



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 Section 10 of the *Regulatory Variance Accounts and Deferral Account Regulation – Electricity Act*.

(Matter EL-005-2025)

March 6, 2026

Matter EL-005-2025 – NB Power’s 2026-2027 Variance Account

IN THE MATTER OF an application by New Brunswick Power Corporation pursuant to Section 10 of the *Regulatory Variance Accounts and Deferral Account Regulation – Electricity Act*.

(Matter EL-005-2025)

ORAL HEARING: February 20, 2026

NEW BRUNSWICK ENERGY AND UTILITIES BOARD:

Chairperson	Christopher J. Stewart
Member	Heather Black
Member	Michael Pickup

PARTICIPANTS:

New Brunswick Power Corporation	Leanne Murray, K.C.
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PUBLIC INTERVENER:	J.M. Alain Chiasson
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1 Introduction

- [1] In each of its fiscal years, NB Power is required to calculate the actual balance of the Energy Supply Cost Variance Account and the Electricity Sales and Margin Variance Account established pursuant to section 117.4 of the *Electricity Act* and to file the calculation with the Board on or before December 15th. With its filed calculation, NB Power is required to propose the period of years over which the balance is to be recovered from or reimbursed to customers, the amount of the balance to be recovered or reimbursed in the fiscal year next following its filing, and a calculation of the rate rider for each rate class in the fiscal year next following the filing necessary to recover or reimburse the portion of the balance to be recovered or reimbursed in that year.
- [2] For purposes of this matter, the Board is required to accept NB Power’s variance account balance calculations as filed, then determine how and over what period any balance is to be recovered or reimbursed, as the case may be, by way of rate riders. The way the Board is to determine when and how the amounts are to be recovered from or reimbursed to customers is strictly prescribed in the *Regulatory Variance Accounts and Deferral Account Regulation – Electricity Act* (the “Regulation”). The resulting rate riders are to be implemented by April 1st of the fiscal year next following NB Power’s filing and to remain in effect for the remainder of that fiscal year.
- [3] On December 15, 2025, NB Power filed its calculations of the balances of the two variance accounts as of October 31, 2025, together with its proposal to redress the aggregate positive balance. NB Power’s calculation of the actual balance of the Energy Supply Cost Variance Account and the Electricity Sales and Margin Variance Account as of October 31, 2025, is \$354.8 million, after taking into account the Incentive Thresholds imposed by section 8 of the Regulation.
- [4] The matter was heard by video conference on February 20, 2026. Written evidence was filed by NB Power. NB Power witnesses Abby Davidson, Manager, Financial Reporting, and Ryan Smith, Finance Specialist, Financial Reporting, testified at the hearing. The Board also received submissions from NB Power and the Public Intervener.

2 Determination

[5] Following the methodology prescribed by the Regulation, the Board has determined that:

- a. The net positive variance accounts balance of \$354.8 million is to be recovered over eight fiscal years.
- b. The amount to be recovered in fiscal year beginning April 1, 2026, is \$60.3 million.
- c. The amount to be recovered in fiscal year beginning April 1, 2026, is to be recovered from NB Power’s rate classes in the following proportions:

Residential	43.99%
General Service	17.27%
Streetlights	0.13%
Unmetered	0.34%
Industrial Distribution	5.78%
Wholesale	8.08%
Industrial Transmission	24.42%

[6] The Board accepts NB Power’s methodology for calculating rate riders as consistent with the Regulation.

3 Discussion

3.1 RECOVERY OF VARIANCE

3.1.1 Recovery Period

[7] As noted above, the Board is required by regulation to accept that there was a net positive balance of \$354.8 million in the two variance accounts as of October 31, 2025. This being the case, the Board is required to determine the number of fiscal years over which the balance may be recovered from customers by way of rate riders.

[8] The Board has discretion to shorten the proposed recovery period only by increasing the annual recovery amount after year four. Doing so would not change the prescribed amount to be recovered in fiscal year 2026 – 2027 and would have no other meaningful effect because the Regulation requires resetting the recovery period every year. As NB Power’s proposal for recovery appropriately accounts for the limits on rate riders imposed by the Regulation, the Board approves the proposed recovery period.

3.1.2 Amount to be Recovered in Fiscal Year Beginning April 1, 2026

- [9] The calculation of the amount to be recovered from customers in the fiscal year next following filing is prescribed by subsection 11(3) of the Regulation. Subject to the constraints on rate riders imposed by section 12 of the Regulation, the amount to be recovered in the fiscal year beginning April 1, 2026, is 40% of \$354.8 million, or \$141.9 million.

3.2 RATE RIDERS

3.2.1 Allocation of Rate Riders

- [10] Subsection 12(1) of the Regulation requires the Board to allocate the amount to be recovered or reimbursed to each rate class through rate riders in the same proportion as energy supply costs are allocated in the most recent Class Cost Allocation Study approved by the Board. In this case, the allocation is to be calculated using the percentages set out in paragraph 5(c) above.

3.2.2 Recovery through Rate Riders

- [11] Subsection 12(2) of the Regulation requires the Board to determine rate riders to apply to energy consumption for each customer class in the first fiscal year following filing.
- [12] Paragraph 12(4)(a) of the Regulation provides that rate riders in the first fiscal year following the filing shall not exceed three percent of the total in-province revenue forecast approved by the Board for that fiscal year. In Matter 552, the Board approved a total in-province revenue for NB Power of \$2,011.3 million for the fiscal year beginning April 1, 2026. Three percent of that is \$60.3 million. This is the maximum aggregate recovery permissible in the fiscal year beginning April 1, 2026.

3.2.3 Determination of Rate Riders by Rate Class

- [13] Subsection 12(2) of the Regulation requires the Board to determine the rate riders to apply to the energy consumption of each rate class based on the allocations identified in paragraph 10 above and NB Power’s most recent load forecast approved by the Board.
- [14] In proposing rate riders in this matter, NB Power uses the approved load forecast for the year ending March 31, 2026, which is the most recent approved load forecast.

3.3 GROWING NET BALANCE OF VARIANCE ACCOUNTS

- [15] At the public hearing, the Public Intervener expressed concerns about the growing net balance of the variance accounts to be recovered from ratepayers. The Board shares this concern. The net balance of the variance accounts is growing much faster than can be recovered from ratepayers. In one year, the net balance has grown by \$109.3 million to

\$354.8 million, only \$60.3 million of which will be recovered from ratepayers in fiscal year 2026-2027. NB Power has added \$12.0 million to that balance to represent future recovery of interest. As the Board is proscribed from acting upon this increasing balance, the Board encourages NB Power to recognize the ongoing material growth of the net balance, including the cost to ratepayers that the resulting significant interest accruing in the account entails, and take necessary steps to address this concerning trend.

4 Conclusion

[16] The Board will issue an order approving rate riders to be effective April 1, 2026.

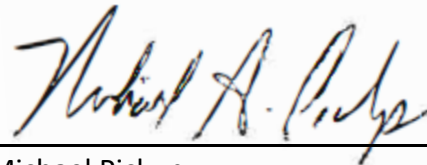
Dated at Saint John, New Brunswick, this 6th day of March 2026.



Christopher J. Stewart
Chairperson



Heather Black
Member



Michael Pickup
Member