is the largest portion of the OM&A budget.
- [15] The increase is attributable to negotiated wage raises and plans to increase staff by 30 to 395. The wage increase accounts for \$4.5 million of the increased labour spending. The new positions add another \$2.8 million. Conversion of casual positions to permanent positions, increase in overtime and succession planning make up the remainder of the increase.
- [16] NB Power is entering a period of large capital expenditures. Twenty of the new positions relate to planned capital projects. The associated salaries will be capitalized and incorporated into future rates. Jonathan Pollock, NB Power’s Executive Director of System Operations at its control centre, testified that the new capital positions were required to handle the increased engineering workload associated with those projects. Mr. Pollock said that the number of new capital positions was based on the amount of work expected. NB Power says that additional engineering expertise is required to evaluate the increasing number of planned capital projects.
- [17] Another four positions will be added to NB Power’s vegetation management program to clear a backlog and establish a sustainable practice of keeping transmission lines clear of vegetation. These positions will also be capitalized.
- [18] Other positions are for succession planning purposes. For example, Mr. Pollock testified that understaffing for the system control room alone can cost up to \$400,000 a year in overtime. Succession planning helps to avoid the risk of understaffing in the system control room due to retirements.

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- [19] Any decision to increase staffing must be balanced against the risk of being overstaffed. It was clear from Mr. Pollock's testimony that in some cases, the succession positions were added without any indication of an impending departure. In one case, the evidence suggests that NB Power would spend almost \$140,000 per year for four years in order to save \$10,000 although Mr. Pollock testified that he believed this was a clerical error. Given the ongoing cost of increasing staff, the Board is concerned with the apparent lack of rigour in evaluating new positions.
- [20] Despite these concerns, the Board cannot conclude that the proposed staffing increases were imprudent. On a balance of probabilities considering the totality of the evidence, the Board therefore finds that the staffing increases should be allowed.

3.1.2 Vacancy Credit

- [21] Not all of the 395 planned transmission and system operations positions will be filled at all times. At any given point, there are likely to be vacancies for unfilled positions. Although vacancies may in some cases require additional overtime or hired services, they generally produce some savings compared to being fully staffed. To capture this reality, labour budgeting commonly includes what is called a 'vacancy credit'. This is an amount of money added back into NB Power's budget on the assumption that some of the positions in the entire position complement will be empty and producing cost savings.
- [22] In Matter EL-003-2025, which was NB Power's most recent General Rate Application, the Board ordered a change in how the vacancy credit should be calculated in 2026/27 and directed NB Power to use that same methodology in its next rate application. For the current fiscal year, the vacancy credit is calculated using a three-year historical average vacancy rate. Specifically, NB Power is applying a 6.9 percent average vacancy rate and a 22 percent benefit rate to calculate its vacancy credit.
- [23] NB Power acknowledged that the same methodology should be used for the transmission revenue requirement to achieve consistency between the two budgeting processes. This new methodology is different from the one used by NB Power in the initial filing of this application because NB Power did not yet have a decision from the Board in Matter EL-003-2025 at the time of filing the application in this matter.
- [24] During the oral hearing, NB Power acknowledged that using this new vacancy credit methodology will decrease the labour portion of the OM&A budget by \$300,000. The overall transmission revenue requirements are therefore reduced by \$300,000.

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3.1.3 OM&A Budget is Reduced by \$300,000

- [25] The OM&A budget is approved subject to a reduction of \$300,000 to recognize the appropriate vacancy credit adjustment. The Board is satisfied that the remainder of the OM&A budget is reasonable.

3.2 Depreciation and Amortization

- [26] The proposed transmission revenue requirements include a depreciation and amortization expense of \$37.6 million. This is an increase of \$6.8 million compared to the last approved revenue requirement. The increase reflects investments made by NB Power since 2022 which have corresponding depreciation and amortization costs. It also reflects updated depreciation calculations following a review of transmission asset depreciation conducted in 2024.
- [27] For example, NB Power has invested \$205 million in large capital projects since the last application. This accounts for \$4.1 million of the increased depreciation budget. There is no evidence before the Board to suggest that the investments underlying the depreciation and amortization allowance were imprudent, and no party challenged the prudence of those investments.
- [28] The Board accepts the depreciation and amortization expenses as proposed.

3.3 Finance Costs, Taxes and Return on Equity

- [29] As is the case with depreciation and amortization costs, the amounts forecasted for finance costs, taxes and return on equity are heavily influenced by the assets of the company and recent investments in the transmission system.
- [30] Finance costs, including interest on debt, are projected to increase from \$17.0 million to \$21.0 million. This reflects higher interest fees and an increase in overall debt.
- [31] A decrease in the utility tax rate set by the provincial government means that taxes are budgeted to decrease this year from \$15.1 million to \$13.6 million.
- [32] In approving or fixing the transmission revenue requirement, the Board is required to apply a deemed capital structure of 65 percent debt and 35 percent equity and to use a return on equity between 10 percent and 12 percent. The Board has approved a 10 percent return on equity in the past and NB Power proposes no change in this application.
- [33] Dustin Madsen was an expert witness called by the Public Intervener at the hearing. He was declared an expert witness qualified to give opinion evidence in accounting and finance for

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utilities, rate regulation, transmission rate regulation, deferral and variance accounts, revenue requirement accounting matters, and depreciation expense. Mr. Madsen testified that, in his opinion, a ten percent return on equity was appropriate. No other party challenged the proposed return on equity.

- [34] The Board accepts NB Power's proposed return on equity of 10 per cent. Because of the capital investments in recent years, the allowed return on equity at the rate of 10 per cent results in an increase from 25.0 million approved in 2023/2024 to \$32.9 million.
- [35] The Board accepts that the \$67.5 million budgeted for finance costs, taxes and return on equity is reasonable.

4 Capital Projects

- [36] NB Power is planning major investments in the electricity system in the coming years, and its budget includes significant, sustained capital spending. In 2026/27 alone, NB Power proposes to spend \$208.6 million on improvements to its transmission system. This is five times the amount budgeted for 2022/23.
- [37] For example, NB Power recently obtained Board approval for three large transmission projects in Matter EL-001-2025. Those projects were designed to improve capacity and reliability in Southern New Brunswick. They consisted of a new transformer at Coleson Cove, new 138 KV Lines from Saint John to Norton and a STATCOM facility in Salisbury.
- [38] NB Power also plans significant ongoing investments in its existing capital infrastructure. It plans to spend \$36 million on a line life extension program to replace and reinforce aging transmission lines. Over the coming decades, the total investment in this program will exceed \$500 million. NB Power also plans to spend \$10 million this year and \$260 million in the next several years to replace protection and control equipment as part of its P&C Infrastructure Upgrade Program.
- [39] With increased demand for capital resources comes an increased need to ensure the money is spent prudently. From the testimony and evidence of NB power, it is not obvious to the Board how the company is measuring the value or success of the programs such as the Line Life Extension or the Protection and Control Equipment replacement programs.
- [40] The Board expects that in future hearings, NB Power will demonstrate that it has established clear, measurable objectives, benchmarks and goals to evaluate whether capital investments have been or are producing the intended operational and financial benefits.

5 Capacity Based Ancillary Services (CBAS)

- [41] NB Power is required to provide transmission services and a set of ancillary services to market participants when requested. These services are necessary to maintain the reliability and stability of the grid. They include automatic generation control, load following and reserve capacity. These services and the associated rates are described in schedules contained in the OATT.
- [42] This section addresses rate increases for each of those Schedules after first summarizing some of the issues and evidence relating to pricing methodologies.

5.1 Pricing Methodologies

- [43] In approving rate increases, the Board must not only consider the transmission revenue requirements underlying the rate increases but also the methodologies used to determine the rates. NB Power currently uses a methodology called the proxy method.
- [44] In Matter 513, the Board directed NB Power to file a proposal for the study of other pricing methodologies for the capacity based ancillary services (CBAS) in Schedules 3, 5, and 6 of the OATT. The Board ultimately approved a proposal to study the following three methodologies:
- (a) **The proxy method.** This method estimates the fixed cost of a new incremental resource that could feasibly provide the service and assumes that cost in calculating proposed rates.
 - (b) **The embedded cost method.** This method uses the fixed costs of existing resources on the system that can reasonably be attributed to the provision of the ancillary services being costed.
 - (c) **The marginal cost method.** This method uses the operational cost of providing additional or marginal quantities of the services being costed.
- [45] In this matter, significant expert evidence, testimony, and final argument focused on pricing methodology. In particular, there was debate over the use of an ‘embedded cost’ versus a ‘proxy cost’ methodology. Where relevant, the Board’s reasons for the selection of a particular pricing methodology are addressed below.

5.2 Schedule 1

- [46] The transmission grid is operated by the System Operator, NB Power. Its operations are paid for by the users of network and point-to-point service. The System Operator rates are set out in Schedule 1.
- [47] Operating costs for the System Operator are a subset of the transmission revenue requirement. The Board has ordered a change to the vacancy credit for reasons noted above. The Board orders NB Power to recalculate the rates for Schedule 1 services based on the revised vacancy credit, and will approve Schedule 1 rates after receiving that filing.

5.3 Schedule 2

- [48] Schedule 2 pertains to Reactive Supply and Voltage Regulation. NB Power calculates this cost using the proxy method.
- [49] Based on the proxy method, NB Power proposes to increase the rate for Schedule 2 service from \$0.127/kw/month to \$0.223/kW/month for network service and from \$0.146/kw/month to \$0.251/kW/month for point-to-point service.
- [50] The proxy cost estimates are recent and based on pricing for the recently approved STATCOM capital project. There was no challenge to the proposed rate increase proposed by NB Power. No party challenged the use of the proxy method for Schedule 2 services.
- [51] The Board accepts those rates as proposed.

5.4 Schedule 3(c)

- [52] Schedule 3(c) pertains to the supply Automatic Generation Control (AGC) and Load Following for wind generators. This type of highly variable generation is unique enough that the System Operator offers a separate rate for wind generators.
- [53] Like some other services, the generators can supply their own AGC or load following. In this region, much of this service is self-supplied or provided by NB Power as a condition included in a power purchasing agreement.
- [54] Using modelling methodology previously approved by the Board, NB Power now estimates that the cost of this service is higher than previously calculated. NB Power proposes to increase the rate from \$1.25/MWh to \$1.31/MWh.
- [55] No party challenged the rate or the methodology. The Board approves the increased rate.

5.5 Schedules 3(a),3(b), 5, 6

- [56] Schedules 3(a), 3(b), 5, and 6 pertain to the supply of Automatic Generation Control and Load Following for non-wind generators and spinning and non-spinning reserves.
- [57] Until now, rates for these services have been derived from cost estimates using the proxy cost methodology described above.
- [58] The results of the study of pricing methodologies ordered by the Board in Matter 513 and filed with this application suggest that both the embedded cost and the marginal cost method would result in lower rates for these ancillary services. Nevertheless, NB Power proposes to continue using the proxy cost methodology.
- [59] NB Power retained the firm of Energy and Environmental Economics (E3) to review the use of the three methodologies: embedded cost, proxy cost, and marginal cost, and to make recommendations as to the most appropriate method for costing capacity based ancillary services.
- [60] Zachary Ming of E3, an expert in the regulation of electric utilities and, in particular, rate design and the pricing of ancillary services, noted that the embedded cost methodology is by far the most commonly accepted method used by utilities under cost-of-service regulation across North America. He explained that the embedded cost approach facilitates comparability between NB Power bundled customers and other OATT customers since NB Power's customers ultimately pay the embedded cost of NB Power generation.
- [61] Mr. Ming recommended that the embedded cost methodology be adopted for costing capacity based ancillary services. NB Power's current embedded cost method for other services uses only fixed costs. He suggested a modified embedded cost method which would include incremental variable costs associated with providing the ancillary services.
- [62] NB Power resists Mr. Ming's recommendations. It argues that rate stability should be the overriding priority. The embedded cost method relies on the cost of existing generating resources that are supplying the services. Given the need for investment in the generation assets, NB Power maintains that while use of the embedded cost method would reduce rates in the near term, it will increase them in the coming years. Continued use of the proxy method, NB Power asserts, should result in greater rate stability in the future.
- [63] Mr. Madsen was retained by the Public Intervenor to give his opinion on the most appropriate pricing methodology. He agreed with NB Power's position and cautioned that given the planned investment in generation, adopting the embedded cost method could introduce a risk of future rate volatility.

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- [64] The Board recognizes that stability is an important consideration in rate-setting. It is also important that rates be no higher than necessary. The continued use of the proxy method would produce rates higher than necessary to account for NB Power's actual costs of providing these ancillary services for the sake of avoiding possible future rate shock. The Board will not follow this approach.
- [65] The embedded cost method is more appropriate for establishing rates for ancillary services. NB Power is ordered to resubmit its rates for capacity based ancillary services in Schedules 3(a), 3(b), 5, and 6 using the embedded cost method. As for the modifications suggested by Mr. Ming, the Board has no evidence by which to evaluate the results. If NB Power wishes to propose modifications to the embedded cost method in future applications, it is free to do so.
- [66] During final argument, NB Power argued that any change to the pricing methodology should be accompanied by a commitment by the Board to maintain that methodology going forward even if, in the future, this results in higher rates.
- [67] The Board will determine the appropriate methodology to employ and the rates to be applied based on the evidence before it in future hearings. The Board does not consider it appropriate, at this time, to predetermine the methodology to be used in all future applications.

5.6 Power Factor Penalty

- [68] The OATT includes a power factor penalty that is applied in any month in which a transmission customer taking network service has a power factor of less than 90 per cent. The anticipated revenue from power factor penalties is subtracted from gross revenue requirement process.
- [69] The anticipated revenue is \$1.4 million per year. The penalty rate is \$11.532/kVA. This is four times the network rate per kVA than is more than the kW demand.
- [70] No party challenged the power factor penalty rate. The Board approves it as filed.

6 Changes to the Tariff

- [71] Since NB Power's last application, the U.S. Federal Energy Regulatory Commission ("FERC") has issued several orders that amended the '*pro forma* OATT'. The *pro forma* OATT is FERC's standard form transmission tariff. It sets out the minimum terms and conditions on which public utilities must offer open access service. Because NB Power's transmission system is part of the North American interconnected grid, NB Power updates the OATT to align with

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those changes. This helps maintain market access and promotes consistent operation of the grid across North America. NB Power also has certain reciprocity obligations in order to export into the United States market.

[72] In this application, NB Power proposes changes to the OATT to reflect relevant updates to FERC's *pro forma* tariff. A summary of the updated or new FERC Orders identified by NB Power and NB Power's responses to them is below:

1. **FERC Order 881 – Managing Transmission Line Ratings.** This FERC Order addresses the accuracy and transparency of transmission line ratings. NB Power proposes to incorporate substantially all of the terms outlined in the *pro forma* Attachment M with minor modifications to reflect its specific operational practices.
2. **FERC Order 895 – Credit-Related Information Sharing.** This FERC Order requires regional transmission organizations and independent system operators to adopt tariff provisions allowing these entities to share credit-related information pertaining to market participants. NB Power proposes to adopt language similar to that approved by FERC on a compliance filing made by the California Independent System Operator.
3. **FERC Orders 896, 901, and 909 – Reliability Standards.** These FERC Orders develop new or modified reliability standards to address system planning and reliability concerns emerging from climate change and extreme weather events as well as the increase in transmission-connected inverter-based resources. NB Power stated these orders do not impact the wording of its OATT and therefore no changes are proposed at this time.
4. **FERC Order 904 – Compensation for Reactive Power Within the Standard Power Factor Range.** This FERC Order eliminated cost recovery for generating facilities providing reactive power within a standard power factor range on the basis that providing compensation in these circumstances risks overcompensation and market distortion. NB Power does not propose adopting this change because the same concerns do not apply. The NB Power System Operator determines system-wide reactive power supply requirements as part of its planning and reliability processes, and this service is revenue neutral to NB Power.
5. **FERC Orders 2023 and 2023-A – Improvements to Generator Interconnection Procedures and Agreements.** This FERC Order aims to improve the presence of severe interconnection delays and backlogs across the United States. NB Power proposes various changes designed to improve the connection process, but it does

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not support the establishment of penalties within its interconnection process at this time. Generally, the same backlog concerns do not apply to NB Power.

6. **FERC Order 1920.** FERC Order 1920 reformed the existing regional and local transmission planning and cost allocation requirements and developed certain transmission planning requirements. NB Power does not propose any changes to its OATT in response to FERC Order 1920. It notes that there are several judicial review proceedings pending in the United States challenging the jurisdiction of FERC Order 1920 and takes the view that amendments to its own OATT would be premature. It also notes that the issues driving FERC Order 1920 are not present in New Brunswick. It continues to monitor the status of FERC Order 1920 reforms.

7. **FERC Order 676-K.** This FERC Order concerns Business Practice Standards within OASIS Terms and Conditions. NB Power has an OASIS project ongoing and states that the changes do not affect NB Power. No changes are proposed at this time.

[73] NB Power also proposed other changes to address issues with its tariff that it says are necessary to clarify or correct parts of the existing tariff.

[74] NB Power filed the independent report of Suede Kelly. Ms. Kelly was declared an expert qualified to give opinion evidence in respect of the U.S. Federal Energy Regulatory Commission's *pro forma* Open Access Transmission Tariff and FERC's reciprocity policies and requirements. Ms. Kelly testified that, in her opinion, the changes proposed by NB Power in this application are consistent with or improve upon the amended FERC *pro forma* OATT and that any deviations from the *pro forma* OATT would be acceptable to FERC under its reciprocity policies.

[75] No party took issue with the proposed changes to the OATT or the decision not to make any changes in response to any particular FERC Order.

[76] The Board approves the changes as proposed.

7 Other Issues

[77] The timing of the recent general rate application in Matter EL-003-2025 and this transmission rate application created a complication for the Board and intervenors. The general rate application included a proposed transmission operations budget with increased staffing and spending. Based on the evidence then available, the Board reviewed that budget and issued its decision.

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- [78] This matter required the same budget to be presented and reviewed again, but with different intervenors, witnesses and testimony. The Board could reasonably have found some of the spending approved as prudent in the general rate application to be imprudent based on the new evidence in this matter.
- [79] The general rate application also assumed higher transmission spending without a corresponding increase in transmission revenue. As a result, in-province rates were set on the assumption that transmission rates would not increase and that transmission customers would not cover their share of the higher costs. NB Power acknowledged that the rates proposed in this application would generate \$5 million in revenue that was not accounted for in the general rate application.
- [80] Obviously, this is not a satisfactory situation.
- [81] Mr. Madsen proposed resolving this timing issue in the future by combining the GRA and OATT applications into a single hearing process. He suggested there would be some efficiency gains in one larger hearing. In final argument, NB Power expressed concern about the assertion that one larger hearing would be more efficient. The Board shares that concern.
- [82] Mr. Furey told the Board that the company was evaluating options for resolving the timing issue. It is the Board's view that NB Power should no longer expect to increase its transmission revenue requirement without a corresponding application to change its transmission rates.

8 Conclusion, Orders and Directions

- [83] Based on the foregoing, the Board makes the following conclusions, orders, and directions:
- (a) NB Power's 2026-2027 transmission revenue requirement is approved subject to a reduction \$300,000 relating to the vacancy credit.
 - (b) NB Power is ordered to recalculate the revenue requirement and resulting rates based on the reduced revenue requirement identified in paragraph (a).
 - (c) The Board finds that the embedded cost methodology is the appropriate pricing methodology for capacity-based ancillary services. The Board will evaluate the appropriate methodology based on the evidence before it in each proceeding and it declines to make a ruling that the embedded cost methodology should always be used going forward. Power is ordered to recalculate its rates for Schedule 3(a), 3(b), 5 and 6 services based on the

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embedded cost methodology described in its 2025 CBAS Study filed as Exhibit NBP 1.25 and particularly the model filed as Exhibit NBP 1.27 – CBAS Study 1 Embedded Cost.

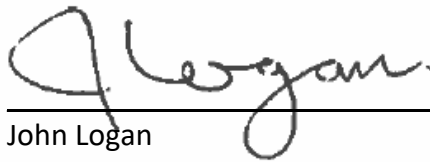
- (d) The rates for Transmission Service as contained in Schedules 7 and 8, and Attachment H, of the proposed NB OATT and as set out in Table 5.02 of NB Power’s supporting evidence are approved.
- (e) The Non-Capital Support Charge Rate of 4.61 per cent, as contained in Schedule 9 of the proposed NB OATT, is approved.
- (f) A Power Factor Penalty of \$11.532/kVA, as contained in sections 24.3 and 36.6 of the proposed NB OATT, is approved.
- (g) The rate for AGC and Load Following for Wind Power Generators, as contained in Schedule 3(c) of the proposed NB OATT, is approved.
- (h) The proposed changes to the OATT as set out in Exhibit NBP 1.38 – 2026 NB OATT (Redlined Version) are approved.
- (i) Following the filing of the revised revenue requirement and proposed rates along with the supporting calculations, as required in subparagraphs (b) and (d), the Board will review this information and issue an order setting the rates for Schedules 1, 3(a), 3(b), 5 and 6, and fixing the date that rates are to take effect.

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Dated at Saint John, New Brunswick, this 29th day of September, 2026.



Christopher J. Stewart
Chairperson



John Logan
Member



Kenneth McCulloch, K.C.
Member