



NEW BRUNSWICK  
ENERGY & UTILITIES BOARD

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

# ANNUAL REPORT

2024  
2025



# ANNUAL REPORT 2024-2025

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NEW BRUNSWICK  
ENERGY & UTILITIES BOARD

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

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# CHAIRPERSON'S MESSAGE

This year has been a transition period for the Board, complete with new members and a new home.

The Board has seen two new members appointed during the last year: John Logan as a part-time member (May 2024) and Kenneth McCulloch, K.C. as a full-time member (July 2024). Mr. Logan brings technical, engineering and project management expertise to the Board. Mr. McCulloch brings legal acumen, construction law and broad advocacy experience. Mr. Logan and Mr. McCulloch's addition to Vice-Chair Stephanie Wilson and Member Heather Black allowed the Board much more flexibility and an even wider skill set when carrying out the Board's multi-faceted mandate.

The Board also transitioned to a new physical space this year. The Board's current lease was expiring, and an extensive process was undertaken to find both a cost-effective and a functional solution. After much consideration, market testing and analysis, the Board settled on minor renovations to existing office space which also allowed for a smaller hearing room space than originally envisioned

By leveraging technology and planning, the Board expanded the number of hearings it can conduct in its own space and can now avoid some off-site hearings costs. Perhaps more importantly, the new space has permitted the use of technology to reach New Brunswick residents fulfilling the Board's mandate to provide transparent and open processes. Leveraging technology facilitated the remote participation of parties with disabilities and the webcasting of all Board proceedings to the public at large. The Board remains committed to promoting a greater understanding of its processes and the evidence presented in the matters which come before it for consideration.

The Board sat formally for 51 hearing days in the past year and dealt with 18 new applications. These included an unprecedented electricity general rate application, which included a preliminary request for interim rates and customer rates for two years, as now

permitted by the *Electricity Act*. In addition, the Board dealt with applications and appeals across its expanded jurisdiction, including the natural gas, motor carrier, financial and consumer services, motor vehicle dealer licences, pipeline and mining sectors.

The Board has also embarked upon an internal review of its processes to make them more efficient, in terms of both time and cost, for all the entities it regulates. In the past fiscal year, the Board has focused on bringing consistency and uniformity to its materials, forms and procedures as well as its communication with stakeholders and the public. This review will be an ongoing process. As we move through our initiatives to increase the effectiveness and efficiency of our processes, we will continue to learn, listen, and be mindful of our mandate to provide thorough and fair processes while also providing a responsive, effective, efficient, learned and objective regulator.

In closing, I would be remiss if I did not express my gratitude to our dedicated and professional staff, my fellow Board members and all stakeholders for their support and cooperation. The level of expertise and commitment our team brings to bear is second to none, and they have all been key to our progress and success. I have no doubt our team is well-positioned to thrive and achieve in the year ahead.

Sincerely,



**Christopher J. Stewart**  
Chairperson and CEO



# NEW BRUNSWICK ENERGY AND UTILITIES BOARD OVERVIEW

The New Brunswick Energy and Utilities Board is an independent, quasi-judicial tribunal, which regulates the industries and utilities under its jurisdiction and serves as an independent administrative appeal tribunal under a wide variety of New Brunswick legislation. The Board and its processes are governed by legislation and common law rules that mandate procedural fairness in all of its proceedings.

Established under the *Energy and Utilities Board Act*, the Board has the same powers, rights, and privileges that are vested in the Court of King's Bench in relation to procedural, evidentiary and enforcement matters. Three members constitute a quorum in most regulatory proceedings.

Fourteen employees assist the five Board members in its duties. They provide legal and administrative support, regulatory and financial support and analysis, pipeline safety inspection and analysis, and electricity reliability and compliance support. The Board's head office is located at Suite 800, Brunswick House, 44 Chipman Hill, in Saint John. Its reliability and compliance office is located at 520 King Street in Fredericton.

The Board's website provides information and access to all aspects of the Board's functions, including its governing legislation, past and current decisions, procedural rules and questions and answers related to petroleum products.

*The Board derives its regulatory mandate and powers from the following New Brunswick statutes and regulations:*

- *Auctioneers Licence Act;*
- *Collection and Debt Settlement Services Act;*
- *Commissioners for Taking Affidavit Act;*
- *Consumer Product Warranty and Liability Act;*
- *Cooperatives Act;*
- *Cost of Credit Disclosure and Payday Loans Act;*
- *Credit Reporting Services Act;*
- *Credit Unions Act;*
- *Direct Sellers Act;*
- *Electricity Act;*
- *Energy and Utilities Board Act*
- *Financial and Consumers Services;*
- *Franchises Act;*
- *Gift Card Act;*
- *Gas Distribution Act, 1999;*
- *Insurance Act;*
- *Loan and Trust Companies Act;*
- *Mining Act;*
- *Mortgage Brokers Act;*
- *Motor Carrier Act;*
- *Motor Vehicle Act;*
- *Nursing Homes Pension Plans Act;*
- *Pension Benefits Act;*
- *Petroleum Products Pricing Act;*
- *Pipeline Act, 2005;*
- *Pooled Registered Pension Plans Act;*
- *Pre-arranged Funeral Services Act;*
- *Real Estate Agents Act;*
- *Securities Act;*
- *Securities Transfer Act; and*
- *Unclaimed Property Act.*

Depending on which area of its jurisdiction it is exercising, the Board follows one of two sets of Rules of Procedure, which are intended as a comprehensive, consolidated set of procedural rules governing matters that come before the Board.

*The Board's principal regulatory functions are described in detail later in this report.*

The Attorney General files the approved annual operation budget for the Public Intervener for the Energy Sector with the Board. In addition, the Public Intervener submits an accounting of all their direct expenses to the Board. These expenses are included in the Board's assessments, in accordance with section 50 of the *Energy and Utilities Board Act*.

# BOARD MEMBERS

The composition of the Board consists of at least three, but no more than six, full-time members, including a Chairperson and Vice-Chairperson. The Board may also have up to two part-time members.

The members are appointed by the Lieutenant-Governor in Council which also appoints one Chairperson and one Vice-Chairperson from the among the full-time membership. The Board finished the fiscal year with four full-time Board members and one part-time member.



**Christopher Stewart**  
Chairperson  
and CEO



**Stephanie Wilson**  
Vice Chairperson



**Heather Black**  
Member



**Kenneth McCulloch**  
Member



**John Logan**  
Member

# ANNUAL REPORT 2024-2025





# ELECTRICITY

**RATES APPROVED  
FOR TWO YEARS  
IN ONE  
PROCEEDING**

## Board Responsibilities

The Board is responsible for:

- setting just and reasonable electricity rates for NB Power's customers;
- deciding how costs incurred with providing electric service are allocated amongst customer classes;
- reviewing all NB Power capital projects with an estimated cost greater than \$50 million to determine the prudence of the project; and
- establishing the rates and the terms of service for use of the transmission system in the Province.

## 2024-2025 Activities

**Matter 552:** NB Power's rate application, which included a public forum session in May 2024, was heard over 16 days in June, July and August 2024. An oral decision was delivered on November 8, 2025, with full written reasons issued on March 31, 2025. The Board ordered an average annual rate increase of 9.14% applied differentially across all rate classes, exclusive of the rate rider, for Fiscal Years 2025 and 2026. NB Power's proposed regulatory accounts, wind balancing charge, and other rate design measures, rates and charges were approved, except the proposed customer charge merger. NB Power was directed to establish a vulnerable customer liaison committee to understand and approve customer experiences. Finally, the actual capital project costs associated with Bayside Generating Station were approved.

**Matter 554:** NB Power's class cost allocation methodology hearing was held over three days in October 2024 and a fourth day in November. In December 2024, the Board directed NB Power to modify the classification and allocation of generations costs and revenues to include the Average and Peak methodology and Seasonal Sensitivities. NB Power was directed to use this new model in its next general rate application.

**Matter 589:** Each year the Board is required by regulation to establish how and when NB Power may recover or reimburse, as the case may be, the balance of NB Power's variance accounts through the use of rate riders. NB Power Variance Account Recovery hearing was held February 11, 2025 and the Board's decision was issued March 18, 2025. The Board determined that the net positive variance accounts balance of \$245.5 million is to be recovered over six fiscal years starting April 1, 2025. The Board then identified the proportions to be borne by each rate class.

**Matter EL-001-2025:** In February 2025 NB Power filed an application for Board approval of three Large Transmission Capital Projects: Saint John Corridor Reinforcement, Coleson Cove Tie Transformer and Dynamic Reactive Support. The decision by the Board is expected in the summer of 2025.

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# ELECTRICITY RELIABILITY AND COMPLIANCE

## Board Responsibilities

### The Board is responsible for:

- adopting, monitoring and enforcing reliability standards for New Brunswick's bulk power system;
- adopting reliability standards that seek to ensure a continuous flow of power and minimizing instability, uncontrolled flows of electricity or cascading power failures within the grid;
- ensuring the bulk power system is not affecting our neighbours' systems, i.e., NS, PEI, Quebec and US;
- protecting New Brunswick from our neighbours if they have issues with their systems;
- ensuring our reliability standards align with those of the North American Electric Reliability Corporation (NERC), an international regulatory authority whose mission is to assure the reliability and security of the bulk power system in North America; and
- approving a Compliance Oversight Plan for each NB registered entity based on each entity's risk profile.

## 2024-2025 Activities

**Reliability Standards:** The Board approved revisions to five reliability standards. There are 101 reliability standards enforced in the Province, consisting of more than 1,200 individual requirements. The Board engages the Northeast Power Coordinating Council (NPCC) to assist the Board in compliance monitoring and making recommendations on potential violations, mitigation plans and related enforcement actions. NPCC is responsible for promoting and enhancing the reliability of the bulk power system in Northeastern North America.

**Compliance and Monitoring:** Registered entities submitted 194 compliance self-certification and data submittal reports to the Board for review through the compliance program. The Board approved one mitigation plan filed by a registered entity to address Operations and Planning reliability standard Violations. This low-risk violation was fully mitigated under the Find Fix Track Process for Potential Violations.



RELIABILITY STANDARDS  
ENFORCED BY NBEUB

1,200+

INDIVIDUAL REQUIREMENTS

# ANNUAL REPORT 2024-2025





# NATURAL GAS

## Board Responsibilities

The Board is responsible for:

- regulating of the natural gas industry within the Province including approval of applications for rates and tariffs, pipeline construction, special franchises and gas marketer's certificates;
- overseeing activities of the general franchise holder, local gas producer franchises and gas marketers;
- ensuring natural gas is provided in an unbundled market to separate the pipeline distribution company from the suppliers of natural gas;
- regulating the rates Liberty Utilities charges to deliver gas to its customers as well as its customer service policies; and
- overseeing the marketing and sale of natural gas in the Province.



COMMUNITIES SERVED

6.7  
MILLION

GIGAJOULES OF NATURAL  
GAS IN 12 MONTHS

## 2024-2025 Activities

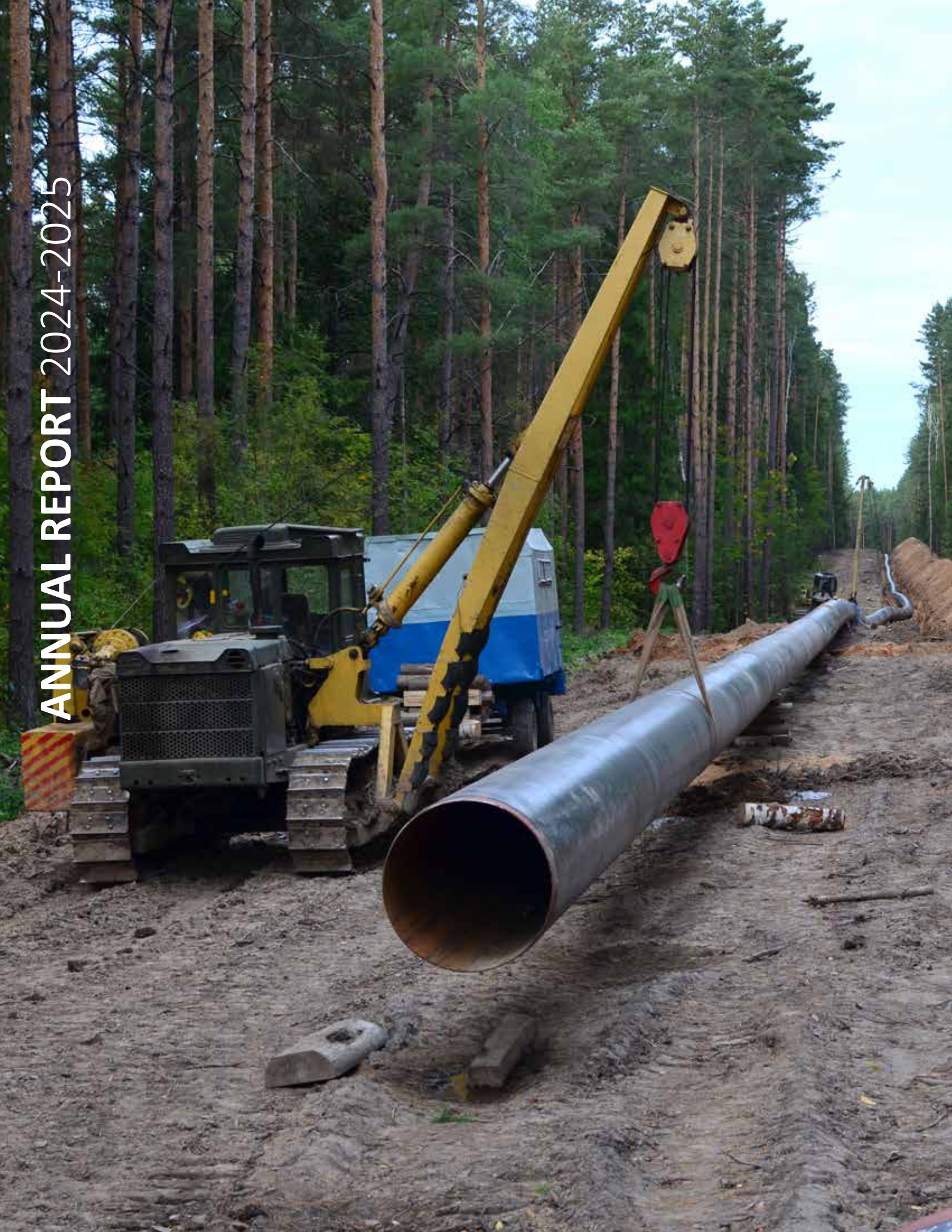
**Matter 551:** Liberty Utilities submitted an application for approval of 2022 regulatory financial statements, change to distribution rate, approval of Weather Normalization Adjustments, SEUF Fees Variance account, True-Up Variance Account for 2023 and use of this account for the 2024 test year. The hearing was held over three days in October 2024 and oral decision was issued December 20, 2024 approving (i) 2.6% average rate increase; (ii) a reduction in Liberty Utilities' proposed revenue requirement and modification to the estimated miscellaneous revenue; (iii) the weather normalization adjustment mechanism for the Small General Service rate class only; and (iv) the use of a revenue True-Up Variance Account for 2024.

**Matter 572:** Liberty Utilities submitted an application for approval of 2022 and 2023 natural gas sales. The proceedings to review the financial statements will continue in 2025.

**Matter 588:** The difference between natural gas volumes received at the beginning of Liberty's distribution system and those received by end-use customers is referred to as lost and unaccounted for gas (LUFG). In New Brunswick, the cost of LUFG is shared amongst the gas marketers who sell natural gas on Liberty Utilities' distribution system. The Board engaged an independent consulting firm to review the methodology used by Liberty Utilities to allocate the cost of LUFG and report its findings. The report is complete, and the Board has circulated the report to relevant stakeholders. The proceedings to evaluate and potentially modify the methodology will continue in 2025.

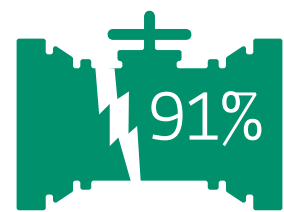
**Distribution System:** As of March 31, 2025, the natural gas distribution system had 12,542 customers, an increase of 44 customers from the previous year. The system serves 14 communities and delivered more than 6.7 million gigajoules of natural gas in the last fiscal year.







# PIPELINE SAFETY



## Board Responsibilities

The Board is responsible for:

- regulating the construction and operation of pipelines within its jurisdiction;
- deciding disagreements about a gas distributor's compliance with construction regulation;
- suspending or cancelling permits or licences as needed;
- regulating changes, alterations and relocations of pipelines;
- regulating abandonment of pipelines; and
- inspecting and testing pipelines and pipeline records.

## 2024-2025 Activities

**New Pipeline:** Liberty Utilities added 5.9 of new pipeline to its natural gas distribution system in the 2024-2025 fiscal year. A total of 115 services and 9 mainline projects were inspected by the Board as part of this pipeline construction.

**Pipeline incidents:** During the 2024-2025 fiscal year, 23 pipeline incidents were reported to the Board in accordance with the NB *Pipeline Regulation*. Approximately 91% of these incidents were caused by third-party excavators working in the area of Liberty Utilities' natural gas distribution system.

**Total km Pipelines:** As of March 31, 2025, the Board regulates 1,444 km intra-provincial pipelines. Of that amount, 1,307km is in-province natural gas distribution; 73km is unprocessed gas; and 64 km is brine.

**Locate Requests:** In the course of construction within the Province, contractors and property owners will contact the Board to assist with identifying the locations of underground pipelines. The Board responds to a wide range of these requests including the installation of fences, road signs and excavation.





# PETROLEUM PRODUCTS



PRICE INTERRUPTION

## Board Responsibilities

The Board is responsible for:

- regulating wholesale and retail petroleum sales with weekly settings of maximum prices for motor fuels and heating fuels; and
- adjusting the maximum wholesale and retail margins, as well as the delivery cost allowance and the full service charge.

## 2024-2025 Activities

**Petroleum Margins:** As of March 31, 2025, the maximum Board-approved margins and costs were (in cents per litre):

Fuel Type	Wholesale Margin	Retail Margin	Max. Delivery Cost	Max. Full Service Cost
Motor Fuel	6.51	8.46	3.75	3.00
Furnace Oil	5.50	27.21	5.00	n/a
Propane	25.0	25.0	10.0	n/a

**Cost of Carbon Adjustor:** The Board issued a decision on April 24, 2024, making minor adjustments to the cost of carbon adjustor previously set in 2023. The adjustments included lowering the carbon intensity for renewable diesel fuel to be used in the Board's calculations.

**Maximum Retail Margin, Delivery Cost Allowances and Full Service Charges:** In February 2025 the Board notified petroleum wholesalers and retailers that it would be reviewing the maximum margins, delivery cost allowances and full-service charge for motor fuels and furnace oil. The proceeding to evaluate and potentially modify these pricing components will continue in 2025.

**Price Interruption:** The Board is required to change maximum petroleum prices outside the weekly pricing cycle in the event of extraordinary changes in the published product reference prices. In the 2024-2025 fiscal year, the Board executed only one of these price interruptions, which occurred in April 2024 when the maximum prices on gasoline products were adjusted upwards.

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# MOTOR CARRIER

## Board Responsibilities

The Board is responsible for:

- granting motor carrier licences to approved applicants for specified routes or areas, as a regular (scheduled) or irregular (charter) service;
- ensuring that these licences will not adversely affect the interests of users of public transportation, provincial economic or social development, or commercial activities;
- supervising the activities of scheduled service motor carriers, including the fares, routes and schedules of these carriers; and
- coordinating motor carrier hearings with other jurisdictions.



MOTOR CARRIER LICENCE  
RENEWALS



MOTOR CARRIER PLATES  
ISSUED

## 2024-2025 Activities

**Matter MV-001-2024:** The appeal case of *Moncton RightRide LP v. Registrar of Motor Vehicles* before the Board commenced in 2024; however, the appeal was subsequently discontinued in September 2024.

**Licences and Plates:** In the 2024-2025 fiscal year the Board approved four new motor carrier licences and 27 motor carrier licence renewals. Additionally, the Board issued 233 motor carrier plates to licenced carriers (up from 221 in 2023-2024).

**Motor Carrier Fares:** Quarterly the Board reviews and approves a floating fuel surcharge on regular fares for Coach Atlantic Transportation Group Inc. The surcharge addresses fluctuating diesel fuel prices for the carrier and reduces the need for fare adjustment applications by Coach Atlantic. Owing to fluctuations in the price of diesel fuel at the New York Harbour spot market, the Board's quarterly fuel surcharge adjustments fluctuated over the course of 2024-2025, ranging from as high as 14% (April 2024) to as low as 9.5% (October 2024).







# MINING



## Board Responsibilities

The Board is responsible for:

- hearing and determining matters arising out of the application of the *Mining Act* and its regulations; and
- hearing appeals arising from certain decisions made by the Recorder.

## 2024-2025 Activities

**Matter MN-001-2025:** On February 28, 2025, the Board heard an appeal from a mining claimant as against a decision of the Mining Registrar. On March 11, 2025 the Board issued its decision in *Re MegumaGold Corp.*, 2025 NBEUB 1 (CanLii) reinstating two mineral claims to MegumaGold which had expired due to a single internal error. MegumaGold's significant investment in the claims was demonstrable of an intention to maintain the claims. As well, MegumaGold immediately and consistently took steps to pursue reinstatement of the claims.



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# FINANCIAL AND CONSUMER SERVICES

## Board Responsibilities

The Board is responsible for:

- hearing and determining matters arising out of the application of:
  - *Auctioneers Licence Act*;
  - *Collection and Debt Settlement Services Act*;
  - *Commissioners for Taking Affidavits Act*;
  - *Consumer Product Warranty and Liability Act*;
  - *Cooperatives Act*;
  - *Cost of Credit Disclosure and Payday Loans Act*;
  - *Credit Reporting Services Act*;
  - *Credit Unions Act*;
  - *Direct Sellers Act*;
  - *Financial and Consumer Services Commission Act*;
  - *Franchises Act*;
  - *Gift Cards Act*;
  - *Insurance Act*;
  - *Loan and Trust Companies Act*;
  - *Mortgage Brokers Act*;
  - *Nursing Homes Pension Plans Act*;
  - *Pension Benefits Act*;
  - *Pooled Registered Pension Plans Act*;
  - *Pre-arranged Funeral Services Act*;
  - *Real Estate Agents Act*;
  - *Securities Act*;
  - *Securities Transfer Act*; and
  - *Unclaimed Property Act*.

## 2024-2025 Activities

**Matter PE-001-2023:** The Matter of *NB Council of Nursing Homes Unions v. Superintendent of Pensions* is under case management by the Board. The case management will continue in 2025.

**Matter SA-001-2024:** The Board heard enforcement proceedings against Global Success Management Inc. on March 21, 2025. On April 3, 2025, the Board issued its decision in *Financial and Consumers Services Commission v. Global Success Management Inc.* 2025 NBEUB 5 (CanLii) and ordered Global Success Management to cease making any offer to sell or distribute securities to the public.



# AUDITED FINANCIAL STATEMENTS

MARCH 31, 2025

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**NEW BRUNSWICK ENERGY AND UTILITIES BOARD**

**FINANCIAL STATEMENTS**

**MARCH 31, 2025**



# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

MARCH 31, 2025

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## INDEPENDENT AUDITORS' REPORT

To the Chairperson and Members of the New Brunswick Energy and Utilities Board

### *Opinion*

We have audited the financial statements of the New Brunswick Energy and Utilities Board (the "Board"), which comprise the statement of financial position as at March 31, 2025, and the statements of change in accumulated surplus by sector, change in net financial assets, operations and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



*Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saint John, N. B.

June 13, 2025



CHARTERED PROFESSIONAL ACCOUNTANTS

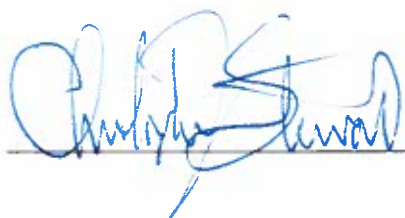
# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,356,585	\$ 1,687,384
Accounts receivable (Notes 4 and 16)	<u>606,648</u>	<u>201,716</u>
	<u>1,963,233</u>	<u>1,889,100</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Notes 5 and 16)	714,954	571,176
Obligation under capital lease (Note 6)	63,765	-
Reserve for future hearings and service to the sector (Note 15)	<u>634,022</u>	<u>369,351</u>
	<u>1,412,741</u>	<u>940,527</u>
<b>NET FINANCIAL ASSETS</b>	<u>550,492</u>	<u>948,573</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	331,616	30,421
Prepaid expenses	<u>413,448</u>	<u>342,408</u>
	<u>745,064</u>	<u>372,829</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 1,295,556</u>	<u>\$ 1,321,402</u>
<b>COMMITMENTS (Note 19)</b>		

APPROVED ON BEHALF OF THE BOARD:



Chairperson

# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## STATEMENT OF CHANGE IN ACCUMULATED SURPLUS (DEFICIT) BY SECTOR

FOR THE YEAR ENDED MARCH 31, 2025

	Balance at Beginning of <u>Year</u>	Surplus (Deficit)	Balance at End of <u>Year</u>
ELECTRICITY SECTOR	\$ 843,471	\$ (331,024)	\$ 512,447
NATURAL GAS SECTOR	254,053	48,684	302,737
PIPELINE SECTOR	134,401	183,041	317,442
PETROLEUM SECTOR	-	-	-
MOTOR CARRIER SECTOR	-	-	-
FINANCIAL AND CONSUMER SERVICES TRIBUNAL SECTOR	62,432	49,948	112,380
MINING SECTOR	<u>27,045</u>	<u>23,505</u>	<u>50,550</u>
	<u>\$ 1,321,402</u>	<u>\$ (25,846)</u>	<u>\$ 1,295,556</u>



# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
Excess (deficiency) of revenue over expenses	\$ (25,846)	\$ 1,701,759
Purchase of tangible capital assets	(333,489)	(20,084)
Proceeds on disposal of tangible capital assets	17,000	-
Amortization of tangible capital assets	32,294	18,086
Gain on sale of tangible capital assets	<u>(17,000)</u>	<u>-</u>
	(327,041)	1,699,761
Increase in prepaid expenses	<u>(71,040)</u>	<u>(70,821)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS (DEBT)</b>	(398,081)	1,628,940
<b>NET FINANCIAL ASSETS (DEBT) AT BEGINNING OF YEAR</b>	<u>948,573</u>	<u>(680,367)</u>
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	<u>\$ 550,492</u>	<u>\$ 948,573</u>

# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2025

	<u>2025</u> <u>Budget</u> (Note 18)	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>REVENUE</b>			
Electricity Sector (Note 8)	\$ 4,056,526	\$ 3,297,720	\$ 4,577,744
Natural Gas Sector (Note 9)	1,039,461	811,410	943,746
Pipeline Sector (Note 10)	759,413	660,674	561,447
Petroleum Sector (Notes 11 and 15)	792,831	739,237	678,843
Financial and Consumer Services Sector (Note 12)	265,439	211,276	238,933
Mining Sector (Note 13)	<u>72,567</u>	<u>48,565</u>	<u>58,189</u>
	<u>6,986,237</u>	<u>5,768,882</u>	<u>7,058,902</u>
<b>DIRECT EXPENSES</b>			
Electricity Sector	1,791,802	2,054,220	1,670,134
Natural Gas Sector	149,398	147,833	127,221
Pipeline Sector	105,000	4,155	7,553
Petroleum Sector (Note 15)	188,111	319,161	267,151
Financial and Consumer Services Sector	25,000	1,441	15,256
Mining Sector	<u>25,000</u>	<u>-</u>	<u>10</u>
	<u>2,284,311</u>	<u>2,526,810</u>	<u>2,087,325</u>
<b>NET REVENUE BEFORE COMMON EXPENSES</b>	<u>4,701,926</u>	<u>3,242,072</u>	<u>4,971,577</u>
<b>COMMON EXPENSES</b>			
Salaries and benefits	3,329,402	2,533,244	2,532,302
Office and administration (Note 19)	1,091,797	647,903	652,800
Training	194,746	54,477	66,630
Amortization	<u>85,981</u>	<u>32,294</u>	<u>18,086</u>
	<u>4,701,926</u>	<u>3,267,918</u>	<u>3,269,818</u>
<b>SURPLUS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ (25,846)</u>	<u>\$ 1,701,759</u>

# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
<b>CASH PROVIDED BY (USED IN)</b>		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ (25,846)	\$ 1,701,759
Item not involving cash		
Amortization	<u>32,294</u>	<u>18,086</u>
	6,448	1,719,845
Changes in non-cash working capital balances		
Accounts receivable	(404,932)	7,603
Prepaid expenses	(71,040)	(70,821)
Accounts payable and accrued liabilities	143,778	(762,143)
Obligations under capital lease	63,765	-
Reserve for future hearings and service to the sector	<u>264,671</u>	<u>(15,297)</u>
	<u>2,690</u>	<u>879,187</u>
Investing activities		
Purchase of tangible capital assets	(333,489)	(20,084)
Proceeds on disposal of tangible capital assets	17,000	-
Gain on disposal of tangible capital assets	<u>(17,000)</u>	<u>-</u>
	<u>(333,489)</u>	<u>(20,084)</u>
<b>INCREASE (DECREASE) IN CASH</b>	(330,799)	859,103
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,687,384</u>	<u>828,281</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 1,356,585</u>	<u>\$ 1,687,384</u>
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
Interest received	<u>\$ 139,141</u>	<u>\$ 127,802</u>



# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 1. PURPOSE OF THE ORGANIZATION

The New Brunswick Energy and Utilities Board (Board) is an independent, quasi-judicial regulatory tribunal constituted pursuant to the Energy and Utilities Board Act (New Brunswick) on June 22, 2006. The Board is comprised of four full time and one part time member. The Board has regulatory responsibilities under various Acts primarily involving electricity, pipelines, natural gas, petroleum products and public motor carriers. The *Energy and Utilities Board Act* was amended on June 16, 2023 to include certain responsibilities under the *Financial and Consumer Services Commission Act* and the *Mining Act*. The Board operates with funds received from the industries it regulates. The Board is exempt from income tax under paragraph 149(1)(d) of the *Income Tax Act*.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards ("PSAS").

#### Tangible Capital Assets

Tangible capital assets are recorded at cost. Minor expenditures for furniture and fixtures are expensed in the year of acquisition. Amortization is recorded using the straight-line method at the following annual rates:

Computer equipment	33 1/3%
Vehicles	20%
Leasehold improvements	5 years
Office equipment	5 years

#### Revenue Recognition

The Board follows the deferral method of accounting for revenue. Restricted revenue is recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest revenue is recorded on an accrual basis.

#### Common Expense Allocations

In determining the surplus (deficit) for each of the sectors, common expenses have been allocated based on management's best judgment and actual activity during the year.

#### Direct Expenses

Direct expenses may include consultants' fees, hearing costs, travel, training, out of pocket expenses and assessments from the North American Electric Reliability Corporation ("NERC") directly attributable to a specific area of regulatory responsibility.

# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equity instruments with actively traded markets are reported at fair value, with any unrealized gains and losses reported in excess (deficiency) of revenue over expenses. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

#### Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Board considers cash on hand and balances with banks, net of overdrafts, as cash or cash equivalents.

#### Measurement Uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Examples of significant estimates include:

- the estimated useful lives of assets;
- the recoverability of tangible capital assets; and
- direct expenses.

### 3. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Board's risk exposure and concentration as of March 31, 2025:

#### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is subject to credit risk through accounts receivable. The Board minimizes its credit risk through ongoing credit management. The Board does not have significant credit risk exposure to any individual customer.

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to this risk mainly in respect of its receipt of funds from the sectors it regulates and other related sources, accounts payable and accrued liabilities and other obligations.

#### Currency Risk

Currency risk is the risk to the Board that may arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Board is exposed to foreign currency exchange risk for expenses incurred in U.S. dollars.

# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 3. FINANCIAL INSTRUMENTS (cont'd)

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Board manages exposure through its normal operating and financing activities. The Board is not exposed to interest rate risk as it does not have any interest bearing debt.

### 4. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Trade accounts receivable	\$ 53,741	\$ 8,850
HST receivable	86,527	91,405
Public intervenor assessments (Notes 14 and 16)	466,380	96,196
Travel advances	-	5,265
	<u>\$ 606,648</u>	<u>\$ 201,716</u>

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2025</u>	<u>2024</u>
Trade accounts payable	\$ 58,589	\$ 420,240
Current portion of obligation under capital lease	11,718	-
Due to Province of New Brunswick (Note 16)	510,439	19,755
Wages and benefits	<u>134,208</u>	<u>131,181</u>
	<u>\$ 714,954</u>	<u>\$ 571,176</u>

### 6. OBLIGATION UNDER CAPITAL LEASE

	<u>2025</u>	<u>2024</u>
Econolease Financial Services Inc. lease bearing interest at 14.12% per annum, repayable in annual blended payments of \$21,634. The lease matures on August 22, 2029 and is secured by office furniture and equipment with a carrying value of \$73,624.	75,483	-
	-	-
Amounts payable within one year	<u>(11,718)</u>	<u>-</u>
	<u>\$ 63,765</u>	<u>\$ -</u>

The minimum annual lease payments due within the next five years are as follows:

2026	\$ 11,718
2027	13,483
2028	15,515
2029	17,852
2030	<u>16,915</u>
	<u>\$ 75,483</u>



# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 7. TANGIBLE CAPITAL ASSETS

	<u>2025</u>			<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 100,053	\$ 68,241	\$ 31,812	\$ 29,219
Vehicles	-	-	-	1,202
Office furniture	84,660	3,736	80,924	-
Leasehold improvements	<u>229,750</u>	<u>10,870</u>	<u>218,880</u>	<u>-</u>
	<u>\$ 414,463</u>	<u>\$ 82,847</u>	<u>\$ 331,616</u>	<u>\$ 30,421</u>

### 8. ELECTRICITY SECTOR REVENUE

In accordance with section 50 of the *Energy and Utilities Board Act*, certain corporations are assessed each year for their estimated direct expenses together with their estimated share of the Board's common expense budget. Assessments are adjusted to include the audited surplus or deficit from the prior year.

	<u>2025</u>	<u>2024</u>
Estimate of common expenses	\$ 2,264,725	\$ 2,104,801
Estimate of direct expenses	<u>1,791,801</u>	<u>1,896,400</u>
	4,056,526	4,001,201
Deficit (surplus) from prior year	<u>(843,471)</u>	<u>482,294</u>
Assessment of electric utilities	3,213,055	4,483,495
Add: interest income	<u>84,665</u>	<u>94,249</u>
	<u>\$ 3,297,720</u>	<u>\$ 4,577,744</u>

### 9. NATURAL GAS SECTOR REVENUE

In accordance with section 50 of the *Energy and Utilities Board Act*, natural gas distributors are assessed each year for their estimated direct expenses together with their estimated share of the Board's common expense budget. Assessments are adjusted to include the audited surplus or deficit from the prior year.

	<u>2025</u>	<u>2024</u>
Estimate of common expenses	\$ 890,063	\$ 817,663
Estimate of direct expenses	<u>149,398</u>	<u>163,354</u>
	1,039,461	981,017
Surplus from prior year	<u>(254,053)</u>	<u>(61,007)</u>
Assessment of natural gas distributors	785,408	920,010
Add: other income	1,500	2,015
Add: interest income	<u>24,502</u>	<u>21,721</u>
	<u>\$ 811,410</u>	<u>\$ 943,746</u>

# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 10. PIPELINE SECTOR REVENUE

In accordance with section 50 of the *Energy and Utilities Board Act*, certain pipeline owners are assessed each year for their estimated direct expenses together with their estimated share of the Board's common expense budget.

	<u>2025</u>	<u>2024</u>
Estimate of common expenses	\$ 654,413	\$ 587,598
Estimate of direct expenses	<u>105,000</u>	<u>5,000</u>
	759,413	592,598
Surplus from prior year	<u>(134,401)</u>	<u>(40,930)</u>
Assessment of pipeline owners	625,012	551,668
Add: other income (expense)	17,000	-
Add: interest income	<u>18,662</u>	<u>9,779</u>
	<u>\$ 660,674</u>	<u>\$ 561,447</u>

### 11. PETROLEUM SECTOR REVENUE

Section 26 of the *Petroleum Products Pricing Act* (the "PPP Act") requires each wholesaler, as defined in the *Gasoline and Motive Fuel Act*, to pay an annual levy to the Board. Per amended legislation passed in September 2014, the levy shall be based on the volume of gasoline and motive fuel, as defined by the *Gasoline and Motive Fuel Tax Act*, or based on each litre of gasoline and motive fuel sold in the twelve month period ending October 31st preceding the calendar year for which its wholesaler's license was issued. The levy is used to defray the Board's expenses under the PPP Act as well as defraying the expenses incurred by the Public Intervener for the Energy Sector as a result of a review conducted by the Board under subsection 14(1).

### 12. FINANCIAL AND CONSUMER SERVICES SECTOR REVENUE

In accordance with section 50 of the *Energy and Utilities Board Act*, Financial and Consumer Services Commission is assessed each year for their estimated direct expenses together with their estimated share of the Board's common expense budget. Assessments are adjusted to include the audited surplus or deficit from the prior year.

	<u>2025</u>	<u>2024</u>
Estimate of common expenses	\$ 240,439	\$ 222,137
Estimate of direct expenses	<u>25,000</u>	<u>15,256</u>
	265,439	237,393
Surplus from prior year	<u>(62,432)</u>	<u>-</u>
Assessment of Financial and Consumers Services Commission	203,007	237,393
Add: interest income	<u>8,269</u>	<u>1,540</u>
	<u>\$ 211,276</u>	<u>\$ 238,933</u>

# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 13. MINING SECTOR REVENUE

In accordance with section 50 of the *Energy and Utilities Board Act*, Minister of Natural Resources and Energy Development is assessed each year for their estimated direct expenses together with their estimated share of the Board's common expense budget. Assessments are adjusted to include the audited surplus or deficit from the prior year.

	<u>2025</u>	<u>2024</u>
Estimate of common expenses	\$ 47,567	\$ 57,666
Estimate of direct expenses	<u>25,000</u>	<u>10</u>
	72,567	57,676
Surplus from prior year	<u>(27,045)</u>	<u>-</u>
Assessment of Mining Sector Revenue	45,522	57,676
Add: interest income	<u>3,043</u>	<u>513</u>
	<u>\$ 48,565</u>	<u>\$ 58,189</u>

### 14. ASSESSMENT FOR PUBLIC INTERVENER

Pursuant to section 10 of the *Act Respecting a Public Intervener for the Energy Sector*, costs incurred by the Public Intervener are to be included in the annual expenses of the Board for the purposes of assessment under section 50 of the *Energy and Utilities Board Act* and remitted to the Minister of Finance. During the year, \$630,952 (2024 - \$418,612) was remitted to the Minister of Finance. The funds remitted consisted of direct assessments collected from the Electricity, Natural Gas and Pipeline Sectors totaling \$586,956 (2024 - \$364,787), and \$43,996 (2024 - \$53,825) collected from the Petroleum Sector via levies. The amounts directly assessed to the Electricity, Natural Gas and Pipeline Sectors are not included in the revenue and expenses of the Board. There was \$466,380 (2024 - \$nil) due to the Minister of Finance as at March 31, 2025. There was \$466,380 of assessments due to the Board at March 31, 2025 (2024 - \$96,196).

### 15. RESERVE FOR FUTURE HEARINGS AND SERVICE TO THE SECTOR

The Board has established a reserve to assist in the cost of future hearings and service to the sector in the Petroleum Sector. The levies received to cover the costs of such hearings are included in the reserve and will be recognized when the hearing costs are incurred. The activity during the year was as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 369,351	\$ 384,648
Add: levies contributed to the reserve	264,671	-
Less: hearing costs during the year	<u>-</u>	<u>15,297</u>
Balance at end of year	<u>\$ 634,022</u>	<u>\$ 369,351</u>



# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 16. RELATED PARTY TRANSACTIONS

The New Brunswick Energy and Utilities Board is a Government Reporting Entity and as such is related to all Province of New Brunswick departments, agencies and Crown Corporations. During the year, the Board received \$3,193,170 (2024 - \$4,461,770) from New Brunswick Power Corporation, \$211,276 (2024 - \$238,933) from Financial and Consumer Services Commission and \$48,565 (2024 - \$58,189) from Minister of Natural Resources and Energy Development. See Note 14 for Public Intervenor transactions.

### 17. PENSION PLAN

On January 1, 2014, the Province replaced the *Public Service Superannuation Act* with the Public Service Shared Risk Plan, which is now known as the New Brunswick Public Service Pension Plan ("NBPSPP"). For pension entitlements earned after January 1, 2014, the employer will make defined contributions to the plan, with no guarantee of the benefit payout at retirement. The NBPSPP will pay cost of living increases and other ancillary benefits only to the extent that funds are available for such benefits. The NBPSPP is governed by an independent board of trustees. Other changes include retirement age as well as increases in pension reduction for early retirement.

### 18. BUDGET FIGURES

The budget figures are unaudited and are provided for comparison purposes and are derived from estimates approved by the Board.

### 19. COMMITMENTS

#### Saint John

The Board signed a lease for its office premises commencing January 6, 2025 and expiring January 31, 2030. The minimum lease payments due within the next five years are as follows:

2026	\$ 288,304
2027	289,981
2028	297,375
2029	304,964
2030	233,077
	<u>\$ 1,413,701</u>

During the year, the Board signed two vehicle operating leases with Canadian Road Management Company commencing on October 19, 2024 for a term of 24 months. The future minimum lease payments due within the next two years are as follows:

2026	\$ 25,857
2027	12,928
	<u>\$ 38,785</u>

# NEW BRUNSWICK ENERGY AND UTILITIES BOARD

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 19. COMMITMENTS (cont'd)

#### Fredericton

The Board signed a lease for its office premises for a ten year period commencing March 1, 2024 and expiring February 28, 2034. The minimum annual lease payments due within the next five fiscal years are as follows:

2026	\$	39,540
2027		39,540
2028		39,540
2029		39,540
2030		<u>41,936</u>
	\$	<u>200,096</u>

### 20. EXECUTIVE DIRECTOR - FINANCE

Internal financial accounting and reporting is completed under my supervision as Executive Director - Finance for the Board. I confirm that the audited financial statements as at March 31, 2025, as prepared by Teed Saunders Doyle accurately report the financial results of the Board for the fiscal year 2024-2025.



Michael Dickie CPA, CGA  
Executive Director - Finance