



*Newfoundland
& Labrador*

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

2002-2003 ANNUAL REPORT

COMMISSIONERS
Year End - March 31, 2003

Chair and Chief Executive Officer *Robert Noseworthy*
Vice-Chair *Darlene Whalen*
Full-time Commissioner *Raymond A. Pollett*
Part-time Commissioner *William Finn*
Part-time Commissioner *Gerard Martin*
Part-time Commissioner *Don Powell*
Part-time Commissioner *Fred Saunders*
Part-time Commissioner *Gary R. Vey*
Part-time Commissioner *Vacant*

Letter to the Minister of Justice

On behalf of the Board of Commissioners of Public Utilities, I respectfully submit the Board's Annual Report for the year ended March 31, 2003, in accordance with Section 18 of the Public Utilities Act.

The annual report provides an overview of the Board, the key regulatory activities for the reporting period, and challenges for the future, the Board's Financial Statements and a summary of the Orders issued by the Board.

Sincerely,

Robert Noseworthy
Chair and CEO

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OVERVIEW

The Board is an independent, quasi-judicial regulatory agency appointed by the Lieutenant Governor in Council, under the authority of the *Public Utilities Act, R.S.N. 1990*. Statutory responsibilities include the administration of:

- i) *The Public Utilities Act*
- ii) *The Electrical Power Control Act*
- iii) *The Motor Carrier Act*
- iv) *The Motor Vehicle Transport Act;*
- v) *The Expropriation Act;*
- vi) *The Public Utilities Acquisition of Lands Act*

and limited responsibilities for:

- vii) *The Automobile Insurance Act*
- viii) *The Insurance Companies Act*

The Board has three full-time members including the Chair and Chief Executive Officer, and Vice-Chair and up to six part-time Commissioners. Board members comprise a multifaceted group of professionals consisting of engineers, lawyers, accountants and business individuals. In addition to the Commissioners, the Board has ten full-time staff that provide professional and support services to the Board.

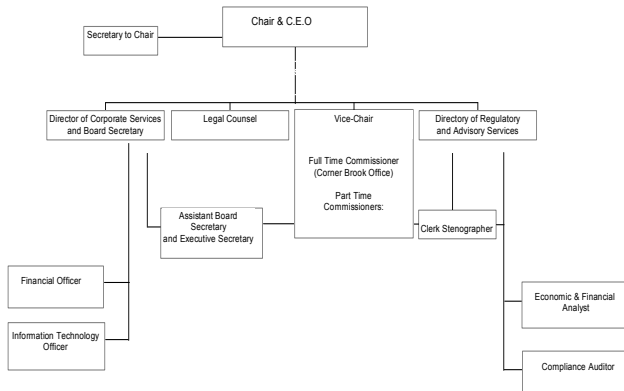


Figure 1- PUB Organizational Chart

The Board submits its budget and annual report to the Minister of Justice. Board orders and decisions are independent of any reporting structure.

The Board is fully funded by assessments upon the industries it regulates and receives no funding from the consolidated revenue fund. Hearings are funded on a cost recovery basis.

MANDATE

The Board’s primary responsibility is the regulation of the electric utilities in the Province to ensure that the rates charged are just and reasonable, and that the service provided is safe and reliable. The Board is also responsible for the supervision of rates charged by automobile insurers for the various components of automobile coverage, as well as limited regulation of the motor carrier industry in relation to certain passenger and ambulance operations.

MISSION

Through our skilled staff and an investigative and monitoring process that invites full public participation, we ensure that the public of Newfoundland and Labrador is well served in a changing environment achieving an equitable balance between the interests of consumers and service providers in the electric utility, automobile insurance and motor carrier industries.

LINES OF BUSINESS

The internal administration of the Board is divided between the Regulatory Affairs Division and the Corporate Services Division. The Regulatory Affairs Division is responsible for overseeing the Board’s regulatory mandate. The Corporate Services Division manages the internal administrative functions of the Board.

Regulatory activities include: conducting public hearings into proponent applications; monitoring compliance with reporting requirements and Board Orders; conducting investigations into particular matters or concerns, including the annual financial reviews of the utilities and compliance audits of insurance companies; managing complaints and responding to inquiries; and undertaking other activities in accordance with the legislation.

HIGHLIGHTS

The following summarizes the significant regulatory items before the Board this year.

Electric Utilities

The Board issued 43 Public Utility Board Orders, under the PU Act, including:

- 5 orders issued under section 41 relating to Capital Budget Expenditures;
- 16 orders for Contribution in Aid of Construction (“CIAC”) Applications;
- 3 orders pursuant to section 70 relating to rates;
- 3 orders under section 71 for changes to the companies’ rules and regulations;
- An order for approval of the decommissioning of the diesel plant in Great Harbour Deep, pursuant to section 38; and
- 5 orders relating to procedures and related amendments.

General Supervision

In keeping with its mandate to ensure the safe and reliable supply of power the Board requires the utilities to file Power Outage/Incident Reports detailing significant power outages. In 2002-03 the Board reviewed and followed up where appropriate on 30 Newfoundland and Labrador Hydro (“NLH”) and 35 Newfoundland Power (“NP”) reports. The breakdown of the causes of these reports were as follows:

- 16 Equipment Failures
- 23 Underfrequency Events
- 20 Weather/ Other
- 6 Public Contact

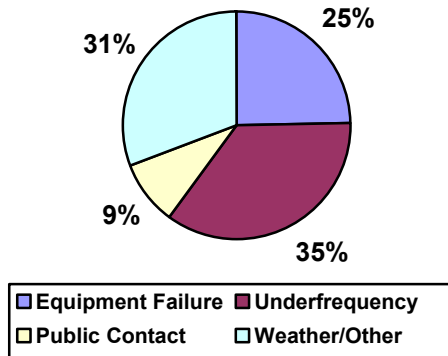


Figure 2 – Causes of Power Outage Reports as reported to the Board

Customer Complaints

The Board investigated and followed up on 16 various complaints from utility customers, with five relating to billing problems. Other complaints received were with respect to the CIAC policy, cutoff notices, property encroachment and the equal payment plan.

Automobile Insurance

With respect to the Board’s responsibility for the regulation of automobile insurance rates, the Board issued 39 Orders on insurance matters, specifically:

- 26 for rates within the approved benchmarks;
- 6 for non-benchmark rate filings;
- 5 relating to revisions or amendments; and
- 2 procedural orders related to the application from Facility Association for a rate review.

Other Regulatory Activities

The Board has certain responsibilities under the Motor Carrier Act and the Expropriation Act.

Under the Motor Carrier Act, four Orders were issued for ambulance motor carrier certificates and two were issued relating to separate fare bus services.

The Board received one application under the Expropriation Act. This application is currently before the Board.

FINANCIAL

The Board is fully funded by assessments from the industries it regulates. In 2002-03, the breakdown of the assessments for the regulated industries was 69.81% for the public utility division and 30.19% to the insurance industry.

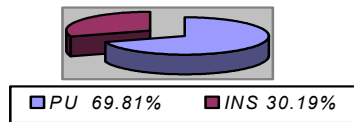


Figure 3 – Breakdown of Assessments by Division

In the fiscal year the Board’s expenditures were \$1.71 million. Of this amount \$997,004 was attributed to Salaries and Associated costs, \$111,146 to Financial and Actuarial Consulting, and the remainder to Operations.

ACTIVITIES DURING THE YEAR

The year 2002-03 proved to be a very busy regulatory year for the Board. The following summarizes the significant activities and accomplishments during the year.

PUBLIC UTILITY

NLH 2002 General Rate Application Order No. P.U. 7(2002-03)

After concluding the public hearing on January 29, 2003 the Board issued its final decision on June 7, 2003. The 182-page decision was a significant milestone for the Board. The application and hearing marked the first appearance for the crown corporation since becoming fully regulated in 1996, which presented a host of regulatory challenges for the Board. The Board acknowledged that it would take time to fully develop a regulatory strategy for NLH considering the complexity of the application and the broad range of issues presented. To help establish NLH's regulatory groundwork the Board directed over 30 compliance requirements to be filed, including guidelines for the submission of future Capital Budget applications and placed NLH on notice that the directives reflected in the Order are temporary and will be addressed at its next application scheduled for 2003.

Regulatory Efficiency Improvements

The application represented a challenge for the Board in terms of information management with almost 24,000 pages of evidence filed during the proceeding. To enhance the hearing process the Board implemented an electronic document filing system with improved research and retrieval capabilities. The enhanced research capabilities also significantly reduced the research and writing time required in previous hearings of this nature. The technological improvements allowed for an effective decision making process that ultimately led to cost reductions and improved regulatory efficiency.

NP General Rate Application

NP's rates are directly affected by any rate changes to NLH. As a result of NLH's rate changes approved in Board Order No. P.U. 7(2002-03), NP's purchased power costs were increased by 6.5%. NP filed an application on August 22, 2003 requesting new rates in order to pass through these increased costs to its customers.

The Board issued Order No. P.U. 22 (2002-03), which resulted in an increase of 3.68% to NP's customers. This Order also directed NP to file a general rate application for a full review of its 2003 costs no later than October 11, 2002.

The pre-hearing conference held October 30, 2002 marked the beginning of the rate application proceeding with much of the regulatory filing process continuing throughout the fall of 2002 and winter of 2003. The hearing began on March 3, 2003 and is scheduled to continue for six weeks until mid-April.

Regulatory Process Improvements

During the pre-hearing phase the Board implemented a mediation process to allow parties an opportunity to settle certain issues in advance of the hearing, such as cost of service allocation, rate structure and tariff matters. Following the mediation process, a report was filed during the hearing reflecting agreement of the parties to those issues settled. The mediation initiative proved successful and regulatory costs were reduced by the elimination of expert testimony on certain matters and the related time that would have been spent during the hearing.

NP 2003 Capital Budget Application Board Order No. P.U. 36(2002-03)

The Application was filed on August 2, 2002. The hearing began on November 13 and continued for seven days, concluding on November 28 with final oral argument.

Following this hearing the Board decided that the process regarding the handling of capital budget applications should be reviewed. It is expected that the review will be undertaken in

the upcoming year. In the interim, NP was directed to follow the guidelines similar to those developed for the NLH capital budget submissions as ordered by the Board in Order No. P.U. 7(2002-03).

General Supervisory Activities

Following receipt of an increased number of power outage reports relating to underfrequency trips and review of the Power Outage reporting process, the Regulatory Department commenced an investigation of the reasons for the outages. A report to the Board is pending.

AUTOMOBILE INSURANCE

Facility Association Rate Application

On September 9, 2002 Facility Association filed an application for approval of revised rates to be charged to private passenger and commercial automobile insurance policy holders insured by servicing carriers on behalf of Facility.

The application requested a significant rate increase. A pre-hearing conference was held on November 5, 2002. The hearing started December 11, 2002 and concluded on February 12, 2003 after 12 hearing days, including public participation. The Board is currently in deliberations with a decision anticipated in April 2003.

CHALLENGES AHEAD

The Board's challenges for the future primarily involve examining and improving its administrative and regulatory procedures, practices and policies.

The Board is anticipating another busy regulatory year in 2003-04 with two major proceedings ongoing and two other hearings scheduled.

In light of the busy regulatory calendar for the next year the Board's work will focus on the following:

Hearings

The ongoing NP General Rate hearing is scheduled to continue until mid-April with a decision expected late spring.

In Order No. P.U. 7(2002-03) the Board ordered NLH to file a general rate application for rates to no later than December 31, 2003. The Board expects NLH's application before the end of May. Although the Board has established a regulatory foundation for NLH's issues, it is expected that, once the Board is seized with the application, the hearing and post-hearing activities will be a primary focus for the Board.

Review of the Capital Budget Approval Process
Board Orders P.U. 7(2002-03) and P.U. 36(2002-03) highlighted the need to review the approval process for Capital Budget Applications. During the year the Board will initiate this process and hold a technical conference with stakeholders and interested persons or parties.

Study of Performance Based Regulation ("PBR")

There have been significant changes to the regulation of the electricity industry over the past decade, particularly in the deregulation of the industry and the development of alternative forms of regulation. In fulfilling its strategic objective of improving and streamlining the regulatory process the Board has completed

some preliminary work on alternative forms of regulation such as PBR. The Board will continue its research in this area with the intention of completing a discussion paper for further consideration by the Board.

Maintaining Reasonable Regulatory Costs

Keeping regulatory costs at a reasonable level while ensuring that the principles of natural justice are upheld presents a continual challenge to the Board. In the 2002 NP General Rate Hearing, the Board implemented a mediation process as a way of improving the hearing process. The mediation process positively impacted the hearing process by reducing hearing time and ultimately hearing costs. The Board will build on the mediation process along with settlement/technical conferences to achieve greater regulatory efficiencies and reduce costs whenever possible.

Enhancing Information Management

The Board has been challenged by the volume and complexity of the information filed in regulatory proceedings. The Board has made significant improvements in document management and the streamlining of the regulatory process, and Board will continue to develop and make improvements in this area by building on the existing technology and implementing further enhancements.

Automobile Insurance Review

Insurance reform has been a focus of public debate for the last number of years, and has resulted in the Government issuing the Minister's Proposals for Automobile Insurance Reform Consultation Paper. The Board expects that insurance reform issues will continue to be a public issue and, as the regulatory agency responsible for the regulation of automobile insurance rates, the Board expects to play an expanded role in information exchange. The challenge for the Board will be to ensure that accurate and up to date information will be available to stakeholders including Government.

FINANCIAL STATEMENTS



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AUDITORS' REPORT

To: The Members of the Board of Commissioners of Public Utilities

We have audited the statement of financial position of the Board of Commissioners of Public Utilities as at March 31, 2003 and the statements of operations, accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

St. John's, Newfoundland
May 20, 2003

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Financial Position
March 31, 2003**

	2003	2002
ASSETS		
Current		
Cash	\$ 317,897	\$ 395
Accounts receivable	116,903	17,185
Hearing costs recoverable (Note 3)	1,131,673	1,454,268
Prepaid expenses	5,493	20,742
	1,571,966	1,492,590
Designated pension funds (Note 4)	547,750	600,511
	\$2,119,716	\$2,093,101
LIABILITIES		
Current		
Bank indebtedness (Note 5)	\$ -	\$ 552,819
Accounts payable and accruals	414,086	67,526
	414,086	620,345
Accrued paid leave	255,571	218,289
Accrued severance pay	144,527	130,697
Pension obligations (Note 4)	362,500	375,500
	1,176,684	1,344,831
ACCUMULATED SURPLUS		
Per statement	943,032	748,270
	\$2,119,716	\$2,093,101

On Behalf of the Board:

_____ Chairperson and CEO

_____ Vice-Chairperson

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Operations
Year Ended March 31, 2003

	2003	2002
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Revenues		
Assessments	\$1,670,609	\$1,724,880
Hearings room	8,450	11,100
Interest	16,659	16,082
Pension income (Note 4)	12,684	25,666
	<hr/>	<hr/>
	1,708,402	1,777,728
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Expenses		
Advertising and transcription	173	564
Consulting fees	111,146	145,404
Loan fee	700	5,000
Office equipment and supplies	82,278	92,568
Pension obligations estimation adjustment (Note 4)	52,445	48,245
Rent and insurance	130,506	131,120
Salaries and associated costs	997,004	930,171
Telecommunications	23,140	25,459
Training and membership	56,143	34,647
Travel	60,105	50,093
	<hr/>	<hr/>
	1,513,640	1,463,271
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Excess of revenues over expenses	\$ 194,762	\$ 314,457
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BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Accumulated Surplus
Year Ended March 31, 2003**

	2003			2002
	Internally Restricted (Note 6)	Unrestricted	Total	Total
Balance as at beginning of year	\$ 805,850	\$ (57,580)	\$748,270	\$433,813
Excess of revenues over for the year	-	194,762	194,762	314,457
Restricted during the year (Note 6)	251,877	(251,877)	-	-
Balance as at end of year	\$1,057,727	\$(114,695)	\$943,032	\$748,270

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Cash Flows
Year Ended March 31, 2003

	2003	2002
Operating activities		
Cash receipts from assessments and other revenues	\$ 1,608,684	\$ 1,919,654
Cash paid to suppliers and employees	(1,113,719)	(1,481,408)
Cash provided by operating activities	494,965	438,246
Hearing activities – recoverable		
Decrease (increase) in hearing costs recoverable and cash provided by (used in) hearing activities – recoverable	322,595	(1,427,691)
Investing activities		
Decrease in designated pension funds and cash provided by investing activities	52,761	39,779
Increase (decrease) in cash during year	870,321	(949,666)
Cash position as at beginning of year	(552,424)	397,242
Cash position as at end of year	\$ 317,897	\$ (552,424)
Represented by:		
Cash	\$ 317,897	\$ 395
Bank indebtedness	-	(552,819)
	\$ 317,897	\$ (552,424)

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2003**

1. Authority

The Board of Commissioners of Public Utilities is an independent, quasi-judicial regulatory agency constituted in 1949 by the Lieutenant-Governor in Council pursuant to the *Public Utilities Act*. The Board regulates the electric utilities in the Province and is responsible for ensuring that the rates charged are reasonable and that the service provided is safe and reliable. Other responsibilities include the regulation of automobile insurance rates; limited regulation of the motor carrier industry as it relates to certain passenger and ambulance operations and to establish compensation for matters referred to the Board pursuant to the *Expropriation Act*. The Board was incorporated on May 12, 2000 pursuant to an amendment to the *Public Utilities Act*.

2. Summary of significant accounting policies

These financial statements have, in all material respects, been prepared in accordance with Canadian generally accepted accounting principles, the more significant of which are set out below:

a) Operating revenues and expenses

Operating revenues and expenses are accounted for on the accrual basis.

b) Hearing costs recoverable

Recoverable expenses relating to specific enquiries held by the Board are accrued in hearing costs recoverable accounts until the Board orders payment. The costs and subsequent recoveries for these enquiries are not included in the operating revenues and expenses of the Board.

c) Capital assets

Capital assets are recorded as an expense in the year the asset is acquired. Capital assets are not recorded on the Statement of Financial Position and amortization is not recorded on the Statement of Operations.

A Statement of Tangible Capital Assets is provided for information purposes on Page 10. Amortization used in the statement is calculated on a straight-line basis over the estimated useful life of the asset:

Asset	Basis	Rate
Furniture and equipment	Straight-line	5 Years
Leasehold improvements	Straight-line	5 Years
Computer hardware	Straight-line	3.3 Years
Computer software	Straight-line	1 Year

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements
March 31, 2003

2. Significant accounting policies (cont'd)

d) Severance pay

Severance pay is accounted for on the accrual basis and is based upon years of service and current salary levels. The entitlement to severance pay vests with employees after nine years of continual service and accordingly no provision has been made in the accounts for employees with less than nine years of continual service. The amount is payable when the employee ceases employment with the Board.

e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Board's management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes thereto. Actual results may differ from those estimates.

3. Hearing costs recoverable

	2003	2002
Hearing costs recoverable, beginning of year	\$1,454,268	\$ 26,577
Add - specific enquiry costs incurred during the year:		
Actuarial consultants	123,248	-
Consulting fees	674,459	728,986
Consumer Advocate	468,256	484,496
Salaries and associates costs	128,510	131,816
Transcription and printing	54,200	63,076
Travel and accommodations	31,419	57,088
Advertising and notice	72,552	74,064
Other	17,158	48,216
	1,569,802	1,587,742
Less - costs recovered during the year	3,024,070	1,614,319
Hearing costs recoverable, end of year	\$1,131,673	\$1,454,268

4. Designated pension funds and pension obligations

The Board maintains a defined benefit pension plan for two former commissioners. Designated pension funds have been established and consist of investments maintained in trust with the Royal Trust Corporation of Canada on behalf of these pensioners and are recorded at market value.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2003**

4. Designated pension funds and pension obligations (cont'd)

Changes in designated pension funds are as follows:

	2003	2002
Balance, beginning of year	\$600,511	\$640,290
Add – earnings net of expenses	12,684	25,666
	613,195	665,956
Deduct – benefit payments	65,445	65,445
	\$547,750	\$600,511
	\$547,750	\$600,511

Pension obligations at March 31, 2003 in the amount of \$362,500 (2002 - \$375,500) represent the present value of accrued pension benefits as calculated in an actuarial report dated May 12, 2003. A pension obligations estimation adjustment of \$52,445 (2002 - \$48,245) is included in expenses in the fiscal year.

The Board also makes pension payments to a former Commissioner in the amount of \$24,520 per annum. These payments are paid directly by the Board out of operating expenses and are included in salaries and associated costs. In addition, salaries and associated costs include the expenditure of \$46,638 (2002 - \$40,539) with respect to other Commissioners and employees who are members of the Public Service Pension Fund Act, 1991 and entitled to benefits under that Act.

5. Bank indebtedness

During the year, the Board established a \$1,000,000 line-of-credit subject to a general security agreement over all accounts and book debts, equipment, tangible capital assets and certain other assets. Any outstanding balance bears interest at the bank prime rate plus 0.5%.

6. Internally restricted surplus

The Board has adopted a formal policy to accumulate and restrict estimated amounts required to meet expected future obligations, together with the amount by which the funds set aside to meet future pension obligations exceed the amount of the pension obligation as calculated by actuarial estimates. The amounts restricted as at March 31, 2003 are as follows:

	2003	2002
Lease commitments	\$ 130,140	\$130,140
Payroll contingency	45,820	43,460
Pension obligations	185,250	-
Redundancy pay contingency	416,517	352,250
Working capital	280,000	280,000
	\$1,057,727	\$805,850
	\$1,057,727	\$805,850

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements

March 31, 2003

7. Income taxes

The Board is a Crown entity of the Province of Newfoundland and as such is not subject to provincial or federal income taxes.

8. Lease commitments

The Board entered into the following leases for the rental of office space:

- a) five-year lease agreement in the amount of \$10,345 per month (\$124,140 per annum) commencing June 1, 1998.
- b) two-year lease agreement in the amount of \$500 per month (\$6,000 per annum) commencing July 1, 2002.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Tangible Capital Assets
March 31, 2003**

	Original Cost			Accumulated Amortization			Net Book Value	
	Balance March 31, 2002	Additions	Balance March 31, 2003	Balance March 31, 2002	Additions	Balance March 31, 2003	Balance March 31, 2003	Balance March 31, 2002
Furniture and equipment	\$179,856	\$ 18,124	\$197,980	\$154,456	\$ 27,212	\$181,668	\$ 16,312	\$ 25,400
Leasehold improvements	116,545	11,663	128,208	79,481	24,475	103,956	24,252	37,064
Computer hardware	126,695	10,294	136,989	113,824	14,431	128,255	8,734	12,871
Computer software	10,755	1,641	12,396	10,755	821	11,576	820	-
	\$433,851	\$ 41,722	\$475,573	\$358,516	\$ 66,939	\$425,455	\$ 50,118	\$ 75,335

**SUMMARY OF ORDERS OF THE BOARD ISSUED DURING 2002 - 2003
UNDER
THE PUBLIC UTILITIES ACT**

Newfoundland and Labrador Hydro

P.U. 1 (2002-2003)

Application:

April 16, 2002

Ex Parte – Application for approval, pursuant to section 41 of the Act, of the repair of a transformer situated at the site of the Corner Brook Frequency Converter.

Decision:

Approval granted for the Applicant's proposed 2002 capital expenditure of \$465,600.00 for the rewinding of the T2 Transformer situated at the Corner Brook Frequency.

Newfoundland Power Inc.

P.U. 2 (2002-2003)

Application:

May 2, 2002

Application for approval of the balance of the weather normalization reserve as of December 31, 2001 pursuant to Sections 69(3) and 78 of the Act.

Decision:

Approval granted for the Applicant's weather normalization reserve of a Negative Balance of \$9,899,796 as at December 31, 2001.

At the next general rate review, the function and methodology of the Weather Normalization Reserve will be reviewed by the Board whereby the Applicant shall present its views on the function and methodology of the reserve and its proposal for the disposition of the deficit balance contained in the reserve account.

Newfoundland Power Inc.

P.U. 3 (2002-2003)

Application:

May 2, 2002

Application for approval of a contribution in aid of construction for a line extension to serve Mr. Francis Glynn pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Twenty-seven thousand, three hundred sixty-five dollars and forty cents (\$27,365.40), including HST, as calculated under the Policy, to provide single-phase electrical service to serve Mr. Francis Glynn.

Newfoundland Power Inc.

P.U. 4 (2002-2003)

Application:

May 2, 2002

Application for approval of a contribution in aid of construction for a line extension to serve Pitcher's Pond Golf Inc. pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Ninety-seven thousand, three hundred fifty-nine dollars (\$97,359.00), including HST, as calculated under the Policy, to provide three-phase service for a pump house and single-phase service for the clubhouse, to serve a golf course for Pitcher's Pond Golf Inc. located near the Town of Whiteway.

Newfoundland Power Inc.

P.U. 5 (2002-2003)

Application:

May 2, 2002

Application for approval of a contribution in aid of construction for a line extension to serve primarily seasonal customers pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Two thousand, eight hundred fifty-two dollars and eighty-nine cents (\$2,852.89), including HST, as calculated under the Policy, for each of the five (5) seasonal customers as described in the Application with premises located on Trails End Road in the Mahers Cottage Area.

Newfoundland Power Inc.

P.U. 6 (2002-2003)

Application:

May 2, 2002

Application for approval of a contribution in aid of construction for a line extension to serve the Town of Bay Roberts pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Twenty-two thousand, three hundred thirty dollars and seventy cents (\$22,330.70), including HST, as calculated under the Policy, to provide single-phase, joint-use extension to serve a tourist chalet located on Veterans Memorial Highway, near Bay Roberts.

Newfoundland and Labrador Hydro

P.U. 7 (2002-2003)

Application:

June 7, 2002

In the matter of an Application by Newfoundland and Labrador Hydro (Hydro) for approvals of:

- (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers;
- (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers;
- (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and
- (4) Under Section 41 of the Act, its 2002 Capital Budget.

Decision:

The order addresses the approvals granted and reasons for decision.

Newfoundland Power Inc.

P.U. 8 (2002-2003)

Application:

June 12, 2002

Application for approval of a contribution in aid of construction for a line extension to serve primarily seasonal customers pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Three thousand, three hundred twenty-seven dollars and sixty-four cents (\$3,327.64), including HST, as calculated under the Policy, and the suspension of the payment of refunds to the customers until such time as the shortfall of \$93.81 per customer referred to in the Application is recovered.

Newfoundland Power Inc.

P.U. 9 (2002-2003)

Application:

June 20, 2002

Application for approval of the rate stabilization account adjustment and the municipal tax adjustment to be applied to rates for the period July 1, 2002 to June 30, 2003.

Decision:

The Board approves the Rate Stabilization Adjustment factor of 0.163 cents/kWh and the MTA factor of 1.02501 to be applied to all bills based on meter readings for the period July 1, 2002 to June 30, 2003.

Newfoundland and Labrador Hydro

P.U. 10 (2002-2003)

Application:

July 4, 2002

For approval of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget.

Decision:

Pursuant to Section 90 (1) of the Act, the Board ordered that the costs of the Industrial Customers be fixed at \$250,000 and that NLH shall, within a reasonable time period, pay intervenor costs to the Industrial Customers in the amount of \$250,000.

Newfoundland and Labrador Hydro

P.U. 11 (2002-2003)

Application:

July 11, 2002

For approval of: Under Section 71 of the Act, certain rules and regulations pertaining to the supply of electrical power and energy to two of its industrial customers, Corner Brook Pulp and Paper Limited and Abitibi-Consolidated Company of Canada (Grand Falls).

Decision:

1. Pursuant to Section 71 of the Act, the definition of "Generating Capacity" set out in paragraph 1.01 (i) of the rules and regulations pertaining to the provision of electrical service by Hydro to Corner Brook Pulp and Paper Limited shall be revised so as to read as follows:
 - (i) "Generating Capacity" includes
 - i. 99,100 kW, being the amount of power the Customer is able to generate at 60 Hz from its hydraulic generating resources, or to generate at 50 Hz from its hydraulic generating resources and have converted to 60 Hz, and
 - ii. 10,000 kW, being the amount of power the Customer requires from Hydro for use in its electric boiler to produce process steam, a load that the Customer is normally able to displace by using its oil-fired steam boiler, but does not include capacity from generating facilities dedicated to the generation of power and energy for sale or transfer to Hydro or to a third party.
2. Pursuant to Section 75 of the Act:
 - (a) Until the Board makes a final Order approving such other rate, the Power and Energy rate associated with the provision of Generation Outage Power and Energy by Hydro to Corner Brook Pulp and Paper Limited and to Abitibi-Consolidated Company of Canada shall be the Industrial Non-Firm rate as proposed by Hydro in its 2001 General Rate Application, modified to reflect a fuel efficiency factor of 615 kWh/bbl, as established by the Board in Order No. P.U. 7 (2002-2003) calculated as set out in Appendix "A" attached to the Order.
 - (b) When the Board issues a final Order establishing the Industrial Non-Firm rate, the amounts paid for any supply of Generation Outage Power and Energy will be adjusted to reflect any reduction in the rate and an appropriate credit will be issued by Hydro to Corner Brook Pulp and Paper Limited and Abitibi-Consolidated Company of Canada.

Newfoundland and Labrador Hydro

P.U. 12 (2002-2003)

Application:

July 11, 2002

For approval of: Under Section 71 of the Act, of an additional supply of non-firm power and energy on a temporary basis to one of its industrial customers, Corner Brook Pulp and Paper Limited.

Decision:

1. Pursuant to Section 71 of the Act, the supply of the Electric Boiler Power and Energy shall be in accordance with the Rules and Regulations approved by the Board in Order No. P.U. 7 (2002-2003) pertaining to the provision of electrical service by Hydro to CBPP.
2. Pursuant to Section 75 of the Act:
 - (a) Until the Board issues a final Order approving such other rate, the power and energy rate charged for the Electric Boiler Power and Energy shall be the Industrial Non-Firm rate as proposed by Hydro in the 2001 General Rate Application, modified to reflect a fuel efficiency factor of 615 kWh/bbl, as established by the Board in Order No. P.U. 7 (2002-2003), calculated as set out in the attached Appendix "A"; and
 - (b) When the Board issues a final Order establishing the Industrial Non-Firm rate, the amounts paid by CBPP for any supply of Electric Boiler Power and Energy will be adjusted to reflect any reduction in the rate and any appropriate credit will be issued by Hydro to CBPP.

Newfoundland Power Inc.

P.U. 13 (2002-2003)

Application:

July 9, 2002

Application for approval of a contribution in aid of construction for a line extension to serve the City of St. John's pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Thirty-five thousand, five hundred forty dollars and seventy-five cents (\$35,540.75), including HST, as calculated under the Policy, to provide service to the pumping station from the City of St. John's.

Newfoundland Power Inc.

P.U. 14 (2002-2003)

Application:

July 9, 2002

Application for approval of a contribution in aid of construction for a line extension to serve seasonal customers located at Frenchman's Cove, near Corner Brook pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Seven thousand, four hundred seventeen dollars and fifty cents (\$7,417.50), including HST, as calculated under the Policy, to provide service to seasonal residential customers located at Frenchman's Cove, near Corner Brook.

Newfoundland Power Inc.

P.U. 15 (2002-2003)

Application:

July 9, 2002

Application for approval to proceed with the construction and purchase of certain improvements to its property pursuant to Section 41 (3) of the Act.

Decision:

The Board approves the construction projects and capital purchases in excess of \$50,000, as set forth in Appendix "A" attached to the Order and the revised 2002 capital budget as set forth in Appendix "B" attached to the Order.

Newfoundland and Labrador Hydro

P.U. 16 (2002-2003)

Application:

July 15, 2002

For approval of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget.

Decision:

Hydro's 2002 revenue requirement shall be adjusted to allow Hydro to recover the amount of \$804,498 through rates over the period from September 1, 2002 to December 31, 2003.

Newfoundland Power Inc.

P.U. 17 (2002-2003)

Application:

August 1, 2002

Application for approval of a contribution in aid of construction for a line extension to serve primarily seasonal customers located at Freshwater Pond off the Winterland Highway on the Burin Peninsula pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Six thousand, four hundred forty-two dollars and sixty-nine cents (\$6,442.69), including HST, for each of the four (4) new customers as described in the Application with seasonal residences located at Freshwater Pond Cottage Area; and the refund amounts, as set out in Schedule A, attached to the Order, for each of the eight (8) existing customers with seasonal residences located at Freshwater Pond Cottage Areas.

Newfoundland Power Inc.

P. U. 18 (2002-2003)

Application:

August 1, 2002

Application for approval of a contribution in aid of construction for a line extension to serve residential and seasonal customers located at Port Blandford pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Eight hundred twenty dollars and ninety-four cents (\$820.94), including HST, for residential customers and a CIAC of Three Thousand, three hundred four dollars and ninety-four cents (\$3,304.94), including HST, for seasonal customers, located at Port Blandford, as calculated under the Policy.

Newfoundland Power Inc.

P. U. 19 (2002-2003)

Application:

August 1, 2002

Application for approval of a contribution in aid of construction for a line extension to serve Aliant Telecom Inc. pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Fifty-six thousand, seven hundred fifty-two dollars and fifty cents (\$56,752.20), including HST, as calculated under the Policy, for Aliant Telecom Inc.

Newfoundland and Labrador Hydro

P.U. 20 (2002-2003)

Application:

August 6, 2002

Application for approval of certain proposed capital projects for 2002, pursuant to Section 41(3) of the Act.

Decision:

The Board approves the replacement of the sewage disposal system at the Holyrood Thermal Generating Plant and the relocation of a diesel generating unit to Cartwright (a total of \$502,800) as set out in Schedule A to the Application.

Newfoundland and Labrador Hydro

P. U. 21 (2002-2003)

Application:

August 22, 2002

In the matter of an Application by Newfoundland and Labrador Hydro (Hydro) for approvals of:

- (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers;
- (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers;
- (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and
- (4) Under Section 41 of the Act, its 2002 Capital Budget.

Decision:

1. The forecast 2002 test year Rate Base is hereby fixed and determined to be \$1,359,570,000.
2. The Board hereby allows a Return on Rate Base, based on the 2002 test year, of 7.081%.
3. The Board hereby approves the Schedule of Rates attached hereto as Schedule "A" of this Order, to be effective as of September 1, 2002.
4. The Board hereby approves the Rules and Regulations for Rural Customers attached hereto as Schedule "B" of this Order.

Newfoundland Power Inc.

P.U. 22 (2002-2003)

Application:

August 28, 2002

In the matter of an amended application by Newfoundland Power:

- (1) to revise its schedule of rates, tolls and charges to permit recovery of additional costs payable to Newfoundland and Labrador Hydro for the supply of power as a result of Order No. P.U. 21(2002-2003),
- (2) an amendment to Newfoundland Power's Rate Stabilization Clause, and
- (3) for approval of an amendment of the definition of the Rate Stabilization Account within Newfoundland Power's System of Accounts.

Decision:

1. Pursuant to Section 70(1) of the Act, the Board hereby approves, as amended, the schedule of rates, tolls and charges of Newfoundland Power attached hereto and marked Schedule "A", to be effective on all energy consumed on and after September 1, 2002 as well as other charges which are billed on and after that date.
2. The rates hereby approved by the Board shall be in effect until December 31, 2002.
3. Pursuant to Section 70(1) of the Act, the Board hereby approves, as amended, the Rate Stabilization Clause attached hereto and marked Schedule "B", effective September 1, 2002.
4. Pursuant to Section 58 of the Act, the Board hereby approves, as amended, the proposed definition of the Rate Stabilization Account attached hereto and marked Schedule "C", for inclusion in Newfoundland Power's System of Accounts, effective September 1, 2002.
5. Newfoundland Power shall by 4:00 P.M. on October 11, 2002 file a general rate application for a full review of Newfoundland Power's 2003 costs, including cost of capital.
6. All costs and expenses incurred by the Board in connection with the Application and the Amended Application shall be borne by Newfoundland Power.

Newfoundland Power Inc.

P.U. 23 (2002-2003)

Application:

September 26, 2002

To issue Series AJ First Mortgage Bonds, pursuant to Section 91 of the Public Utilities Act, in an amount of up to \$75,000,000.

Decision:

Approval given to Newfoundland Power to issue Series AJ First Mortgage Bonds in an amount of up to \$75,000,000 and on the general terms set out in the Application subject to the following conditions:

- (a) The Bonds shall be issued on or before December 31, 2002.
 - (b) Newfoundland Power shall provide to the Board an Affidavit specifying the terms and conditions of the Bond issue within five (5) days (non-business days excepted) after closing the Bond issue. In particular, the Affidavit shall set forth the following:
 - (i) date of the issue,
 - (ii) term,
 - (iii) maturity date,
 - (iv) principal amount,
 - (v) coupon rate,
 - (vi) particulars of sinking fund, if any,
 - (vii) price to public and to the underwriters,
 - (viii) yield to the public,
 - (ix) underwriting fee,
 - (x) actual cost (i.e. yield) to Newfoundland Power, and
 - (xi) any other material terms or conditions not contemplated at the date of the application but forming part of the negotiated terms and conditions.
 - (c) Newfoundland Power shall provide to the Board a copy of the Underwriting Agreement relating to the Bond issue within five (5) days (non-business days excepted) after closing the Bond issue.
 - (d) The proceeds from the Bond issue shall be used in the manner set out in paragraph 9 of the Application, and Newfoundland Power shall report by Affidavit to the Board on the disposition of the proceeds no later than six months from this date.
- All costs and expenses incurred by the Board in connection with the Application shall be borne by Newfoundland Power.

Newfoundland and Labrador Hydro

P.U. 24 (2002-2003)

Application:

October 2, 2002

Approval of a contribution in aid of construction for the supply of single-phase electrical service to the permanent residence of Mr. Wayne Coombs within the Burnt Berry Pond Cottage Area, Phase III.

Decision:

1. Pursuant to Section 41 (5) of the Act, the Board approves:
 - (a) the CIAC of Twenty seven thousand, two hundred and thirty-eight dollars and fifty-two cents (\$27,238.52), including HST, as calculated under the Policy as a total contribution in aid of construction for the supply of single-phase electrical service to the permanent residence of Mr. Wayne Coombs at Burnt Berry Pond Cottage Area, Phase III near Springdale Junction, Newfoundland is hereby approved.

Newfoundland Power Inc.

P. U. 25 (2002-2003)

Application:

October 2, 2002

Approval of a contribution in aid of construction for a line extension to serve primarily seasonal customers located at Butts Pond East near Gambo, pursuant to Section 41(5) of the Act.

Decision:

- 1) Pursuant to Section 76 of the Act, Order No. P.U. 8 (2002-2003) is hereby rescinded.
- 2) Pursuant to Section 41 (5) of the Act, the Board approves:
 - (a) the CIAC of Three thousand, three hundred twenty-seven dollars and sixty-four cents (\$3,327.64), including HST, as calculated under the Policy being a total contribution of \$86,808 distributed amongst 30 customers located in Butts Pond East; and
 - (b) the suspension of the payment of refunds to the customers until such time as any shortfall in the recovery of the \$86,808 contribution which may be caused by customers option not to take service has been recovered from additional customers connecting to the line.

Newfoundland and Labrador Hydro

P.U. 26 (2002-2003)

Application:

October 30, 2002

Application by Newfoundland and Labrador Hydro ("NLH") pursuant to Section 38 of the Act for consent to decommission its diesel generating station and to abandon its service of the electrical distribution system situate at Great Harbour Deep (the "Application").

Decision:

1. Pursuant to Section 38 of the Act, the Board consents to and approves the abandonment and decommissioning by NLH of its diesel generating station and electrical distribution system in the Town of Great Harbour Deep, and the termination of the provision of electrical service, on or after October 31, 2002.
2. NLH shall provide notice to those persons named above who made written submission to the Board of the date after which electrical service will no longer be provided.
3. NLH shall pay all costs and expenses of the Board incurred in connection with this Application.

Newfoundland Power Inc.

P.U. 27 (2002-2003)

Application:

November 5, 2002

General Rate Application (the "Application") by Newfoundland Power Inc. ("NP") filed pursuant to Order No. P.U. 22 (2002-2003).

Decision:

The registered Intervenor, the schedule of dates, the order of witnesses, and the procedures for the hearing of the Application are as set out in Appendix "A" to this Order.

Newfoundland and Labrador Hydro

P.U. 28 (2002-2003)

Application:

November 5, 2002

For approval of the purchase by Hydro of the joint use support structures of Aliant Telecom Inc. located in Hydro's service territory, pursuant to Section 41 of the Act.

Decision:

1. Pursuant to Section 41 of the Act, the purchase by Hydro of the Joint Use Support Structures and the associated supplementary capital expenditure for 2002 of \$3,569,840 is hereby approved.
2. Hydro shall pay all costs and expenses of the Board incurred in connection with this Application.

Newfoundland and Labrador Hydro

P. U. 29 (2002-2003)

Application:

November 29, 2002

For approval of: (1) its 2003 Capital Budget pursuant to s. 41(1) of the Act; (2) its 2003 capital purchases and construction projects in excess of \$50,000 pursuant to s. 41(3)(a) of the Act; (3) its leases for 2003 in excess of \$5,000 per year pursuant to s. 42(3)(b) of the Act; and (4) its estimated contributions in aid of construction for 2003 pursuant to s. 41(5) of the Act.

Decision:

1. Pursuant to Section 41 of the Act, Hydro's 2003 capital budget in the amount of \$33,070,000.00, as set out in Appendix 1, Section A of this Order, is hereby approved.
2. Pursuant to subsection 41(3)(a) of the Act, Hydro's 2003 capital purchases and construction projects in excess of \$50,000.00, as set out in Appendix 1, Sections B and C of the Order, are approved.
3. Pursuant to Section 41(3)(b) of the Act, Hydro's 2003 leases in excess of \$5,000.00 per calendar year, as set out in Appendix 1, Section D of this Order are approved.
4. Hydro's proposed estimated contributions in aid of construction of \$170,000,000.00 are approved provided that all such contributions are sought in accordance with the policies approved by the Board;
5. The application of the Industrial Customers for costs is denied; and
6. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

P.U. 30 (2002-2003)

Application:

December 4, 2002

Application for approval of a contribution in aid of construction for the supply of single-phase electrical service to a Chlorination Building at Hampden.

Decision:

The Board approves the contribution in aid of construction in the amount of Forty nine thousand, one hundred and eighty-five dollars and fifty cents (\$49,185.50) for the supply of single-phase electrical service to the new Chlorination Building at Hampden, Newfoundland and Labrador.

Newfoundland Power Inc.

P.U. 31 (2002-2003)

Application:

December 4, 2002

Application for approval of a contribution in aid of construction for a line extension to serve the Town of Port Union pursuant to Section 41(5) of the Act.

Decision:

Pursuant to Section 41(5) of the Act, the Board approves the contribution in aid of construction in the amount of Thirty-eight thousand, three hundred twenty-three dollars and seventy-five cents (\$38,323.75), including HST, as calculated under the Policy, to provide service to a pumping station for the Town of Port Union.

Newfoundland Power Inc.

P. U. 32 (2002-2003)

Application:

December 4, 2002

Application for approval of a contribution in aid of construction for a line extension to serve six seasonal customers whose residences are located at Mint Brook near the community of Gambo pursuant to Section 41(5) of the Act.

Decision:

The Board approves the contribution in aid of construction in the amount of Three thousand, eight hundred seventy-three dollars and fifty-eight cents (\$3,873.58), including HST, for each seasonal customer as calculated under the Policy.

Newfoundland Power Inc.

P.U. 33 (2002-2003)

Application:

December 11, 2002

General Rate Application (the "Application") by Newfoundland Power Inc. ("NP") filed pursuant to Order No. P.U. 22 (2002-2003) and a Motion by the Consumer Advocate.

Decision:

The Motion of the Consumer Advocate is denied.

Newfoundland Power Inc.

P.U. 34 (2002-2003)

Application:

December 12, 2002

General Rate Application (the "Application") by Newfoundland Power Inc. ("NP") filed pursuant to Order No. P.U. 22 (2002-2003).

Decision:

1. The Schedule of Dates for the hearing of this Application is amended as set out in Appendix "A" – Item 2 – 1st Revision.
2. The Order of Witnesses for the hearing of this Application is amended as set out in Appendix "A" – Item 3. – 1st Revision.

Newfoundland Power Inc.

P.U. 35 (2002-2003)

Application:

December 19, 2002

Interim approval of Newfoundland Power Inc.'s current schedule of rates, tolls and charges from January 1, 2003, pursuant to Section 75 of the Public Utilities Act and Order No. P.U. 22 (2002-2003).

Decision:

The Board approves, on an interim basis from January 1, 2003, the current schedule of rates, tolls and charges of Newfoundland Power as approved in Order No. P.U. 22 (2002-2003), which will remain in effect until a final order of the Board.

Newfoundland Power Inc.

P.U. 36 (2002-2003)

Application:

December 23, 2002

In the matter of an application by Newfoundland Power Inc. for an Order pursuant to Sections 41 and 78 of the Act:

1. approving its 2003 Capital Budget of \$55,790,000;
2. approving the purchase, construction and leases in 2003 of the improvements and additions to its property as set out in the application; and
3. fixing and determining its average rate base for 2001 in the amount of \$545,162,000.

Decision:

The order issued addresses the various issues.

Newfoundland Power Inc.

P.U. 1 (2003)

Application:

January 21, 2003

General Rate Application (the "Application") by Newfoundland Power Inc. ("NP") filed pursuant to Order No. P.U. 22 (2002-2003).

Decision:

1. The Schedule of Dates for the hearing of this Application is amended as set out in Appendix "A" - Item 2. – 2nd Revision.
2. The Order of Witnesses as set out in Order No. P.U. 27 (2002-2003) Appendix "A" – Item 3 – 1st Revision is rescinded.

Newfoundland Power Inc.

P.U. 2 (2003)

Application:

January 30, 2003

For approval of: (i) Revised Distribution Line Cost per metre for CIACs; (ii) Revised Distribution Plant Upgrade cost for CIACs; and (iii) Revised Contribution in aid of Construction (CIAC) Cost Factors.

Decision:

Newfoundland Power Inc.'s "Contribution in Aid of Construction Policy: Distribution Line Extensions to Residential and Seasonal Residential Customers" and "Contribution in Aid of Construction Policy: Distribution Line Extensions and Upgrades to General Service Customers" (Revised effective January 31, 2002) approved by the Board for use by Newfoundland Power Inc. during 2002 shall remain in effect for CIACs calculated during 2003.

Newfoundland and Labrador Hydro

P.U. 3 (2003)

Application:

February 5, 2003

To proceed with the construction and purchase of certain improvements to its property, pursuant to Section 41(3) of the Act.

Decision:

Pursuant to Section 41(3) of the Act, the Board approves the supplementary 2003 capital expenditure of \$281,400 for the replacement of the timber retaining wall at the Grey River Fish Compensation Structure as set out in Schedule A to the Application.

Newfoundland Power Inc.

P.U. 4 (2003)

Application:

February 26, 2003

General Rate Application (the "Application") by Newfoundland Power Inc. ("NP") filed pursuant to Order No. P.U. 22 (2002-2003) relative to First Procedural Order P.U. 27 (2002-2003), Amended by P.U. 34 (2002-2003) and further Amended by P.U. 1 (2003).

Decision:

1. The Order of Witnesses is as set out in Appendix "A" – Item 3, attached to the Order.
2. The Rules of Procedure set out in Order No. P.U. 27 (2002-2003) Appendix "A" - Item 4 are rescinded and are replaced with the Rules of Procedure as set out in Appendix "A" – Item 4, attached to the Order.

Newfoundland Power Inc.

P.U. 5 (2003)

Application:

February 27, 2003

General Rate Application (the "Application") by Newfoundland Power Inc. ("NP") filed pursuant to Order No. P.U. 22 (2002-2003) relative to an interlocutory application from Newfoundland Power Inc.

Decision:

1. The Board will not hear evidence or submissions relating to the setting and fixing of a rate of return on common equity for Newfoundland Power to the extent that it is beyond the Board's jurisdiction.
2. Except as set out in Paragraph 1 above the relief sought by Newfoundland Power is denied.

Newfoundland and Labrador Hydro

P.U. 6 (2003)

Application:

February 28, 2003

Ex Parte Application by Newfoundland and Labrador Hydro (the "Applicant") for the approval, pursuant to Section 71 of the Act, of an amendment to the Rules and Regulations pertaining to the "Hydro Delivery Points" for the supply of power and energy to its Industrial Customers.

Decision:

1. The Rules and Regulations of service by the Applicant of each respective industrial customer, as set out in the industrial customer power contracts, are hereby approved as amended so that they read as follows:
 - (A) Abitibi-Consolidated Company of Canada (Stephenville Division)
 - 1.01(i) "Hydro Delivery Points" means the 230,000 volt bus at the Customer's premises at its Stephenville paper mill, or at such other location or locations that Hydro and the Customer mutually agree in writing;
 - (B) Abitibi-Consolidated Company of Canada (Grand Falls Division)
 - 1.01(n) "Hydro Delivery Points" means: (i) the 13,800 volt bus bar located in Hydro's frequency converter building at Grand Falls, (ii) the 6,600 volt bus bar located in Hydro's frequency converter building at Grand Falls, and (iii) at the point where Hydro's transmission line, TL-235, connects to the Customer's 230,000 volt disconnect switch for the Customer's transformer, T3, located adjacent to Hydro's frequency converter building at Grand Falls, or at such other location or locations that Hydro and the Customer mutually agree in writing;
 - (C) Corner Brook Pulp and Paper Limited
 - 1.01(l) "Hydro Delivery Points" means: (i) Hydro's 66,000 volt bus in its Massey Drive Terminal Station at Corner Brook, (ii) the line side insulators of the Customer's terminal structure near the east end of its Deer Lake Power Plant being the termination point of Hydro's 66,000 volt line, and (iii) the 66,000 volt 60 cycle bus and 50 cycle buses in the No. 1 and No. 2 Substation of the Customer, or at such other location or locations that Hydro and the Customer mutually agree in writing;
 - (D) North Atlantic Refining Limited
 - 1.01(i) "Hydro Delivery Points" means the 13,800 volt bus on Hydro's transformers on the north side of the road adjacent to the Customer's premises in Come by Chance, or at such other location or locations that Hydro and the Customer mutually agree in writing.
2. Amendments to the definition of "Hydro Delivery Points" in the Rules and Regulations to reflect changes to the location at which power and energy is delivered by Hydro to the Industrial Customers shall not be effective until the Board is notified in writing of such changes and a copy filed with the Board.

Newfoundland Power Inc.

P.U. 7 (2003)

Application:

March 5, 2003

General Rate Application (the "Application") by Newfoundland Power Inc. ("NP") filed pursuant to Order No. P.U. 22 (2002-2003) and in the matter of a Mediation Report filed with respect to certain issues regarding cost of service allocation, rate structure and tariff matters arising from the Application.

Decision:

1. The Board accepts and adopts the Mediation Report attached as Schedule A to this Order, with the exception of paragraph "j" which is replaced as follows to account for a typographical error noted by the parties after consent was given:
 - j. To the extent possible, there should be no adverse customer rate impacts. Any overall revenue change should be distributed equally to each class of customers. With the exception of any change in basic customer charges (see issue "n" below), no customer should have a rate change that produces an annual cost change that is more than twice the system average (unless the dollar impact is minimal).
2. The Board accepts the proposed resolution of the "Issues on Which the Parties Agree" as set out in the Mediation Report and will incorporate the same in its final decision rendered on the Application.
3. The Board reserves decision on the "Remaining Issue on Which Parties Do Not Agree" as set out in the Mediation Report.

**SUMMARY OF ORDERS OF THE BOARD ISSUED DURING 2002-2003
UNDER
THE AUTOMOBILE INSURANCE ACT**

Unifund assurance

A.I. 1 (2002-2003)

Application:

May 2, 2002

Application to implement revised rates for its private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

Metro General Insurance Company

A.I. 2 (2002-2003)

Application:

May 2, 2002

Application to implement revised rates for its private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

L'Union Canadienne Compagnie D'Assurances

A.I. 3 (2002-2003)

on behalf of:

May 2, 2002

Colonial Fire and General Insurance Company Limited

Application:

Application to implement revised rates for its private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

Scottish & York Insurance Company Ltd

A.I. 4 (2002-2003)

Application:

May 2, 2002

Application to implement revised rates for its private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

Royal & SunAlliance Insurance Company of Canada

A.I. 5 (2002-2003)

Application:

May 2, 2002

Application to implement revised rates for its commercial and miscellaneous commercial vehicle class of business.

Decision:

Approved as a result of a meeting of the Board.

Royal & SunAlliance Insurance Company of Canada

A.I. 6 (2002-2003)

Application:

May 2, 2002

Application to implement revised rates for its private passenger and miscellaneous private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

- IAO Actuarial Services** **A.I. 7 (2002-2003)**
on behalf of: **May 2, 2002**
Pembroke Insurance Company
Application:
Application to implement revised rates for its private passenger class of business.
Decision:
Approval granted as a result of a meeting of the Board.
- CGU Insurance Company of Canada** **A.I. 8 (2002-2003)**
Application: **May 2, 2002**
Application to implement revised rates for its private passenger class of business.
Decision:
Approval granted as a result of a meeting of the Board.
- CGU Insurance Company of Canada** **A.I. 9 (2002-2003)**
Application: **May 2, 2002**
Application to implement revised rates for its commercial class of business.
Decision:
Approval granted as a result of a meeting of the Board.
- The Dominion of Canada General Insurance Company** **A.I. 10 (2002-2003)**
Application: **May 2, 2002**
Application to implement revised rates for its commercial class of business.
Decision:
Approval granted as a result of a meeting of the Board.
- Economical Insurance Company** **A.I. 11 (2002-2003)**
on behalf of: **May 2, 2002**
Federation Insurance Company of Canada
Application:
Application to implement rates for its private passenger and commercial classes of business.
Decision:
Approved as a result of a meeting of the Board.
- Lombard Canada** **A.I. 12 (2002-2003)**
on behalf of: **May 2, 2002**
Lombard Insurance Company, Lombard General Insurance Company of Canada, & Tokio Marine & Fire Insurance Company Limited
Application:
Application to amend implementation dates of commercial auto insurance rates approved in A.I. 77 (2001-2002).
Decision:
Approved as a result of a meeting of the Board.

PricewaterhouseCoopers

A.I. 13 (2002-2003)

on behalf of:

June 12, 2002

Cumis General Insurance Company

Application:

Application to implement revised rates for its private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

The Dominion of Canada General Insurance Company

A.I. 14 (2002-2003)

Application:

June 12, 2002

Application to implement revised rates for its private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

Axa Canada

A. I. 15 (2002-2003)

on behalf of:

June 12, 2002

Insurance Corporation of Newfoundland

Application:

Application to implement revised rates for its private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

ING Insurance Company of Canada

A. I. 16 (2002-2003)

Application:

June 12, 2002

Application to implement revised rates for its commercial class of business.

Decision:

Approval denied; rates are established as supported by the actuarial analysis provided by Axa, for ICON, with effective dates for the new rates of June 1, 2001 for new business and July 1, 2001 for renewals.

ING Insurance Company of Canada

A. I. 17 (2002-2003)

Application:

June 12, 2002

Application to implement revised rates for its private passenger class of business.

Decision:

Approved as a result of a meeting of the Board.

Traders General Insurance Company

A. I. 18 (2002-2003)

Application:

June 12, 2002

Application to implement revised rates for its private passenger class of business.

Decision:

Approval granted as a result of a meeting of the Board.

Co-operators General Insurance Company

A. I. 19 (2002-2003)

Application:

July 9, 2002

Application to implement revised rates for its private passenger, commercial and miscellaneous classes of business.

Decision:

Approval granted as a result of a meeting of the Board.

Cumis General Insurance Company

A. I. 20 (2002-2003)

Application:

July 9, 2002

Application to amend the implementation dates of rates approved in Board Order A.I. 13 (2002-2003).

Decision:

Approval granted for revised effective dates of August 1, 2002 for new business and October 1, 2002 for renewals.

PricewaterhouseCoopers

A. I. 21 (2002-2003)

on behalf of:

August 1, 2002

The Coseco Insurance Company

Application:

Application to implement revised rates for its private passenger class of business.

Decision:

Approval granted as a result of a meeting of the Board.

Elite Insurance Company

A. I. 22 (2002-2003)

Application:

August 21, 2002

Application to implement revised rates for its private passenger class of business.

Decision:

Approval granted as a result of a meeting of the Board.

The Personal Insurance Company of Canada

A.I. 23 (2002-2003)

Application:

August 21, 2002

Application to implement revised rates for its private passenger class and miscellaneous classes of business.

Decision:

Approval granted as a result of a meeting of the Board.

Lombard Canada

A.I. 24 (2002-2003)

on behalf of:

October 2, 2002

Lombard Insurance Company, Lombard General Insurance Company of Canada, and Tokio Marine & Fire Insurance Company

Application:

Benchmark application to implement revised rates for its private passenger class of business, effective dates December 15, 2002 for new business and January 1, 2003 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Axa Canada

A.I. 25 (2002-2003)

on behalf of:

October 2, 2002

Axa Pacific Insurance Company

Application:

Benchmark application to implement revised rates for its commercial class of business, effective dates October 31, 2002 for new business and November 1, 2002 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Axa Canada

A.I. 26 (2002-2003)

on behalf of:

October 2, 2002

Axa Insurance (Canada)

Application:

Benchmark application to implement revised rates for its commercial class of business, effective dates October 31, 2002 for new business and November 1, 2002 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Axa Canada

A.I. 27 (2002-2003)

on behalf of:

October 2, 2002

Insurance Corporation of Newfoundland

Application:

Benchmark application to implement revised rates for its commercial class of business, effective dates of not later than October 31, 2002 for new business and from November 1, 2002 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

The Dominion of Canada General Insurance Company

A.I. 28 (2002-2003)

Application:

October 2, 2002

Benchmark application to implement revised rates for its interurban vehicle class of business, effective dates December 15, 2002 for new business and renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Facility Association

A.I. 29 (2002-2003)

Application:

November 7, 2002

For an increase in rates by Facility Association filed pursuant to Section 102 of the Act.

Decision:

1. As the Board is not satisfied that Facility Association has filed all the matters necessary, the Board requires additional details and information to be filed by Facility Association by 3:00 p.m. November 8, 2002 as previously requested and as set out in Appendix "A" to this Order.
2. The schedule of dates and the procedures for the hearing of the Application are as set out in Appendix "B" to this Order.

Facility Association

A.I. 30 (2002-2003)

Application:

November 22, 2002

For an increase in rates by Facility Association filed pursuant to Section 102 of the Act.

Decision:

1. The Consumer Advocate is hereby granted Intervenor Status in the hearing of this Application.
2. The schedule of dates for the hearing of the Application is amended as set out in the 1st Revision to Appendix "B" – Item 1.

CGU Insurance Company of Canada

A.I. 31 (2002-2003)

Application:

December 4, 2002

Benchmark application to implement revised rates for its private passenger class of business, effective dates January 1, 2003 for new business and March 1, 2003 renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Economical Insurance Group

A.I. 32 (2002-2003)

on behalf of:

December 4, 2002

Federation Insurance Company of Canada

Application:

Benchmark application to implement revised rates for its private passenger and commercial classes of business, effective dates January 1, 2003 for new business and February 1, 2003 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Co-operators General Insurance Company

A.I. 1 (2003)

Application:

January 17, 2003

Non-Benchmark application to implement revised rates for its private passenger class of business, effective dates February 3, 2003 for new business and March 12, 2003 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Sovereign General Insurance Company

A.I. 2 (2003)

Application:

January 30, 2003

Benchmark application to implement revised rates for its commercial and miscellaneous commercial classes of business, effective dates February 7, 2003 for new business and March 7, 2003 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Co-operators General Insurance Company

A.I. 3 (2003)

Application:

January 30, 2003

Application to implement revised rates for increased third party liability limits and SEF44 limits for its miscellaneous class of business, and to implement revised rates for its snow vehicle class of business, effective dates March 17, 2003 for new business and April 23, 2003 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Lombard Canada

A.I. 4 (2003)

on behalf of:

February 27, 2003

Lombard Insurance Company, Lombard General Insurance Company of Canada, and Tokio Marine & Fire Insurance Company Limited

Application:

Benchmark application to implement a revised rating program for its Commercial and Interurban Vehicles classes of business, effective dates April 1, 2003 for new business and June 1, 2003 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Atlantic Insurance Company Ltd.

A.I. 5 (2003)

Application:

February 27, 2003

Benchmark application to implement a revised rating program for its Private Passenger and Commercial classes of business, effective dates April 1, 2003 for new business and renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Scottish & York Insurance Company

A.I. 6 (2003)

Application:

February 27, 2003

Non-Benchmark application to implement a revised rating program for its private passenger class of business, effective dates March 1, 2003 for new business and April 1, 2003 for renewals.

Decision:

Approval granted as a result of a meeting of the Board.

Co-operators General Insurance Company

A.I. 7 (2003)

Application:

February 27, 2003

Application to implement a revised rating program for amendment to its multi-product discount applicable to its private passenger class of business.

Decision:

Approval granted as a result of a meeting of the Board for the requested 20% multi-product discount applicable to all private-passenger coverages, 'excluding uninsured automobile'.

**SUMMARY OF ORDERS OF THE BOARD ISSUED DURING 2002-2003
UNDER
THE MOTOR CARRIER ACT**

General Hospital Corporation

M.C. 1 (2002-2003)

Application:

April 15, 2002

Application requesting Motor Carrier Certificate No. 4005 in the name of General Hospital Corporation be re-issued in the name Health Care Corporation of St. John's.

Decision:

Approval granted as a result of a meeting of the Board.

On the Board's own initiative

M.C. 2 (2002-2003)

Application:

May 2, 2002

On the Board's own initiative: cancellation of Motor Carrier Certificate No. 4013, Royal Canadian Legion Ambulance Service, Harbour Grace.

Decision:

Certificate cancelled, effective May 2, 2002 after due notice.

Fewer's Holding Ltd.

M.C. 3 (2002-2003)

Application:

September 16, 2002

In the matter of the intended cancellation of Motor Carrier Certificate No. 3574 pursuant to Section 16 (1) of the Motor Carrier Act, and In the matter of a hearing into such intended cancellation of Motor Carrier Certificate No: 3574, at the request of the Certificate holder, Fewer's Holdings Ltd., pursuant to Section 16 (2) of the Motor Carrier Act.

Decision:

1. Motor Carrier Certificate No. 3574 shall be amended to include Fewer's Holdings Ltd., formerly Fewer's Funeral Home Ltd., as named holder thereof;
2. Fewer's Holdings Ltd. shall have until on or before the 31st day of December, 2002 to establish to the satisfaction of the Board that:
 - (a) Fewer's Holdings Ltd. has commenced full control, management and operation of the ambulance service authorized by the Certificate; and
 - (b) Fewer's Holdings Ltd. has effected full compliance with Regulation 36 in respect of all ambulances which shall be operated by Fewer's Holdings Ltd. as of the 30th day of November, 2002.
3. In the event that Fewer's Holdings Ltd. shall fail to establish to the satisfaction of the Board on or before December 31, 2002 those matters set forth in paragraph 2 above, then in such event Motor Carrier Certificate No. 3574 shall be cancelled with effect from the 31st day of January, 2003; and
4. Fewer's Holdings Ltd. shall be responsible for and shall pay to the Board forthwith all costs incurred by the Board in connection with the within hearing, including costs of the Board Legal Counsel and of any other Board employees while employed in or about the within hearing, from and after the date of filing by Fewer's Holdings Ltd. under its former name Fewer's Funeral Home Ltd. of a request for hearing in the within matter.

Two Bay Tours Limited

M.C. 4 (2002-2003)

Application:

October 23, 2002

Application for a Motor Carrier Certificate (No. 6393) to provide regular public passenger bus service.

Decision:

Approval granted as a result of a meeting of the Board.

Fewer's Holding Ltd.

M.C. 1 (2003)

Application:

January 31, 2003

To extend the time for compliance with certain provisions of Order No. M.C. 3 (2002-2003).

Decision:

As all parties consented to the extension of the time set out in the Order, it was ordered that:

1. The time set out in Order No. M.C. 3 with respect to Fewer's Holdings Ltd. establishing that it has full control, management and operation of the ambulance service, and complied with Regulation 36 under the Motor Carrier Act, shall be extended to March 14, 2003; and
2. The time set out in the Order for the effective date of cancellation of Motor Carrier Certificate No. 3574 upon the failure of Fewer's Holdings Ltd. to satisfy the provisions of the Order No. M.C 3 shall be extended to April 11, 2003.

Roy Tremblett Ltd.

M.C. 2 (2003)

Application:

February 25, 2003

Application for a Motor Carrier Certificate (No. 6394) to provide regular public passenger bus service.

Decision:

Approval granted as a result of a meeting of the Board.

STAFF
Year End - March 31, 2003

Director of Corporate Services and Board Secretary *G. Cheryl Blundon*
Director of Regulatory and Advisory Services *Robert Byrne*
Financial and Economic Analyst *Doreen Dray*
Financial Officer *Leah Keating*
Legal Counsel *Dwanda Newman*
Senior Electrical Engineer *Vacant*
Compliance Auditor *Don Seaward*
Information Technology Officer *Mike McNiven*
Secretary to the Chair *Helen Reddy*
Assistant Board Secretary & Executive Secretary *Barbara Thistle*
Clerk-Steno *Colleen Wood*

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