BACKGROUNDER

The Board of Commissioners of Public Utilities is an independent, quasi-judicial agency established under provincial legislation to regulate public utilities in the province, which include Newfoundland and Labrador Hydro (NLH) and Newfoundland Power Inc. The Board's mandate is to ensure that consumers receive safe and reliable electricity at rates that are reasonable while allowing the utility to earn a fair return on its investment in supplying the electrical service. The Board works to reach an equitable balance between the interests of consumers and the utility.

The Application of NLH, filed May 31, 2001, was a significant event for both NLH and the Board. It marked the first time NLH, a crown owned corporation, has appeared before the Board for a general rate review since becoming fully regulated in 1996 when the Government proclaimed a new Electrical Power Control Act.

After receiving the Application, the Board established a panel of Commissioners to conduct a public hearing, consisting of:

Commissioner Robert Noseworthy, (Chair & CEO of the Board) Commissioner Darlene Whalen, P. Eng., (Vice-Chair) Commissioner Don Powell, C.A., and Commissioner Fred Saunders.

The hearing, which began on September 24, 2001, was convened initially in St. John's and for two weeks in October traveled to several communities in the province. To ensure full public participation, the Board welcomed letters of comment and heard from interested persons and organizations while in St. Anthony, Happy Valley-Goose Bay, Labrador West, Stephenville, Grand Falls-Windsor and St. John's.

The registered parties to the Application were:

NLH, represented by Ms. Maureen Greene, Q.C and Mr. Geoffrey Young
Newfoundland Power Inc., represented by Ms. Gillian Butler, Q.C. and Mr. Peter Alteen
The Industrial Customers, represented by Ms. Janet M. Henley Andrews Q.C. and
Mr. Joseph S. Hutchings;
The Consumer Advocate, Mr. Dennis Browne, Q.C., represented by Mr. Stephen Fitzgerald;
The Town of Labrador City and Wabush, represented by Mr. Edward M. Hearn, Q.C.;
The Town of Happy Valley-Goose Bay, represented by Mr. Dennis Peck; and
5 Wing Goose-Bay, represented by Mr. Martin Lockyer.

June 7, 2002 Press Release