

**Q. On page 12, lines 10 to 12, Mr. Brockman indicates that the Government's Energy Policy Review will entail a comprehensive review of the electric rates and marginal costs in Newfoundland. Please provide the scope of work and schedule for the Energy Policy Review upon which Mr. Brockman's statement is based.**

A Mr. Brockman did not base his statement on either the scope of work or the schedule for this work, since he has neither available to him. He did base it upon his interpretation of an article on the Government of Newfoundland and Labrador's website, under Mines and Energy, at <http://www.gov.nf.ca/mines&en/ENERGY/OverviewofIndustry.htm>.

That article contains the following statement:

"In August 1998, Government announced that the Department of Mines and Energy would undertake a comprehensive review of policy related to the electricity industry, examining its structure, regulation, pricing, and potential role in economic development. Experience from other jurisdictions' efforts at restructuring are to be incorporated. Policy on future supply options will also be developed. A report to government is being prepared."

In addition, Mr. Brockman based his opinion on the statement made by Mr. John Andrews, the Government representative in the September 17, 1998 transcript of the Newfoundland Power General Rate Proceeding (see below).

"John Andrews here for Her Majesty in Right of the Province. I am in support of the position put forward by Newfoundland Hydro. I refer to a letter from the Deputy Minister of Mines and Energy for the province to Mr. Vardy as Chairman of the Board, dated the 16th of September, which sets out our, our own proposal that, in fact, the hearing, the parts of the hearing dealing with parts 1 (6) and 1 (7) be deferred. The Government and the Public Utilities Board find themselves contemporaneously looking at these matters, in our view. The rate design alternatives and the demand and energy rates for power issues are clearly issues that will be addressed within the Government energy policy review, which was announced on the 31st of August.

Our view is that for the Board to call upon many of the same resources and canvass the same issues may be duplicative and it may lead to unnecessary regulatory costs. For that reason we wrote to the Board and asked that these matters be deferred and I am here today in support of that request and in support of the position put forward by Mr. Young for Newfoundland Hydro. Thank you."