

1 *Happy Valley-Goose Bay, Newfoundland*

2 (9:50 a.m.)

3 MR. NOSEWORTHY, CHAIRMAN: Good morning
4 everybody. I'd like to welcome everybody here this
5 morning, in particular those who are here as presenters and
6 indeed observers and any media that will be here from the
7 Happy Valley-Goose Bay area as well as from Labrador
8 coastal communities. I'd like to thank you for attending the
9 hearing and certainly presenting on either your own accord
10 or on behalf of other interested parties. It is a pleasure for
11 us to be in Happy Valley-Goose Bay this morning. My
12 name is Bob Noseworthy and I'm Chair and CEO of the
13 Public Utilities Board, and I'll explain a little bit more about
14 the activities of the Board in just a moment in relation to
15 this particular hearing and for purposes of this hearing I'm
16 serving indeed as the Chair of the panel which has been
17 designated with the responsibility to hear the application
18 from Newfoundland and Labrador Hydro.

19 My colleagues joining me on the panel this
20 morning are, to my far right, Commissioner Don Powell, to
21 my immediate right is Commissioner Fred Saunders, and to
22 my immediate left is Commissioner Darlene Whalen who is
23 also Vice-Chair of the Public Utilities Board. I'd also like to
24 introduce to you our Board counsel, Mr. Mark Kennedy
25 over here on the right, and Ms. Cheryl Blundon is the
26 Board secretary, and I would ask at this time if the other
27 parties to this hearing, Hydro, the Applicant and other
28 registered intervenors could indeed introduce themselves
29 and indicate in what capacity they're participating in the
30 hearing. I'll begin with Hydro please.

31 MR. YOUNG: Thank you, Mr. Chair. My name is Geoff
32 Young and I'm counsel for Newfoundland and Labrador
33 Hydro. To my immediate left is Mr. Bill Wells. He's the
34 President and CEO, the Chief Executive Officer of
35 Newfoundland and Labrador Hydro. To my far left is Mr.
36 Sam Banfield, Director of Customer Services, and to my
37 right is Mr. Paul Hamilton, Regulatory Specialist with
38 Hydro.

39 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
40 Young. Newfoundland Power please?

41 MR. HAYES: Thank you, Chair. My name is Gerard Hayes
42 and I'm legal counsel to Newfoundland Power Incorporated
43 which is a registered intervenor in this proceeding. To my
44 right is Mr. Kevin Fagan who is our Customer Service
45 Specialist.

46 MR. NOSEWORTHY, CHAIRMAN: The Consumer
47 Advocate, please?

48 MR. BROWNE, Q.C.: Thank you, Mr. Chairman, my name
49 is Dennis Browne, I'm the Consumer Advocate appointed
50 by the provincial government to represent consumers of

51 electricity on the island, both in the interconnected and
52 isolated areas, and in Labrador, both in the interconnected
53 systems and the diesel and isolated systems in Labrador.

54 MR. NOSEWORTHY, CHAIRMAN: Happy Valley-Goose
55 Bay?

56 MR. PECK: Yes, my name is Dennis Peck, and I represent
57 the Town Council for the Town of Happy Valley-Goose
58 Bay.

59 MR. NOSEWORTHY, CHAIRMAN: Thank you very much.
60 Also registered intervenors in this proceeding would be the
61 Town of Labrador City who aren't in attendance here today
62 and Industrial Customers who represent North Atlantic
63 Refining and the three paper mills in the province as well,
64 they are also registered intervenors to these proceedings.

65 The reason the panel is here in Happy Valley-
66 Goose Bay today is to listen to public input and comment
67 on the application of Newfoundland and Labrador Hydro
68 for a general rate review. Pursuant to *The Public Utilities*
69 *Act*, Hydro are seeking approval to increase rates to be
70 charged for the supply of electricity to its retail customer,
71 Newfoundland Power, and its rural customers. In addition,
72 the application is requesting approval of rates as well as
73 terms and conditions of contracts governing the supply of
74 electricity to Hydro's industrial customers. Finally in this
75 application Hydro are also seeking approval of their 2002
76 capital budget.

77 Essentially this application affects every consumer
78 of electricity in the province, be they householders, small
79 business, industry, be they living in rural or urban
80 communities, and this application will impact the rates each
81 will pay for electricity in future. It is with this in mind that
82 the Board scheduled, in consultation with Hydro and
83 registered intervenors here this morning, a series of public
84 participation days to provide the opportunity for input from
85 individuals and organizations, be they municipal councils,
86 economic development associations, chamber of commerce
87 or service clubs, to make their views known directly to the
88 panel on matters contained in the application which affect
89 them. These public participation days have been held in St.
90 Anthony, Labrador West, here today in Happy Valley-
91 Goose Bay and next week we'll be proceeding to
92 Stephenville, Grand Falls, and we'll be holding a day in St.
93 John's. For those of you here this morning who may not be
94 familiar with the role of the Public Utilities Board and the
95 process we employ in hearing a rate application, I'd like to
96 spend just a brief moment explain who we are and indeed
97 what we do.

98 The Public Utilities Board is a quasi-judicial
99 independent agency which is established under and
100 derives its authority from provincial statutes and legislation,
101 primarily the *Public Utilities Act* and the *Electrical Power*

1 *Control Act.* The Board has an obligation under this
2 legislation to regulate electric utilities operating in the
3 province and this includes Newfoundland and Labrador
4 Hydro. The full Board of Commissioners has a complement
5 of three full-time commissioners, and six part-time
6 commissioners, and also includes ten staff, and the four of
7 us you see on the panel here this morning has been
8 appointed from that group of nine commissioners with
9 regard to this particular application.

10 In accordance with our legislative responsibilities,
11 the panel has a duty to hear the evidence presented by the
12 Applicant, Hydro and other interested parties and at the
13 end of the process render a fair and equitable decision.
14 The statutes require the Board to make decisions that are
15 reasonable and just and not discriminatory. The legislation
16 requires that the utility be allowed to earn the just and
17 reasonable financial return. The legislation also dictates
18 that power be delivered to customers in the province at the
19 lowest possible cost, while ensuring safe and reliable
20 service.

21 In fulfilling the statutory responsibilities, the
22 Board must protect the interest of all parties including
23 producers, retailers and consumers of electricity. In doing
24 this we must also be sensitive and strive to balance the
25 interest of each class of consumer, whether they be
26 households, businesses, industries, both small and large
27 users of electricity.

28 Having who described who we are and why we are
29 here this morning, I would like to spend perhaps another
30 brief moment on the process itself, what has occurred to
31 this point, and what will be expected from the process over
32 the next little while.

33 The application was submitted by Hydro on May
34 the 31st of this year following which a Notice of Public
35 Hearing was advertised throughout the province. A
36 number of pre-hearing conference days were held
37 throughout the summer which were designed really to fine-
38 tune the rules and set the procedures governing the
39 conduct of this hearing, and that included identification of
40 registered intervenors, various time schedules and dates,
41 and other procedural matters pertaining to the hearing.

42 In addition, the preliminary process allowed for
43 questions to be asked by one party of another, and
44 responses to be prepared and circulated among all the
45 parties. Also, pre-filed evidence of any expert witnesses
46 engaged by the parties has been filed and distributed to all
47 the parties. To give you some idea, I think, of the volume
48 of material pre-filed to date, it currently consumes about 50
49 large binders, and indeed is growing.

50 Following the preliminary work that went on
51 during the summer, the public hearing itself began on

52 September the 24th, and during this phase, each of the
53 parties have the opportunity to question company
54 witnesses and their experts and in turn present the views of
55 their experts, which will also be subject to cross-
56 examination by the other parties. The process involves one
57 of examining, evaluating and questioning the large quantity
58 of information and testimony presented. The purpose is to
59 ensure that all the necessary evidence required to reach a
60 determination on rates and other matters contained in the
61 application are placed before the panel.

62 The process will enable the panel to assess all the
63 issues covered by the application and render a fair and
64 equitable decision that will serve to balance in the best
65 manner possible, the interest of all stakeholders. The
66 public hearing is expected to conclude in early December,
67 following which a report will be prepared by the panel
68 containing a series of orders on rates and other related
69 matters relevant to the application. The part of the process
70 we are engaged in here today, as I indicated earlier, is to
71 provide the opportunity during these public participation
72 days for persons and organizations throughout the
73 province to provide public input and comment on proposed
74 rate increases and other issues arising from the application.
75 This can be done in two ways; either by oral presentation
76 which will be heard today, or by letter of comment which
77 can be filed today or indeed at a later date. This can be
78 done by simply contacting the Board's secretary to my
79 right, Ms. Blundon, and she can provide all the information
80 concerning addresses and deadlines for submission of
81 letters of comment.

82 All the oral and written material submitted by
83 individuals and organizations will form a part of the public
84 record, and the information gathered here today, along with
85 letters of comment, will combine with the documentation
86 resulting from the formal proceedings and will form the total
87 body of evidence which will be considered by the panel in
88 registering its final decision. So what you say here today
89 will be heard and carefully examined by the panel in issuing
90 its orders.

91 Before we begin there are perhaps a number of
92 issues concerning today's proceedings which I would like
93 to review with you. Hydro will be making a short
94 presentation which will indeed hopefully provide a focus
95 for today's presenters and provide some perspective on the
96 application, some context to the application itself. These
97 proceedings are being recorded under the supervision of
98 the Board's secretary, Ms. Blundon, and will be
99 subsequently transcribed for the public record. In addition,
100 presenters will be sworn in to make this a part of the body
101 of evidence before the Board.

102 The Board's main goal is to get the facts on the
103 record in a way that is convenient to the parties and in the

1 public interest, and while I realize these proceedings may
2 appear a little formal, above all, we are here to listen to your
3 views and comments and we want you to express them in
4 a way you feel most comfortable.

5 We do have, I believe it's seven presenters here
6 this morning, at least at this point in time, in any event, and
7 we'll proceed throughout the morning with these
8 presentations. We will likely take a break around 11:00,
9 probably a ten or fifteen minute break around 11:00 and
10 we'll proceed on through until 12:30, at which point in time
11 we will break for lunch and we will reconvene at 2:00 this
12 afternoon to continue on through the afternoon. I will ask
13 now Mr. Kennedy, who is the Board counsel, to speak to
14 preliminary matters before we begin with Hydro's
15 presentations, please.

16 MR. KENNEDY: Thank you, Chair and Commissioners. I'll
17 call it a formal style of cause. In the matter of the Electrical
18 Power Control Act, 1994, and the Public Utilities Act, and
19 in the matter of an application by Newfoundland and
20 Labrador Hydro for approvals of, (1), under Section 70 of
21 the Act, changes in the rates to be charged for the supply
22 of power and energy to its retail customer, Newfoundland
23 Power, its rural customers and its industrial customers. (2)
24 under Section 71 of the Act, its rules and regulations
25 applicable to the supply of electricity to its rural customers.
26 (3), under Section 71 of the Act, the contract setting out the
27 terms and conditions applicable to the supply of electricity
28 to its industrial customers. And (4), under Section 41 of the
29 Act, its 2002 capital budget.

30 I can also confirm, Chair and Commissioners, that
31 the appropriate public notices were issued concerning the
32 main hearing, as well as for these public presentation days
33 and that the matter is properly constituted and before the
34 Board. I'd also note, Chair and Commissioners, that there
35 have been a number of letters of comment received from
36 this area which have been placed on the record. Judy
37 Pardy, Aurora Development Corporation, Cartwright,
38 Labrador; Ruth Flowers, the Mayor of the Town of
39 Makkovik; Yvonne Jones, MHA for Cartwright/L'anse au
40 Clair; David Dyson, Town Manager for Makkovik Town
41 Council; Margaret Fox, the Mayor, the Town Council of
42 Nain; Harry Shiwak, the Town Manager, Rigolet; Glen
43 Sheppard, the Mayor, Town Council of Postville; and
44 Major Marquis, of (inaudible) Goose Bay. Thank you,
45 Chair.

46 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
47 Kennedy. I'll now ask Hydro for some comments please?

48 MR. YOUNG: Thank you, Mr. Chair. To certain people in
49 this room this is becoming a common thing to hear, but I'll
50 try to make the appropriate changes, because there are
51 some differences here in this part of Hydro's service

52 territory. Hydro's first general rate application is about to
53 occur, and this is to say, under the Public Utilities Act, one
54 in which the Public Utilities Board has full jurisdiction over
55 both Hydro's rates and its capital budget and other matters.
56 Hydro, of course, has been a regulated utility for a while
57 but even under its other legislation, the predecessor
58 legislation, the Electrical Power Control Act, it has not had
59 a general rate proceeding since '91/92.

60 There are a number of issues in this hearing which
61 apply to everyone in the province. The (inaudible) would
62 say that they include the Newfoundland and Labrador
63 Hydro 2002 capital budget, adjustments to preferential rates
64 in the province's isolated diesel generation communities,
65 and the setting of an appropriate long-term financial target
66 so the present application, I think it's important to
67 understand that Hydro's proposed return on equity is a
68 very modest three percent. Though it should be
69 understood that this is an interim measure, a temporary
70 measure intended to avoid a larger rate increase at this time.
71 In the future, Hydro will be seeking a rate of return, a return
72 on equity more appropriate for a utility operating in the
73 financial markets of the world. The legislation requires that
74 Hydro retain a sound credit rating and have sufficient
75 ability to attract capital, and that legislation, of course,
76 governs Hydro, it governs Newfoundland Power, and it
77 also governs this Board in its dealings with the utilities.

78 There is an issue on the province, on the island
79 part of the province which doesn't have very much
80 relevance at all to the customers in the Happy Valley-Goose
81 Bay area that are on the interconnected Labrador system.
82 It does though have an impact on the residents of the
83 island and it also has an impact on the residents in the
84 isolated communities, and that has to do with Hydro's
85 Bunker C costs. It's No. 6 fuel cost that it burns at
86 Holyrood for generation of electricity. This is a major
87 component of Hydro's costs and in this hearing, in fact, it's
88 a very major reason why we're requiring any rate relief at all.
89 This fuel, of course, is subject to the vagaries of the
90 international markets, and it was last set in the 1991/92
91 hearing at \$12.50 a barrel. We have seen the price of oil go
92 upwards towards \$40.00 a barrel for the same commodity,
93 so this aspect of Hydro's cost structure has to be adjusted
94 at this time. There is an impact to the customers on the
95 Labrador coast from this because customers on the
96 Labrador coast pay for the first 700 kilowatt hours of
97 consumption, per month of consumption. They pay the
98 same rates as Hydro's interconnected customers, and in
99 fact, that's the same rate as Newfoundland Power's
100 customers pay. A component of that is the cost of fuel and
101 attached to it also is a portion which is due to Hydro's Rate
102 Stabilization Plan, and this is a means of over a period of
103 three years smoothing the rate impacts that can occur if the
104 costs of oil are passed through in an immediate way. The

1 Rate Stabilization Plan has been in place since 1986. There
2 will be an increase flowing from the Rate Stabilization Plan
3 in the coming year of about six to seven percent. This is in
4 real terms, the utility people will say it's about two and a
5 half mills. In real terms it's .24 cents a kilowatt hour, and
6 that will apply to the first 700 kilowatt hours per month
7 consumption to the people on the Labrador coast, just as
8 it does to the people on the island.

9 That is not something which Hydro is asking for
10 in a, you know, coming forward to the Board in the new
11 application here. This is something which is in place in
12 Hydro's cost structure at the present time and it's
13 something which will occur, unless it's changed by the
14 Board, it will occur in the normal roll out method that it has
15 been for the last 15 years or so.

16 There is an issue also which is of perhaps greater
17 interest to the people, the customers served in the Labrador
18 interconnected systems which includes Labrador City,
19 Wabush, and Happy Valley-Goose Bay and the
20 surrounding areas, and that is the adjustment and
21 rationalization of Hydro's rate classes. For the first time
22 Hydro is asking that all of these customers be considered
23 as one interconnected system, and that their rates be dealt
24 with on a level basis.

25 There are, at present, 24 different classes of rates
26 amongst these customers which is a very, very large
27 number, much larger than a utility would normally expect to
28 carry and much more than is necessary. Hydro is going to,
29 in its application, be asking the Board to change these 24
30 rate classes into six rate classes, which is more in line with
31 established practice for such matters, and of course, there
32 will be some people who will get an increase and some
33 people will get decreases in those adjustments. They will
34 not be in this part of Labrador, in the Happy Valley-Goose
35 Bay area, very many, if any customers who receive any
36 significant increase to any appreciable degree, as we heard
37 yesterday when we were in Wabush. There are people, the
38 domestic customers in Labrador City and Wabush, will be
39 getting more of an increase.

40 The rate adjustments we are making here in order
41 to make everyone essentially on the same level playing
42 field, it's not something that we're coming up with strictly
43 on our own. It's something in our view that is required by
44 the legislation, because we have to set rates, and the Board
45 has to set rates, I should say, which are equitable and non-
46 discriminatory, and we believe that the proposal we're
47 making for the adjustment of rates here is consistent with
48 the intent of that legislation, and it's also consistent with
49 the indications we have received from this Board some
50 years ago in 1992/93 when Hydro had a cost of service
51 methodology hearing before this Board. We feel that the
52 order of the Board and the legislation and our proposal are

53 all consistent, one with the other.

54

55 (10:00 a.m.)

56 The rationalization of the, or rationalizing of these
57 24 rate classes into six uniform rate classes will be phased
58 in over a period of time. The first step just the adjustment
59 of them and we don't wish to do it all in one lump because
60 there can be difficulties known as, in the industry, the rate
61 shock problem, although the size of the changes here are
62 probably not large enough to use that connotation.

63 But there are four basic guidelines that Hydro will
64 be using to ensure that there are no significant bumps in
65 changes in rates here beyond what one would expect to be
66 reasonable. And the first one is that no rate class should
67 receive an increase of greater than 20 percent, and I would
68 hasten to add that in the Happy Valley-Goose Bay area,
69 there's nobody who is going to get anything close to that
70 in any rate. This would be the circumstances of people in
71 the domestic rate classes in Wabush and Lab City.

72 The second one is that no domestic or small
73 general service customers should receive an increase of
74 more than \$20.00 a month. A third one, larger general
75 service customers should receive increases of no more than
76 20 percent unless their circumstances are quite unique.
77 And the fourth one is that street and area lighting should
78 move towards specific cost of providing the service.

79 I made the point yesterday when I was in Labrador
80 City-Wabush that the increases that they will be receiving,
81 though they are fairly large in a percentage manner, will not
82 be large in absolute terms, the point, I think, which is borne
83 out by a calculation of the rates. Thank you, Mr. Chairman,
84 those are my introductory comments.

85 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
86 Young.

87 MR. BROWNE, Q.C.: Mr. Chairman, just before Hydro
88 finishes, can they tell the diesel customers, many of whom
89 are represented here, if the notice that they gave on Friday
90 is accurate, that the increase that they're seeking of 3.6
91 percent effective January 1, 2002, is that all that is being
92 sought, or are they seeking anything else for 2002? Is this
93 accurate?

94 MR. YOUNG: The notice to the diesel customers, and I just
95 had a brief discussion with my regulatory specialist
96 because I think I misspoke myself a moment ago, I quoted
97 a wrong number, and I'm not sure, because I was having
98 that conversation, I'm not sure if I understand the whole of
99 the Consumer Advocate's question to me, but the notice
100 that went out did not make mention of the RSP adjustment.
101 I imagine that's the point that he was raising and there is

1 that increase which is coming in accordance with the
2 circumstances which are already in place in the RSP and it's
3 approximately 3.4 percent, and I think the more appropriate
4 way for people to understand that, at least it makes more
5 sense to me if you think of it this way, is .24 cents per
6 kilowatt hour. That has not been there ... I mean it is part of
7 the application and it's part of the whole scheme of things
8 that's going on with the rates, but it's something that would
9 have occurred even if Hydro had not made the application,
10 and so that point was not pointed out in the notice that
11 went out to diesel customers and we sincerely apologize if
12 that's caused any misunderstanding.

13 MR. BROWNE, Q.C.: So effectively the increase sought is
14 seven percent. Is that accurate? 3.4 and 3.6, is that what
15 we're being told?

16 MR. YOUNG: The overall increase could be in that range.
17 The RSP change, we should also point out, doesn't happen
18 upon the Board's order. The normal way that occurs is July
19 1st, but it is in that range, yes.

20 MR. BROWNE, Q.C.: Thank you. I just wanted that
21 clarified before people got to speak.

22 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
23 Browne, thank you, Mr. Young. We'll proceed on now with
24 the presentations. I misspoke there. I have eight
25 presentations, notice of eight presentation. Certainly if
26 there is anybody else in the room who would like to present
27 during the day or tomorrow, if they could let the secretary
28 know we'll try and arrange for that as well. Mr. Wally
29 Anderson, who is the MHA for Torngat Mountains, Mr.
30 Stanley Oliver, who is the Executive Assistant to the
31 Honourable Ernest MacLean, who is also the MHA for
32 Lake Melville District. Mr. Dennis Peck, who is the
33 Economic Director for the Town of Happy Valley-Goose
34 Bay, and they are a registered intervenor. Mr. Richard
35 Riche, who is the Mayor of Rigolet. Glenn Sheppard from
36 the Town of Postville. Shawn Boland from the Town of
37 Hopedale. Ruth Flowers from the Town of Makkovik, and
38 Henry Broomfield from the Town of Nain. I would ask at
39 this time if Mr. Anderson would come up please and take
40 the witness stand. Good morning to you, Mr. Anderson.

41 MR. ANDERSON: Good morning.

42 MR. NOSEWORTHY, CHAIRMAN: I wonder could you
43 take the Bible in your right hand please, for the swearing
44 in? Do you swear on this Bible that the evidence to be
45 given by you shall be the truth, the whole truth, and
46 nothing but the truth, so help you God?

47 MR. ANDERSON: Yes.

48 MR. NOSEWORTHY, CHAIRMAN: Thank you sir, very
49 much, you can proceed with your presentation please?

50 MR. ANDERSON: My name is Wally Anderson, I'm the
51 MHA for the riding of Torngat Mountains. The riding of
52 Torngat Mountains takes in the six communities on the
53 north coast of Labrador. Six aboriginal communities, five
54 Inuit and one Innu. Geographically, the riding of Torngat
55 Mountains is bigger than the entire island of
56 Newfoundland, so it's also the most remote area in this
57 province. I am going to be, I'll try to be as calm as I can in
58 giving my presentation, because I think most people here
59 know how I feel about the north coast and about the
60 tremendous strain that the Hydro rates and other things
61 have on the residents in my riding.

62 There is no question that we have all heard and
63 seen the social problems that we face on the north coast of
64 Labrador. These are because the people in my riding are
65 probably the lowest income earners in this province. Yet,
66 they pay the highest cost of transportation, the highest
67 cost for groceries, the highest cost for Hydro rates, the
68 highest cost for transportation, and I think there is very
69 little wonder, when you look at the other communities in
70 Labrador where the average income in some ridings are
71 \$60,000 to \$70,000, and their light bill is probably at \$100 or
72 less for heat and lights included. When I see light bills on
73 the north coast that run up to \$250 a month, and I'm sure
74 that the people from my riding who are here today will
75 show evidence of that, and no, this does not include
76 electric heat.

77 We have all these communities that are within 250
78 miles of the mighty Churchill Falls, yet we light up the
79 Eastern Seaboard with cheap electricity rates. Can anyone
80 here wonder how a young mother, a single mother, who is
81 trying to make a go for herself on the north coast, yet earns
82 a very low income, is trying to stay away from welfare, and
83 yet one of the most difficult tasks she faces on the north
84 coast of Labrador is electricity ... when single mothers in
85 other parts of ... like Goose Bay and Lab West, can heat
86 their home for probably \$200 or less, and these are not,
87 these are not estimates. These are facts. I wonder why?

88 I wonder why do I have to deal with social
89 problems and try and grapple with ways to try and find
90 ways and means so that the people on the north coast can
91 stand up, and as small an income earner as they are, to play
92 their part to be taxpayers in this province. Every one of
93 them falls within 250 miles of the mighty Churchill Falls, and
94 yet we pay the highest cost of electricity on the north coast
95 of Labrador.

96 I was disappointed when Hydro laid off an
97 employee here in Happy Valley-Goose Bay in the early
98 year. That person done a lot of work on the north coast of
99 Labrador, and we were told it was because of wage
100 restraints, or cost savings. In Happy Valley-Goose Bay,
101 where we're told that there's going to be a big decrease, and

1 probably the largest part of the people who pay for Hydro
2 live in Happy Valley-Goose Bay. I mean really, cost saving
3 ...

4 (10:15 a.m.)

5 There are many other issues that I could address
6 here today, but I can tell you no one knows the difficulty in
7 trying to deal with the north coast than I do. These people
8 believe that they are human beings and they should be
9 treated in a proper fashion. I believe that there should be
10 rates across Labrador, where we pay our fair share and
11 while I fully agree that there is a large subsidy on the north
12 coast, it's not enough, and I guess the thing that really
13 hurts me most of all and makes me mad is to know that the
14 people who are proposing the increase to the residents that
15 I represent, never had the decency, let alone the guts or the
16 gaul, to travel to the north coast so the people themselves
17 could speak out, which they want to do, and play a part in
18 why they believe that any increase to coastal Labrador is
19 wrong.

20 I guess I could go on for a long time, but I think
21 I've made a point as to how I feel and I have no problem
22 putting my hand on the Bible and to say that any increase
23 to coastal Labrador is going to add to some of the social
24 problems which the people, the people themselves are
25 dealing with and they're doing a good job. And to know
26 that the powers that be are going to come back here again
27 and to propose an increase to the people right now that
28 even with a subsidy are paying the highest electricity rates
29 in this province, and who depend upon that more than
30 anybody else, and to know that they never had the
31 courtesy to come to the north coast of Labrador. There's
32 such a thing as shame, there's such a thing as guilt, and
33 yes, there's such a thing as standing up and be counted,
34 which the people on the north coast are trying to do.
35 There's a beautiful day out there today, it's a fall day, a
36 typical Labrador day, and I would say to all these people
37 here, that before you go ahead and increase the rates on
38 the north coast of Labrador, that I believe there are other
39 ways and means that you can justify or bring rates up in
40 some areas, and bring them down on the coast of Labrador.
41 I think it's time when all of Labrador need to come together
42 and if uniform rates is what's needed, then I fully support
43 it. No one on the north coast is against any of the cheap
44 rates that residents of Sheshatshui and Northwest River,
45 Happy Valley, Churchill Falls and Labrador City pay, but at
46 the same time we feel that we're being crucified by paying
47 these high rates. We want a chance and I believe that
48 Hydro has within its ways and means of uniforming rates
49 throughout Labrador that will even the burden on the
50 people on the north coast.

51 I have to be honest and to say that despite what
52 I have said, I want to thank the CEO, Bill Wells, who many

53 times have listened to the concerns and made amendments
54 to some of the problems that we've had on the coast, but it
55 doesn't take away from the hardship that any increase in
56 coastal Labrador is going to have on the people.

57 And the last part again, we'll say is that I'm
58 disappointed, I'm angry, and I'm hurt that you couldn't ...
59 really who in Goose Bay is going to come forward and say,
60 boys, we don't want a decrease? Really, and yet to those
61 where you're proposing an increase, you talked of 3.2, but
62 also another 3.4. Maybe we don't know what else is hidden
63 there, but I can say to you on behalf of the people on the
64 north coast of Labrador, before you increase any rates, and
65 add a bigger burden on the people on the north coast, I
66 believe all of us in Labrador as a whole, by working with
67 Hydro, can find ways and means to ... if it's a shortfall that
68 you're anticipating, that maybe we can work together, but
69 my last plea to you is this, do not, do not increase the rates
70 on the north coast of Labrador because as I said before,
71 any increase on the north coast of Labrador is going to add
72 to problems. Thank you.

73 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
74 Anderson. That's clearly a heartfelt presentation. Would
75 you be prepared to take any questions from ...

76 MR. ANDERSON: Sure.

77 MR. NOSEWORTHY, CHAIRMAN: Would Hydro have
78 any questions of Mr. Anderson please? Or comments?

79 MR. YOUNG: No, Mr. Chairman, thank you, Mr. Anderson,
80 we don't have any questions.

81 MR. NOSEWORTHY, CHAIRMAN: Newfoundland
82 Power?

83 MR. HAYES: No, thank you, Mr. Anderson, a very
84 eloquent presentation.

85 MR. NOSEWORTHY, CHAIRMAN: Excuse me, Mr.
86 Anderson, could I just, the panel may have some
87 questions, if you would, please.

88 MR. ANDERSON: By the way, too, I just want to say, I
89 mentioned the part of the high cost of electricity. Take this
90 cell phone, I'll give you two ... walk over to the post office,
91 ship one to Vancouver and one to the north coast, and the
92 one to the north coast is going to cost double and almost
93 triple as what it takes to ship to Vancouver or to the United
94 States, and that is the kind of burden that if you increase
95 the Hydro rates, that you'd be putting on the people of the
96 north coast.

97 MR. NOSEWORTHY, CHAIRMAN: I would ask the
98 Consumer Advocate if he has any questions?

99 MR. BROWNE, Q.C.: Yes, I have some questions for Mr.
100 Anderson. Mr. Anderson, when Churchill Falls was

1 developed, did that affect in any way the rights that the
2 Aboriginal people had in Labrador, the development of that
3 project? Your hunting rights, the economy that was there
4 at the time as you knew it?

5 MR. ANDERSON: I don't think there was any consultation
6 really with Churchill Falls. I think the same holds true with
7 the fishery, that we say the draggers and everything was
8 coming up here and sweeping the bottom of the north
9 coast, and you know, we were the only people who never
10 received the TAGS program, so Churchill Falls, the fishery,
11 you know, I'm beginning to have some questions about
12 Voisey Bay, you know, that very seldom are the people on
13 the north coast a part of any discussion, and Mr. Browne,
14 I say again, that it holds true here where this Board, or this
15 group failed to travel to the north coast.

16 MR. BROWNE, Q.C.: So when Churchill Falls was
17 developed, were there people from your community who
18 used that area around Churchill Falls for hunting prior to
19 the development?

20 MR. ANDERSON: There was some who, not particularly
21 right in the Churchill Falls area, but as you know, there was
22 a lot of land that's been flooded and there was parts of
23 people from Rigolet and Postville and Makkovik who did
24 trap in that area, and yes, you know, they lost a part of their
25 trapping land, but again, no there was no consultation with
26 anyone.

27 MR. BROWNE, Q.C.: Was there any compensation given
28 to them for that, the loss of that land?

29 MR. ANDERSON: There was none, no, none, there was
30 none.

31 MR. BROWNE, Q.C.: In terms of costs within your district,
32 can you just give us some idea as to the cost of goods and
33 services. You just used an example of mailing a cell phone
34 from the post office here, one going north and one going to
35 Vancouver, and Vancouver is a lot cheaper. What about
36 basic products, milk and orange juice and bread and
37 flower?

38 MR. ANDERSON: There is a subsidy that's provided for
39 fresh meat, fresh fruit and vegetables to a certain degree,
40 but again, anyone can take any price comparison in the
41 north coast as compared to Goose Bay and Lab City, and
42 the cost is at least 25 or 30 percent higher, or more, on the
43 north coast, and \$525 a return trip to fly from Nain to Goose
44 Bay. I mean really, if there was, you talk about
45 presentations around this province, and no matter where
46 you hold them on the island, whoever wants to go is going
47 to be able to go there, but tell me one place on the island
48 where it's going to cost them \$550, or \$520 to get there, plus
49 the fact that they could be caught in weather here for three
50 or four days. Granting, Hydro paid for one individual to

51 come out from each community, but again, this is the part
52 of the whole structure of the north coast as to why a lot of
53 difficulties are caused, is caused by the high cost of hydro,
54 the high cost of gas, you know. Link people in Hopedale
55 who can't afford ... there's no one in Hopedale can afford
56 electric heat. 50 miles return to go and get a bit of firewood
57 because, you know, they can't afford electric heat.

58 MR. BROWNE, Q.C.: Along the coast, along your district,
59 is there anyone with electric heat to your knowledge? The
60 vast majority would use what kind of fuel, Mr. Anderson?

61 MR. ANDERSON: I am not aware of any individual person,
62 but I'm not sure if any of the counsel offices or if any
63 private business might have electric heat to my knowledge,
64 I'm not sure.

65 MR. BROWNE, Q.C.: What type of fuel do people utilize
66 along the coast, along the communities within your district
67 for heat?

68 MR. ANDERSON: Well, basically most of them in most
69 communities use wood. Every community uses wood.
70 Some people use a furnace, stove oil, but stove oil and
71 wood are the two that most people use.

72 MR. BROWNE, Q.C.: And stove oil, how does that get to
73 the coast?

74 MR. ANDERSON: It's delivered by ... there are two, there
75 are two suppliers, Woodward's and Ultramar, but again, you
76 know, like when you hear people in different parts of the
77 island complaining about, you know, the cost of fuel has
78 reached 88 cents, I mean my God, that was a wish for the
79 people on the north coast who are paying over a dollar. It
80 was a wish. You have people complaining, I mean calling
81 the Open Line and forming different groups. Our fuel has
82 gone to 85, 88 cents. That was a dream, a dream for the
83 people, Mr. Browne, in my riding.

84 MR. BROWNE, Q.C.: Do you have any idea what the
85 average fuel cost would be for a resident during the winter
86 months?

87 MR. ANDERSON: No, I don't, and I would say that the
88 cost of, the amount of fuel that people burn is very limited
89 because wherever they got access to wood, then that's
90 their sole means. Sure people have furnaces that they use
91 too, but most of them have wood stoves which they use a
92 lot more than they do for the furnace and the stove oil.

93 MR. BROWNE, Q.C.: So wood would be the primary
94 source of heat?

95 MR. ANDERSON: Yes, it would, yeah.

96 MR. BROWNE, Q.C.: Hydro has a rate for the first 700
97 kilowatts used. Do you have any idea of what you can get
98 for 700 kilowatts? What would most people have? Would

1 they have refrigeration and their lights. Would most
2 people have a freezer?

3 MR. ANDERSON: Well, they do because of their culture,
4 that a lot of people, and of course, again, they got no other
5 choice. They can't afford to buy their chicken and their
6 roast and steaks, that they do have deep freezers, you
7 know, their culture and their survival depends on their
8 refrigerator or the deep freeze where they've got, you know,
9 their fish, their caribou, their geese, their ducks, and so on,
10 and without that, you know, I mean they wouldn't survive.

11 *(10:30 a.m.)*

12 MR. BROWNE, Q.C.: So a freezer would be a necessity?

13 MR. ANDERSON: Oh yes.

14 MR. BROWNE, Q.C.: And a refrigerator would be a
15 necessity.

16 MR. ANDERSON: Yeah, a lot of people have electric
17 ranges, the stove, but you know, some reports sometimes
18 when you got an extra large light bill that one month it can
19 go very high, and it happens, and the first thing that
20 someone will say, well, you know, they're using the burners
21 for the heat, and that's not the case, but basically they have
22 an electric stove, you know, a hot water tank.

23 MR. BROWNE, Q.C.: A hot water tank?

24 MR. ANDERSON: Yeah.

25 MR. BROWNE, Q.C.: Electric stove, a freezer, refrigerator.

26 MR. ANDERSON: A washer and dryer, the same as any,
27 you know, the same as any ordinary household in this
28 province would have.

29 MR. BROWNE, Q.C.: People would have a washer and
30 dryer.

31 MR. ANDERSON: Yes.

32 MR. BROWNE, Q.C.: It would be, and I guess that would
33 be a necessity, particularly during the winter months.

34 MR. ANDERSON: Yeah.

35 MR. BROWNE, Q.C.: You wouldn't have much choice
36 there, would you, and then the lights themselves.

37 MR. ANDERSON: Yeah.

38 MR. BROWNE, Q.C.: And all these you would view as
39 necessary for life in the north?

40 MR. ANDERSON: They're necessary, I guess I can say
41 that on the coast they're a necessity, but I guess in most
42 other parts of the province that it's taken for granted.

43 MR. BROWNE, Q.C.: I guess in other parts of the province
44 people can go out to the local laundromat if they didn't

45 have a washer and dryer, couldn't they, but there's no local
46 laundromat in Nain, is there?

47 MR. ANDERSON: There's none, no.

48 MR. BROWNE, Q.C.: So people have options even within
49 the island, don't they, which wouldn't be open to you.

50 MR. ANDERSON: You're right, none of these options are
51 available on our coast, like laundry mats and so on, and the
52 reason why, I guess, is because no one can afford them.
53 I'm thinking if you had a laundry mat on the north coast run
54 by electricity, that no one would be able to afford to wash
55 their clothes.

56 MR. BROWNE, Q.C.: The economy of the north, what do
57 people work at mainly. Is there a fish plant within any of
58 the districts, any of the communities you represent within
59 your district?

60 MR. ANDERSON: There's a fish plant in the community of
61 Makkovik. There is a fish plant in Nain. We have a small,
62 a very small plant for (inaudible) cod in Postville, but again,
63 I guess there is one time where we got the highest amount,
64 meaning that the quotas that we get from the federal
65 government are the lowest, so therefore it poses difficulty
66 on the plants. I know in the community of Rigolet, that
67 right now we've got nothing, and we're fighting for a fish
68 plant. We have looked at other options as to what we
69 might do in that community, and other than the fish plant,
70 or getting a fish plant in that community, there is nothing
71 else that we can think of because of its location and you
72 have a few people in Rigolet who work in the clinic, a few
73 people who work in the school, a few people who work for
74 Hydro, but other than that, the large majority probably is,
75 you know, some do work for the Labrador Inuit
76 Association, but you've got a large majority of people in
77 this community that has got nothing, and to be quite
78 honest, the last three years, the only thing that they've had
79 was a make work project where we, they qualified for their
80 hours, a number of people, at \$5.50 an hour and yet some
81 of these people had to receive a top-up from Social
82 Services because the amount of money that ... when you
83 get your hours that's required, it depends on your wages,
84 or what you're paid an hour, and even though they
85 qualified for EI, they did not, they were eligible for a top-up
86 from Social Services. the other communities are, some find
87 it difficult. You know, we're hoping for other things in the
88 community of Postville, a logging operation and so on, but
89 still, I mean like I guess all these things is going to be fine
90 and dandy, but if you're paid a decent wage, the same as
91 you're paid in Goose Bay or Labrador City, when you still
92 got to turn around and pay the highest cost for food, the
93 highest cost for electricity, the highest cost for
94 transportation, then really, I guess, then you're no better,
95 really it's a sad but probably true statement, that you're

1 probably no better off than someone who is on welfare.

2 MR. BROWNE, Q.C.: Mr. Anderson, can you comment on
3 the, on any situations of which you are aware where people
4 have their electricity cut because they were unable to pay
5 their bills? Are you aware of any situations of that nature
6 within your district?

7 MR. ANDERSON: Well there are some who have the
8 electricity rates cut but I guess they're, most of these are
9 probably the same as what you find in other parts of the
10 province, that you know, rather than pay the light bill that
11 they do other things, but I don't think that ...

12 MR. BROWNE, Q.C.: What do you mean by other things,
13 Mr. Anderson?

14 MR. ANDERSON: Well, I guess they use it for other
15 necessities, and I guess it's not a question, like I mean most
16 of these people pay their light bills, but then again, I mean
17 when you got to pay a light bill of like \$100 or \$150, and I
18 mean you're making five or seven dollars an hour, that this
19 light bill is only for just your lights, and not heat, then I
20 think this is a prime example of the stress and the strain
21 that's put on these people in coastal Labrador. I mean you
22 got someone who, word has it that the, the average wage
23 in Labrador west is about \$64,000. When you got someone
24 with an average wage of \$64,000 who is probably paying
25 \$100 to \$150 dollars to heat their, to heat and lights for their
26 house, then I guess one can only imagine the strain that ...
27 I mentioned about coastal Labrador, that instead of ... the
28 average wage is probably \$18,000 a year, and then you got
29 to go out there and you're expected to pay \$150 a month, or
30 somewhere between \$100 to \$150 in some cases for a
31 normal light bill, then you got to pay \$500 to get to Goose
32 Bay for some reason if you wanted to come here, and
33 you've got to pay the highest cost for gasoline, and then
34 you got to pay the highest cost for food. I mean, you
35 know, really, I mean, you know, these are things that these
36 people on the coast have to deal with day in and day out,
37 and we let it happen. We, society ... whether you ... even
38 the government, the federal government and the rest of
39 Labrador, they let it happen. They stood by, they let it
40 happen, so really when I made the statement, do people
41 really give a damn about the people on the north coast, I
42 say it with great honesty, great sincerity, because in many
43 cases I don't, and if this increase here is allowed to go
44 ahead, then, you know, everything that the people on the
45 coast stood for, you know, and everything we fought for,
46 you know, is all forgotten, is all forgotten, and I tell you,
47 the people on the ... in the last two years, the last ten to 14
48 months have made tremendous strides, and in particular the
49 community of Nain where the people have come out and
50 they've took control of their community, and they want to
51 move ahead, but really how can you move ahead when
52 every time you do things to help yourself, that the powers

53 to be on the outside is going to come back and clobber
54 you, and in this case probably another seven percent, so
55 really I hope that the people here fully understand, you
56 know, I mean my golly, if I was making \$64,000 a year, by
57 the way, which I am as a politician, I don't mind saying, and
58 if someone said to me, okay, what's your light bill in Goose
59 Bay and I'll tell you, my average light bill is \$58.00 a month.
60 About \$58.00 to \$62.00. We've got a basement, an upstairs,
61 you know, two cars plugged in. We've got the washer and
62 dryer going the whole time, and we've got four televisions
63 which most of them is left on in the nighttime. I got my
64 daughter, she's out there steady with the ghetto blasters
65 going, you name it. My daughter ... computers, you know,
66 and yet my mother who is a senior, who is living on \$600,
67 or probably \$900 a month, turns on her television probably
68 an hour or so a day, and washes her clothes, and turns on
69 a few lights in the nighttime, and her light bill is way more
70 than mine. Imagine if she had to trust to electricity to heat,
71 electricity for heat. Imagine, how would they survive. And
72 that's the part that they face day in and day out, but to get
73 clobbered again, you know, I mean, good, they're starting
74 to do good on the north coast, okay, come on, let's put the
75 rates up. You know, it's time for Hydro rates, let's increase
76 the cost, good, come on. It's almost like you're saying,
77 keep them down, and that's the part that angers me.

78 MR. BROWNE, Q.C.: What about daylight hours, I just
79 want to get into that, during the winter months. How many
80 hours of daylight would you have along the, up north? Is
81 that a factor where people would have to turn on their
82 lights earlier?

83 MR. ANDERSON: It varies, yeah, it varies quite a bit. In
84 the summertime we're pretty good. It doesn't cost us
85 anything but we can say that we got more than the other
86 parts of this province because of the farther north you go,
87 the more daylight hours you got. We're pretty proud of
88 that. We're just hoping that no one is going to start
89 charging us for that ... (*laughter*). But in the wintertime,
90 you know, around 8:00 in the morning, you know, for when
91 you get into January and February, December, January and
92 February, it's 8:00 in the morning, you know, you still got
93 your lights on in your house in the morning, and anytime
94 after 3:30 or 4:00 then you got to turn your lights back on,
95 you know, full power, so ... and then the coldest months,
96 and again, this would, you know, it's a prime example as to
97 why people can't afford electric heat, and there's that for the
98 coldest month that we would require, you know, more, more
99 heat than any other part of the province because of the
100 long winters and the cold winters.

101 MR. BROWNE, Q.C.: Thank you, Mr. Anderson.

102 MR. ANDERSON: Mr. Chair, I guess the four ... I just want
103 to say that I never came here today with the intention to
104 embarrass people. I came here today with the concerns for

1 the people on our coast, and I think what I said is the truth
2 and I will continue to address this issue with Hydro, and
3 the last thing I will say is that I request that this Board
4 deny any rate increase to the people on the north coast.

5 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
6 Anderson. It has been standard practice to ask the other
7 registered intervenors and the panel, if you could bear with
8 us just for another moment, sir. Mr. Peck, do you have
9 anything?

10 MR. PECK: No questions.

11 MR. NOSEWORTHY, CHAIRMAN: Board counsel?

12 MR. KENNEDY: No questions, Chair.

13 MR. NOSEWORTHY, CHAIRMAN: Commissioner Powell?

14 COMMISSIONER POWELL: Just a couple of items, Mr.
15 Anderson, thank you for coming. You said you have six
16 communities in your district?

17 MR. ANDERSON: Yes, I do.

18 COMMISSIONER POWELL: So each one of them has their
19 own diesel system?

20 MR. ANDERSON: Yes.

21 COMMISSIONER POWELL: Do any of these communities
22 have committees that would look at the issues surrounding
23 Hydro and electricity use?

24 MR. ANDERSON: Well, I guess their biggest concern, or
25 their biggest hope would probably come from the combined
26 councils of Labrador, but I guess, you know, the part about
27 committees in their communities is this is a prime example.
28 Why would they have a committee ...

29 COMMISSIONER POWELL: No, no, I ...

30 MR. ANDERSON: Okay, I want to finish.

31 COMMISSIONER POWELL: Okay, sorry.

32 MR. ANDERSON: Why would Postville or Makkovik or
33 Hopedale have a committee, I mean to raise their concerns
34 to, when at a meeting such as this that the committee won't
35 even travel to the north coast, so really I'll answer your
36 question this way. Put yourself in the position of the
37 people on the north coast who are paying the highest cost
38 for electricity, why would they have a committee when
39 there's public hearings on an increase, and an increase is
40 gauged at the north coast of Labrador, and that the
41 committee or the people who are proposing this rate
42 increase haven't got the, excuse me, but haven't got the
43 decency to travel to the north coast so that all the people
44 in these communities, the women's group, the town
45 councils, the youth, can have their say. Really, I mean
46 that's the best way for me to answer that question, you

47 know, what would that committee achieve? They could
48 probably go on the radio and do an interview, but the truth
49 of the matter is until you sit down face to face, it's the same
50 as everything, sir. If I or you have a problem with our
51 daughter or our son, then I mean until we sit down face to
52 face and talk it out and dish it out, we're not going to
53 accomplish nothing, and I think that's the feeling of
54 frustration on the north coast as to why should we have
55 committees when those who our committee wants to deal
56 with or have a meeting with won't even bother to grace us
57 with their presence.

58 COMMISSIONER POWELL: My next question was, if you
59 have a committee, that you have problems and you talk
60 about working together, to have discussions with Hydro
61 concerning issues with that (inaudible) in that community,
62 and then each committee has (inaudible) if they were to
63 communicate themselves, and maybe they'd (inaudible).
64 You do have, each community has their own separate
65 system, and I presume while there are some problems
66 common, there are some problems unique probably to their
67 own communities. Okay, so you don't have ... do those
68 communities have any idea what the actual cost of
69 operating the community diesel systems versus what
70 they're actually charged for?

71 MR. ANDERSON: Yeah, we're fully aware that there is a
72 large subsidy.

73 COMMISSIONER POWELL: Okay.

74 MR. ANDERSON: That's provided by government, by
75 Hydro, a large ... but it's not enough.

76 COMMISSIONER POWELL: Do you think the people who
77 do the economic planning for your area are aware of the
78 true cost of providing electricity versus what you actually
79 pay?

80 MR. ANDERSON: Can you say it again?

81 COMMISSIONER POWELL: One of the issues you're
82 talking about is the lack of income, and sometimes as a
83 business person I find that you get subsidies going and
84 people don't really understand what the true cost, and
85 therefore they don't make proper economic decisions
86 because they're not aware, so if they knew that the average
87 family, say, was paying \$100 a month, but really the true
88 cost is \$400 a month, the urgency for getting a decent
89 income is greater than looking after somebody when they
90 got a \$100 electricity bill?

91 MR. ANDERSON: I think all that has been fully recognized
92 by the people on the coast, and I think we're fully aware too
93 that it hinders, it hinders the growth and the economic well-
94 being of the north coast communities. Like, look, there's a
95 whole bunch of business people that deal with nothing else
96 other than the north coast, and that's probably the reason

1 why you got so many offices in Goose Bay. That's the
2 reason why you got so many bureaucrats in Goose Bay,
3 well civil servants, is because of the high cost on the north
4 coast with all factors, Hydro being one of them, and these
5 hurt, it hurt the north coast community. I mean you have
6 got all the number of people that are stationed here in
7 Goose Bay that work for government, and for Hydro ... a
8 prime example, Hydro, you know, they've got people, a
9 large number who work basically 90 percent, I would say
10 that their work is strictly on the north coast. Like
11 mechanics and so on, yes, they've got a back-up plant here
12 in Goose Bay, and it's the same thing for even ... like for
13 other businesses on the north coast, that because of the
14 high cost of transportation, you know, the high cost of
15 food, and the high cost of the heat and lights, that they can
16 stay here in Goose Bay where they got cheap rates,
17 provides good economic benefits for the town of Goose
18 Bay. The truth of the matter is this, if you look at the
19 community of Goose Bay, look at the number of people that
20 makes the economy in Goose Bay work, and there's no
21 bigger contribution made than those of the north coast and
22 people travelling from the island or any other part of
23 Canada who comes into Goose Bay, overnights in Goose
24 Bay at the hotel, the winers and diners in the nightclubs,
25 onto the north coast, back out here again, hotels again, and
26 on the way through, the number of people coming from the
27 north coast that does this is because they've got a good
28 economic base of cheap electricity, they've got ... the food
29 is cheaper in Goose Bay and so on, and this is a prime
30 example of the north coast, and the difficulty, and that's the
31 whole point that I want to make here, and that would not be
32 a better, a better definition, is that the things on the north
33 coast, the high cost of Hydro being one of them, does hurt
34 the economy on the north coast, and provides stressful,
35 stressful concerns to the people.

36 COMMISSIONER POWELL: Thank you, they're my
37 questions.

38 MR. NOSEWORTHY, CHAIRMAN: Commissioner
39 Saunders?

40 COMMISSIONER SAUNDERS: Just a couple of questions.
41 Good morning, Mr. Anderson. It's a pleasure to meet you.
42 When you refer to the north coast, you refer to all of the
43 communities north of here, do you?

44 MR. ANDERSON: Yes, I do.

45 COMMISSIONER SAUNDERS: And I gather you've lived
46 there all your life?

47 MR. ANDERSON: I moved to Happy Valley-Goose Bay in
48 1975, but my work was always with the north coast of
49 Labrador, as a bureaucrat and now as an elected official.

50 COMMISSIONER SAUNDERS: Yes, so you live here in

51 Goose Bay?

52 MR. ANDERSON: Yes, I do.

53 COMMISSIONER SAUNDERS: Yes, but you spend a fair
54 bit of your time, and you have spent, you say along ...

55 MR. ANDERSON: Yes.

56 COMMISSIONER SAUNDERS: Or a long time along the
57 north coast as you call it.

58 MR. ANDERSON: Yes, yeah.

59 COMMISSIONER SAUNDERS: Are you familiar with the
60 quality of the service provided by Hydro in any of the
61 communities, or can you speak, say first hand with respect
62 to ... I think you mentioned your mother lives in that area?

63 MR. ANDERSON: Makkovik, yes, yeah.

64 COMMISSIONER SAUNDERS: Would you have any idea
65 of the quality of the service that she receives in respect of
66 continuous service, whether there are frequent outages,
67 brown outs, difficulty in getting power restored when it
68 goes off? Do you have any comments along those lines?

69 MR. ANDERSON: Yes, first of all, I want to say that we
70 have seen an increase in the services provided and during
71 my remarks I thanked the CEO, Bill Wells, because we have.
72 There's no question. I'll be honest that I know in Nain we
73 had great concerns in 1996/97 as to the outages and so on,
74 you know. They're building a new Hydro plant in Nain.
75 We have seen improvements over the years as to the
76 number of outages, and I think that's all documented now
77 but we're concerned about the number of operators. There
78 was cutbacks years ago to the operators. Some plants have
79 one and a half, you know, we wanted it back to four, or
80 probably we'd settle for two, but you know, I can also call
81 a spade a spade, and the north coast people can correct me
82 if I'm wrong, but I think that over the last four or five years
83 that we've received an increase, or a decrease in the lack of
84 outages that we've had. Now Mother Nature plays a big
85 part. We've had ice storms, you know, we've had, we've
86 had times when the helicopter, the planes couldn't get in,
87 but again, one particular instance was in the community of
88 Hopedale, and the House was open at that time in St.
89 John's, and an employee of Hydro called me every two
90 hours for an update as to how the weather was and what
91 they were doing, and they had planned to get the boat to
92 get the poles and so on in these communities. Yes, you
93 know, we're honest, and yes, we've seen quite a few
94 improvements in the last three or four years. No question.

95 COMMISSIONER SAUNDERS: Okay, so there has been an
96 improved quality of service in your opinion to these
97 communities?

98 MR. ANDERSON: Yes, with regard to the outages, I know

1 the number of calls that I got in 1996 and '97 with regard to
2 outages and the complaints from people in the community
3 from '98 on, that they're far less, far less.

4 COMMISSIONER SAUNDERS: Mr. Anderson, as a
5 resident of Happy Valley-Goose Bay, but I'm sure we're
6 going to hear from other people as well from the Town, but
7 as a resident yourself here, and you've been here, I think
8 you said, since '75, how is the quality of service here in this
9 particular community?

10 MR. ANDERSON: Well, when you're hooked up to the
11 mighty Churchill Falls, you know, it's pretty well status
12 quo. If the Churchill Falls, for some reason, goes off
13 stream, they've got the big diesel power plant up here that
14 they just, you know, crank her over and away to go, so
15 there is, very seldom do you have outages here, and
16 probably isolated ones in the community where a pole goes
17 down in a certain part or section of town and if you happen
18 to live in that part of town, you know, the same as
19 anywhere else.

20 COMMISSIONER SAUNDERS: So these kinds of things
21 happen everywhere, of course.

22 MR. ANDERSON: But in regard to the power in Happy
23 Valley-Goose Bay, I think that the \$58.00 I pay a month for
24 my bill is well worth the service I get.

25 COMMISSIONER SAUNDERS: So it's a good deal.

26 MR. ANDERSON: It's a good deal. It's a good deal.

27 COMMISSIONER SAUNDERS: Thank you, Mr. Anderson.
28 Mr. Chair?

29 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
30 Saunders. Ms. Whalen, do you have anything?

31 COMMISSIONER WHALEN: No, I have no questions,
32 thank you, Mr. Anderson.

33 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
34 Anderson, I have no questions. I thank you for your
35 presentation. I've known you, sir, as a Deputy Minister in
36 government, and certainly you've been a sincere and very
37 serious advocate of the people in your district, I have no
38 doubt about that, and that's certainly continuing here
39 today. Thank you, sir, very much.

40 MR. ANDERSON: Thank you.

41 MR. NOSEWORTHY, CHAIRMAN: It is just about 11:00.
42 Before we start with our next presentation, perhaps we can
43 take a short ten minute break please?

44 (break)

45 (11:15 a.m.)

46 MR. NOSEWORTHY, CHAIRMAN: If we could get

47 started. I notice Mr. Anderson is gone. I certainly will
48 speak to him later, but I felt as ... I heard Mr. Anderson loud
49 and clear in his comments this morning, and I didn't not
50 suspect those, to be frank with you, but certainly as Chair,
51 I think, of this panel, I want to address some of the
52 comments that he did make, and I can assure everybody in
53 this room, it wasn't out of a lack of concern to the people of
54 the northern coast of Labrador that we decided to sit here
55 in Goose Bay and not travel to the coast. This was a matter
56 that was considered very, very carefully, and rightly or
57 wrongly, I think that we would feel that this process
58 provides greater opportunity to the people to input into,
59 into the formal part of the hearing that we are proposing,
60 and I just ... probably I should review with you, I think,
61 some of the rationale quite frankly that we went through in
62 deciding on this matter, and as I say, rightly or wrongly,
63 you can decide for yourself, but I can assure it was not out
64 of any lack of concern or interest, and this was a matter that
65 was discussed fully virtually at every pre-hearing meeting
66 that we would have had in organizing ourselves for these
67 public participation days.

68 I think it's a matter of trying to understand as well
69 the role of the Public Utilities Board, quite frankly, and our
70 obligations under the Act and how we have to fulfil those
71 obligations. I think first of all, I'll say that, you know, while
72 the parties, Hydro, and the registered intervenors to this
73 hearing, the people in this room today were consulted and
74 indeed had input into the schedule and locations for these
75 hearings, I have no hesitation in saying that the final
76 decision did indeed rest with this Board. There is no
77 question about that. I think there was a consensus arrived
78 at in terms of the way we'd approach these public
79 participation days and gauge this public input, but let there
80 be no doubt about the decision, the final decision rested
81 with this Board, and I as Chair of this panel.

82 I want to say as well from the outset that all parties
83 indeed, as I indicated, expressed their views and concerns
84 how to best achieve the public input and comments
85 through this public hearing, and I think that every party in
86 this room that you see, Hydro and registered intervenors,
87 acknowledge that indeed this was a very important and
88 very key part of the process to get out throughout the
89 province and listen to public, the individuals,
90 organizations, service clubs, as to what they felt about the
91 impact of this application.

92 As I said as well, I think it came up at virtually
93 every meeting we had, from the Board's perspective there
94 were a number of considerations, quite frankly. First of all,
95 there are indeed, you may not know this, but there are some
96 26 isolated and remote diesel sites throughout the
97 province, and that does not necessarily only include
98 Labrador, but includes the island part of the province as

1 well, and I think it would be fair to say, and you'd probably
2 recognize and understand this, that it would be impossible
3 for the Board to visit each one of these sites, or indeed to
4 select a few communities in a given region and visit those.
5 I think that would be grossly unfair, indeed, to the other
6 communities that we didn't get around to visit, and we
7 acknowledged and recognized that.

8 I think the other thing that we looked at quite
9 frankly was that informal consultations by this Board, one
10 or two of us here could have indeed gone to various
11 communities along the coast of Labrador and we could
12 have conducted informal discussions with people in these
13 communities with regard to this particular application, but
14 I think we would conclude that the process that we are
15 involved in, that that would indeed not provided us with
16 the same weight of evidence because these would be
17 informal meetings, that's all they could be, with the same
18 weight of evidence that will be considered here today when
19 we heard Mr. Anderson, and indeed when we will hear
20 future presenters, that these would be informal discussions
21 at best, and as I indicated previously, the process itself
22 provides for a formal compilation of evidence, a formal
23 discussion among the parties, and we felt that that would
24 not provide the fairness and opportunity, quite frankly, to
25 people in these communities, if the evidence wasn't
26 considered on the same basis as all the evidence that will
27 be before us throughout this hearing. So that was a, that
28 was another matter, another concern.

29 And also, I think, it must be understood, as I
30 indicated earlier, that this Board has statutory and legal
31 obligations to hear this evidence in a fair and just manner,
32 to assess it in a fair and just manner, and to indeed register
33 a decision in a fair and just manner, and while we are not
34 bound by the rules of the court in any way, shape, or form,
35 I think it was acknowledged and recognized that without
36 the benefit of the parties, all the parties here today, and
37 indeed the full panel, that essentially we have to follow the
38 laws of natural justice, the laws of natural justice must be
39 seen to prevail, and, and certainly that's a very key and
40 important part of the process that we would follow. Now
41 without the full panel and the parties, it really would be
42 analogous, quite frankly, in a courtroom setting with the
43 defence presenting evidence without the prosecution being
44 there, or presenting evidence in front of only a partial jury,
45 and you can imagine the situation that that would create.
46 It certainly wouldn't be a process to provide natural justice
47 or a process to evaluate the evidence that's before us on
48 any fair and equitable basis. This is neither acceptable to
49 the Board, neither acceptable in law, and indeed, it doesn't
50 allow us to do our job in a non-discriminatory manner.

51 So what other considerations do we have? Well,
52 I think there are indeed 14 people in this room here today,

53 including the panel, Hydro, registered intervenors and the
54 support, and the next consideration became, quite frankly,
55 what is in the public interest would be best served by
56 bringing the 14 of us to a limited number of select
57 communities, or finding a way to allow these communities
58 affected by the application to have input into the hearing,
59 and the math, quite frankly for us, is quite simple. We have
60 14 people here, and certainly the 14 of us could travel to a
61 community at the same expense as we could get one
62 representative for each community, or two representatives
63 for each community, if you were to look at seven
64 communities, or 14 in the case of one, to travel here to
65 Goose Bay to make a presentation on behalf of the
66 residents of the coast of Labrador. So we asked, quite
67 frankly, the Consumer Advocate and Hydro to address the
68 facilitation and the participation from communities serviced
69 by diesel operation in Labrador, and as I say, rightly or
70 wrongly, this was the rationale that we used and
71 contributed to the decision that we ultimately made to sit
72 here in Goose Bay, and I believe, quite frankly, it has been
73 successful. We have at least seven or six communities
74 presenting here today, and I think quite frankly that that's
75 the most interest that we have had throughout this week in
76 any event, of the public participation days that we've had,
77 and I certainly thank you for that.

78 And I'm sure there will be comments from other
79 presenters here this morning on why we didn't travel to the
80 coast. I think I've tried to provide, in any event, some
81 explanation, so hopefully from here on in we might focus
82 on the application but I certainly acknowledge that there
83 may be frustrations and emotions that you have in respect
84 of that, as certainly Mr. Anderson demonstrated this
85 morning, that you would wish to say and that's fair enough.
86 But I think what you will say here will be registered in, as I
87 say, fully part of the public record, in full evidence, and will
88 enable us to make a fair and just decision on behalf of, not
89 only the people of the northern coast of Labrador, but
90 certainly everybody else in the province, and I think we feel
91 confident that through these presentations, quite frankly,
92 and with the letters of comment that we have received, and
93 I'm sure we will receive more of those, that we'll be in a
94 position to indeed make the fair and just decision that we're
95 obliged to do, so I just wanted to make those remarks and
96 let you know that clearly this was not made without a good
97 deal of consultation and consideration with other parties in
98 this room, and certainly our only objective in this, as I say,
99 rightly or wrongly, and certainly this would be in the eye of
100 the beholder, I can appreciate this, is the fact that we were
101 trying to facilitate more participation, quite frankly, from the
102 communities as opposed to less. Thank you very much,
103 and I'd like to now proceed with the next person on our
104 schedule, Mr. Stanley Oliver. Could you please, Mr. Oliver,
105 come forward? Good morning, Mr. Oliver.

1 MR. OLIVER: You don't have either higher chair, do you?

2 MR. NOSEWORTHY, CHAIRMAN: If you could take the
3 Bible ... do you swear on the Bible that the evidence to be
4 given by you shall be the truth, the whole truth, and
5 nothing but the truth, so help you God?

6 MR. OLIVER: I do.

7 MR. NOSEWORTHY, CHAIRMAN: Thank you sir, very
8 much. Could you indicate your name and who you're
9 representing here and you may proceed then with your
10 presentation, sir?

11 (11:30 a.m.)

12 MR. OLIVER: Stanley Oliver, Executive Assistant to the
13 Member of the House of Assembly, the Honourable Ernest
14 MacLean. First of all, I'd like to apologize for the
15 Honourable Ernest MacLean not being here today. One of
16 the disadvantages of being a Cabinet Minister is that
17 sometimes his Cabinet duties takes him out of town when
18 important events are on the go, but he sends his apologies
19 and sent me to bring the message. I'd also like to thank the
20 north coast residents, and also the Happy Valley residents
21 that are here today. With that I'll begin. I have a prepared
22 brief by Minister MacLean. On behalf of the Member for
23 Lake Melville, the Honourable Ernie MacLean, I would like
24 to take this opportunity to welcome the Board of
25 Commissioners of the Public Utilities to Happy Valley-
26 Goose Bay. It is important the Board visit communities in
27 Labrador to listen firsthand to the concerns with Hydro's
28 general rate review application and how it affects the lives
29 of Labradorians in their communities.

30 The Lake Melville district includes Mud Lake,
31 Northwest River, Sheshatshui, Churchill Falls, and Happy
32 Valley-Goose Bay. Mr. MacLean is pleased to see that the
33 application includes a significant decrease in the rate for
34 communities he represents. For the record I want to state
35 publicly that Mr. MacLean supports an equitable rate
36 structure for communities serviced within the Labrador
37 interconnected grid system. Given the fact that we live next
38 door to the world's largest underground plant, it would
39 only make sense to have reasonable rate power for
40 consumers connected to the Labrador integrated system.

41 One rate for users in Labrador West and Central
42 Labrador would result in fair billing to all consumers. Of
43 course, such an initiative should be phased in gradually
44 with appropriate consultations in each community.

45 In addition to serving as an elected Member for
46 the Lake Melville area, Mr. MacLean is also the Minister of
47 the Department of Labrador and Aboriginal Affairs. One of
48 his mandates as Minister of this new department is to
49 review electricity rates for coastal Labrador. Recently the
50 Minister attended an Northern Ministers Development

51 Conference in Lorange (*phonetic*), Saskatoon. It was
52 apparent during that forum that the challenge of providing
53 fair and reasonable energy rates in northern areas does not
54 only pertain to Labrador. This issue is prevalent
55 throughout the country. The question must be raised,
56 what can we do to reduce the burden of high cost of
57 energy in northern areas.

58 The Minister is confident that you would agree it
59 is simply not fair to expect those already burdened with the
60 high cost of living to have to pay a highest rate structure
61 for electricity. He has consulted with his colleagues,
62 Yvonne Jones, MHA for Cartwright and L'anse au Clair,
63 and Wally Anderson, who you heard spoke so eloquently
64 just then, the MHA for Torngat Mountains, on the fact that
65 consumers on the isolated diesel system will pay
66 approximately 20 percent or more for the same amount of
67 power when compared to the Newfoundland Power and
68 Island Interconnected System consumer.

69 The ramifications of such an increase on
70 community economic development are not to be
71 understated. It is widely recognized that high electricity
72 rates is an impediment to economic development and
73 communities. The Minister feels we have to be creative in
74 our attempts to find solutions in how we address reducing
75 the cost of electricity, particularly on the coast of Labrador.
76 He encourages Newfoundland and Labrador Hydro to
77 invest funding into researching the feasibility of small scale
78 hydro projects and/or with power generation to assist with
79 offsetting the high cost of energy for coastal Labrador.

80 As his Executive Assistant, the Minister has
81 asked me to make the following brief comments on Hydro
82 rates on the north and south coast. He is disappointed that
83 the Board will not be visiting communities on the coast of
84 Labrador to listen to the residents and business owners on
85 how the rate application will affect them personally. As
86 well, it is important to recognize that although much of the
87 diesel generated power supplied to the north and south
88 coast of Labrador is subsidized, the cost to consumers is
89 still very high. Any increase to the cost of electricity to
90 coastal communities will be difficult to bear by the
91 consumer and individuals in the community.

92 Whether it be forestry, whether it be forest
93 industry, tourism, the diversified fishery, or major resource
94 development projects such as Voisey Bay or Lower
95 Churchill, the importance of lower costs for electricity rates
96 is essential for economic activity throughout Labrador. As
97 an example, in the Lake Melville district, the lower cost of
98 electricity rates is critical for the continuing military training
99 at (inaudible) Goose Bay. The Allied Nation who have
100 signed a Memorandum of Understanding to participate in
101 the low level flying training program at the base are under
102 scrutiny by their own department to be cost effective.

1 One has to keep in mind that the other nations are
2 actively marketing their bases as strategic locations to
3 conduct training activities. Therefore, any additional
4 expenses to the program at (inaudible) in Goose Bay may
5 have long lasting effects on the future of the low level
6 flying program in this area.

7 Approximately \$70 to \$90 million of foreign dollars
8 is invested in this country as a result of low level flying
9 training at our base. This program, the economic engine of
10 the Lake Melville district, is strong and continues to grow.
11 Any reductions in the new rate structure on the base would
12 only add to a positive effort to market our training
13 opportunities in Labrador.

14 Once again, let me stress the Minister is very
15 pleased to see that Hydro's general rate review application
16 includes a significant reduction in rates for communities in
17 his district. In closing, the Minister would like to note that
18 there is a real potential for significant economic growth in
19 Labrador and that a fair and equitable rate structure for
20 current and future power requirements will entice the
21 private sector to invest, making real potential economic
22 projects a reality, not only in Lake Melville, but also in the
23 entire Labrador. Thank you.

24 MR. NOSEWORTHY, CHAIRMAN: Thank you very much,
25 Mr. Oliver. I'll ask now for questions please. Hydro?

26 MR. YOUNG: No questions, thank you, Mr. Oliver.

27 MR. NOSEWORTHY, CHAIRMAN: Newfoundland
28 Power?

29 MR. HAYES: No questions, Mr. Chair, thank you very
30 much, Mr. Oliver.

31 MR. NOSEWORTHY, CHAIRMAN: The Consumer
32 Advocate please?

33 MR. BROWNE, Q.C.: Yeah, just one question. You live
34 here in Happy Valley-Goose Bay?

35 MR. OLIVER: Yes, I do.

36 MR. BROWNE, Q.C.: And the area I want to question you
37 on, just do most residents here have electric heat or oil?

38 MR. OLIVER: I would generally say that most residents
39 here have electric heat now. There are still some residents
40 that have furnace oil, but that's been minimized with more
41 electric heat.

42 MR. BROWNE, Q.C.: And do you have electric heat
43 yourself?

44 MR. OLIVER: Yes, I do.

45 MR. BROWNE, Q.C.: And do you mind just telling us
46 generally what an average bill would be for you in the
47 winter?

48 MR. OLIVER: My average bill in the winter is about \$150
49 and in the summer it's around \$58 or \$60.

50 MR. BROWNE, Q.C.: And in what type accommodation to
51 you live?

52 MR. OLIVER: I live in a 2400 square foot house, a split
53 level.

54 MR. BROWNE, Q.C.: 2400 square feet.

55 MR. OLIVER: Yeah, 2400 square feet.

56 MR. BROWNE, Q.C.: So it's an upstairs and downstairs, I
57 guess.

58 MR. OLIVER: Three levels.

59 MR. BROWNE, Q.C.: Three levels, it's a two story house.

60 MR. OLIVER: Yes, it is.

61 MR. BROWNE, Q.C.: Okay, these are my questions, thank
62 you very much sir.

63 MR. NOSEWORTHY, CHAIRMAN: Thank you Mr.
64 Browne. Mr. Peck, Happy Valley-Goose Bay?

65 MR. PECK: No questions, Mr. Chair.

66 MR. NOSEWORTHY, CHAIRMAN: Commissioner Powell?

67 COMMISSIONER POWELL: No questions.

68 COMMISSIONER SAUNDERS: No questions.

69 COMMISSIONER WHALEN: No questions, thank you,
70 Mr. Oliver.

71 MR. NOSEWORTHY, CHAIRMAN: Mr. Oliver, I guess my
72 question just relates again as a resident of Goose Bay on
73 the reliability issue and the quality of service that you
74 receive. What are your views on that?

75 MR. OLIVER: With regards to the quality of service, a
76 couple of comments, a couple of years ago we did have
77 quite a few interruptions the summer before last, but since
78 Hydro have replaced, I believe over 90 percent of the
79 transformers in the local area, daily outages have been
80 minimized, so we thank you for that. The only quality
81 question I would like to say is that from time-to-time in our
82 office, and I hear it generally in the community that there
83 seems to be some delay in hook-ups. I don't know if it's
84 because of staffing issues, or just the way things are
85 scheduled, but with regard to new houses being hooked
86 up, and in the last seven years we built 38 new streets and
87 probably approximately 500 new homes so that's important
88 that hook-ups be as fast as possible.

89 MR. NOSEWORTHY, CHAIRMAN: I have no other
90 questions. Thank you, Mr. Oliver, for your presentation,
91 and I thank you on behalf of Mr. McLean, thank him as
92 well.

1 MR. OLIVER: Thank you.

2 MR. NOSEWORTHY, CHAIRMAN: The next presenter is
3 Mr. Dennis Peck who is the Economic Director of the town
4 of Happy Valley-Goose Bay, and as I indicated earlier, the
5 Town is a registered intervenor in this proceeding. Good
6 morning, Mr. Peck.

7 MR. PECK: Do I purposely have the worst chair?

8 MR. NOSEWORTHY, CHAIRMAN: Could you take the
9 Bible please in your right hand? Do you swear on the Bible
10 that the evidence to be given by you to be the truth, the
11 whole truth, and nothing but the truth, so help you God?

12 MR. PECK: I do.

13 MR. NOSEWORTHY, CHAIRMAN: Thank you. Proceed
14 with your presentation please?

15 MR. PECK: You'll appreciate if I'm a bit nervous in this
16 forum. I'm trained as a city planner and I think we take a
17 blood oath against engineers and lawyers so it's a bit tricky
18 (*laughter*).

19 On behalf of the town of Happy Valley-Goose Bay,
20 I would like to thank the Board for the opportunity to
21 present our views and opinions on the general rate review
22 application. We appreciate the efforts made to come to our
23 community to hear this and other presentations. When we
24 first heard of Hydro's general rate review application and
25 the general details of what was being applied for, our
26 response was it seemed obvious and simple. Of course we
27 were happy to see the application included a significant cut
28 in the rates for our community. After the last several weeks
29 of wading through the vast amount of material that has
30 been generated and seems to flow endlessly into my office,
31 I have gained a significant amount of respect for the
32 Members of the Board to knowingly face this issue and
33 willingly enter this process, and the role you have assumed
34 is worthy of respect, having gone through the thousands
35 of pages of material that have come to my office over the
36 last months, and almost right up to the date of the hearing,
37 and in fact, I went into the office this morning and there
38 was another hundred pages on my desk, so it probably
39 contramands anything I'm going to say here, and I didn't
40 read it ... I am simply overwhelmed by the sheer volume
41 information and the painstaking detail that the information
42 requests have sought to have answered.

43 I would be less than honest to say that when we
44 initially requested intervenor status that we had a full
45 comprehension of all that the process involved. Our
46 concern was principally, and still is, to ensure that this
47 community's concerns and interests are part of the public
48 record. We have not spent heavily to recalculate or
49 question Hydro's numbers or assumptions, nor sought to
50 counter any of the requests or opinions of the other

51 intervenors. The rigour of the process that is being
52 pursued by others appeared to lift every stone that could
53 be turned over and question every assumption made.

54 Standing back and looking at the process as a
55 whole, I feel that the review has resulted in an open and
56 transparent process, albeit an extremely complex one, it has
57 detracted from the general public's interest in the finer
58 details of the application.

59 Entering this process, we knew that our position
60 would represent a minority view. The Town of Happy
61 Valley-Goose Bay, along with the other communities in
62 Central Labrador is unique in that we are facing the
63 potential of a reduced cost for electricity. We are fully
64 cognizant that Hydro's application is not popular outside
65 this region and that all manner of expertise and opinion has
66 been marshalled against the application.

67 We also appreciate the message is complex and
68 one around which it is not easy to rally a community of
69 interest. This community is facing a large number of
70 challenges on a daily basis and it is almost a state of
71 exhaustion when faced with new issues, and yet here we
72 are to ensure that our voice is recorded.

73 Almost in spite of the flood of information we
74 continued to appraise this application in the terms of
75 obvious and simple. When we began to discuss the
76 application with the community, nearly everyone expressed
77 a long-held understanding that the people and businesses
78 of the Town of Happy Valley-Goose Bay were paying
79 higher rates for power than our neighbours in Labrador
80 West, yet we were receiving basically the same product
81 delivered from essentially the same infrastructure and
82 generated by the same source.

83 In the four years of my employment with the Town
84 of Happy Valley-Goose Bay, there has always been the
85 opinion expressed that there was a fundamental unfairness
86 with existing rate structure. This sense of unfairness is
87 compounded by the knowledge that even between such
88 close neighbours as Wabush and Labrador City, there
89 existed significantly different rates for electricity. This
90 impression was further aggravated by the understanding
91 that Hydro's application included a cash payment back to
92 the ratepayers in Wabush. To quote "for how long have
93 we been subsidizing someone else's power", or quote, "for
94 how long have we been overcharged", are comments I have
95 repeatedly heard in response to Hydro's application. I do
96 not have an answer to these responses, but it's hard not to
97 come away with a similar impression.

98 It seems obvious to everyone that the rate
99 structure should reflect the reality of common means of
100 production, the delivery as intended by the Public Utilities
101 Act (inaudible) the Board to adopt a similar perspective.

1 What appeared simple is Hydro's plan to reduce
 2 the number of rate classes from 24 to six, and to create one
 3 set of rates for the communities that make up the Labrador
 4 interconnected system, and our own experience with
 5 municipal governments, the most effective regulations or
 6 billing procedures are those which speak directly to the
 7 issue and do it within a simple framework. For example,
 8 municipalities divide themselves into zones for the purpose
 9 of controlling development. Across the western world this
 10 has universally resulted in the classification of land uses
 11 into residential, commercial and industrial categories. All
 12 municipalities struggle with the desire to reduce the number
 13 of zones to simplify the regulations affecting those zones,
 14 and to balance those desires against the need to ensure
 15 sufficient detail is provided to create a fair and equitable
 16 basis for decisions. In concept, this is not all that different
 17 from Hydro's objective.

18 Whether six rate classes is the magic number, or
 19 whether there should be four or eight is a matter for those
 20 on both sides of the question better versed in the details of
 21 such organizations and sound business practices for same.
 22 But if such a reclassification can help to reduce costs and
 23 simplify Hydro's management process, and at the same time
 24 provide fair billing to the customers, how could we not
 25 support such an approach.

26 In addition, as I understand it, the application
 27 seeks to modify the demand rate charge to effectively make
 28 it a monthly charge from an annual. This would be an
 29 extremely positive move. Demand rates have often been a
 30 key factor in restricting seasonal operations of public
 31 facilities. This one issue often becomes the pivot around
 32 which discussions revolve as the Town attempts to
 33 provide the very best of programs and opportunities to its
 34 citizens. While Hydro is a very good corporate citizen, and
 35 has always attempted to help and contribute what
 36 resources it can, the demand rate charge has always been
 37 seen as an unnecessary, or maybe more correctly an overly
 38 complicated encumbrance. The Town regularly has been
 39 asked to host events particularly in winter that are of very
 40 short nature, one or two days, but require electricity. The
 41 cost imposed by the demand rate has often been a
 42 significant stumbling block in meeting our community's
 43 desires. We strongly support the redefinition of the
 44 demand rate to be effectively a monthly charge for power.

45 As we understand it, rates in the Town of Happy
 46 Valley-Goose Bay will still be higher than in Labrador City
 47 and Wabush, but that this is the first step to a longer term
 48 goal of achieving a truly equitable rate structure within the
 49 Labrador Interconnected System. What that eventual rate
 50 will be, I leave with the Board and the process that will
 51 again review this issue. The Town does strongly support
 52 Hydro's position that all the communities serviced by

53 power generated by hydro infrastructure within Labrador
 54 are similar for the purposes of setting rate. We feel that the
 55 long term plan should be to work towards a single set of
 56 rates for the communities of Happy Valley-Goose Bay,
 57 Northwest River, Mud Lake, Sheshatshiu, Wabush and
 58 Labrador City. We feel that it is particularly important to
 59 establish this framework given that in the near future there
 60 is the very real possibility that the Lower Churchill and
 61 Muskrat Falls hydro developments will proceed. Any
 62 argument suggesting differences within the Labrador
 63 Interconnected System may in the coming years come back
 64 to haunt those who raise it.

65 It goes without saying that we support lower
 66 costs for electricity as part of our mandate to look out for
 67 the interests of our community and to plan for the long term
 68 economic development of the Town. The critical
 69 importance of these rates is illustrated by the military
 70 training offered at 5 Wing Goose Bay, the economic basis
 71 of our community. 5 Wing has seen some very significant
 72 growth over the last three years following Canada and the
 73 Italian Air Force entering a Memorandum of Understanding
 74 to permit their training here as a full participant, and now
 75 we understand that the French Air Force is also looking
 76 seriously at a long term commitment to using the training
 77 facilities at 5 Wing. However, it was only in 1999 that the
 78 commanding officer, during his annual briefing to the
 79 Chamber of Commerce, stated that at the then current level
 80 of training activity the costs were approaching the
 81 threshold where the program could not be sustained. The
 82 number of sorties was at its lowest level since the program
 83 had commenced. There should be no mistake that we
 84 compete on an international stage for these Air Forces and
 85 that they are being courted. For example, three years ago
 86 the Italian Air Force's delegation inspecting Goose Bay
 87 noted that they had been courted by Tunisia, Morocco,
 88 Egypt, Saudi Arabia and Poland. The final decision on
 89 military training opportunities obviously involves a lot of
 90 factors, not the least of which is the cost of operating in
 91 Labrador. Military budgets are hypersensitive to cost.
 92 Training options are many and the competition among
 93 nations is fierce. Holding costs in line and the need to
 94 reduce costs have been the message that we have gotten
 95 time and again from the Allied and Canadian Commanding
 96 Officers, government officials, and companies operating on
 97 the base. The Town went through a very painful
 98 alternative service delivery process, all with the stated
 99 objective of reducing costs.

100 Today the base is on a growth curve, but nothing
 101 is guaranteed. Activity in 2001 was significantly higher
 102 than in 1999, or any of the interceding years. According to
 103 an analysis released by the Institute of Environmental
 104 Monitoring and Research, the training program at 5 Wing
 105 is responsible for 1200 direct, indirect and induced jobs in

1 the Town of Happy Valley-Goose Bay, in the surrounding
 2 region, and the province as a whole. This one industry
 3 brings around 70 to 90 million dollars of foreign currency a
 4 year into the country, plus the money spent by the
 5 personnel who come to Labrador on their two week
 6 rotations and who are permanently stationed at 5 Wing. In
 7 2001, approximately 16,000 personnel rotated through the
 8 base during the summer's flying season. The quality of the
 9 base infrastructure, the presence of a search and rescue
 10 service, the ability to attract new business to the airport
 11 that offers these services and is maintained to such a high
 12 level, are all directly related to the continued presence and
 13 operations of the training program. How much poorer the
 14 region would be without the program is not simply
 15 measured in terms of the dollars the allies spend in the
 16 community on an annual basis.

17 (11:45 a.m.)

18 Hydro's testimony indicates that the new rate
 19 structure will save the base approximately \$190,000. This
 20 would be extremely welcomed news as we continue to
 21 market the training program at 5 Wing. This program's
 22 growth in the last few years has been one of the key bright
 23 economic highlights in the region and the province as a
 24 whole. The province's recent publication, *The Economy*
 25 *2000*, and I have provided a couple of copies of that to
 26 you, showcase the training at 5 Wing Goose Bay. The
 27 article quoted employment and expenditure figures based
 28 on 1999 data when 8,000 personnel moved through the
 29 base during the training season. The growth to double the
 30 number of personnel illustrates the positive trend that is at
 31 hand.

32 The terms of reference for negotiating the next
 33 Memorandums of Understanding with the participant
 34 nations are being drafted. The Town is regularly visited by
 35 senior members of the provincial and federal governments
 36 who all express a near pervasive amazement with the size
 37 and scale, and positive impact, of the training program to
 38 the region and the province as a whole. Yet until
 39 September 11, support for defense matters was never a high
 40 priority and support outside of this community was one of
 41 almost universal indifference to the important role 5 Wing
 42 plays to the country as a whole. Hopefully we can
 43 continue to contribute.

44 While 5 Wing illustrates but one of our
 45 community's business interests, our role as a regional
 46 center and the economic development activity we have
 47 been able to attract benefit the entire larger community up
 48 to and including the country as a whole. It is often quoted
 49 that the discipline of geography has but one true theory to
 50 explain settlement patterns, and that is central place theory.
 51 The Town of Happy Valley-Goose Bay continues to
 52 illustrate the validity of this theory as we play a key role as

53 a regional engine for growth. In achieving this role as a
 54 central place and building upon the successes we have
 55 had, the competitive costs of doing business in the Town
 56 of Happy Valley-Goose Bay is one of our stronger selling
 57 points. Whether you are looking into the forest industry,
 58 tourism, alternative military training opportunities, or our
 59 potential role as the transit location and a key bedroom
 60 community for other resource development of which the
 61 Lower Churchill hydro development and Voisey's Bay mine
 62 mill project are but two among the many opportunities
 63 facing Labrador. For any business location decision in
 64 general, the cost of power is an important factor.

65 Obviously, on all fronts, lower power costs are a
 66 preferred option for the investor. We recognize, however,
 67 that there are real costs associated with the production of
 68 electricity and that the Board has been reviewing those
 69 matters in fine detail. However, we fully expect it to be the
 70 case that the Board will be approached to address social
 71 and political questions concerning the redistribution of
 72 wealth, not the equitable recovery of costs. It is always
 73 tempting to look to alternative measures to reduce the
 74 burden of costs that may need to be imposed. We
 75 respectfully submit that these questions lie within the
 76 preview (sic) of the political forum and not within the
 77 mandate of the Board as set out in the Act in general, and
 78 Section 78 of the Act in particular. We urge the Board to
 79 focus upon the intent of the Act in making their decisions.

80 Before I leave the floor, I do wish to comment on
 81 additional matters. Whether or not this matter falls within
 82 your frame of reference, I leave it for your interpretation.
 83 Nevertheless I feel that it is important that these matters
 84 come forward.

85 The community of Goose Bay is under the
 86 impression that it already faces or will shortly be facing
 87 limitations to available power supply. There is a need to
 88 seriously and publically review the municipality's long term
 89 requirement for power. There is the very real potential that
 90 Central Labrador will be experiencing significant growth
 91 over the next decade. We must ensure we are ready for that
 92 eventuality. The Town is continually being urged to
 93 prepare for an exciting future, and we are developing
 94 contingency plans and reviewing scenarios to address that
 95 future. However, we also need our other partners to
 96 prepare themselves and to work with us and the community
 97 as a whole. There is a need now to begin the discussion
 98 amongst all the affected parties to develop a clear plan to
 99 ensure that we can meet this future properly. Even if the
 100 actual growth is less than anticipated growth, we will grow.
 101 We continue to see an increase in the size and scale of
 102 development within the community as we move from a large
 103 town to a small city. While often measured in terms of the
 104 type of services available and the type of economic

1 investments that are occurring, one of the typical signs of
2 this transition is the increased presence of franchise
3 businesses within the community and the redevelopment
4 of existing firms to compete ... an activity that has been in
5 evidence within the Town of Happy Valley-Goose Bay for
6 the last five years in particular.

7 We are also seeing the base convert the housing
8 that they will be keeping from steam heat to electrical heat.
9 This is a phased process, but one that represents a
10 significant element of growth in demand for electrical power
11 from one contract to another. The review of our long term
12 needs must be done in a public forum to ensure that
13 information is available and that the issues are clearly and
14 properly presented. The process by which such critical
15 decisions about our future are decided must be done via a
16 transparent process and must be done soon.

17 In closing, I wish to express my thanks to a
18 number of people, not the least is the poor courier who
19 without fail delivered an endless stream of paper to my
20 office over the last few months. I would like to thank the
21 Board for granting the Town intervenor status. The access
22 to information that this has been provided to me has gone
23 a long way to allowing me to explain the issue to members
24 of the community. I am especially thankful of the electronic
25 copies of materials that has greatly simplified my review
26 and search methods.

27 I do apologize if I have misused any titles or
28 referenced inappropriate acts or sections thereof. We have
29 attempted to provide an overview of our concerns and
30 present a statement of concerns versus replicating the
31 detailed submissions already before the Board. Thank you.

32 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr. Peck.
33 Questions, Hydro?

34 MR. YOUNG: We have no questions. Thank you very
35 much.

36 MR. NOSEWORTHY, CHAIRMAN: Newfoundland
37 Power?

38 MR. HAYES: No questions, Mr. Chair. Thank you, Mr.
39 Peck.

40 MR. NOSEWORTHY, CHAIRMAN: Consumer Advocate,
41 Mr. Browne?

42 MR. BROWNE, Q.C.: Yes, I have a few questions, thank
43 you, Mr. Chairman. Mr. Peck, you are the development
44 officer for the Town. Do you use the cost of electricity as
45 a basis for promoting enterprise within the Town?

46 MR. PECK: Absolutely, we do reference that to businesses
47 that are looking to here, about the cost of it. We also
48 noted, I referenced in here about marketing the base. You
49 can appreciate a municipality does not go up to a foreign

50 air force and say come to our place and train. I mean they'd
51 have us arrested in about three seconds trying to do that
52 thing, but we do work closely with the Department of
53 National Defence, and the Goose Bay Management Office
54 in Ottawa, to put together information for their marketing,
55 and one of the critical things that they do market to the
56 other air forces, are the costs to operate here, and you
57 appreciate for jet fighters, one of the things they need is
58 liquid oxygen, and that's manufactured here, and that
59 requires a lot of electricity. Having that cost competitive
60 factor to other places in the world is an important aspect to
61 them being here.

62 MR. BROWNE, Q.C.: The community itself, is everyone
63 more or less employed? What's the unemployment rate in
64 the community of Happy Valley-Goose Bay?

65 MR. PECK: I believe it's around 17 percent.

66 MR. BROWNE, Q.C.: Is that a constant figure, or is it
67 improving?

68 MR. PECK: I haven't seen anything to suggest to me that
69 it has remained, or it's fluctuated too much over the last few
70 years. You can appreciate that being one of the larger
71 communities with a fairly stable employment at the base, we
72 have been an attracting feature to a number of the smaller
73 communities. People come here. I think that most of the
74 communities along the coast have family here, either
75 working for the base or looking for work, because there are
76 a number of opportunities here.

77 MR. BROWNE, Q.C.: And you heard Mr. Anderson's
78 evidence that the Town of Happy Valley-Goose Bay in his
79 opinion is sort of a hub to provide services to the
80 communities of the north, is that true?

81 MR. PECK: Absolutely, I noted in here the central place
82 theory, and I think we very much do work that way, that we
83 are an essential place for services and access. The regional
84 airlines come to Goose Bay because of the airport that is
85 there, and the type of services that it can offer. Because of
86 the level of NATO training, you would not get the type of
87 air traffic control and the other infrastructure normally at
88 any other airport. I don't think any other airport in the
89 province actually offers a similar level of resources.

90 MR. BROWNE, Q.C.: You're here accepting for the most
91 part, I would think, Hydro's proposal which has a decrease
92 in rates for you, and yet you heard this morning from Mr.
93 Anderson, and I'm sure you're aware, you got the
94 documents and read them, that there is a proposed increase
95 for people along the coastal areas, in the northern part of
96 Labrador. Has that caused, there appears to be an inequity
97 here on its face. Do you have any comment on that, or
98 does the Town have any position in reference to that?

99 MR. PECK: You can appreciate when the Town first saw

1 this that the Town Council was quite pleased that there
2 were cuts involved for our community. We had a lot of
3 discussions with Council about whether or not they wished
4 to be involved in this at all, what they would want to say
5 and how to approach it. I think the position, and the
6 difficulty with me saying this at this time is the fact on
7 September 25th there was municipal elections and the
8 hearings were coming in afterwards and my new Council
9 really will not meet until October 25th, so for me to say well
10 this is what Council's perspective is is rather difficult
11 because we've had a significant change on Council.
12 Whether they would take a more strident position or one
13 way or the other, I couldn't speak to that because I have
14 not had a chance to discuss it with them.

15 We did not have any interest into getting into a
16 discussion about our neighbours on the coast one way or
17 the other. We felt that that is, we knew that they would
18 have representatives here speaking to that, and that would
19 be in front of the Board for them to make their decision on.
20 We're simply here to speak for the interests of our
21 community.

22 MR. BROWNE, Q.C.: Have you had any discussions with
23 your counterparts in the towns of Wabush and Labrador
24 City in reference to your proposal that there be one
25 interconnected rate for Labrador?

26 MR. PECK: Yes.

27 MR. BROWNE, Q.C.: And their ...

28 MR. PECK: Obviously their response was no.

29 MR. BROWNE, Q.C.: How do you understand their
30 position in reference to that?

31 MR. PECK: Well, as I understand their position is that
32 there are some unique circumstances historically about
33 where they get their power from and how it's being
34 delivered, but have been used as the basis for setting the
35 rates.

36 MR. BROWNE, Q.C.: Do you think that position is a
37 reasonable one?

38 MR. PECK: It depends from which side of the line you
39 stand on. Any position is reasonable if it's to your side.
40 Would I say it's reasonable to our town? Of course not,
41 but I can appreciate they have an argument. There are
42 certain aspects about how their power is being created and
43 historically the relationships that were there. I'm looking at
44 this in the sense, there's been a change in the corporate
45 structure in the environment that they work within. It's not
46 as it was 20 years ago, and it's moving forward and it's
47 quite different and I can appreciate Mr. Anderson's
48 concerns when he was presenting there. I mean as an
49 individual I cannot but sympathize.

50 MR. BROWNE, Q.C.: Given the fact that you act as a hub
51 and are, indeed, part of your economic development has
52 occurred because you service the north. Do you see any
53 obligation in assisting the north with rates, given what
54 you've heard here today?

55 MR. PECK: You're asking me a question that until I would
56 speak to my new council I wouldn't want to answer.

57 MR. BROWNE, Q.C.: Have you had any discussions with
58 the old council on that matter?

59 MR. PECK: Not specifically.

60 MR. BROWNE, Q.C.: Okay, thank you very much, Mr.
61 Peck.

62 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
63 Browne. Does Board counsel have any questions?

64 MR. KENNEDY: No questions, Chair.

65 MR. NOSEWORTHY, CHAIRMAN: Commissioner Powell?

66 COMMISSIONER POWELL: Thank you, Mr. Peck. I just
67 have one question. You mentioned there about the
68 possibility of facing elimination of available power supply
69 in the future. Has the Town of Happy Valley-Goose Bay
70 set up any mechanism where they've identified the reasons
71 why there should be ... to see if there's any long-range
72 planning with Hydro and other ...

73 *(12:00 noon)*

74 MR. PECK: I think the key concern I have is we've had
75 discussions with Hydro and their people about it, and I
76 mean they'd be naive not to say that they haven't looked at
77 it terms of what those implications would be. I mean that
78 should be part of any good corporate policy is to look at
79 your long-term future and what you're going to be doing.
80 My concern is the fact that in any small town, a lot of times
81 rumours will (inaudible) create the decisions and sometimes
82 rumours have nothing to do with the reality, and that's
83 what I think my concern is, that there needs to be an open
84 and kind of a public process on that discussion, and there
85 needs to be some way that we can look at that so that
86 there's a clarity to what direction we're going to take under
87 certain scenarios. I mean there may be a scenario that does
88 not involve a great deal of new demand for electricity here,
89 or there may be other scenarios that have very different
90 levels. I think we need to start trying to figure out
91 collectively and in the community to answer those
92 questions so that when I'm dealing with people in the
93 business community and that, they also have some basis
94 of understanding of where things are going, and I would
95 expect, you know, if we have to bring in new lines and that,
96 there's going to be costs and what are those type of costs
97 and how do we, how do we absorb them and how are they
98 going to be part of our long-term strategy in developing the

1 community. I'm just concerned a lot of times that decisions
2 are made and they're made well within a good business
3 framework, but we operate within a very charged political
4 environment many times, especially in large development
5 projects, and particularly in relationship with things like the
6 base and the new growth that's happening up there. It is
7 not a simple issue by any means.

8 COMMISSIONER POWELL: You think those are more
9 Happy Valley-Goose Bay issues and not something Hydro
10 or we should be involved with.

11 MR. PECK: I think there's a lot of legitimacy to particularly
12 some of the issues that you're going to be hearing here, to
13 looking at maybe a pan-Labrador discussions about long-
14 range energy needs. There have been lots of discussions
15 of alternatives like low head hydro developments, and I
16 remember about four years ago we looked at a proposal
17 that was being reviewed by the Innu Nation for a hydro
18 development that would look for Davis Inlet, and it didn't
19 involve any reservoir. It was using one of the rivers in the
20 area. I'm not sure where that went, and I'm not sure of why
21 the reasons it wasn't pursued, but I can see lots of reasons,
22 and maybe this is the time or the impetus to start looking at
23 other alternative energy sources and supplies from a
24 Labrador perspective, and other ways to address the
25 concerns in here, and how we're going to deal with some of
26 these major developments that are on the horizon.

27 COMMISSIONER POWELL: Do you have any idea how to
28 get the transparency to the process? You said you had
29 discussions with Hydro ...

30 MR. PECK: This is where planners always run into
31 engineers and we have a problem. Yes, there are, there's
32 lots of ways in terms of the transparency. I mean you look
33 at what's going on here right now. You've made efforts to
34 make sure the information is out there to people and they
35 have an opportunity to speak to it. And as we all know, a
36 lot of times it's how you present information can be as
37 important as what information you present out, and it can
38 also be in terms of people believing that they're part of the
39 actual decision process versus simply presenting to
40 someone who else decides. There are lots of levels of
41 public consultation and I would suggest the importance of
42 this to some of our long-term initiatives, it needs to be at a
43 very high level of involvement and people feeling that
44 they're part of the decision, and not simply presenting to,
45 and that's a difficult thing to overcome because it involves
46 some of those who make decisions letting go.

47 COMMISSIONER POWELL: Thank you, that's all my
48 questions.

49 MR. NOSEWORTHY, CHAIRMAN: Thank you,
50 Commissioner Powell. Commissioner Saunders?

51 COMMISSIONER SAUNDERS: Yes, thank you, Mr. Chair.
52 Mr. Peck, how long have you been in the position you're in
53 today with the Town?

54 MR. PECK: Just over four years.

55 COMMISSIONER SAUNDERS: Just over four years. Have
56 you lived in the community for any longer period of time
57 than that?

58 MR. PECK: The 30 second history ... before that I was the
59 Executive Director of the Central Labrador Regional
60 Economic Development Board for about a year and
61 basically wrote the plan. Before that I came here to, sort of
62 as a private consultant and I did some work here on
63 contracts in Cartwright. Before that I was the senior
64 planner for the City of Yellowknife in the Northwest
65 Territories. My wife is from here so I've been back and
66 forth here for 22 years.

67 COMMISSIONER SAUNDERS: So you're quite familiar
68 with the area.

69 MR. PECK: On some levels, yes.

70 COMMISSIONER SAUNDERS: Uh hum, what's been the
71 population growth of Happy Valley-Goose Bay, say over
72 the past 50 years?

73 MR. PECK: Well over 50 years, you have to appreciate the
74 base when we opened sixty years ago, there was no Happy
75 Valley-Goose Bay 61 years ago, but over the last few
76 decades, the population has been very stable.

77 COMMISSIONER SAUNDERS: So there hasn't been much
78 growth in the past two decades?

79 MR. PECK: Well, yes there has. There has actually be a lot
80 of growth. There was one year where we built more houses
81 in Happy Valley-Goose Bay than the island did. I mean
82 there's been a lot of growth but population numbers do not
83 recollect the community in all senses because we are an air
84 force military base.

85 COMMISSIONER SAUNDERS: Yes.

86 MR. PECK: I mean there was at one time that most people
87 were living on the base and weren't actually counted as
88 part of the community. I mean Stats Canada when they do
89 their statistics and someone is in the Armed Forces, they
90 ask you where you're from. You can be posted somewhere
91 but you won't mark down that as your residence, but in
92 terms of our population, yes, it's been very stable, but in
93 terms of the community there has been substantive growth
94 over the last decade. If you've come back over the last 20
95 years of this community it would amaze many people who
96 come back and we get that all the time from people that
97 used to be in the USAF, the United States Air Force who
98 come back on holidays and they can't believe the

1 difference, the range of infrastructure that's here, the
2 services and the type and the amount of housing that is
3 now off base, whereas on the base you're seeing quite the
4 opposite. Infrastructure is coming down and houses are
5 disappearing, so numbers have stayed the same, but there's
6 a significant difference in the community.

7 COMMISSIONER SAUNDERS: The personnel who come
8 in here for training, that's a seasonal operation, is it not?

9 MR. PECK: Yes.

10 COMMISSIONER SAUNDERS: Yes.

11 MR. PECK: There are core people with each of the air
12 forces that are here on a permanent basis.

13 COMMISSIONER SAUNDERS: Okay.

14 MR. PECK: And those numbers do change over time. I
15 appreciate the Royal Air Force, they manage all their
16 training operations through North and South America out
17 of Goose Bay so some of the people here have nothing
18 really to do with the seasonal training. They're dealing with
19 other places and the logistics of moving things around, but
20 you know, you're measuring that in, you know, 100 to 200
21 type numbers versus the 16,000 that come through during
22 the flying season.

23 COMMISSIONER SAUNDERS: It's been a few years since
24 I've been here, and driving around since we arrived
25 yesterday afternoon I notice that there are quite a number
26 of what I would call businesses that I would associate with
27 the mining industry along with other industries, of course.
28 Has there been a growth in that sector since Voisey Bay
29 was discovered?

30 MR. PECK: Well you can appreciate when Voisey Bay was
31 discovered and people realized the scale of it, there was
32 kind of a significant amount of growth occurred here.
33 People starting up businesses that hoped to take the care,
34 you know, the opportunities that were going to arise.

35 COMMISSIONER SAUNDERS: Yes.

36 MR. PECK: Even the college expanded here in terms of the
37 type of services and training they were going to offer, so
38 quite a number of businesses in this town expanded or
39 were new based on that potential. Now in the last few
40 years many of those have been struggling, obviously,
41 because of it's kind of in a limbo as to when it will happen.

42 COMMISSIONER SAUNDERS: Yes.

43 MR. PECK: But there are a number of businesses here that
44 were established looking purely at taking advantage of that
45 opportunity. If you look at the environmental impact
46 statement that INCO did for the Voisey Bay which is on
47 their website, the entire thing, they were basically looking
48 at a third of the type of population and impact would be

49 based on this community.

50 COMMISSIONER SAUNDERS: Okay, thank you, Mr.
51 Peck.

52 MR. NOSEWORTHY, CHAIRMAN: Thank you,
53 Commissioner Saunders. Commissioner Whalen?

54 COMMISSIONER WHALEN: No questions, thank you,
55 Mr. Peck.

56 MR. NOSEWORTHY, CHAIRMAN: Mr. Peck, I just have
57 one relatively small question because I think most of your
58 presentation appeared to be positive certainly in light of
59 the decrease but you did mention the demand charge, rate
60 charge was ... the demand rate charge was overly complex
61 and indeed impacted on events that you would have on an
62 annual basis. Could you explain that a little bit further and
63 indicate perhaps or give examples of what types of events
64 you're talking about?

65 MR. PECK: Sure, every three years there is the Labrador
66 Winter Games, and there's an arena on the north side that
67 used to belong to the Armed Forces that's been closed.
68 One of the opportunities during those games was to open
69 it for a week or two. Well you get into the demand rate for
70 the whole year to pay for it. With the curling club in town,
71 they get a significant bill in the summer for electricity based
72 on the demand rate. We've looked at other events in town
73 where we would set up say for a festival or something for
74 one day, and we need significant power for bands and we
75 get ten or twenty vendors to set up, and now Hydro has
76 been awfully good at sort of looking the other way in
77 sending us the bill, or maybe not quite doing it the way it's
78 supposed to be done, and you know, I probably got
79 everybody in trouble, but it happens, but ...

80 MR. NOSEWORTHY, CHAIRMAN: The CEO doesn't look
81 like he knows it.

82 MR. PECK: You're looking at something like that and
83 saying well, you know, it's going to cost you \$2,000
84 because of the demand rate for a one day event. I mean
85 give us a break, I mean that's, it's got nothing to do with the
86 reality of what we're facing, and there's other times, I mean
87 if I could give an example this summer of good corporate
88 citizenship, we have what's called the Allied Appreciation
89 Week, and basically we have a day in the park, and we
90 wanted to set up on the base where there was no power
91 drop, and I'm not sure how many people have worked with
92 DND to get approvals, but we were in our fifth week of
93 trying to get approval to put a post in. We phoned one of
94 the managers at Hydro and we had it done the next day.
95 Sure, we'll do it for you Dennis, just what do you need, and
96 it was just done, and it was a \$200 bill. I mean that's
97 tremendous cooperation, so the demand rate, and I know
98 for some small businesses in town, it has been a big issue

1 to them in terms of starting up, particularly if there's a
2 seasonal aspect to their business. You know, look at the
3 ski hill and the cross country trails that are out there. It's
4 been an issue when we talked to some of the snowmobile
5 club people, about some of the facilities they need.

6 MR. NOSEWORTHY, CHAIRMAN: Are you aware of the
7 fact that they would enjoy the same flexibility that has been
8 applied to ...

9 MR. PECK: I hope so, but I'm just suggesting that there are
10 times when Council has had discussions about opening
11 some of our facilities on a very short term when they're
12 looking at the fact that the demand rate is going to kick in
13 and it's been a handicap and an encumbrance, and the way
14 it will be changed is basically on a monthly bill, it just
15 simplifies things, it gets to the nub of the issue which is,
16 you need electricity for a week, pay for the electricity for
17 the week.

18 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr. Peck,
19 very much.

20 MR. PECK: Thank you.

21 *(12:15 p.m.)*

22 MR. NOSEWORTHY, CHAIRMAN: Could I ask Mr.
23 Richard Riche, who is the Mayor of Rigolet to come
24 forward please. Mr. Riche? Probably not a very good
25 place to begin with, Mr. Riche, but we don't want you in an
26 uncomfortable chair or anything. Welcome, sir, and good
27 morning.

28 MR. RICHE: Good morning.

29 MR. NOSEWORTHY, CHAIRMAN: I wonder could you
30 take the Bible in your right hand please? Do you swear on
31 this Bible that the evidence to be given by you shall be the
32 truth, the whole truth, and nothing but the truth, so help
33 you God?

34 MR. RICHE: Yes sir.

35 MR. NOSEWORTHY, CHAIRMAN: Thank you very much,
36 Mr. Riche, and I'll ask you to proceed with your
37 presentation please?

38 MR. RICHE: Yeah, I'm Mayor of Rigolet, Richard Riche. I
39 guess I got a little presentation here, and I think well I'll just
40 (inaudible), but I got a lot of other stuff I'm going to say,
41 and I'm going to say on behalf of the residents of Rigolet,
42 we're very disappointed that this Board has not come to the
43 north coast because coming up here to send a couple of
44 people up is good, but then again, it should come on the
45 coast and see a community like mine with 85 percent
46 unemployed, you'll know what I'll be talking about.

47 The Town of Rigolet would like to begin with the
48 disappointment with the location of these hearings. The

49 north coast of Labrador we are affected out of these
50 hearings and we feel strongly that the hearing should be
51 held in each community to give people the opportunity to
52 voice their concerns.

53 The Town of Rigolet wanted to voice their
54 opposition in the application of Newfoundland and
55 Labrador Hydro to increase the north coast rates. Many
56 families are on fixed incomes. I have an example of rates
57 paid by the Town of Rigolet. As you can see from this
58 attachment, Hydro December 2000, 2001, the Town of
59 Rigolet received \$26,873.02. The amount of money could
60 have been used to create jobs for residents of Rigolet. The
61 rates by the way are simply water for the town, heat ... I'm
62 sorry, heat and firehall, street lighting, and generating
63 electricity in the town office. As an example, the Hydro bill
64 on February 2001 shows that \$1,826.29 has been paid. The
65 household had a washer, a dryer, and general electric to a
66 house from our people. Heat and oil is not in the
67 community within the winter months because roughly
68 around \$300 a week. The community of Rigolet would like
69 to see rates for all Labrador and not the possibility that we
70 shouldn't subsidize residents of the north coast. We want
71 the subsidized in the pocket of the rates to be given Hydro,
72 they are making lots of money.

73 Our community already suffers due of the fishery,
74 Newfoundland and Labrador Hydro should allow increases
75 to rates that be blessed with the biggest and most powerful
76 electric, the Churchill Falls Hydro development should
77 subsidize rates for all coastal communities. That is really
78 what the benefits from the development is not going in the
79 area of our province. Our community would like to put the
80 Public Utilities Board to consider our fight and our people
81 to make a fair adjustment in Hydro requesting an increase.
82 We feel the adjustment could make too much say on the
83 increase.

84 Again, I would like to say that the coast of
85 Labrador, these hearings should be, come to the
86 communities.

87 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mayor
88 Riche, and we'll ...

89 MR. RICHE: And I'd like to say a couple of things else that
90 wasn't listed on your ... we pay the highest for food along
91 the north coast or anywhere in Labrador. Our fuel is
92 extremely high. Diesel for our furnaces is high. And take
93 Wally (inaudible) this morning when he was talking about
94 jobs and people getting jobs, and there's a lot of people,
95 there's three or four families in Rigolet that I'm going to
96 have to speak for who can't get Social Assistance or
97 nothing, so I mean it's alright for me to come up here and
98 another person from Rigolet, but what my people wanted
99 was you to come to our community and see for yourself. It

1 seems like northern Labrador, when it comes to increases,
2 we get it. You raped our fishery, you raped everything
3 else, but there's Voisey Bay, that's not going until we gets
4 treated as a people of this province that's called
5 Newfoundland and Labrador.

6 In Newfoundland you's got roads, you's got
7 everything, you can go in a car. It's fine, but we on the
8 coast, the only way we can get out now this time of the
9 year is fly or the coastal boat, and in the winter,
10 snowmobiles, and everything is big money, big bucks.

11 I would think that if there's an increase, all
12 Newfoundland and Labrador get the same as what's going
13 to get throwed in our face, because I'm tired of it, seeing the
14 north coast of Labrador getting raped and nothing coming
15 back, nothing. We give away a lot, we give away too much
16 and I've been preaching for years and it's about time people
17 started listening, that we're human and we only got so
18 much for to make our lives. Our lives is all worse now in
19 the 20, the 31 years since I moved to Rigolet in '67, when I
20 was took out from outside a trapline. We was just, we had
21 to move. I thought we would get treated as any other
22 citizen in this province of Newfoundland and Labrador.
23 We've got to be screaming and we've got to be making
24 noises all the time. You know, I'm (inaudible) over here and
25 I asked Hydro, and I've been after Hydro for many years.
26 Example, I had it myself and when we had a fishing season
27 we would leave in late June and come back in August. Two
28 months now there wouldn't be a washer or nothing, electric
29 stove turned on. In them two months a light bill, \$180, not
30 a light turned ... nothing. Surely God there's something
31 wrong, and on the page here I got home rates. There's a
32 gentleman, the bill was \$109 in June. In July almost \$300,
33 and there's another one for \$174. Boys, there's something
34 wrong, bad wrong. So I'll stop there and thank you but I
35 mean a few in the community, people will come theirselves
36 and tell you the same thing. So thank you.

37 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr. Riche,
38 for your thoughtful presentation. Can I just ask if there are
39 any questions please. Hydro?

40 MR. YOUNG: We have no questions. Thank you, Mr.
41 Riche.

42 MR. NOSEWORTHY, CHAIRMAN: Newfoundland
43 Power?

44 MR. HAYES: No questions, Mr. Chair. Thank you very
45 much, Mr. Riche.

46 MR. NOSEWORTHY, CHAIRMAN: The Consumer
47 Advocate, Mr. Browne, please?

48 MR. BROWNE, Q.C.: Mr. Riche, the point you just raised
49 that there was something wrong with the bills, do you have
50 meters on your homes?

51 MR. RICHE: We have meters, sir. Everyone complains.
52 You put a meter on and the next two months your bill is
53 gone up again, so it's not only one place, it's all places.

54 MR. BROWNE, Q.C.: Have the meters been checked?

55 MR. RICHE: Been checked and sent out and new ones put
56 back but I don't know, we just can't understand it, and
57 that's one question for years I've been pulling my head off,
58 b'y.

59 MR. BROWNE, Q.C.: When you go for those couple of
60 months for fishing, you said that your bill remains constant
61 at \$170 or thereabouts, is that ...

62 MR. RICHE: From \$100 to \$170, in that figure, that's right.

63 MR. BROWNE, Q.C.: The fluctuations, okay, just on that
64 point before I leave it, when you go fishing do you turn off
65 the electric and your hot water boiler?

66 MR. RICHE: Leave the hot water tank on but turns off
67 everything else.

68 MR. BROWNE, Q.C.: Turn off everything else.

69 MR. RICHE: We got nothing much else.

70 MR. BROWNE, Q.C.: What about your fridge and freezer.

71 MR. RICHE: That's still plugged in.

72 MR. BROWNE, Q.C.: That's still plugged in. The ...

73 MR. RICHE: But I mean you look at them fridges and
74 freezers in Rigolet, if you go anywhere in Newfoundland
75 and you come up here to Goose Bay to my daughter's or
76 my sister's, what's they paying, nothing. They're not
77 paying nothing, sir. We can't ... I got heaters in my house
78 and I have to (inaudible) for emergency back up and when
79 I got to travel, I'm on the go a lot, I'm on so many
80 committees, or if my wife goes away, you turn them heaters
81 for three nights or four nights, your Hydro bill will be \$423,
82 \$373.

83 MR. BROWNE, Q.C.: So you have baseboard heating in
84 your home?

85 MR. RICHE: I got it out in one part of the room, just for
86 back-up.

87 MR. BROWNE, Q.C.: What's your main source of heat?

88 MR. RICHE: In Rigolet it's almost all wood, (inaudible) if
89 you're a teacher or if you work with Hydro, or if you got a
90 job with the LIAC, probably you got, you burn oil. A drum
91 of oil in Rigolet costs, I think \$171 or \$172, and I think in a
92 cold month you burn or five or six a month.

93 MR. BROWNE, Q.C.: Five or six drums, and that's what it
94 would cost you.

95 MR. RICHE: Uh hum.

1 MR. BROWNE, Q.C.: Can you tell me concerning the
2 utilities that you would have in your home, you have an
3 electric range in your home?
4 MR. RICHE: Yeah.
5 MR. BROWNE, Q.C.: You have a refrigerator.
6 MR. RICHE: A refrigerator, deep freeze.
7 MR. BROWNE, Q.C.: Deep freeze. Do you have a clothes
8 washer?
9 MR. RICHE: Uh hum.
10 MR. BROWNE, Q.C.: Do you have a dryer?
11 MR. RICHE: Got a dryer.
12 MR. BROWNE, Q.C.: You have a television?
13 MR. RICHE: Yeah.
14 MR. BROWNE, Q.C.: And you have some heating which
15 you use sparingly, I gather.
16 MR. RICHE: Sparingly, very, very sparingly, you can't
17 afford it.
18 MR. BROWNE, Q.C.: And you have your lights, of course,
19 and some, I guess you have some minor appliances, your
20 toaster and your radio.
21 MR. RICHE: Oh yeah, yeah.
22 MR. BROWNE, Q.C.: And so on.
23 MR. RICHE: But why shouldn't we, we shouldn't be
24 (inaudible), just the same as anywhere else in
25 Newfoundland and Labrador. We shouldn't have to pay no
26 more, or this stuff shouldn't have to be going up all the
27 time. That's our point.
28 MR. BROWNE, Q.C.: Can you tell us something, you said
29 that the food costs there are the highest in the province.
30 Do you have any particulars of food costs that you could
31 give us, like flour, what would flour cost?
32 MR. RICHE: Five or six bucks. You take a small chicken, a
33 bit bigger than my hand, perhaps eleven or twelve dollars.
34 MR. BROWNE, Q.C.: So five or six dollars for a bag of
35 flour, an ordinary ... five or six dollars you pay for that.
36 MR. RICHE: Myself, I guess I'm one of the lucky ones.
37 My wife and my family, we get a lot of ours from out of
38 town, so the only thing we got to buy is vegetables and
39 they're not cheap. \$14.00 now for seven pork chops, but
40 you ask that girl back there, she'll tell you the same thing.
41 MR. BROWNE, Q.C.: \$14.00.
42 MR. RICHE: For seven pork chops.
43 MR. BROWNE, Q.C.: Is there anything else that comes to
44 mind that's ... do you take, do you get a lot of your meat
45 and freeze it?
46 MR. RICHE: Yeah, we get a bit, but we don't get a whole
47 lot because we get it every time we come to a meeting here
48 in Goose, or come on a skidoo or ... we haul back some
49 with the skidoo.
50 MR. BROWNE, Q.C.: So you come into Goose, get some
51 supplies and haul it back.
52 MR. RICHE: Yeah, when I comes for a meeting. I'm on so
53 many boards, we has fishery meetings here, we has council
54 meetings and different things.
55 MR. BROWNE, Q.C.: Because you're on the council you
56 get to travel to Goose more.
57 MR. RICHE: Oh yeah.
58 MR. BROWNE, Q.C.: Is everyone in the same situation?
59 MR. RICHE: Not everyone, no. You got a lot of people
60 who can't travel, or I mean who can't come out, and they
61 got to buy their food in Rigolet.
62 MR. BROWNE, Q.C.: Is your community, do you have a
63 community hall in Rigolet?
64 MR. RICHE: We've got a community hall, yeah.
65 MR. BROWNE, Q.C.: And how is that heated?
66 MR. RICHE: Mostly by oil, but we got wood for back-up,
67 a wood furnace.
68 MR. BROWNE, Q.C.: And your fire department, do you
69 have ...
70 MR. RICHE: We got our garage, town garage.
71 MR. BROWNE, Q.C.: The town garage.
72 MR. RICHE: Uh hum, that's heated by mostly electrical for
73 the big fire truck.
74 MR. BROWNE, Q.C.: Is the town able to support itself
75 from the tax base that you have?
76 MR. RICHE: Right now, yes.
77 MR. BROWNE, Q.C.: Do most people pay their taxes?
78 MR. RICHE: Everyone pays the taxes, the same as
79 everywhere else.
80 MR. BROWNE, Q.C.: If you had an average monthly bill
81 that was given to you by Hydro, instead of the fluctuations
82 that we see here in the ... like \$200, \$300, \$200, another \$300,
83 would you opt into that system, like if you had to pay, say
84 \$100 on average every month, would that be better for you,
85 rather than have to pay \$100 one month, and \$300 another?
86 MR. RICHE: Yeah, \$100 wouldn't be too bad, but I mean,

1 you know, I know people in my community who got electric
2 lights and everything else, and they're still paying \$100 a
3 month, and this is our problem, and this is why this Board
4 should go to the north coast of Labrador to see all the
5 people's concerns.

6 MR. BROWNE, Q.C.: Now you travelled down here, Mr.
7 Riche, and I gather Hydro is picking up the cost of your
8 travelling here. You wanted someone else to travel with
9 you, did you not?

10 MR. RICHE: I took my clerk with me.

11 MR. BROWNE, Q.C.: Your clerk, did Hydro pick up the
12 cost of your clerk?

13 MR. RICHE: No.

14 MR. BROWNE, Q.C.: Did you ask Hydro to pick up the
15 cost of your clerk?

16 MR. RICHE: No, not yet, no.

17 MR. BROWNE, Q.C.: Did Hydro refuse to pay the cost of
18 the clerk ...

19 MR. RICHE: I just asked the clerk yesterday noon time
20 would she come with me to this meeting because other
21 council was all working and they couldn't make it.

22 MR. BROWNE, Q.C.: Okay, but right now the cost of,
23 you're paying the cost for yourself to travel, but who is
24 picking up the cost for your clerk, is the town itself?

25 MR. RICHE: The town.

26 MR. BROWNE, Q.C.: The town is picking up the cost for
27 the clerk because Hydro won't pay for that.

28 MR. RICHE: We never asked them yet, but the town did
29 pick it up.

30 MR. BROWNE, Q.C.: We'll come back to that one. Okay,
31 thank you very much, sir, these are my questions.

32 MR. RICHE: Okay.

33 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
34 Browne. Does Board counsel have any questions?

35 MR. KENNEDY: No questions, Mr. Chair.

36 MR. NOSEWORTHY, CHAIRMAN: I'm sorry, Mr. Peck ...
37 Mr. Peck?

38 MR. PECK: No.

39 MR. NOSEWORTHY, CHAIRMAN: No questions, no,
40 sorry about that. Commissioner Powell?

41 COMMISSIONER POWELL: I don't have any questions.

42 COMMISSIONER SAUNDERS: No questions, Mr. Chair.

43 COMMISSIONER WHALEN: No questions, thank you,

44 Mr. Riche.

45 MR. NOSEWORTHY, CHAIRMAN: Mayor Riche, I just
46 have one. This example that you have here, would this be
47 a typical example of somebody in Rigolet? Would this be
48 just a normal household basically in Rigolet?

49 MR. RICHE: Mostly, yeah.

50 MR. NOSEWORTHY, CHAIRMAN: Yeah, what did you
51 pay, Mayor Riche, for your power. Do you have any idea?

52 MR. RICHE: Well, it goes all different. \$109, \$170 ...

53 MR. NOSEWORTHY, CHAIRMAN: On an annual basis,
54 do you know what it is? On an annual basis, do you know
55 what you pay for your Hydro?

56 MR. RICHE: A month?

57 MR. NOSEWORTHY, CHAIRMAN: No, on an annual
58 basis.

59 MR. RICHE: Well, it goes all different. Twice this past year
60 I seen my Hydro bill down to \$78, and from that one it
61 carried over \$100.

62 MR. NOSEWORTHY, CHAIRMAN: So yours would
63 probably be \$100 a month, \$80 a month, something like that
64 throughout the year.

65 MR. RICHE: Uh hum, but it seems like the less you carry
66 the more you pays, or I don't know. That's why I say I can't
67 talk for everyone because there's all different rates and ...

68 MR. NOSEWORTHY, CHAIRMAN: But this is, certainly
69 the example you've given here is certainly not an
70 exceptional case in Rigolet is what you're saying. This is
71 normal.

72 MR. RICHE: Oh yes, this here.

73 MR. NOSEWORTHY, CHAIRMAN: Yes.

74 MR. RICHE: This is from the Town and this is only from
75 one local residence here, yeah.

76 MR. NOSEWORTHY, CHAIRMAN: Okay, Mayor Riche,
77 thank you very, very much for your presentation.

78 MR. RICHE: Thank you too.

79 MR. NOSEWORTHY, CHAIRMAN: Thank you sir. It is
80 12:30 now. We have four more presenters that are on the
81 schedule here today. What we'll do now is break and we'll
82 reconvene at 2:00.

83 *(12:30 p.m.)*

84 *(break)*

85 *(2:10 p.m.)*

86 MR. NOSEWORTHY, CHAIRMAN: We've started again.

1 May I have your attention please? I hope everybody
2 enjoyed their lunch and I apologize for the short delay. We
3 have four presenters scheduled for this afternoon, so
4 perhaps we'll get started immediately. Can I ask Glen
5 Sheppard with the Town of Postville to come up to the
6 witness table please?

7 MR. SHEPPARD: Good afternoon.

8 MR. NOSEWORTHY, CHAIRMAN: Good afternoon, Mr.
9 Sheppard. You're a Councillor with the Town of Postville?

10 MR. SHEPPARD: Mayor of the Town of Postville.

11 MR. NOSEWORTHY, CHAIRMAN: Mayor, sir, welcome.
12 Will you take the Bible in your right hand please? Do you
13 swear on this Bible that the evidence to be given by you is
14 the truth, the whole truth, and nothing but the truth, so
15 help you God?

16 MR. SHEPPARD: I do.

17 MR. NOSEWORTHY, CHAIRMAN: Thank you sir, very
18 much. Can I ask you to begin your presentation please?

19 MR. SHEPPARD: I guess I'll be starting by saying that I
20 express my disappointment in, I guess, this session like this
21 not happening along the north coast. I know that issue
22 have been addressed already this morning but I guess from
23 my, the Town's point of view at home, you know, and the
24 majority of the community, it's, we would in one sense and
25 to a great degree, I guess, have more of a turnout than just
26 one or two representatives from each community show up
27 to such an important session as this, so having said that I'll
28 be starting with what I have written here. To date residents
29 of this community has experienced rates both on the
30 average household and the business level that is definitely
31 unsatisfactory and unacceptable. With the state of the
32 economy on the north coast, we as individuals feel very
33 uncomfortable if such an application should be approved.

34 For example, if an average household income
35 would be between \$10,000 and \$12,000 per year and your
36 annual Hydro rate would be in the vicinity of \$1,800, this
37 makes life very difficult for the people to live comfortable
38 on the north coast, especially during the harsh winter
39 months. We are all aware of the prices of operating diesel
40 generated power plants, but at the same time we would
41 strongly recommend that our rates would be subsidized to
42 a larger degree to the average Canadian citizen. To our
43 knowledge, we pay one of the most highest rates in Canada
44 and we have less conveniences with regards to the amount
45 of appliances one can use within the average household.

46 Every town has the responsibility to provide the
47 service of water and when you operate on a small budget,
48 again the customer is the one that feels the effects. If the
49 economy in my community would increase to its maximum

50 limits referring to the forestry industry, Hydro would have
51 to use additional generators to accommodate additional
52 equipment. If not it would definitely mean the use of more
53 diesel fuel again. We feel the customer would be the first
54 to feel the effects of the cost of the additional amount of
55 fuel. So overall, we the community of Postville is in total
56 opposition of any such increase considering all of the
57 above.

58 And I'd like to add a few more comments other
59 than what has been written. I guess once you're an elected
60 member of your community, you has to deal with the
61 public, and when you become dealing with the public and,
62 you know, on a day-to-day basis and you see the
63 community lacking so much in the way life has been and
64 the way life is today. I see it in my community day by day,
65 week by week, that what they did last year, what they did
66 the year before last, they could no more do it, and again,
67 this reflects back to our large Hydro rates, the prices of
68 fuel, the prices of groceries, everything. Just for an
69 example, a lady back home, and I don't want to get off the
70 subject, but a lady back home ordered two pair of boys
71 jeans. The cost when she ordered them was \$63. When
72 they arrived at the post office home they were \$173. But
73 that's just an example of the cost of living on the north
74 coast, and you know, our MHA this morning stressed it
75 quite strongly that the social situation on the north coast
76 just cannot improve if our rates continue to uprise and keep
77 on, you know, it all goes back to the customer and it's, I
78 think, very, very unfair. We live on the north coast. It
79 seems like you win one and you lose one, and what I mean
80 by that is roughly a month ago, we had another airline
81 come into our community. Right now we got four twin
82 otters passing through our community a day, which is
83 great, and when you got a choice of either or, we got, if you
84 travel on one airline you get a discount, or a lesser cost,
85 but seeing this power plant is established in your
86 community, we don't have a choice. If my light bill, for
87 example, came in the mail, and I went and I picked it up, and
88 I went back home and I told my wife that I'm not paying my
89 light bill, it's too high, the price is just too high, what would
90 happen the next month? I would go to my light switch and
91 I would have a dark room. That's just an example of, you
92 know, things that we got to have, and I'll use myself for an
93 example.

94 I've got four children of my own, the oldest is 12
95 and the youngest is 5, and there's things in my home that's
96 got not to be totally neglected, but it's got to be cut down
97 to its limits to provide enough for my family. We're living
98 on one income as of since, you know, over the last ten
99 years, and it's only the past couple of months my wife got
100 a part-time job, and we have four children in school, and
101 here we are trying to make the best of life for them, and you
102 hear tell of an application out for increasing the Hydro rates

1 on the north coast, it makes one quite sick to the stomach.
2 You know, how much more or how much longer is people
3 on the north coast going to be able to handle those kind of
4 situations. It's stressful for the individual, and the
5 business person as well, and you know, there's so much
6 that we has to do without, in this day and age I just don't
7 feel it's necessary and as this stated, what I had written
8 here, that we, the community of Postville, strongly oppose
9 any approval for this application. Thank you very much.

10 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mayor
11 Sheppard. I'll ask for questions now, Hydro please?

12 MR. YOUNG: No questions, thank you, Mayor.

13 MR. NOSEWORTHY, CHAIRMAN: Newfoundland
14 Power?

15 MR. HAYES: Thank you, Mr. Chair, no questions. Thank
16 you very much, Mayor Sheppard.

17 MR. NOSEWORTHY, CHAIRMAN: Consumer Advocate,
18 Mr. Browne, please?

19 MR. BROWNE, Q.C.: Mayor Sheppard, as I've asked
20 others, I'll ask you similar questions. In your own
21 circumstance, in your own home, you heat your house
22 how?

23 MR. SHEPPARD: Wood.

24 MR. BROWNE, Q.C.: Do you have any electric baseboard
25 radiation at all in your house available to you?

26 MR. SHEPPARD: No sir.

27 MR. BROWNE, Q.C.: Why not?

28 MR. SHEPPARD: Too costly, too expensive.

29 MR. BROWNE, Q.C.: Do you have any alternate fuel other
30 than wood available to you?

31 MR. SHEPPARD: Back up source, a furnace, a hot air
32 furnace.

33 MR. BROWNE, Q.C.: Have you had occasion to use that?

34 MR. SHEPPARD: Only at times when both myself and the
35 wife was away from home in the winter months to keep heat
36 in the home.

37 MR. BROWNE, Q.C.: So that's sort of on an away-from-
38 home basis when there's no one in the home?

39 MR. SHEPPARD: Yes.

40 MR. BROWNE, Q.C.: And the fuel that you would burn in
41 that furnace, around what would that cost? Can you ball
42 park it?

43 MR. SHEPPARD: It's \$145 a drum, that one.

44 MR. BROWNE, Q.C.: How long would a drum last if you
45 had it on any considerable time?

46 MR. SHEPPARD: If we had to leave home for ... well just
47 say for example, health reasons, to come up to Goose Bay
48 or St. John's or whatever, a drum of fuel would last in the
49 winter months at its limits, two weeks.

50 MR. BROWNE, Q.C.: Would you be able to operate your
51 own generator, if you had your own generator to energize
52 your own home?

53 MR. SHEPPARD: No, I wouldn't be able to afford it.

54 MR. BROWNE, Q.C.: You wouldn't be able to afford it from
55 a fuel perspective?

56 MR. SHEPPARD: Yes.

57 MR. BROWNE, Q.C.: Does anyone in Postville do that?
58 Does anyone?

59 MR. SHEPPARD: No.

60 MR. BROWNE, Q.C.: For the reason you've stated?

61 MR. SHEPPARD: Yes, too expensive. The only time a
62 generator is used for an individual's home down in Postville
63 is if we have a serious power outage and it could last for a
64 couple of days, there is generators, portable generators that
65 will be hooked into the home.

66 MR. BROWNE, Q.C.: How often do you have power
67 outages?

68 MR. SHEPPARD: Well I got to say, over the last couple of
69 years, I guess when Mother Nature takes its course, that
70 can't be helped, storms, but over the past few years our
71 outages have decreased.

72 MR. BROWNE, Q.C.: Can you tell me concerning the
73 appliances that you have in your home, your water, how do
74 you heat your water?

75 MR. SHEPPARD: Hot water tank.

76 MR. BROWNE, Q.C.: How many gallons?

77 MR. SHEPPARD: 30 gallon hot water tank.

78 MR. BROWNE, Q.C.: Do you have an electric range?

79 MR. SHEPPARD: Yes.

80 MR. BROWNE, Q.C.: Do you have any, do you have a
81 freezer?

82 MR. SHEPPARD: Yes.

83 MR. BROWNE, Q.C.: Do you need a freezer?

84 MR. SHEPPARD: Yes.

85 MR. BROWNE, Q.C.: Why?

86 MR. SHEPPARD: Well, for one reason, my number one

1 reason is come March/April, everybody back home and on
2 the north coast would agree with me, everybody does
3 they're caribou hunting and you try to stock up on your
4 caribou and we do the deep freeze back home ... once May
5 comes, June comes, the caribou wouldn't last very long.

6 MR. BROWNE, Q.C.: And with your income as it is, this
7 helps brings down your cost of living by having your own
8 caribou and your own meat supply?

9 MR. SHEPPARD: Yes, by a long shot.

10 MR. BROWNE, Q.C.: You have a refrigerator, of course?

11 MR. SHEPPARD: Yes.

12 MR. BROWNE, Q.C.: How old would your refrigerator be?
13 Would it be an older model?

14 MR. SHEPPARD: Third year.

15 MR. BROWNE, Q.C.: Third year. Was it ever explained to
16 you that a newer refrigerator will consume less electricity
17 than an older model?

18 MR. SHEPPARD: No, no, it hasn't.

19 MR. BROWNE, Q.C.: No one ever explained that. Do you
20 have a washer and dryer?

21 MR. SHEPPARD: Yes.

22 MR. BROWNE, Q.C.: I noted you got a family of four and
23 you've got small kids. That would be an absolute necessity
24 I would think, would it not?

25 MR. SHEPPARD: Yes, yes, it is. I guess if the cost of
26 electricity wasn't so high, the clothes could be done, I
27 guess, on a more frequent basis. I'm not saying it's not
28 done as it should be, but it would be done more frequent
29 during the length of a seven day period than what it's
30 actually being done right now, due to the cost of electricity.

31 MR. BROWNE, Q.C.: Tell me about your water supply,
32 your personal water supply. Do you have a well?

33 MR. SHEPPARD: Well, we get, the whole town, a hundred
34 percent of the town back home gets water from the town's
35 water supply.

36 MR. BROWNE, Q.C.: How many residents are there in
37 Postville?

38 MR. SHEPPARD: Excuse me?

39 MR. BROWNE, Q.C.: How many residents are there in
40 Postville?

41 MR. SHEPPARD: 265.

42 MR. BROWNE, Q.C.: Do you have any problems with
43 freezing in terms of the water supply during the winter?

44 MR. SHEPPARD: At the first phase or two of water, it was

45 a number of years back, we had several problems, but over
46 the time we've corrected it and I think it's fair to say that
47 last winter we might have had three freeze ups.

48 MR. BROWNE, Q.C.: Now the town itself, the town office,
49 how is that heated?

50 MR. SHEPPARD: Hot air furnace.

51 MR. BROWNE, Q.C.: And your oil for the hot air furnace,
52 what times ... is that available for ordering all of the time
53 during the year, or do you have to get it at a particular
54 time?

55 MR. SHEPPARD: Well, Woodwards stop out here and
56 hopefully at the end of the shipping season that there's
57 enough there for the whole winter season and the spring.

58 MR. BROWNE, Q.C.: What time of year do they bring it in?

59 MR. SHEPPARD: Usually the last oil boat comes into town
60 around mid November to late November.

61 MR. BROWNE, Q.C.: And after that whatever is there in
62 supply, that has to last for the winter?

63 MR. SHEPPARD: Yes.

64 MR. BROWNE, Q.C.: Have you ever run out of supply?

65 MR. SHEPPARD: We ran out of gas there the year before
66 last.

67 MR. BROWNE, Q.C.: And that gas you'd use for your
68 snow machines?

69 MR. SHEPPARD: Yes, snow machines, chainsaws,
70 outboard motors, what have you.

71 MR. BROWNE, Q.C.: In terms of the supplies of dry goods
72 and groceries, when do the supplies come into your
73 community?

74 MR. SHEPPARD: Well we hope most of the groceries get
75 into town before the weather gets too cold because for the
76 sake of, you know, for the sake of freezing from the time
77 you take it off of the freight boat until you get it to its
78 destination, so maybe by the end of October or early
79 November.

80 MR. BROWNE, Q.C.: Now during the summer, just tell us
81 a little bit about the lifestyle there in Postville. During the
82 summer are you able to take a vacation of any sort to come
83 out of Postville to go to other parts of Labrador or on the
84 island?

85 MR. SHEPPARD: Not this past summer. I did lots of flying
86 myself, but that was on business, but as regards to taking
87 my wife and family out of town for a trip, the last time I did
88 that was the year before last. A return trip from Postville to
89 Goose Bay cost us, for six of us, it cost us \$1,370.

- 1 MR. BROWNE, Q.C.: And your children, have they ever
2 been outside, out of Labrador?
- 3 MR. SHEPPARD: Only my oldest son.
- 4 MR. BROWNE, Q.C.: And where did he have occasion to
5 go?
- 6 MR. SHEPPARD: He had an opportunity last June to go to
7 Lewisporte on a youth camp thing.
- 8 MR. BROWNE, Q.C.: No one has ever been outside the
9 province, any of your family?
- 10 MR. SHEPPARD: Not other than myself.
- 11 MR. BROWNE, Q.C.: The unemployment rate in Postville,
12 what would it be?
- 13 MR. SHEPPARD: That fluctuates from year to year. I got
14 to say this past season, this past summer season was, we
15 couldn't complain, but we still have people that's looking
16 for enough hours to collect EI, and it happened to be we
17 had contractors in town, and the town had some work on
18 the go as well, but like another year, we could be looking at
19 an unemployment such as Rigolet this year, but it varies
20 from year to year. It's never on a, say a 60 percent on an
21 average. You can't ... it's probably 80 percent one year, and
22 the next year it could be down to ten.
- 23 MR. BROWNE, Q.C.: When people are employed, what are
24 they employed doing in Postville?
- 25 MR. SHEPPARD: We have a number of heavy equipment
26 operators back home. We have a saw mill industry now
27 we're hoping to get off of the ground and become a
28 success. That occupies three heavy equipment operators,
29 and two to operate the saw mill itself, but other than that,
30 we have four people on working the summertime as
31 operators for the town itself. I guess other than that it's
32 carpentry work or building new homes, and general
33 maintenance.
- 34 MR. BROWNE, Q.C.: From a recreation perspective for the
35 children in Postville, what's available to the children?
- 36 MR. SHEPPARD: What's available to the children in
37 Postville for recreation, we got a room about one third of
38 this size for recreation purposes, that's what the town has,
39 and so one in the works, but it looks like that's not going to
40 get off the ground this fall so we have to wait another year,
41 but that's what we have right now ... clear of the school
42 gymnasium, and you all know the situation with the strike
43 right now, you know, kids can't go in and play or do
44 whatever.
- 45 MR. BROWNE, Q.C.: Do you have an ice rink or a ...
- 46 MR. SHEPPARD: No, we got an outdoor ... we don't have
47 a roof over our rink. The only time it's used, I guess, is
48 once the frost setting in in the fall, and we flood the rink
49 and we get a couple of good dumps of snow and it's buried
50 for the rest of the winter.
- 51 MR. BROWNE, Q.C.: Newfoundland Power (sic) has sent
52 a notice to various towns last Friday, a notice to diesel
53 customers, did you get that?
- 54 MR. HAYES: That was Newfoundland Hydro.
- 55 MR. BROWNE, Q.C.: Newfoundland Hydro, I'm sorry, did
56 you get that?
- 57 MR. SHEPPARD: I never seen it myself, other than sitting
58 here today, but I was out of town as well during the week,
59 and I was only home for a day or so and I had to come out
60 here again.
- 61 MR. BROWNE, Q.C.: And it said in the notice that the
62 average increase would be 3.6 percent effective January 1,
63 2002, but today they informed that there's actually another
64 increase of 3.4 percent which you'll get sometime in January
65 as part of the Rate Stabilization Plan. Do you know what
66 the Rate Stabilization Plan is?
- 67 MR. SHEPPARD: No, I don't.
- 68 MR. BROWNE, Q.C.: So you wouldn't know that the Rate
69 Stabilization Plan pertains to fuel, Bunker C fuel that's
70 burned in Holyrood on the island portion of the province?
- 71 MR. SHEPPARD: No.
- 72 MR. BROWNE, Q.C.: You have no idea that you're
73 actually, your rates are actually contributing toward the
74 cost of that fuel in Holyrood that's burned, and you live in
75 Postville?
- 76 MR. SHEPPARD: I don't.
- 77 MR. BROWNE, Q.C.: You heard today evidence
78 concerning the decrease that's proposed for Goose Bay,
79 Happy Valley-Goose Bay, and there is a, you heard
80 evidence concerning what people pay in Labrador City and
81 Wabush, and what's your view on that, on the rates they
82 pay in comparison to the rates you pay?
- 83 MR. SHEPPARD: It's sad. My view on that is it's sad. I've
84 got relatives here in Goose Bay. I've got friends here in
85 Goose Bay. I go to their homes and they got all the
86 appliances I got and additional appliances. They tell me
87 that their bill at summertime is what I've heard this morning,
88 \$50 to \$60. At home I got to limit myself, the wife has to
89 limit herself to do what she wants to do with the same
90 amount of appliances, just because of the cost of the
91 electricity rates. That's sad.
- 92 MR. BROWNE, Q.C.: Okay, thank you, Mayor Sheppard.
- 93 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
94 Browne. Counsel?

1 MR. KENNEDY: No questions, Mr. Chair.
2 MR. NOSEWORTHY, CHAIRMAN: Commissioner Powell?
3 COMMISSIONER POWELL: I have no questions.
4 COMMISSIONER SAUNDERS: No questions, Mr. Chair.
5 COMMISSIONER WHALEN: No questions, thank you,
6 Mayor.
7 MR. NOSEWORTHY, CHAIRMAN: Mayor Sheppard, I
8 just have one. I think Mr. Anderson talked this morning
9 about the impact on households, in particular single parent
10 families. I think Mr. Riche talked about the impact to a
11 degree on dual parent families, if you will. I haven't heard
12 any comments about the plight of seniors, senior citizens.
13 Do they in your community live with their sons and
14 daughters, or do they live on their own? How do they cope
15 with these costs?
16 MR. SHEPPARD: Well, I guess, as we all know, senior
17 citizens is on a fixed income and the seniors back home
18 now, unfortunately has got scarce over the last few years,
19 but ...
20 MR. NOSEWORTHY, CHAIRMAN: How many would be
21 in your community for example?
22 (2:30 p.m.)
23 MR. SHEPPARD: For example, six at the max.
24 MR. NOSEWORTHY, CHAIRMAN: I see, okay.
25 MR. SHEPPARD: And there's a couple there that's still
26 married and probably the wife or the husband continues to
27 work or whatever, some kind of part-time job or what have
28 you, but they still has to put up with the same rates that I
29 have. I know one guy that lives a few houses up the road
30 from me, and you know, he's on a fixed income and his wife
31 also works, but it's very difficult at this day and age
32 because he got all the appliances that I have mentioned
33 that I have, and at his age, I guess, he feels quite uneasy at
34 times. There are situations back home, I don't want to get
35 away from your subject, but there are situations at home
36 where a person will come down and has to draw a line, what
37 am I going to do? Am I going to take this amount of money
38 to take to the post office for my light bill, or is I taking this
39 amount of money or is I going to the grocery store to get
40 food for my kids. They has to draw a line somewhere, and
41 that's sad. I know the situation of a single mother back
42 home. She has two kids, \$315 every two weeks. Food,
43 that's for food, heat, clothes, pampers, lights. She don't
44 have cable television, she don't have a telephone, and in
45 these days I think that's quite unnecessary.
46 MR. NOSEWORTHY, CHAIRMAN: Thank you very much,
47 Mr. Sheppard.

48 MR. SHEPPARD: Thank you.
49 MR. NOSEWORTHY, CHAIRMAN: Can I call upon Shawn
50 Boland, the Town of Hopedale please, to come up to the
51 witness table?
52 MR. BOLAND: Good day.
53 MR. NOSEWORTHY, CHAIRMAN: Good afternoon, Mr.
54 Boland. What is your ...
55 MR. BOLAND: I'm a Councillor with the town of Hopedale.
56 MR. NOSEWORTHY, CHAIRMAN: You're a Councillor, I
57 see. Are you a new Councillor, Mr. Boland?
58 MR. BOLAND: It's my second term.
59 MR. NOSEWORTHY, CHAIRMAN: I see, very good.
60 Congratulations on your re-election.
61 MR. BOLAND: Thank you.
62 MR. NOSEWORTHY, CHAIRMAN: Do you swear on this
63 Bible that the evidence to be given by you is the truth, the
64 whole truth, and nothing but the truth, so help you God?
65 MR. BOLAND: I do.
66 MR. NOSEWORTHY, CHAIRMAN: Thank you, sir, very
67 much. Could you ... I'll ask you to proceed with your
68 presentation.
69 MR. BOLAND: We have a very brief statement. I wish to
70 present the concerns of the Town of Hopedale and its
71 people on the proposed changes in electricity rates for
72 residential and small business customers in Labrador
73 operating on the isolated diesel systems. First, while we
74 were disappointed, as with everyone else, that the hearings
75 weren't held on the coast, I would like to take this
76 opportunity to thank Hydro for providing at least a
77 representative from every community to come here to
78 present its views on this important matter. It shows that
79 they are willing to at least consider the opinions of their
80 customers, and I hope, take heed to the voices heard from
81 throughout northern Labrador.
82 Our basic services include oil furnace heat,
83 circulating pumps in our community, and the basic
84 amenities which help maintain a certain standard of living.
85 With the three tier billing system, we pay 6.758 cents per
86 kilowatt hour for the first 700, 9.571 cents for the next 300,
87 and 12.975 cents for every kilowatt hour after that. The
88 north coast citizens already pay the highest rates in
89 Newfoundland and Labrador, and the proposed rate
90 increase would strain a people, many of whom depend on
91 social assistance, senior's pensions, and seasonal work to
92 provide for their families.
93 Businesses also suffer because of the necessity of
94 large capacity freezers and other commercial equipment

1 needed for daily operations. For the Town of Hopedale to
2 operate just its water distribution building, which is a
3 necessity, for one billing month this year, we used 14,317
4 kilowatt hours. At over 19 cents a kilowatt hour this is a
5 staggering amount for just one of the many facilities the
6 Town must maintain. I feel that over the course of these
7 hearings you will hear much of the same concerns from the
8 other communities on Labrador's north coast, and I urge
9 you to take into consideration, the fact that this much
10 representation is for a cause we feel strongly about. We
11 cannot overburden people and communities who are trying
12 their best to cope with an economy that is already strained.
13 There must be another area within Hydro to offset or help
14 offset any increase intended for the north coast, and again,
15 I urge you to reconsider the proposed increase. On behalf
16 of the people in the Town of Hopedale, I would like to
17 thank the Board for this chance to speak.

18 MR. NOSEWORTHY, CHAIRMAN: Thank you very much,
19 Councillor Boland, and I'll for questions, Hydro please?

20 MR. YOUNG: No questions, thank you, Councillor Boland.

21 MR. NOSEWORTHY, CHAIRMAN: Newfoundland
22 Power?

23 MR. HAYES: No questions, Mr. Chair. Thank you, Mr.
24 Boland.

25 MR. NOSEWORTHY, CHAIRMAN: Consumer Advocate?

26 MR. BROWNE, Q.C.: Yes, thank you, Mr. Chairman. I'll
27 continue reading from the Newfoundland and Labrador
28 Hydro, the back of their bill, which is the appliances that
29 are listed there. Are you familiar with the ...

30 MR. BOLAND: Yes.

31 MR. BROWNE, Q.C.: With the back of the bill, and I
32 apologize for not having copies for everyone, but I'll do
33 that overnight. I just received this today. In terms of the
34 appliances that you have yourself, Councillor Boland, do
35 you have water heating in your home?

36 MR. BOLAND: Yes, I do. I have actually everything that's
37 on this list.

38 MR. BROWNE, Q.C.: You have the bill there?

39 MR. BOLAND: Yes, I do, I'm sorry.

40 MR. BROWNE, Q.C.: Okay, so you have water heating?

41 MR. BOLAND: Yes.

42 MR. BROWNE, Q.C.: And what does Hydro say are the
43 typical kilowatt hours needed for water heating there on
44 that monthly basis?

45 MR. BOLAND: 500.

46 MR. BROWNE, Q.C.: They say 500 is needed to heat your
47 water.

48 MR. BOLAND: Yes.

49 MR. BROWNE, Q.C.: The electric range, how much do
50 they say is needed for that?

51 MR. BOLAND: 100 for that one.

52 MR. BROWNE, Q.C.: The refrigerator, you have a
53 refrigerator I gather?

54 MR. BOLAND: Yes sir, 105.

55 MR. BROWNE, Q.C.: Have you got a frost free?

56 MR. BOLAND: Yes sir.

57 MR. BROWNE, Q.C.: Is it a new model?

58 MR. BOLAND: No, actually it isn't.

59 MR. BROWNE, Q.C.: Okay, deep freeze?

60 MR. BOLAND: Yes sir, 50 kilowatt hours.

61 MR. BROWNE, Q.C.: Do you have a clothes washer?

62 MR. BOLAND: Yes sir, and that's five.

63 MR. BROWNE, Q.C.: And a clothes dryer?

64 MR. BOLAND: Is 96.

65 MR. BROWNE, Q.C.: Which is based on 20 hours, and the
66 television.

67 MR. BOLAND: Is 35.

68 MR. BROWNE, Q.C.: And you have a furnace?

69 MR. BOLAND: Yes, I do, sir.

70 MR. BROWNE, Q.C.: Okay, and they say to operate a
71 furnace ...

72 MR. BOLAND: Is 125.

73 MR. BROWNE, Q.C.: Now, is there anything there that you
74 have that's not presented there on that list?

75 MR. BOLAND: No, not unless you count a stereo and
76 that's about it.

77 MR. BROWNE, Q.C.: A stereo and that's about it.

78 MR. BOLAND: Music, that's about it.

79 MR. BROWNE, Q.C.: Okay, and the total they give there is
80 what number?

81 MR. BOLAND: 1156 kilowatt hours.

82 MR. BROWNE, Q.C.: Now is there anything there that you
83 wouldn't need?

84 MR. BOLAND: No sir.

85 MR. BROWNE, Q.C.: That you wouldn't require or

1 anything you can really do without?

2 MR. BOLAND: Actually there is one thing there that isn't
3 there that we do have. As I mentioned in my statement, the
4 Town, our water system depends on circulating pumps to
5 keep the water flowing throughout the whole town to keep
6 from freezing, so I know that the Council sent out notices
7 in September asking people to turn on their circulating
8 pumps to help if there is a freeze-up, every house ... the
9 chance of a freeze-up, I'm sorry, is reduced with every
10 house having their circulating pump on and keeping the
11 water flowing even though they may not be using it, so this
12 is an appliance that is plugged in. It's running 24 hours a
13 day. You can't unplug it because you're going to bed. You
14 do still need the water circulating, and we sent out our
15 notice the end of September, so from October until May or
16 June, depending on how the weather changes, you have
17 this running 24 hours a day as well, and while it may not, I
18 honestly can't say how much, how many kilowatts it does
19 burn, but it is an extra thing that isn't indicated on this list
20 here.

21 MR. BROWNE, Q.C.: And it's required to keep your water
22 from freezing?

23 MR. BOLAND: Yes sir, as I found out at our place of
24 business when it breaks over the weekend and you don't
25 know it and your water freezes, you're out of water for a
26 very, very long time.

27 MR. BROWNE, Q.C.: Would all the residents have such a
28 system?

29 MR. BOLAND: They do actually, yeah.

30 MR. BROWNE, Q.C.: And that's all run electrically as well?

31 MR. BOLAND: Yes, it is.

32 MR. BROWNE, Q.C.: Now on your bill they refer to a first
33 rate of 700 kilowatts.

34 MR. BOLAND: Uh hum.

35 MR. BROWNE, Q.C.: And I think in the jargon, it's referred
36 to as a lifeline rate that you need at least 700 kilowatts in
37 order to live. If you were to take 700 kilowatts from the list
38 that they gave you, which would you choose?

39 MR. BOLAND: About the only ones you could really ...
40 you have to have something to cook on, something to keep
41 your food, and you have to have hot water more than
42 anything else, but you have to have a furnace, so you're
43 really gone over their basic amount already by 130 kilowatt
44 hours. You have to have hot water, you need a range, you
45 need a refrigerator, you need a furnace.

46 MR. BROWNE, Q.C.: So in northern Labrador, that so
47 called lifeline rate of 700, is that in your opinion a realistic
48 number?

49 MR. BOLAND: No, this 700 is quickly used up, very
50 quickly.

51 MR. BROWNE, Q.C.: Is the number they have there of
52 1156, according to their calculation, is that more realistic, or
53 closer to the realism to what you require?

54 MR. BOLAND: Again, everything hinges on the weather.
55 I mean there's a number of factors. You know, this 125
56 kilowatts, if you've got an older furnace, it's going to be
57 higher. If it's really cold it's going to run an awful lot more.
58 You really can't, you really can't go by this list here, I don't
59 think, not as an accurate depiction of what's actually used
60 on a basic amenities level.

61 MR. BROWNE, Q.C.: The 1,156 that they have there, that
62 doesn't include the circulator either, does it?

63 MR. BOLAND: No.

64 MR. BROWNE, Q.C.: Which is required, so if Hydro is
65 telling you, if the Board is telling you that you should be
66 able to live on 700 kilowatts, that's the lifeline, what's your
67 reaction to that?

68 MR. BOLAND: I hope it's cold outside and keep your food
69 out there, forget the fridge and go with the stove and the
70 hot water tank.

71 MR. BROWNE, Q.C.: You couldn't do it.

72 MR. BOLAND: No.

73 MR. BROWNE, Q.C.: It's my understanding that you're a
74 grocer, is that true?

75 MR. BOLAND: Yes sir, I operate a business.

76 MR. BROWNE, Q.C.: Well, you're the one to ask about the
77 groceries then. How much does flour cost in Hopedale?

78 MR. BOLAND: Depending on the brand, \$3.79 and up.

79 MR. BROWNE, Q.C.: Does it vary from time of year?

80 MR. BOLAND: You hopefully have enough in the fall so
81 you don't have to fly it in.

82 MR. BROWNE, Q.C.: Do you try to order your groceries
83 in?

84 MR. BOLAND: Mine should be in sometime next week
85 actually.

86 MR. BROWNE, Q.C.: What about products like milk?

87 MR. BOLAND: A 2 litre of milk is \$4.99.

88 MR. BROWNE, Q.C.: And how do you get that?

89 MR. BOLAND: That's flown in under a government
90 subsidy every week, and every week summer and winter,
91 you get a fresh produce that the government will both
92 subsidize, but that's all ... in the wintertime they will

1 subsidize to a certain degree groceries that are deemed to
2 be necessities. Sugar, flour, milk, but I know that last year
3 if you wanted to fly your sugar in, for example, you would
4 have to pay 80 cents a kilogram just to fly a bag of sugar.
5 It's two kilograms, so you just added \$1.60 to the price of a
6 bag of sugar just to get it there, which is why hopefully
7 everyone can get enough in in the wintertime before the
8 boats stop to do you over the course of the winter.

9 MR. BROWNE, Q.C.: Are there any products that come to
10 mind that are particularly rare, particularly expensive?

11 MR. BOLAND: I took the opportunity lunchtime to go to
12 North Mart and look around.

13 MR. BROWNE, Q.C.: Go where?

14 MR. BOLAND: North Mart.

15 MR. BROWNE, Q.C.: Okay, that's the local supermarket
16 here?

17 MR. BOLAND: Yes, and the first thing that caught my eye
18 was sugar. It's a very good example. We sell our sugar for
19 \$2.99 a bag. They sell it here for, I believe it was \$2.19. I
20 can't buy sugar for less than \$2.19 a bag and now, and you
21 know, we get an invoice and the invoice is freight included,
22 so I have no idea how much the bag of sugar actually costs
23 and how much of it is freight, but everything that comes up
24 onto the coast, it seems to be roughly 30 percent more for
25 the grocery staples on the coast than compared to here, for
26 example, and I know that if you go to the island it's cheaper
27 again, but that's a rough estimate on the price difference,
28 and as I said, it could get quite a bit higher in the wintertime
29 if you have to fly in things, you know. A box of apple juice
30 weighs a kilogram, so as I said, you know, you just added
31 80 cents to the price of something if you had to fly it in, just
32 because it weighs a kilogram. You know, and it's not only
33 the groceries. I know that, as was mentioned many times,
34 the mail service is extremely expensive. I, myself, had a box
35 that is no squarer than this here. I mean it was no bigger
36 than that and it was \$20.00 to get it from, actually
37 somewhere in Quebec to Hopedale. I find, we found over
38 the last year that it's cheaper for us to have our
39 merchandise mailed to Goose Bay and pay for air freight
40 than it is to actually get it mailed all the way up. It gets
41 quite difficult logistically if you try and do it with a lot of
42 things, but, you know, gasoline is 1.069 cents a litre. A five
43 gallon can, well you can figure from that how much a five
44 gallon can is ... just over \$25.00, I believe it is altogether,
45 somewhere in that general area. Wally mentioned this
46 morning that the people of Hopedale, the nearest wood for
47 a woodstove is an hour away. You have to ride for an
48 hour, you have to cut, and you have to drag your wood
49 back and, you know, when you do get it, then you have to
50 use your chainsaw to cut the wood up. It's an expensive
51 venture at the best of times. You know, if your machine

52 happens to break down, then it gets even more expensive,
53 and that is the lifeline in the wintertime, are the snow
54 machines.

55 MR. BROWNE, Q.C.: In your grocery store, is that sort of
56 a general store?

57 MR. BOLAND: Yes sir, hardware, groceries.

58 MR. BROWNE, Q.C.: Do you carry drugs there?

59 MR. BOLAND: No.

60 MR. BROWNE, Q.C.: You're not the drugstore?

61 MR. BOLAND: No, the clinic is the sole provider. I mean
62 we carry Aspirin, but the clinic is the sole provider of
63 prescription drugs and heavier non-prescription drugs.

64 MR. BROWNE, Q.C.: What about items such as children's
65 diapers.

66 MR. BOLAND: Yeah, yeah, we carry those.

67 MR. BROWNE, Q.C.: Would you carry those?

68 MR. BOLAND: Yeah, it's ... I haven't checked the price
69 here in Goose Bay. A package of Pampers is approximately
70 \$15.00. Those are taxable. That's not our fault, but that's
71 the government there, but it's, without tax it's approximately
72 \$15.00 for a package of Pampers so ...

73 MR. BROWNE, Q.C.: Is that a large, they come in different
74 sizes.

75 MR. BOLAND: No, this is just the regular, 22 in a package
76 of Pampers, yes. You can understand everyone's concerns
77 when they were talking about single mothers, and you
78 know, when you pay a dollar a bottle for a bottle of baby
79 food, and \$22.00 ... or sorry, \$15.00 for a package of
80 Pampers, you know, ten bottles of baby food and a pack of
81 Pampers is going to make a really big dent in your weekly
82 or biweekly cheque, and it does, you know, that is only the
83 start of it. People have to get, you know, clothes, school
84 children have to have their things for school, and there are
85 a lot of people who do get orders sent in from outside when
86 the boats are running, but unfortunately they don't run all
87 year and a lot of people do depend on, as I said, something
88 like Canada Post which can get quite expensive in the long
89 run.

90 MR. BROWNE, Q.C.: How do people pay? Do you have
91 a charge system, or do you ...

92 MR. BOLAND: We've got Interac, cheques, and cash.
93 We've been lobbying for a while now, and I started in
94 lobbying again for a bank for our community, but there's
95 not even a bank, so for example, if I wanted to pay my
96 Hydro bill, I have ... I am fortunate enough to be able to use
97 my telephone banking service. The majority of people
98 don't have that and you have to pay \$1.50 or \$1.75 for a

1 money order, and then 50 odd cents to mail your bill out,
2 and then if the weather comes down and your bill is late,
3 well you just forfeited your discount because it's a day late
4 because the weather came down, which is ... you know, you
5 may have put the money in the envelop and have a money
6 order dated before the discount date, but it seems to be
7 more when it arrives that you get your discount.

8 MR. BROWNE, Q.C.: Is there difficulty getting the bill to
9 you?

10 MR. BOLAND: Sometimes you don't get mail for, the
11 longest time last winter, I think was two weeks between
12 mail planes because of the weather, so if you don't get your
13 bill, let's say the bills come out the third week of the month.
14 If you don't get your bill that third week and the weather
15 comes down for a week, well that's one more week that
16 you're not going to have the opportunity to pay it, and one
17 more week that you've gone past your deadline. Usually,
18 the most mail you get is usually dated, the deadlines on
19 most mail is usually when you get the envelope or very
20 close to that date. That being Canada Post, the way
21 they've routed or something, but it never seems to come in
22 ... on the island when you send the bills out, they've got it
23 pretty well the next day.

24 MR. BROWNE, Q.C.: So you've experienced paying your
25 bill and taking advantage of the discount but then seeing
26 an extra charge that ...

27 MR. BOLAND: No, no, in my case, as I said, I can do mine
28 over the bank, my banking, and pay it through my bank,
29 but I know of very many people who have gotten their bills
30 and by the time you get it, get your money order, get it
31 mailed out, you, you know, you have to wait for the next
32 day for starters before it goes out on the plane again, and
33 then you've had so many days that it's in circulation before
34 it actually gets to whatever business the bill you're paying
35 is.

36 MR. BROWNE, Q.C.: If Hydro offered a monthly billing
37 plan system where you pay equally on an average each
38 month, would that be an option that you would consider,
39 or do you think it would be helpful or hurtful, whichever
40 you ...

41 MR. BOLAND: I think that the last two months of the year
42 you would pay severely for something like that.

43 MR. BROWNE, Q.C.: Even if it was averaged for the ...

44 MR. BOLAND: Yeah, I still think it would because it really
45 depends on the weather. Last year was a beautiful spring
46 and the rates weren't nearly what, you know, the bills
47 weren't nearly as high as they should be because we had
48 three or four weeks in May and April that it was beautiful.
49 The first year I was here there was snow up to the eaves on
50 the house and, you know, an average bill would run \$250 a

51 month, you know, and there is, I think that if you tried to
52 average it out, and you came up short on your average,
53 you would strain a lot of families in November and
54 December which is certainly not a time you want to take
55 more money from the families.

56 MR. BROWNE, Q.C.: The community of Hopedale just in
57 a general sense, you have a town hall.

58 MR. BOLAND: Yes sir.

59 MR. BROWNE, Q.C.: How is that heated?

60 MR. BOLAND: The town hall is forced air, a furnace. The
61 town ... that's the community centre. The town has a
62 Council office that's also a forced air furnace. We have a
63 fire hall and a garage which is furnace heated, and as I
64 pointed out, you know, I have a copy of the bill, I'm sorry,
65 when I mentioned the 14,317 kilowatts, it's from an actual
66 bill from February 20th to March the 21st, and add, with the
67 first 700 kilowatt hours, you know, it cost the town 6,197.
68 The next 13,617 cost us \$2,651.23. Now, it's, by the time
69 you add the \$400 tax, you know, you've got almost a \$3,100
70 bill for something that has to be running. It's the water
71 distribution system. This is not taking into account street
72 lighting or the rest of the buildings. I know that the town,
73 the hall in the summertime might only have a \$30 or \$40 bill,
74 but there's no heat on in the summertime. I honestly can't
75 remember what the rest of the buildings came to, or our
76 street lighting, but all of them add up and it gets to be quite
77 an expensive bill at times.

78 MR. BROWNE, Q.C.: Do you have any recreational
79 facilities in Hopedale?

80 MR. BOLAND: Actually we just built a playground and
81 that's another interesting aspect of freight to get things to
82 the coast and how expensive it is. The Town paid \$41,700
83 to buy topsoil and sods. That's it, just buy it and have it
84 delivered to ... it's 100 x 100 area, and the bulk of the money
85 was used for just shipping it up. I mean we have no
86 topsoil. We could try and grow our own grass. It would be
87 quite difficult, but again, other than that, the playground
88 which we are just getting into motion now, there was only
89 the town hall and the school's gymnasium.

90 MR. BROWNE, Q.C.: And the playground, what's the
91 population of Hopedale and how many kids are there?

92 MR. BOLAND: The population is approximately 650, and
93 I would say school age and under, pre-school, there's
94 probably 300 kids.

95 MR. BROWNE, Q.C.: What is the economy there? What
96 do people do for a living?

97 MR. BOLAND: Actually we have quite a bit of
98 employment in the summertime, especially this year. We've
99 got a road construction underway, our subdivision is

1 underway, even smaller things, there's a crew that just left,
2 they came in and installed new poles for Hydro actually,
3 and that was employment for one more person in our town.
4 But between all the contractors, we may have seven or
5 eight people working for them, and the rest of it is all within
6 the town. There is three stores which between them and
7 the hotel, LIAC has a large number of people working for
8 them. They have the public health, the daycare, or after
9 school programs and that. The clinic and pretty well the
10 post office, that's just about it.

11 MR. BROWNE, Q.C.: Your bill, are you aware that your
12 rate is tied to Newfoundland Power's rate on the island?

13 MR. BOLAND: Not until you mentioned it to Mr. Sheppard
14 actually.

15 MR. BROWNE, Q.C.: What are your views on what you've
16 heard here today concerning Happy Valley-Goose Bay
17 getting a discount when Hydro is looking for an increase
18 from you?

19 *(2:45 p.m.)*

20 MR. BOLAND: I personally think that there is, and this is
21 a personal opinion, I think that if Goose Bay is doing fine
22 as it is now, why decrease the rates, why not use that to
23 offset what they're planning to put on the coast, and that
24 is just a personal opinion on my part, but I think that, you
25 know, there are, I'm not in a position to say what they can
26 do, but I'm sure there are ways that, you know, the cost of
27 the increase on the coast could be offset or at least reduced
28 by looking elsewhere within Hydro's realm of expenditures.

29 MR. BROWNE, Q.C.: Has Hydro introduced any
30 conservation program for Hopedale?

31 MR. BOLAND: I don't know what you mean by that?

32 MR. BROWNE, Q.C.: A conservation program to teach
33 people how to insulate their homes, insulate their hot water
34 boilers?

35 MR. BOLAND: No, actually most of our homes are built by
36 Torngat Housing, or Newfoundland and Labrador Housing,
37 and they come with pre-specified standards and when it
38 comes to appliances, you know, I sell appliances and all the
39 appliances have those energy guide stickers right on the
40 front of them, and you can, most people ... I hate to say it
41 ... don't really look at it that way. They look at the size they
42 want more than the energy saving guide that's listed on it,
43 but there has been no, you know, there has been no
44 brochures or anything saying that, you know, why don't
45 you put that extra bit of insulation over your windows in
46 your house or something like that, you know, weather
47 stripping around your doors or ...

48 MR. BROWNE, Q.C.: And no one from Hydro, or no one
49 employed by Hydro has gone into the community to show

50 how this could be done.

51 MR. BOLAND: No, no, not to my knowledge. I've been in
52 Hopedale two and a half years now.

53 MR. BROWNE, Q.C.: Where were you prior to Hopedale?

54 MR. BOLAND: I was in Nain for a year and I came from
55 Clarke's Beach then on the island.

56 MR. BROWNE, Q.C.: How long have you lived in northern
57 Labrador?

58 MR. BOLAND: Three and a half years now.

59 MR. BROWNE, Q.C.: And you came from Clarke's Beach?

60 MR. BOLAND: Yes, sir.

61 MR. BROWNE, Q.C.: Thank you very much sir.

62 MR. BOLAND: Thank you.

63 MR. NOSEWORTHY, CHAIRMAN: Mr. Peck, would you
64 have anything?

65 MR. PECK: No Chair.

66 MR. NOSEWORTHY, CHAIRMAN: Counsel?

67 MR. KENNEDY: No questions, Chair.

68 MR. NOSEWORTHY, CHAIRMAN: Commissioner Powell?

69 COMMISSIONER POWELL: Just one question. Have you
70 or any other merchant approached Hydro to be a drop off
71 centre for people wanting to pay their bills, and asking for
72 a small commission for doing such a wonderful service?

73 MR. BOLAND: No sir, it never crossed my mind actually.
74 We're hoping to get a bank in our community and we're
75 trying to use every bit of leverage we can, so something
76 like this would be an opportunity for a bank to benefit from
77 it more than one of our stores.

78 COMMISSIONER POWELL: You're not interested in
79 getting into the banking business yourself?

80 MR. BOLAND: No sir, I have enough trouble changing
81 cheques as it is.

82 COMMISSIONER POWELL: That's it.

83 COMMISSIONER SAUNDERS: No questions, Mr. Chair.
84 Thank you, Mr. Boland.

85 MR. NOSEWORTHY, CHAIRMAN: Commissioner
86 Whalen?

87 COMMISSIONER WHALEN: No questions, thank you.

88 MR. NOSEWORTHY, CHAIRMAN: I just have a couple of
89 questions, Mr. Boland.

90 MR. BOLAND: Yes sir.

1 MR. NOSEWORTHY, CHAIRMAN: You mentioned that
2 Torngat Housing and Newfoundland and Labrador
3 Housing Corporation built most of the houses?

4 MR. BOLAND: Yes sir.

5 MR. NOSEWORTHY, CHAIRMAN: In your community.

6 MR. BOLAND: Yes sir.

7 MR. NOSEWORTHY, CHAIRMAN: I see, how many
8 houses would they have built out of the total number?

9 MR. BOLAND: The majority of the houses have been built
10 by them. I would say 80 percent of the houses. The other
11 20 percent are either businesses or ...

12 MR. NOSEWORTHY, CHAIRMAN: Do they provide any
13 subsidy in respect of heat and light do you know?

14 MR. BOLAND: I'm not sure how it works. I believe, and I
15 can't confirm it, but I believe there is some kind of a heating
16 subsidy with the heating fuel, but again, you know, I can't
17 confirm it positively.

18 MR. NOSEWORTHY, CHAIRMAN: Sure, okay, the other
19 ... what's your total electric bill for the municipality because
20 you mentioned 31,000, is that a monthly ...

21 MR. BOLAND: This was one from February 28th to March
22 the 21st. That was just one part of the building. I could, I
23 could get the document faxed here for you this afternoon
24 to give you a more accurate reading of any month, but it's
25 usually in the range of \$4,000 to \$5,000 a month, if I
26 remember correctly from the last, from our last meeting.

27 MR. NOSEWORTHY, CHAIRMAN: That would be your
28 total bill, is it, \$4,000 to \$5,000 a month on average, is that
29 correct?

30 MR. BOLAND: That would average it out, yes sir, I believe
31 so.

32 MR. NOSEWORTHY, CHAIRMAN: So that would be
33 \$50,000 or so a year?

34 MR. BOLAND: It wouldn't surprise me.

35 MR. NOSEWORTHY, CHAIRMAN: I see, and did I hear
36 you say there was 650 people in Hopedale?

37 MR. BOLAND: Approximately, yes sir.

38 MR. NOSEWORTHY, CHAIRMAN: 150 families, is that
39 correct?

40 MR. BOLAND: That would be close to it, yes.

41 MR. NOSEWORTHY, CHAIRMAN: Would that be \$300
42 per family, is that ... are my figures correct? On an average,
43 that would be ...

44 MR. BOLAND: They don't pay it.

45 MR. NOSEWORTHY, CHAIRMAN: No.

46 MR. BOLAND: You know, as ...

47 MR. NOSEWORTHY, CHAIRMAN: No, but the division
48 is correct.

49 MR. BOLAND: The division is close to it, yes.

50 MR. NOSEWORTHY, CHAIRMAN: One other item. The
51 reliability, I have a tendency to ask this because I'm sure
52 with the age of diesel plants and that, it may be different
53 from one community to the other. Could I ask you to
54 comment on the reliability in Hopedale?

55 MR. BOLAND: Well, everyone has been going back to the
56 last couple of years with their comments, and I can say that
57 when I went there two and a half years ago, compared to
58 now, it's a 99 percent increase, or decrease in the amount of
59 outages. If there is an outage now it's very, very short. It's
60 convenient that the person who works at the plant is just
61 down the road from it too, but very rarely, unless it's a, you
62 know, something that they are purposely shutting down
63 the power and they will notify everybody well in advance,
64 there is very, very little. As for power fluctuation, that's a
65 different matter. You know, once a week I have to reset all
66 the electric clocks in the house, you know. At the store we
67 just had to, in our case we had to buy a compressor which
68 is \$1,500 and have to pay somebody to fly out, stay at the
69 hotel, install the compressor, because there was a serious
70 enough power fluctuation that actually all the lights, all the
71 emergency lights in the store clicked on and off for about
72 ten seconds and while you can't say that it was ... what we
73 believe happened is that there was a power surge, or a
74 decrease in power into one of the compressors, it started
75 taking all the power from the store, causing our lights to go
76 on and off, and when the compressor burned out the power
77 came back on. But I've had a, you know, I've had the guys
78 from Hydro come in and put their testers on the, it's a three
79 phase system in the building, and they come in, you know,
80 and there's 207 volts here and there's 198 volts here, I mean
81 there's a big variance even just in the power coming in the
82 building. That would be my biggest concern. I could go
83 out and we've actually been looking for some kind of power
84 regulator to mount on our compressors because it could
85 get to be a costly thing, especially in the middle of the
86 winter if you lose a freezer, and you can't get anybody in,
87 or a compressor in for a week or two, and you've lost
88 everything in the freezer more or less, but that would be my
89 only concern with the power. The service, you know, when
90 we had a lightning strike last year on a transformer, and the
91 guys were in the next day. It was the only physical time
92 they could get in was the next day and, you know,
93 everything was up and running within a day again, and the
94 service part of it is extremely good from the guys in our
95 community and when someone has to come in outside to

1 perform, you know, line duty, pole duty.
2 MR. NOSEWORTHY, CHAIRMAN: That's all I have for
3 you, Mr. Boland. Thank you very much.
4 MR. BOLAND: Thank you.
5 MR. NOSEWORTHY, CHAIRMAN: We appreciate it,
6 thank you. We have two other presenters. Could I ask Ms.
7 Ruth Flowers to please come to the witness stand please?
8 Good afternoon, Ms. Flowers.
9 MS. FLOWERS: Good afternoon.
10 MR. NOSEWORTHY, CHAIRMAN: Could you take the
11 Bible in your right hand please? Do you swear on this
12 Bible that the evidence to be given by you shall be the
13 truth, the whole truth, and nothing but the truth, so help
14 you God?
15 MS. FLOWERS: I do.
16 MR. NOSEWORTHY, CHAIRMAN: Thank you very much.
17 Could I ask you to proceed with your presentation please?
18 Before you start, are you a Councillor in ...
19 MS. FLOWERS: Mayor.
20 MR. NOSEWORTHY, CHAIRMAN: Mayor?
21 MS. FLOWERS: Mayor.
22 MR. NOSEWORTHY, CHAIRMAN: First time Mayor?
23 You've been Mayor how many terms? The second.
24 MS. FLOWERS: (inaudible).
25 MR. NOSEWORTHY, CHAIRMAN: Four terms.
26 MS. FLOWERS: (inaudible).
27 MR. NOSEWORTHY, CHAIRMAN: Very good, very
28 good.
29 MS. FLOWERS: I think we're starting to sound a bit like a
30 broken record initially but this was a concern to all of us
31 and I add to the rest of the presenters that we were
32 disappointed that the hearings could not be held in our
33 communities, or in one of our communities. We feel that it
34 should have been in our communities. I have to almost
35 start my presentation with a question because in the letter
36 to Councils, we read that there would be a 3.7 increase, and
37 I am hearing there's a 2.4 increase and I don't know what
38 the total, what the increase is.
39 MR. BROWNE, Q.C.: I'll leave that to Newfoundland
40 Hydro. That's their responsibility.
41 MS. FLOWERS: Can they answer me later or ...
42 MR. BROWNE, Q.C.: Maybe they can tell you now.
43 MR. YOUNG: Yes, we can do that now. I explained earlier,
44 and I know it can be confusing, and particularly it can be

45 confusing when we're not really aware, as we've just heard
46 that there is a link between the rates in isolated
47 communities and rates in St. John's, and that's been the
48 case for quite some time. One of the components of the
49 rates in St. John's, and we'll say St. John's, that would be
50 the island actually, the whole of the island on the
51 interconnected systems, one of the components of the
52 rates of the interconnected system is the Rate Stabilization
53 Plan, and there is a component of the rates from that that
54 relates to oil burned at Holyrood which will come up in July
55 of this year, and that is, I believe, 3.4 percent of an increase.
56 So that's not something we're looking for in this application
57 directly. It's something that was already built in there. It is
58 part of the application in a sense, but that's not really the
59 increase that's going on. That's why that notice that you
60 received didn't include that in there. This would have
61 happened if we hadn't had a hearing, that 3.4 percent
62 increase, but you can add the 3.7 percent increase which
63 you received in your notice and the 3.4, and the total
64 increase by July, assuming our application is approved, is
65 going to be in the range of about seven percent.

66 The other thing you might not be aware of, when
67 you ... and I think it's fair from some of the presentations
68 this morning that many people were aware and some people
69 perhaps weren't aware. That rate increase which is
70 essentially the same, this is on the lifeline block, of course,
71 a similar increase will be (inaudible) to the other blocks of
72 power you buy, but not the RSP, but the 3.7 percent. In
73 that is, in a sense, a portion of a subsidy that
74 Newfoundland Power and Hydro's interconnected
75 customers pay. So it's not strictly their rates you're paying,
76 it's their rates which already include the portion of your
77 rates, because you may be aware, the isolated communities
78 are not charged anything close to their full cost of service.
79 So that ... I know it can be difficult to filter out through, and
80 that's why there are 51 binders full of information, at least
81 in part. If that hasn't explained the answer, please let me
82 know and we'll see if we can straighten it out.

83 MS. FLOWERS: On behalf of the community of Makkovik
84 we're asking that there be no rate increase in the Hydro
85 rates. We already pays the highest rates in the country, I
86 believe, and it's very disturbing to hear that we may be hit
87 with another increase of seven percent or whatever. The
88 majority of the workforce in Makkovik is seasonal. The
89 majority of employment is seasonal at a fish plant, and an
90 increase in Hydro now would surely hurt our people, and
91 especially low income families, seniors, there are people
92 with disabilities, people on fixed income, and struggling
93 small businesses. Also we don't benefit from a lot of the
94 things that the larger centres receive all the time. Our
95 transportation is by sea or air which we all know is
96 expensive. In Makkovik, I speak for Makkovik. We don't
97 ... most of our clothing is mail order for our children, for our

1 families. There are no clothing stores, and right now a lot
2 of the times mothers will see flyers that they'll take
3 advantage of and it's not their payday or their child tax day
4 or whatever, and they will order it COD so that they can
5 benefit from that sale. To order from a Sears sale your
6 order will come as far as Goose Bay, COD. From Goose Bay
7 you have to either get a friend to go buy it out and ship it
8 up the coast, and I think there's a lot of us here today is
9 going to be carrying back packages to people in our
10 communities because it cannot go further than here.

11 These are some of the things that we put up with
12 and that we have to live with, and as I said, shipping by
13 freight is expensive. We all know the postal rates, and we
14 just ... to have another increase now is almost, it's going to
15 hurt the communities, and as was heard today, it's going to
16 hurt people and we're struggling to try and turn our
17 communities around to work with things that have gone
18 wrong, alcohol abuse or drug abuse, family violence, but
19 more pressure is not going to help us to solve our
20 problems. I'm not telling this because I think we want pity
21 or something. Those are facts of life where we come from,
22 and those are facts of life that we live with, and I guess in
23 short, we're asking that there by a unified rate. Why not a
24 unified rate where the people, the communities that are
25 going to have their Hydro cut lower, ours is increasing,
26 why not have a unified rate? Why not let us have a little of
27 the Churchill Falls hydroelectric that's sitting in our
28 backyard. I think everyone will feel the same way when
29 and if Voisey Bay ever comes on stream, and I think we're
30 only asking for a bit of that too, but I can't stress strong
31 enough how much that I want to see a unified rate. Thank
32 you.

33 MR. NOSEWORTHY, CHAIRMAN: Thank you very much,
34 Mayor Flowers. As for questions. Hydro please?

35 MR. YOUNG: I just have one question on the unified rate
36 point. Is that a Labrador rate you were thinking?

37 MS. FLOWERS: Yes.

38 MR. YOUNG: A unified Labrador rate.

39 MS. FLOWERS: Yes, all of Labrador.

40 MR. YOUNG: Not the province but ...

41 MS. FLOWERS: Where the communities that are diesel
42 operating or the communities that are hydroelectric, or
43 whatever it is ... Churchill Falls, I call it, operating, yes.

44 MR. YOUNG: Right, okay, that's all my questions, thank
45 you very much.

46 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
47 Young. Newfoundland Power?

48 MR. HAYES: No questions, Mr. Chair. Thank you Mayor

49 Flowers.

50 MR. NOSEWORTHY, CHAIRMAN: Consumer Advocate?

51 MR. BROWNE, Q.C.: On the point of the rate, you've heard
52 the questions previously that part of, that your bill is
53 structured on Newfoundland Power's rate for the island
54 portion of the province. Were you aware of that
55 previously?

56 MS. FLOWERS: No, no sir.

57 (3:15 p.m.)

58 MR. BROWNE, Q.C.: And were you aware that part of
59 your rate contributes toward the Rate Stabilization Plan
60 which deals with thermal generation at Holyrood for the
61 island portion of the province?

62 MS. FLOWERS: No sir, I wasn't.

63 MR. BROWNE, Q.C.: How many people are in Makkovik,
64 Mayor Flowers?

65 MS. FLOWERS: Between 480 and 490.

66 MR. BROWNE, Q.C.: And how many children would there
67 be?

68 MS. FLOWERS: In the school, I think our school
69 population is 97 or 102, around there.

70 MR. BROWNE, Q.C.: And the fish plant in Makkovik, was
71 that operating all year this year, or seasonally?

72 MS. FLOWERS: Seasonally.

73 MR. BROWNE, Q.C.: What is the season?

74 MS. FLOWERS: It operates from about mid July until
75 October, late October, depending on whether ... depending
76 on fish.

77 MR. BROWNE, Q.C.: And what fish is produced?

78 MS. FLOWERS: The main fish is crab.

79 MR. BROWNE, Q.C.: So it's a crab plant?

80 MS. FLOWERS: Yes.

81 MR. BROWNE, Q.C.: And who owns the fish plant in
82 Makkovik?

83 MS. FLOWERS: Torngat Fish Producers Cooperative.

84 MR. BROWNE, Q.C.: It's a cooperative?

85 MS. FLOWERS: Yes.

86 MR. BROWNE, Q.C.: And do you know how that
87 operates?

88 MS. FLOWERS: It's, people can buy shares into it.

89 MR. BROWNE, Q.C.: So people can buy shares of it.

- 1 MS. FLOWERS: Yes.
- 2 MR. BROWNE, Q.C.: Something like a co-op store.
- 3 MS. FLOWERS: Yeah.
- 4 MR. BROWNE, Q.C.: And the plant obviously needs
5 energy, how is energy provided to the plant?
- 6 MS. FLOWERS: The energy provided to the plant is Hydro
7 power.
- 8 MR. BROWNE, Q.C.: Is Hydro?
- 9 MS. FLOWERS: Hydro, Newfoundland and Labrador
10 Hydro.
- 11 MR. BROWNE, Q.C.: Oh, Newfoundland and Labrador
12 Hydro, but it's diesel fuel, is it?
- 13 MS. FLOWERS: Yes.
- 14 MR. BROWNE, Q.C.: Yes. The town itself, the town hall,
15 how do you heat the town hall, Mayor Flowers?
- 16 MS. FLOWERS: The town hall is heated by furnace, hot air
17 furnace.
- 18 MR. BROWNE, Q.C.: That seems to be consistent up and
19 down the coast. Town halls have furnaces, is that ...
- 20 MS. FLOWERS: Yes, because if you have water and sewer
21 into those houses you can't, you have to have, in the
22 wintertime, the heat has to be, has to be kept going or you
23 would have freeze-ups.
- 24 MR. BROWNE, Q.C.: So that's why you're heating with a
25 furnace.
- 26 MS. FLOWERS: Yes.
- 27 MR. BROWNE, Q.C.: To keep your utilities going
28 yourself?
- 29 MS. FLOWERS: Yes.
- 30 MR. BROWNE, Q.C.: In terms of the method people use to
31 heat their homes in Makkovik, what is common for home
32 heating?
- 33 MS. FLOWERS: Wood heat is most common. Probably
34 you'll find the majority of people would, not the majority of
35 people but most, some people would have a wood and oil
36 furnace.
- 37 MR. BROWNE, Q.C.: Some people would have wood and
38 oil?
- 39 MS. FLOWERS: Yeah, while others may have just a small
40 oil heater and a wood stove.
- 41 MR. BROWNE, Q.C.: Is wood readily available?
- 42 MS. FLOWERS: Fortunately in Makkovik, we are more,
43 wood is more easily accessible than Hopedale and Nain.
- 44 But then, I mean we pay about \$1.23 a litre for gasoline, so
45 it's almost like you're darned if you do and you're darned if
46 you don't, because you have to go into the woods to get
47 your wood, to try and supplement the fuel, but you're
48 paying the gasoline for your chainsaw, your skidoo, and
49 you know, it's the (inaudible) around, no gain.
- 50 MR. BROWNE, Q.C.: Is the community isolated in the
51 winter months in particular?
- 52 MS. FLOWERS: Isolated except by air.
- 53 MR. BROWNE, Q.C.: So the only way ...
- 54 MS. FLOWERS: Or community to community, you
55 snowmobile.
- 56 MR. BROWNE, Q.C.: Okay, so you can go from community
57 to community?
- 58 MS. FLOWERS: Oh yes.
- 59 MR. BROWNE, Q.C.: In terms of appliances that people
60 will have in their homes, we heard evidence today
61 concerning what's normally in the home. Can you verify
62 that for your community? Do most people, well I'll go by
63 you, yourself. How long have you been a resident there,
64 by the way, in Makkovik? All your life?
- 65 MS. FLOWERS: All my life.
- 66 MR. BROWNE, Q.C.: Well, I'll be a gentleman and
67 withdraw that question. You're a lifelong resident of
68 Labrador?
- 69 MS. FLOWERS: Yes.
- 70 MR. BROWNE, Q.C.: In your own home how do you heat
71 your water?
- 72 MS. FLOWERS: Electric, it's a hot water tank.
- 73 MR. BROWNE, Q.C.: And how do you cook your food?
- 74 MS. FLOWERS: An electric stove.
- 75 MR. BROWNE, Q.C.: And you have a refrigerator?
- 76 MS. FLOWERS: Yes.
- 77 MR. BROWNE, Q.C.: Is it frost free?
- 78 MS. FLOWERS: No.
- 79 MR. BROWNE, Q.C.: It's an older ...
- 80 MS. FLOWERS: Yes, I'm sorry. Yes, it is.
- 81 MR. BROWNE, Q.C.: Is it an older refrigerator?
- 82 MS. FLOWERS: No, it's a newer one.
- 83 MR. BROWNE, Q.C.: Okay, do you have a deep freeze?
- 84 MS. FLOWERS: Yes sir.

- 1 MR. BROWNE, Q.C.: And a clothes washer?
- 2 MS. FLOWERS: Yes.
- 3 MR. BROWNE, Q.C.: And a clothes dryer?
- 4 MS. FLOWERS: Yes sir.
- 5 MR. BROWNE, Q.C.: Do you have a television?
- 6 MS. FLOWERS: Yes sir.
- 7 MR. BROWNE, Q.C.: Do you have a furnace?
- 8 MS. FLOWERS: Yes sir.
- 9 MR. BROWNE, Q.C.: Do you have a circulator for your
10 water, a water pump of some kind like we've heard?
- 11 MS. FLOWERS: No, not in Makkovik, that is not
12 necessary.
- 13 MR. BROWNE, Q.C.: It's not necessary in Makkovik.
- 14 MS. FLOWERS: We leave the water, as long as you leave
15 water running somewhere in your house.
- 16 MR. BROWNE, Q.C.: Say that again?
- 17 MS. FLOWERS: As long as you leave a cold water tap
18 running somewhere in your house.
- 19 MR. BROWNE, Q.C.: Okay, so to prevent a freeze-up you
20 would leave the water running in your home.
- 21 MS. FLOWERS: Yes.
- 22 MR. BROWNE, Q.C.: And goods and supplies, how do
23 they get in the community, Mayor Flowers, for the winter.
24 Is there a shipment of some type?
- 25 MS. FLOWERS: By ship, by boat.
- 26 MR. BROWNE, Q.C.: And the boat brings the supplies?
- 27 MS. FLOWERS: The businesses usually try and get all of
28 their supplies in while the shipping season is, before it
29 closes.
- 30 MR. BROWNE, Q.C.: And do people store up in the homes
31 certain goods, canned goods and so on in anticipation of
32 the winter?
- 33 MS. FLOWERS: Oh yes, and I think more and more people
34 who can afford to are buying their groceries from
35 wholesalers because I mean if you have to go down to the
36 store and buy a four or five pound chicken for \$12.00, you
37 can't afford that. Four pork chops for \$8.89, or a lot of
38 people can't afford that, and that makes it really hard
39 though then on the people who are on a fixed income, or
40 seniors, or you know, people on welfare, but more and more
41 people are beginning to get their groceries, a lot of the
42 items in from wholesalers.
- 43 MR. BROWNE, Q.C.: Are there some items that you ...
- 44 MS. FLOWERS: I'll carry home a suitcase full of meat every
45 time I come out here.
- 46 MR. BROWNE, Q.C.: In their freezers, do people store a lot
47 of local game?
- 48 MS. FLOWERS: Yes, most all of us depend largely on,
49 from the land, you know, partridge, goose, rabbit, fish,
50 berries, caribou, seal, duck.
- 51 MR. BROWNE, Q.C.: So that's, these are your
52 requirements for the winter?
- 53 MS. FLOWERS: Oh yes.
- 54 MR. BROWNE, Q.C.: Has Newfoundland Hydro gone into
55 your community to present a conservation program, to
56 teach you how to conserve the energy that you do get in
57 an attempt to bring down your costs to show you how to
58 insulate or to do boiler insulation?
- 59 MS. FLOWERS: Not to my knowledge.
- 60 MR. BROWNE, Q.C.: They didn't check with you before
61 they came in anyway, did they?
- 62 MS. FLOWERS: No.
- 63 MR. BROWNE, Q.C.: If people had such a program, and I
64 think in some communities in Labrador, Newfoundland
65 Hydro has made an effort in that direction, would that be
66 well received, do you think, by people?
- 67 MS. FLOWERS: I think so, I mean surely, you know,
68 anything that's going to cost us some dollars, to save us
69 some dollars, I'm sure we'd be interested in it. But I think
70 that that too would be to any community, to go in and
71 show people how to save energy and, you know ...
- 72 MR. BROWNE, Q.C.: Mayor Flowers, you mentioned at
73 the beginning of your evidence, concerning the unified rate
74 for Labrador. You heard here today where Goose Bay is
75 getting a reduction in their rates, and we heard evidence as
76 to what those rates are in Labrador City and Wabush.
77 What's your view, what's your opinion of the fact that
78 Happy Valley-Goose Bay is getting a reduction, whereas
79 you're getting an increase? Do you have any comment on
80 that?
- 81 MS. FLOWERS: Yes, disappointed, very, very, I suppose
82 not so disappointed, to me I'm amazed. I mean I can't even
83 see how this could be considered in a community like
84 Goose Bay where so much of the stuff is transported over
85 the road in goods and services that, you know, for us it's
86 either by air or by ship, and why they ... I can't understand
87 why Newfoundland and Labrador Hydro can drop the rates
88 in one area and increase in the other where there is already
89 higher rates. It's nothing against the ... I mean the people
90 who are there, and I got family here, lots of family. It's not
91 ... and it's no bearing whatsoever ... it's, I don't understand

1 why they can ... I'd like to know who thought of this, you
2 know, and that's been in my mind the last weeks, was who
3 in the heck thought of this idea to lower rates where they're
4 already paying less, and increase the ones that are already
5 paying the highest. It amazes me, and it maddens me, it
6 makes me angry, and I really think, I want, I'd like to see
7 unified rates. Then we'd be all fair across Labrador.

8 MR. BROWNE, Q.C.: Thank you.

9 MS. FLOWERS: And nobody could complain.

10 MR. BROWNE, Q.C.: Thank you, Mayor Flowers.

11 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
12 Browne. Mr. Peck, do you have any questions?

13 MR. PECK: No.

14 MR. KENNEDY: No questions, Mr. Chair.

15 MR. NOSEWORTHY, CHAIRMAN: Commissioner Powell?

16 COMMISSIONER POWELL: Just a couple of things,
17 Mayor Flowers. Does Council have a committee or a
18 committee within the community that looks at issues as it
19 relates to your diesel plant and get together from time to
20 time with Hydro to talk about things of concern, about
21 maybe how to improve the efficiency or get bills down?

22 MS. FLOWERS: Not to my knowledge.

23 COMMISSIONER POWELL: Have you ever talked to
24 Hydro about how they determine rates for your community
25 versus how rates are arrived at for the rest of Labrador?

26 MS. FLOWERS: No sir, not to my knowledge.

27 COMMISSIONER POWELL: So you have no
28 understanding of the process other than something goes
29 up and something goes down.

30 MS. FLOWERS: Right.

31 COMMISSIONER POWELL: Do you have a family?

32 MS. FLOWERS: I have a grown family.

33 COMMISSIONER POWELL: Are any of them still residing
34 in Makkovik or are they all moved?

35 MS. FLOWERS: No, two resides in Makkovik, yeah.

36 COMMISSIONER POWELL: Okay, thank you. That's all
37 I have.

38 MR. NOSEWORTHY, CHAIRMAN: Thank you,
39 Commissioner Powell. Commissioner Saunders?

40 COMMISSIONER SAUNDERS: Just one question, I guess,
41 and that's one that Mr. Browne raised with you. When you
42 talk about a unified rate, you mean a unified rate for
43 Labrador only? You're not concerned with a unified rate for
44 the whole of Hydro's territory, which would be partly on
45 Labrador and partly on the island?

46 MS. FLOWERS: I'm concerned, yes, but it seems far away
47 from me right now with this problem we've just been hit
48 with, and I'm only, I guess, seeing this Labrador area, I'm
49 sorry, but I ...

50 COMMISSIONER SAUNDERS: No, I was wondering ...

51 MS. FLOWERS: I understand, I feel for the ...

52 COMMISSIONER SAUNDERS: My reason for asking is I'm
53 wondering if you're saying that the rates should be uniform
54 throughout the territory, that's Hydro's territory, which
55 includes the island, part of the island, as well as Labrador,
56 or if the rates should be uniform for Labrador? I think you
57 said Labrador and you probably meant Labrador.

58 MS. FLOWERS: Yes, I did, yes.

59 COMMISSIONER SAUNDERS: Yes, and you weren't
60 thinking of the island.

61 MS. FLOWERS: I was thinking of Labrador, yes.

62 COMMISSIONER SAUNDERS: Yes, sure, I understand.
63 Thank you very much.

64 MS. FLOWERS: And I've heard the comment that, you
65 know, there's a lot of communities like ours throughout the
66 island that are partially isolated but I believe most
67 communities are now linked by road.

68 COMMISSIONER SAUNDERS: Uh hum.

69 MS. FLOWERS: I travel to the island quite frequently and
70 I know that most communities there are accessible by road
71 which means probably you'd be able to get their fuel
72 trucked in, but yeah, I was thinking Labrador.

73 COMMISSIONER SAUNDERS: It just occurred to me that
74 no one has mentioned another household cost that we all
75 have, or most of us anyway, and that's telephone. What do
76 you pay for telephone? Do you know what your rate for a
77 telephone line is compared to what it is here in Goose Bay?

78 MS. FLOWERS: I think that's pretty well equal all through
79 Labrador.

80 COMMISSIONER SAUNDERS: Uh hum.

81 MS. FLOWERS: Yeah, yeah.

82 COMMISSIONER SAUNDERS: You're not aware of any
83 great differences in basic telephone service?

84 MS. FLOWERS: No, I'm not, no, and we do have that cost
85 of ... we pay a flat rate of \$19.99 a month and that gives us
86 free telephone service between 6:00 in the evening until
87 8:00 in the morning, so ...

88 COMMISSIONER SAUNDERS: Okay, thanks very much.

1 MR. NOSEWORTHY, CHAIRMAN: Thank you,
2 Commissioner Saunders. Commissioner Whalen?

3 COMMISSIONER WHALEN: No questions, thank you.

4 MR. NOSEWORTHY, CHAIRMAN: I just have a couple of
5 questions, Mayor. You had mentioned in your
6 presentation, seniors on two separate occasions, and I
7 asked this question before, I think, to the Mayor of
8 Postville, and he commented there's a fairly small seniors
9 population, I believe, in Postville. Do you have a larger
10 seniors population in Makkovik?

11 MS. FLOWERS: Yes, I think our seniors, 65 and over, is
12 about 27 to 30 people.

13 MR. NOSEWORTHY, CHAIRMAN: Do they generally live
14 on their own or do they live with sons and daughters, or ...

15 MS. FLOWERS: They generally live on their own.

16 MR. NOSEWORTHY, CHAIRMAN: I see.

17 MS. FLOWERS: Yes, the majority of them do.

18 MR. NOSEWORTHY, CHAIRMAN: So they would be
19 impacted.

20 MS. FLOWERS: Oh yes.

21 MR. NOSEWORTHY, CHAIRMAN: And could you
22 elaborate on that a little bit, how they might be affected?

23 MS. FLOWERS: An example would be that I know some
24 seniors now try and get, like there's family who will haul
25 wood for them to supplement the fuel. I can use, my
26 mother for example, is 84 years old, and she got a wood
27 stove so that she can help to try and lower her fuel rate.
28 But most wood stoves too now come with a heat drive, a
29 fan, and they're not very efficient without them, so there is
30 electricity, you know, you have to use. But it's hard for
31 seniors. It's hard for, like families on fixed incomes, families
32 on, large families, low income families.

33 MR. NOSEWORTHY, CHAIRMAN: So the communities,
34 or sons and daughters of the community will pitch in and
35 cut wood, and bring wood to the seniors?

36 MS. FLOWERS: Oh yes, wherever they can, yes, and more
37 and more you find, you know, family members will go out
38 this time of the year and try and see how can we improve
39 the window, or the door needs some, you know, stuff
40 around it.

41 MR. NOSEWORTHY, CHAIRMAN: Uh hum.

42 MS. FLOWERS: And you see seniors out, most of our
43 seniors right now, thank God, are still quite abled, and you
44 see them out themselves doing things like this, but we
45 know that it's a stress to them, and it is stressful that they
46 know that they're probably going to have to suffer another
47 rate increase.

48 MR. NOSEWORTHY, CHAIRMAN: Do you know what
49 your municipality pays in the way of an electric bill for
50 Hydro now?

51 MS. FLOWERS: I should, but I don't have it with me. It's
52 probably in the vicinity of \$3,000 monthly.

53 MR. NOSEWORTHY, CHAIRMAN: Uh hum.

54 MS. FLOWERS: All our, like it's our pump houses, you
55 know, and everything together.

56 MR. NOSEWORTHY, CHAIRMAN: Could you get that
57 figure for me?

58 MS. FLOWERS: Yes, I can.

59 MR. NOSEWORTHY, CHAIRMAN: I'd appreciate it if you
60 could and I guess Mr. Boland as well, I forgot to ask him
61 while he was here, but I wouldn't mind seeing that figure.

62 MS. FLOWERS: Sure.

63 MR. NOSEWORTHY, CHAIRMAN: Just as a future point
64 of reference, you mentioned the fact, I think, I was
65 commenting earlier that we did make a conscious decision
66 indeed to meet here in Goose Bay to try and get all people
67 representing communities on the north coast in here. Do
68 you think it would be better that we would have visited one
69 community on the coast? Is that what I understand you to
70 say from the beginning?

71 MS. FLOWERS: Yes, I think so. I think even if one
72 community could have, would have had a choice to bring
73 some people in from the neighbouring communities. It
74 would have made a difference, it would have made us feel
75 more a part of what's happening, and I'm not ungrateful, for
76 I was able to come in here. We came in yesterday, we're
77 staying in a hotel that's taken care of, I guess by
78 Newfoundland and Labrador Hydro, but we pay everything
79 upfront. We have to pay for our meals and everything, and
80 my Council has got to pay me wage loss because they
81 weren't willing to pay my wage loss, so ...

82 MR. NOSEWORTHY, CHAIRMAN: I understand. Okay,
83 thank you very much, Mayor Flowers, thank you. It is
84 twenty to 4:00, and we have one presenter left. Does
85 anybody need a break? No? Well if there's general
86 agreement, which I think there probably is, could we
87 continue on, would that be okay? Could I ask Mr.
88 Broomfield from the Town of Nain please, to come to the
89 witness stand. Good afternoon, Mr. Broomfield.

90 (3:40 p.m.)

91 MR. BROOMFIELD: Good afternoon.

92 MR. NOSEWORTHY, CHAIRMAN: Are you the Mayor of
93 ...

1 MR. BROOMFIELD: Deputy Mayor.
2 MR. NOSEWORTHY, CHAIRMAN: Deputy Mayor, and I'll
3 ask you, are you a new deputy mayor or a new councillor?

4 MR. BROOMFIELD: No, as a matter of fact, I've been
5 Deputy Mayor the previous couple of times, and right now
6 I'm Acting Deputy Mayor until we have a full meeting.

7 MR. NOSEWORTHY, CHAIRMAN: Could you take the
8 Bible in your right hand please? Do you swear on this
9 Bible that the evidence to be given by you shall be the
10 truth, the whole truth, and nothing but the truth, so help
11 you God?

12 MR. BROOMFIELD: I do.

13 MR. NOSEWORTHY, CHAIRMAN: Thank you very much,
14 and welcome once again. If you could proceed with your
15 presentation please?

16 MR. BROOMFIELD: Thank you, Mr. Chairman. I have a
17 not too lengthy presentation. It looks lengthy, but it's not.
18 It's about three pages long. My name is Henry Broomfield
19 and I am Deputy Mayor of the Town of Nain. I make this
20 presentation to the PUB today on behalf of my Council and
21 residents of Nain.

22 First let me say how disappointed my Council is
23 with the PUB for not holding any of your public hearing
24 sessions on the north coast of Labrador. We realize that
25 you couldn't appear in every municipality in the Province,
26 but coastal Labrador communities will be negatively
27 affected by Hydro's proposed rate increases, not central
28 Labrador communities.

29 With a population of approximately 1200, Nain is
30 the largest community on the north coast and I know that
31 many residents would have appreciated an opportunity to
32 personally present their opinions to this Board. Your
33 refusal to travel to coastal Labrador displays an arrogance
34 and ignorance which appears to be pervasive in
35 government, its agencies, and boards such as this.

36 Visiting coastal Labrador would enhance your
37 knowledge of the various lifestyles and cultures which exist
38 there and would display to the public that you have an
39 interest in what they have to say.

40 As one individual I will do my best to portray the
41 concerns of Nain's residents but I would have preferred the
42 opportunity to do this in either Nain or one of the other five
43 coastal communities in northern Labrador.

44 To be put in a position to accept charity from
45 Newfoundland and Labrador Hydro to represent the
46 concerns of Nain's residents here today is humiliating, to
47 say the least. But the expense of travel, accommodation,
48 meals, ground transportation, and three days wage loss

49 from my employment is not within the capacity of our
50 Council's budget. Who else could afford to spend \$1,250
51 or more to come here and speak for a few minutes. What is
52 Newfoundland and Labrador Hydro's motive in offering
53 this charity? Is it to make sure that as few of their
54 customers as possible have a say about their plans to
55 increase their electricity rates?

56 There are a number of concerns about Hydro's
57 service in Nain which we want to bring to your attention.
58 Electricity bills often display over charges. Discounts are
59 forfeited on customer bills due to Canada Post delays. In
60 recent years there have been staff reductions at the plant in
61 coastal Labrador. This must be a cost saving, however,
62 Nain customers are experiencing brown outs at night, that's
63 the dimming and flickering of lights. Response to requests
64 for new service, repairs, etcetera, is slow. Meters are often
65 misread.

66 Economically disadvantaged customers continue
67 to have their electricity service disconnected. If low
68 income families cannot afford to pay their bills now, how
69 will they be able to afford to pay higher bills? Your
70 attention is drawn to the fact that most people in Nain do
71 not use electricity for heating their homes, businesses,
72 etcetera, due to the high electricity rates. This means that
73 we pay extra for heat, whether that be by buying oil for
74 furnaces and stoves or going to the country by
75 snowmobile to collect wood to burn. We can't heat our
76 buildings by electricity because we don't have the luxury of
77 lower electricity rates like Hydro's customers in central and
78 western Labrador do.

79 A new diesel operated electricity generating plant
80 is under construction for Hydro in Nain. This building is
81 being constructed on a hill which overlooks the whole
82 town. It is not a location which the Council favoured, but
83 if Council had not approved the site which Hydro preferred,
84 it appeared that the new plant would not be constructed in
85 Nain. Now residents wonder if the new plant is one of the
86 reasons why Hydro proposes to increase its rates.

87 Most people who live in coastal Labrador
88 communities are descendants of Inuit and settler families
89 whose roots go way back. Most of us don't have a choice
90 about where we live and probably wouldn't choose to live
91 elsewhere if choices were offered to us, but Hydro has a
92 choice. They choose to generate electricity by diesel.
93 They do not appear to be interested in exploring and
94 experimenting with alternative energy generation methods.
95 They ignore suggestions that they equalize their rates for
96 all of their customers.

97 The following are some submissions from Nain
98 residents. Mary and Ronald Webb, "It is very
99 disheartening and disrespectful to see a rate increase for

1 customers on the north coast and not elsewhere. Not
2 holding meetings in the area shows very little concern for
3 northern communities where the cost of living is high and
4 incomes are low. People living in isolated communities are
5 being ignored and treated unjustly." They're opposed to
6 Hydro's proposal for a rate increase.

7 Carl and Laura Sonnichsen, "Voltage fluctuations
8 experienced for quite some time. Brownouts throughout
9 the day and night cause lights to dim and appliances to
10 moan. Fluctuations cause damage to computer UPS
11 backup battery. Opposed to rate hikes".

12 Brian and Fran Williams, "Cannot absorb rate
13 increases at this time. Power fluctuations are constant.
14 Staffing cutback shave resulted in longer down times in
15 emergency situations. Question why Hydro rates cannot
16 be harmonized. Suggest more effort be put into testing the
17 viability of renewable energy by means of pilot projects.
18 They're very disappointed that no hearings are being held
19 in the communities with diesel generators".

20 Wendy Marsh, "Strongly objects to the proposed
21 rates to Hydro's current electricity rates. The present rates
22 are high enough. Estimates the yearly loss of \$60.00 if rates
23 increase and believe this to be a totally unnecessary and
24 unacceptable to the residents of the province. Any
25 increase in Hydro rates would be an awful disservice to
26 Nain residents."

27 Herman and Jane Webb, "Disappointed to see
28 Hydro rates increase with no improvements in service.
29 Problems he has observed are, very bad power surges at
30 night, unexpected power outages, Hydro bills overread,
31 highest electricity rates in the province, monthly bills
32 jumped in the last year from about \$130 to \$180 with no
33 understanding why. Need a better service to satisfy the
34 customers.

35 Sophie Mogridge, daughter of a Nain resident,
36 "Many seniors and low income families will be affected if
37 the electricity rates increase. Such people should be
38 treated fairly and justly at the hearing. Suggests a
39 transmission line for the Labrador north coast take
40 precedence over a proposed underground tunnel between
41 Newfoundland and Labrador to give lower rates to people
42 on the north coast who are in the most need. High costs of
43 fuel and electricity are forcing people to live below the
44 poverty line."

45 There are some samples here of some Hydro bills,
46 they're on the back of what we presented to you, Mr.
47 Chairman, and I don't know, I don't think I need to go
48 through them. Just the bottom part of it, it says some of
49 these bills display over charges due to misreading of
50 meters, some forfeit customer discounts due to late
51 payment resulting from Canada Post delays.

52 We have attached a table to describe the
53 household profile, current approximate monthly charges,
54 the average monthly increase as proposed by Hydro, the
55 annual increase which will result, and the anticipated
56 annual bill. Attention should be paid to the fact that the
57 bills used as examples are for the months of August and
58 September. It is assumed that monthly bills during the
59 winter will increase significantly and I have to inform you
60 that what we did on the table, this is what we had come to
61 us about the, which is on the 3.6 and it wasn't on the 2.4
62 also that we found out about today.

63 And my closing remarks and recommendations.
64 Most of us in northern Labrador communities don't have
65 large incomes. Many of us are poor. Costs for everything
66 to do with our survival are high, not only for electricity but
67 for petroleum products, transportation, mail, food, clothing
68 and shelter. Who cares about them? It seems that no one
69 cares. Rates for everything we use in our daily lives just
70 keep going up. It is time to put a stop to these increases.

71 On behalf of the residents of Nain, the Nain Town
72 Council asks that the Public Utilities Board deny Hydro's
73 request to increase electricity rates for the customers in
74 Labrador on isolated diesel systems. We also recommend
75 that the Public Utilities Board instruct Newfoundland and
76 Labrador Hydro to research and report to their customers
77 on the viability of, (1), testing alternative and renewable
78 energy projects in isolated communities, and equalizing or
79 harmonizing electricity rates charged to all their customers.

80 MR. NOSEWORTHY, CHAIRMAN: Thank you very much,
81 Mr. Broomfield. That's the presentation. Can I ask for
82 questions please, Hydro?

83 MR. YOUNG: I have no questions, thank you, Mr.
84 Broomfield.

85 MR. NOSEWORTHY, CHAIRMAN: Newfoundland
86 Power?

87 MR. HAYES: No questions, Mr. Chairman. Thank you,
88 Mr. Broomfield.

89 MR. NOSEWORTHY, CHAIRMAN: The Consumer
90 Advocate, Mr. Browne please?

91 MR. BROWNE, Q.C.: The samples of the Nain customer
92 Hydro bills for the period August/September 2001, has a
93 heading there, the Town Council of Nain, and under the
94 anticipated annual bill based on a 3.6 percent increase, your
95 total municipal bill is in the vicinity there of \$28,000, I
96 guess. Is that correct?

97 MR. BROOMFIELD: Yes, that's correct, sir.

98 MR. BROWNE, Q.C.: And based on the proposal there
99 would be another 3.4 percent on that. Are you aware of
100 that?

1 MR. BROOMFIELD: No, I wasn't until today.

2 MR. BROWNE, Q.C.: You make in your presentation a
3 number of allegations in reference to the payment of Hydro
4 bills in the community of Nain, one of which we find at
5 page 2 of your presentation. It states the electricity bills
6 often display overcharges. Can you elaborate upon that
7 please

8 MR. BROOMFIELD: Okay, the Town of Nain has 1200
9 some odd residents. The majority of them is elders. I
10 would say that the majority of elders is Inuit. They don't
11 know, they understand their own language very well, but
12 when it comes to English, when you're going to school ...
13 when I went to school, you total up your, when you total
14 up your bill, the bottom line is the one that you pay, and on
15 most of the bills, on some of the bills that you see, just say
16 that I got credited for \$60.00 and I paid my bill last month
17 for \$60.00, they didn't get it, they say they didn't but they
18 got it, it says CR, but then it's brought over and then it's
19 added onto the bill, but on the bottom they'll say, please
20 pay this amount, but the bottom amount, and for older
21 people that see it, pay the bottom amount. The bill that
22 you pay, that you're supposed to pay, it says, the top one
23 just above it. Do you understand what I'm trying to ...

24 MR. BROWNE, Q.C.: Yes, maybe if you demonstrated just
25 using your own statement of account there. You have that
26 attached there under your own name.

27 MR. BROOMFIELD: Yeah.

28 MR. BROWNE, Q.C.: Henry Broomfield.

29 MR. BROOMFIELD: Okay, the way that my wife and
30 myself has our bills, we pays it through the bank, the Bank
31 of Montreal in Nain. We have a bank there.

32 MR. BROWNE, Q.C.: Yes.

33 MR. BROOMFIELD: So on top of the, right on top of the
34 page, you see the number 2469. That's the number that
35 they gave us to say that we paid the bill.

36 MR. BROWNE, Q.C.: Okay, okay.

37 MR. BROOMFIELD: Our bill was paid, and if we didn't
38 know any different, so if you look at it, we paid the \$182.00.
39 There's \$211.00 that says please pay \$394.00 but we've
40 already paid the portion of the bill, and we only owe
41 \$211.62.

42 MR. BROWNE, Q.C.: I see, and because the last figure
43 stated, \$394.00, that's confusing people, where it's the ...

44 MR. BROOMFIELD: That's confusing to people that
45 doesn't understand, like if they, like the reason why we can
46 do it is because the bank notifies us when it's done, but if
47 you have to go to the post office to buy a money order to
48 do this, and you don't understand how the bill is being, if

49 you had, if you know, you could pay the \$394.00, and what
50 Hydro will do is credit you towards your next bill. They
51 don't give you a discount, they don't send you back the
52 money that's probably needed for the older people or the
53 senior citizens in town, that made the mistake of paying an
54 overpayment. Hydro just takes it off their next month's bill.

55 MR. BROWNE, Q.C.: So it's your opinion the bill could be
56 more clearly stated, is that it?

57 MR. BROOMFIELD: It should be more clearly stated, yes.

58 MR. BROWNE, Q.C.: And the people who are not versed
59 in English, who are speaking your native language. This is
60 a particular problem for ...

61 MR. BROOMFIELD: It's a very particular problem. I work
62 with the Labrador Inuit Association, and we have had
63 people come to other, people that worked with us and I
64 (inaudible) when they come with their Hydro bill, and they
65 say well, they look at it, and they say, I paid \$211.00 last
66 month, the \$211.00 is still there, like they can't understand
67 why it's still there. It's confusing, sir.

68 MR. BROWNE, Q.C.: Okay, thank you for mentioning that,
69 because I'm sure Hydro wouldn't want to confuse or ... did
70 you bring this problem to their attention previously?

71 MR. BROOMFIELD: No, we haven't brought it to their
72 attention at all, so ...

73 MR. BROWNE, Q.C.: So it's the first time you're bringing
74 it to ...

75 MR. BROOMFIELD: For the simple reason is that we don't
76 see them on the coast. How can we bring it to somebody's
77 attention when you take this, this setting here. I mean you
78 never came to the coast, so why should Hydro come up to
79 sit down and listen to the concerns of a few citizens in the
80 community that has, you know, why is your bill stated like
81 this.

82 MR. BROWNE, Q.C.: Has Hydro ever appeared in your
83 community or have people contracted to appear to assist
84 you with conversation measures?

85 MR. BROOMFIELD: No sir.

86 MR. BROWNE, Q.C.: You state in your general comments
87 under the second bullet there, discounts are forfeited on
88 customer bills due to Canada Post delays. Can you
89 elaborate upon that please, Deputy Mayor Broomfield.

90 MR. BROOMFIELD: Okay, some of the bills, like if you go
91 back to, I think it's (inaudible) for his store or I think it's for
92 Jenkins Takeout.

93 MR. BROWNE, Q.C.: Who is the person, sir?

94 MR. BROOMFIELD: Jenkins Takeout.

1 MR. BROWNE, Q.C.: Jenkins Takeout, okay.

2 MR. BROOMFIELD: You go to the (inaudible). The day
3 that he received the bill, he paid it, and if you look at
4 forfeited discount, \$17.97 forfeited.

5 MR. BROWNE, Q.C.: And why was the discount forfeited?

6 MR. BROOMFIELD: That boggles my mind why it was
7 forfeited because like I, according to this, the discount date
8 is October 19th, so I don't know.

9 MR. BROWNE, Q.C.: So here's a note attached to it.

10 MR. BROOMFIELD: Yes, I see that.

11 MR. BROWNE, Q.C.: Can you read the note for us?

12 MR. BROOMFIELD: This amount was paid on the day I
13 received the bill but I lost \$17.97 because Hydro didn't
14 receive payment in time.

15 MR. BROWNE, Q.C.: So that's because he paid through
16 Canada Post.

17 MR. BROOMFIELD: Yes.

18 MR. BROWNE, Q.C.: Is there an alternate method of
19 payment in Nain?

20 MR. BROOMFIELD: Well, the way the bank system is set
21 up there, you can go online to pay your phone bills and
22 your light bills through the Bank of Montreal.

23 MR. BROWNE, Q.C.: You can go online and do it.

24 MR. BROOMFIELD: Yeah, and you don't even need to
25 have a computer, you can just have a telephone and you
26 can just do it through the telephone system too.

27 MR. BROWNE, Q.C.: So this gentleman didn't take
28 advantage of that system?

29 MR. BROOMFIELD: No, he didn't, like I mean the obvious,
30 it's been there for years that everybody has paid their
31 Hydro bill through money orders through the post office.

32 MR. BROWNE, Q.C.: So most people still use the money
33 order system.

34 MR. BROOMFIELD: Most people still use the ... I would
35 say about 95 percent of the people in Nain use the old
36 postal system.

37 MR. BROWNE, Q.C.: Concerning mail, and particularly
38 during the winter months, is there a delay in getting the
39 bill?

40 MR. BROOMFIELD: Well, the delay, I would assume what
41 happened here was when we all had the September 11th
42 thing that happened down in the United States, and the
43 planes stopped flying for a few days.

44 MR. BROWNE, Q.C.: Yes.

45 MR. BROOMFIELD: And we never had any out on the
46 coast, so our mail system was back logged for a while. I
47 guess this is what happened. We've had, people had their
48 bills in the post office, but I don't know why Hydro don't
49 look at the time and the date that the money orders were
50 stamped, and that's something that they can look at, and
51 just because it doesn't get into their office on the day that
52 they're saying you can have the discount, look at the day
53 that the money order was made out.

54 MR. BROWNE, Q.C.: So they go by the date it's received
55 and not by the day for which it's made on.

56 MR. BROOMFIELD: I assume that's what they go by, yes.

57 MR. BROWNE, Q.C.: It appears.

58 MR. BROOMFIELD: Yes.

59 MR. BROWNE, Q.C.: And that's a problem you want to see
60 addressed?

61 MR. BROOMFIELD: It's a problem I'd like to see addressed
62 from our community, one of the problems we'd like to see
63 addressed is not the day that they receive it, but the day
64 that it is mailed from the community.

65 MR. BROWNE, Q.C.: So at that point it's out of your
66 control.

67 MR. BROOMFIELD: Yes.

68 MR. BROWNE, Q.C.: And you've done everything you
69 can do at that point.

70 MR. BROOMFIELD: Yes.

71 MR. BROWNE, Q.C.: You state as well in recent years
72 there have been staff reductions at the plants in coastal
73 Labrador. How extensive are these staff reductions and
74 how have these reductions affected the community of
75 Nain?

76 MR. BROOMFIELD: Pretty well, a lot because we've had
77 as high as four operators. We have, right now we've got
78 one and a half, and we also have a mechanic that he flies
79 from Nain right down to, the last time I heard he was into
80 St. Lewis, I think, doing some work. So he's not, he lives in
81 Nain but he has to fly to different parts where Hydro
82 operates diesel plants, to look after the upkeep of them
83 other ... after 8:00 in the night, we don't have anybody over
84 to the Hydro plant. There's nobody in the plant and that's
85 when we starts having power surges, and you can set up
86 ... I mean in my own home it's set up around, let's say
87 around 9:30 until about 10:30 that you're getting the power
88 fluctuates up and down three or four times.

89 MR. BROWNE, Q.C.: These, that comes to your next point,
90 Nain customers are experiencing brownouts at night, the
91 dimming and flickering of lights. How often is that?

1 MR. BROOMFIELD: That's every night.

2 MR. BROWNE, Q.C.: Every night?

3 MR. BROOMFIELD: Every night.

4 MR. BROWNE, Q.C.: Every night without exception?

5 MR. BROOMFIELD: Without exception, (inaudible) for
6 weekends and Sundays, it doesn't make any difference.
7 Like you get fluctuations in power.

8 MR. BROWNE, Q.C.: Have you made complaints to Hydro
9 concerning that?

10 MR. BROOMFIELD: There has been complaints put into
11 Hydro because people have lost certain appliances because
12 of fluctuations in power, like VCRs and stuff.

13 MR. BROWNE, Q.C.: People have lost appliances in the
14 result.

15 MR. BROOMFIELD: Yeah, yeah.

16 MR. BROWNE, Q.C.: And you've made complaints as, in
17 your role as Deputy Mayor and as a member of the
18 Council?

19 MR. BROOMFIELD: Well what we do is we help direct the
20 people to Hydro, we make phone calls to people in Hydro
21 to see where they would have to send their letters and
22 things.

23 MR. BROWNE, Q.C.: Has Hydro replaced the appliances
24 that have been damaged as a result of the brownouts?

25 MR. BROOMFIELD: To this date I have no knowledge, no,
26 I don't think so.

27 MR. BROWNE, Q.C.: You also state that meters are often
28 misread. On what do you base that allegation, sir?

29 MR. BROOMFIELD: Okay, if we go to page four, I think it
30 is.

31 MR. BROWNE, Q.C.: Page four, sir?

32 MR. BROOMFIELD: The second page after Jenkins
33 Takeout.

34 MR. BROWNE, Q.C.: Okay.

35 MR. BROOMFIELD: The next one after is called Hayne's
36 General Store.

37 MR. BROWNE, Q.C.: Okay, Hayne's General Store.

38 MR. BROOMFIELD: Okay, the note, if you read the note
39 it says that the gentleman that owns the store is Mr.
40 Herman Webb, and he paid his bill regular every month, he
41 said, so this month when he pays, when he opened his bill
42 he found it very high, so he called out to Hydro and he
43 talked to this gentleman and he gave him all his last months
44 basic kilowatt hour charges and he went through it, and

45 then he called back the next day and told Mr. Webb that he
46 was overcharged by 1000 kilowatt hours.

47 MR. BROWNE, Q.C.: Is that a common experience or is
48 that isolated, sir?

49 MR. BROOMFIELD: It's not very isolated, sir. It's not
50 common, but it's not a big high thing, but we've also had,
51 in this bill also we had one from a lady that works for our
52 Town Council, that their bill was overcharged by 1000
53 kilowatt hours in one month.

54 MR. BROWNE, Q.C.: Who reads the meters?

55 MR. BROOMFIELD: Hydro has their own, one of their own
56 workers, a meter reader goes around reading meters.

57 MR. BROWNE, Q.C.: And is he a resident of Nain?

58 MR. BROOMFIELD: He's a resident of Nain.

59 MR. BROWNE, Q.C.: And does he read the meters
60 monthly?

61 MR. BROOMFIELD: Monthly.

62 MR. BROWNE, Q.C.: And is he employed full-time or part-
63 time doing that?

64 MR. BROOMFIELD: Part-time.

65 MR. BROWNE, Q.C.: And these people who have been
66 subject to the overreading, I gather Hydro gave them some
67 kind of remedy for that.

68 MR. BROOMFIELD: Yeah, well what Hermie was told that
69 the 1,000 hours will be, the 1,000 kilowatt hours will be
70 taken against his, the next month's bill.

71 MR. BROWNE, Q.C.: You said in the sentence next that
72 economically disadvantaged customers continue to have
73 their electricity service disconnected. How prevalent is
74 that? What's your experience been in reference to
75 disconnection?

76 MR. BROOMFIELD: We have quite a few social
77 assistance, people that's on social assistance. They have
78 the basic necessity of either, like going to the store and
79 paying for one thing, or saying this week or next month we
80 got to let our, like our Hydro bill go this month because we
81 have to buy food, put food on the table. That's what's
82 happened in a couple of cases in Nain, where the people
83 have lost their power. They couldn't afford to pay their
84 Hydro bill and paid for food to put on the table for their
85 children.

86 MR. BROWNE, Q.C.: Have they been disconnected by
87 Hydro during the winter months?

88 MR. BROOMFIELD: Not during the winter months. This
89 past, within one month ago we've had one call come to our
90 office saying that they had been cut off.

- 1 MR. BROWNE, Q.C.: So you had one call?
- 2 MR. BROOMFIELD: Yeah.
- 3 MR. BROWNE, Q.C.: And that was during the summer?
- 4 MR. BROOMFIELD: Yeah, and well, we don't call it the
5 summer now, we call it the fall. We've gone to cold weather
6 now for ...
- 7 MR. BROWNE, Q.C.: Okay, and is that your only example
8 of that, sir?
- 9 MR. BROOMFIELD: That's, yes.
- 10 MR. BROWNE, Q.C.: And during the winter months, is
11 there a policy in place not to disconnect people?
- 12 MR. BROOMFIELD: Hydro has their own policy, yes, I
13 think so.
- 14 MR. BROWNE, Q.C.: Hydro has that policy?
- 15 MR. BROOMFIELD: I think so, they do, yeah. We have
16 never experienced it in our community.
- 17 MR. BROWNE, Q.C.: You've never experienced that in the
18 winter.
- 19 MR. BROOMFIELD: No.
- 20 MR. BROWNE, Q.C.: How do people heat their homes in
21 Nain?
- 22 MR. BROOMFIELD: I would say most of the homes are
23 heated by home heating fuel, furnaces and stoves.
- 24 MR. BROWNE, Q.C.: So they're not heated by electricity?
- 25 MR. BROOMFIELD: They're not heated by electricity
26 because you can't afford it.
- 27 MR. BROWNE, Q.C.: And home heating fuel, are you
28 talking about wood now or oil?
- 29 MR. BROOMFIELD: Oil delivered, we have a delivery
30 system in Nain that Woodward's Oil delivers to the resident
31 homes. I think it's \$170 delivered to your home for a drum
32 of oil.
- 33 MR. BROWNE, Q.C.: And how long does a drum last?
- 34 MR. BROOMFIELD: Well, do you want to take my house
35 for an example.
- 36 MR. BROWNE, Q.C.: Yes, okay.
- 37 MR. BROOMFIELD: Two drums a month.
- 38 MR. BROWNE, Q.C.: So \$340 a month for oil.
- 39 MR. BROOMFIELD: For oil.
- 40 MR. BROWNE, Q.C.: And is it your evidence that most of
41 the residents of Nain heat their homes by way of oil as
42 opposed to electric?
- 43 MR. BROOMFIELD: Well, I would say of the 1,200
44 residents in Nain, that there's probably, I know of one
45 person that has electric heat in their home.
- 46 MR. BROWNE, Q.C.: And does that person have
47 baseboard radiation?
- 48 MR. BROOMFIELD: Baseboard radiation.
- 49 MR. BROWNE, Q.C.: What kind appliances to people
50 normally have in their homes in Nain? Do people normally
51 heat their water with an electric boiler or off the furnace?
- 52 MR. BROOMFIELD: They have, most, I'd say the majority
53 of people have hot water tanks run by electricity, heated by
54 electricity.
- 55 MR. BROWNE, Q.C.: So despite the fact they have
56 furnaces in their homes, they heat their water through hot
57 water, electric hot water boilers.
- 58 MR. BROOMFIELD: Yes, we have a few that has the
59 system where they run it through their furnace before it
60 goes to the hot water tank.
- 61 MR. BROWNE, Q.C.: Some people use that.
- 62 MR. BROOMFIELD: Some people do that.
- 63 MR. BROWNE, Q.C.: And what kind of heating appliance
64 to people use to cook on?
- 65 MR. BROOMFIELD: Electric range.
- 66 MR. BROWNE, Q.C.: Electric range, and most people have
67 a refrigerator and a deep freeze?
- 68 MR. BROOMFIELD: Yes.
- 69 MR. BROWNE, Q.C.: Why a deep freeze?
- 70 MR. BROOMFIELD: Well, it's like Mr. Sheppard said
71 earlier, that the majority of the people on the coast hunt
72 this time of the year. Myself, I have two deep freezes. If
73 you go to my deep freeze now you won't find one store
74 bought item in it. It's all country food. Like Ruth said,
75 berries, duck, geese, a few partridges, caribou. We have to
76 supplement somehow and the way to do it is to just do
77 your fall hunting.
- 78 MR. BROWNE, Q.C.: A clothes washer and a clothes
79 dryer, do most of the homes have these?
- 80 MR. BROOMFIELD: Yes.
- 81 MR. BROWNE, Q.C.: And a television.
- 82 MR. BROOMFIELD: Television, yes.
- 83 MR. BROWNE, Q.C.: And you mention most would have
84 a furnace which requires electricity as well.
- 85 MR. BROOMFIELD: Yeah.

1 MR. BROWNE, Q.C.: And what about your water system,
2 would you have a circulator in your home?

3 MR. BROOMFIELD: No, we don't. There is no water
4 circulators in Nain. We're just the same as Makkovik.
5 We're tapped into a water system in the town that has a
6 pretty big reservoir, so what they suggest you do on cold
7 winter nights is just keep a tap somewhere in your house
8 running slowly, so we don't have freeze-ups.

9 (4:00 p.m.)

10 MR. BROWNE, Q.C.: We've heard some discussion here
11 in reference to Churchill Falls and Mayor Ruth Flowers
12 mentioned previously she would like to see a unified rate
13 for Labrador. What's your view on that?

14 MR. BROOMFIELD: I totally agree with her. I think
15 somewhere along the lines Hydro has to sit down and look
16 at the rest of Labrador, how far, like you take the
17 community of Nain, 1,200 people. Mr. Anderson said this
18 morning that the furthest community within a radius of 300
19 miles from the hydro power in Churchill Falls. If you want
20 to look at the community of Nain, I think we're something
21 like 90 miles away from Churchill Falls, and we still don't
22 have the hydro power.

23 MR. BROWNE, Q.C.: Is there a fish plant in Nain? How do
24 people ...

25 MR. BROOMFIELD: Yeah, there's a fish plant in Nain.

26 MR. BROWNE, Q.C.: And is the fish plant going
27 seasonally?

28 MR. BROOMFIELD: Seasonally from July till the end of
29 October.

30 MR. BROWNE, Q.C.: And what kind of fish is produced?

31 MR. BROOMFIELD: We do scallop, turbot, smoked char,
32 and a bit of crab, not much. We just hold it and send it to
33 Makkovik.

34 MR. BROWNE, Q.C.: And regularly is it every year it's
35 open seasonally or are there problems year to year?

36 MR. BROOMFIELD: Well it's been open regularly now for
37 the past five years and fortunately that it's pretty good
38 stable right now.

39 MR. BROWNE, Q.C.: And that's energized by diesel?

40 MR. BROOMFIELD: Diesel generated plant, yes.

41 MR. BROWNE, Q.C.: Is that plant subject to outages?

42 MR. BROOMFIELD: Well, no, the last outage we had it
43 was caused by Mother Nature, it was because of a severe
44 storm, but we haven't had down time since they put the
45 motor, they redone the motors, but I mean after we had the
46 fire there about, I think it was '94 or '95 I think we had the
47 fire there. We haven't really had an outage since.

48 MR. BROWNE, Q.C.: So, Deputy Mayor Broomfield, the
49 brownouts you're referring to are purely in the nighttime.

50 MR. BROOMFIELD: Yeah.

51 MR. BROWNE, Q.C.: But they're not, the plant itself is not
52 affected by them?

53 MR. BROOMFIELD: We don't, there's no workers after 8:00
54 in the nighttime to the plant. Like they only work from 8:00
55 to 8:00, so we can't tell, we don't know if there's ... but none
56 of their office equipment has been effected by the
57 brownouts so we don't, we really can't tell if it's effecting
58 them in any way.

59 MR. BROWNE, Q.C.: Thank you very much for your
60 answers, Deputy Mayor Broomfield, thank you.

61 MR. BROOMFIELD: Okay.

62 MR. NOSEWORTHY, CHAIRMAN: Thank you, Mr.
63 Browne. Mr. Peck?

64 MR. PECK: No questions, Chair.

65 MR. NOSEWORTHY, CHAIRMAN: Commissioner Powell?

66 COMMISSIONER POWELL: Just a couple of items, Mr.
67 Broomfield. Could you turn to your bill that you attached.
68 By the way, it's a very nice application (inaudible) having
69 the details here it gives us a chance to look at some ...

70 MR. BROOMFIELD: Thank you.

71 COMMISSIONER POWELL: ... issues, and focus right on
72 the numbers. Your invoice, I notice that ... first of all, you
73 pay your bill every month at the bank?

74 MR. BROOMFIELD: I pay every month at the bank. As
75 soon as the bill comes in through the post office, my wife
76 takes it and she phones, the same morning that we get it,
77 phones the bank and tells them to make the payment.

78 COMMISSIONER POWELL: So the money should be to
79 Hydro the next day.

80 MR. BROOMFIELD: The money should be in Hydro that
81 day.

82 COMMISSIONER POWELL: So that \$182.42 you paid
83 there for the previous month, that was paid through the
84 bank?

85 MR. BROOMFIELD: Yeah.

86 COMMISSIONER POWELL: The thing that I noticed, all
87 these bills here, except for one, Mr. Haynes, who was
88 overcharged, are all for the same period, but Hydro has
89 (inaudible), so all the payments received by October the
90 4th. I find that strange that if you were paying by bank and
91 other people were using the post office, that they would all

1 arrive at the same time. So the, all these other people, were
2 they paid at the bank too?

3 MR. BROOMFIELD: I couldn't speak for all the other
4 people, sir, I'm just ...

5 COMMISSIONER POWELL: I just noticed when I was
6 going through them, it says, if you look, payment received
7 by October the 4th, so maybe if the bank may be having a
8 problem getting the money to Hydro?

9 MR. BROOMFIELD: I don't know if the bank is having a
10 problem, sir, I wouldn't be able to comment on that.

11 COMMISSIONER POWELL: Payments received up to ...
12 okay, they don't give the date. Okay, maybe I
13 misinterpreted the billing. I noticed the bill has been paid
14 here for the month of October, you paid \$208.85, and the
15 invoice actually was \$211.62, and I notice you took off the
16 discount of \$2.77.

17 MR. BROOMFIELD: Yeah, my wife is very ... since we've
18 known, since we've started making our payments through
19 the bank, she have talked to the girl that does out payment,
20 she said do you know that you've been paying before, and
21 if you pay the whole amount you haven't been taking your
22 discount off, so now this past month my wife, that's the
23 way she did it.

24 COMMISSIONER POWELL: I'm just wondering, I suspect
25 the discount is probably already taken off the \$211.62, and
26 you got charged the discount for the previous month
27 (inaudible). But anyway, that's something you can check
28 with Hydro.

29 MR. BROOMFIELD: Okay.

30 COMMISSIONER POWELL: You mentioned the alternate
31 sources of power. Have you as a community talked to
32 Hydro about alternate sources in or around Nain that may
33 be used?

34 MR. BROOMFIELD: Yes sir, I think we've had meetings
35 and Hydro came into our community to let us know that
36 they were going to construct a new Hydro diesel
37 generating plant. We have had meetings with Mr. Wells
38 and a few people came from the community asking if Hydro
39 would look at wind generating plants into our community,
40 but we haven't had any responses or to say if it was
41 feasible or if it was not feasible for our community to have
42 wind generated plants.

43 COMMISSIONER POWELL: You also mentioned they're
44 putting a plant somewhere that you didn't, your Council
45 didn't think it should be, but usually councils have a lot of
46 authority. They pretty well dictate to people where they
47 want to build. How come there wasn't, through the
48 planning process, some option for the community to veto
49 or discuss alternate sites?

50 MR. BROOMFIELD: I agree with you that community
51 councils has a lot of power but Newfoundland and
52 Labrador Hydro has more power than our community
53 council in Nain, I'll guarantee you that.

54 COMMISSIONER POWELL: You felt intimidated by the
55 process, did you?

56 MR. BROOMFIELD: I did feel ... if you talk to the majority
57 of the Council at the time that was there, there was ... the
58 other plant, I don't know how old it is. It's been there quite
59 a few years, I don't know how old the plant is, and Hydro
60 said in order ... like Nain is growing in leaps and bounds,
61 there's no doubt about it. In order for Hydro to keep up
62 with the growing of Nain, they would have to build a better
63 generating plant than what they had, so on one hand it was
64 like sort of the devil if you don't and the devil if you do,
65 because we had to have a new generating plant to fulfil the
66 capacity of generating power in Nain.

67 COMMISSIONER POWELL: Do you feel by expressing
68 your concerns about the actions of Hydro to the Public
69 Utilities Board?

70 MR. BROOMFIELD: Well, I think, well Hydro knows how
71 the community council of Nain feels. On numerous
72 occasions we have let them know how we have felt on, by
73 them building the building where they're putting it.

74 COMMISSIONER POWELL: No more questions.

75 MR. NOSEWORTHY, CHAIRMAN: Thank you,
76 Commissioner Powell. Commissioner Saunders?

77 COMMISSIONER SAUNDERS: Yes, thank you, Mr. Chair.
78 Deputy Mayor Broomfield, how are you?

79 MR. BROOMFIELD: Pretty good, and yourself?

80 COMMISSIONER SAUNDERS: Good thanks. I just
81 wanted to follow along on the question of the payment
82 problem because that seems to me to be a problem that
83 other people mentioned and you mentioned something that
84 caused me to make a note and that is there is an employee
85 of Hydro located in Nain, and I think you said he works
86 part-time, he doesn't work full-time.

87 MR. BROOMFIELD: The meter reader.

88 COMMISSIONER SAUNDERS: He's a meter reader, is he?

89 MR. BROOMFIELD: Yeah.

90 COMMISSIONER SAUNDERS: And does he do anything
91 else in terms of work for Hydro, like repairs and ...

92 MR. BROOMFIELD: He fills in, yeah, he fills in whenever
93 somebody goes on holidays, he fills in for them, like he
94 doesn't work, I wouldn't even call it half time because it's
95 only when ...

1 COMMISSIONER SAUNDERS: But when you say 45 day.
2 someone goes on holidays, are there other Hydro 46 COMMISSIONER SAUNDERS: Six a week, that's one a
3 employees there? 47 day practically.
4 MR. BROOMFIELD: Well they have, like I said, they have 48 MR. BROOMFIELD: Every day except Saturdays.
5 one and a half, I think it's one and a half, I'm not sure, 49 COMMISSIONER SAUNDERS: Yes.
6 employees there, and when one of them goes on holidays 50 MR. BROOMFIELD: Saturdays they don't come in, so like
7 he fills in for them. 51 you could have it come in here in Goose Bay and they
8 COMMISSIONER SAUNDERS: Has there been any 52 could have it within a couple of days.
9 thought given by you or any other residents that there may 53 COMMISSIONER SAUNDERS: I suspect that the reason
10 possibly be a way to set up a payment method whereby 54 you don't get credit for the discount is because most
11 you could submit your payment to the office of Hydro in 55 companies that I'm familiar with will only give you credit for
12 Nain? And you laugh at that from some reason. 56 the discount when the money is in their account, and that's,
13 MR. BROOMFIELD: Yes, I do, because that was a practice 57 I guess, the problem that you're encountering with the long
14 years ago. 58 delays caused by mail service, and weather and all of that,
15 COMMISSIONER SAUNDERS: And what happened? 59 but what I'm wondering is, there are banks in Goose Bay are
16 MR. BROOMFIELD: It just got too much to ... I think that 60 there not? The Scotia Bank is here, I saw them up the road.
17 the employees don't want to do it because they would have 61 MR. BROOMFIELD: We have a bank in Nain also.
18 to have a safe place to put the money into. That's one 62 COMMISSIONER SAUNDERS: And you have a bank in
19 thing, and then they would be responsible for the money 63 Nain. What bank is in Nain?
20 themselves, and I don't think that's an added onus that 64 MR. BROOMFIELD: Bank of Montreal.
21 needs to be put on any employee. 65 COMMISSIONER SAUNDERS: If you pay at the Bank of
22 COMMISSIONER SAUNDERS: Okay, where is the next 66 Montreal, can you get credit then for your discount?
23 office of Hydro, is it here in Goose Bay? Is there a regional 67 MR. BROOMFIELD: Yeah, you can see my bill that he
24 office here? 68 talked about just now, that we have ... see the way that the
25 MR. BROOMFIELD: A regional office here in Goose Bay, 69 bills is drawn up is that you have to pay the discount, like
26 yeah. 70 the whole thing is there, so if you're not shown that ... take
27 COMMISSIONER SAUNDERS: When you mail your bill or 71 the \$2.00 off of the \$211, we would pay \$208.85, so they
28 your payment, where do you mail it to, St. John's? 72 don't say that. There's nowhere that tells you, anywhere
29 MR. BROOMFIELD: I think it's St. John's. 73 that tells you, and if you don't understand it ...
30 COMMISSIONER SAUNDERS: Whatever the envelope 74 COMMISSIONER SAUNDERS: It's difficult to understand.
31 says. 75 MR. BROOMFIELD: It's very difficult to understand
32 MR. BROOMFIELD: Yeah, St. John's. 76 because it's all there. It doesn't tell you to take off \$2.77.
33 COMMISSIONER SAUNDERS: So it takes a while to get 77 Just a lot of people don't know what CR means.
34 to St. John's, and this is why you're losing the discount. 78 COMMISSIONER SAUNDERS: Right, okay, I think you
35 MR. BROOMFIELD: That's right. 79 also said that most people prefer to pay by post office.
36 COMMISSIONER SAUNDERS: But how long does it take 80 MR. BROOMFIELD: That's true.
37 the mail to get to Goose Bay? 81 (4:15 p.m.)
38 MR. BROOMFIELD: Well, we have ... 82 COMMISSIONER SAUNDERS: Okay.
39 COMMISSIONER SAUNDERS: A short period of time, I 83 MR. BROOMFIELD: One of the reasons why that they
40 presume. 84 prefer, sir, is that when you get a money order you also get
41 MR. BROOMFIELD: Okay, yeah, I understand what you're 85 a receipt, and it shows you, the receipt shows you the day
42 saying. We have six mail flights a week. 86 that you paid it so that they'll know that they've paid it.
43 COMMISSIONER SAUNDERS: Yes. 87 COMMISSIONER SAUNDERS: But if you walked into the
44 MR. BROOMFIELD: Come to Nain, like they come in every 88 Bank of Montreal in Nain and paid your Hydro bill, I
89 suspect you'd get immediate recognition for the fact that

1 the money is in Hydro's account, whereas when you send
2 it through the postal system, you don't get credit until it's
3 in the bank in St. John's, I presume.

4 MR. BROOMFIELD: Well, the Bank of Montreal ...

5 COMMISSIONER SAUNDERS: I'm only guessing that.

6 MR. BROOMFIELD: ... doesn't have full banking services
7 in Nain. The full banking service is in Wabush, so you can
8 go in, every payday we put our money into our bank
9 account, and it goes through the Bank of Montreal in
10 Wabush, and when it comes time to pay our bill, we just
11 pick up the phone and you get the person on the other end
12 is (inaudible).

13 COMMISSIONER SAUNDERS: So you don't have full
14 service.

15 MR. BROOMFIELD: No, we don't.

16 COMMISSIONER SAUNDERS: No, okay, thank you, Mr.
17 Broomfield.

18 MR. NOSEWORTHY, CHAIRMAN: Thank you,
19 Commissioner Saunders. Commissioner Whalen?

20 COMMISSIONER WHALEN: I have no questions, thank
21 you.

22 MR. NOSEWORTHY, CHAIRMAN: I have no questions,
23 Deputy Mayor Broomfield, thank you very much for your
24 presentation.

25 MR. BROOMFIELD: Thank you.

26 MR. YOUNG: Mr. Chair, I'm wondering if I'm ... I'm fine with
27 the Deputy Mayor, thanks. There was a matter came up
28 with the Deputy Mayor just a moment ago, and Mr. Wells
29 indicated to me he thinks he can clarify one point. It's on
30 the location of the diesel plant and conversations with the
31 Town Council, and it might be best, I think, considering
32 everything if Mr. Wells was on the stand, just to address
33 that point, if he could. If I could put Mr. Wells on the
34 stand and he could explain that from essentially our side of
35 the story, and considering that Mr. Wells has already been
36 on the stand for a week, I was hoping I could get some
37 recognition from other Council that he might not be cross-
38 examined outside that very point. I presume that would be
39 in accordance with the others.

40 MR. HAYES: Newfoundland Power doesn't require cross-
41 examination on that point at this time.

42 MR. NOSEWORTHY, CHAIRMAN: Consumer Advocate?

43 MR. BROWNE, Q.C.: That sounds fine, Mr. Chairman.

44 MR. NOSEWORTHY, CHAIRMAN: Mr. Peck? Counsel,
45 do you ...

46 MR. KENNEDY: That's fine.

47 MR. NOSEWORTHY, CHAIRMAN: Mr. Wells? You didn't
48 anticipate a second time around, Mr. Wells. Can you put
49 your right hand on the Bible? Do you swear on the Bible
50 that the evidence you're about to give will be the whole
51 truth and nothing but the truth, so help you God?

52 MR. WELLS: I do.

53 MR. YOUNG: Mr. Wells, a few moments ago you
54 whispered to me that you had some information that might
55 shed some light on a matter that was being discussed by
56 the Deputy Mayor of Nain, and it concerned the location of
57 the diesel plant and conversations you've had or
58 participated in with others at Hydro concerning that plant.
59 I wonder if you could shed some light on that for us?

60 MR. WELLS: Yes, when it became apparent that the Nain
61 diesel plant had to be replaced, I visited Nain personally
62 and with senior executive of Hydro, Mr. Reeves, and senior
63 engineers responsible for the operation, and people from
64 Goose Bay and the northern region, and the purpose was
65 to explain to, we had a meeting with the Town Council to
66 explain to them that we would, instead of trying to refurbish
67 the old plant, build a new plant. It would be a cost of some
68 \$3 million. The reason we had to locate the plant was that
69 the permafrost under the existing plant was melting, it was
70 going down by one corner of the building was off angle,
71 and we explained to them at the time that we'd do a study
72 to find a siting within the community that would be
73 acceptable to everyone and that we would share the results
74 of that study with them. This was prior to any decision
75 being made as to where the plant would be sited, so the
76 issue at that point was that they would, they would have
77 the benefit of a new diesel plant, that we would do a study
78 in the area as to, from the archaeological perspective,
79 because that has some significance in Nain, to finding a
80 bedrock for foundation so the plant wouldn't be tilting
81 because of permafrost. And the other consideration to
82 think about in terms of siting is ease of hooking up to the
83 distribution system, the fumes from the diesel engines
84 themselves, how you position your stacks, and the sound
85 was important to the people in Nain, given the local
86 topography, they didn't want the plant sound.

87 Subsequent to that, our people did an engineering
88 study and came up with five sites in order of preference.
89 They went back into Nain this time and discussed it with
90 the people and the Town Council, for a variety of reasons
91 did not like the preferred site by Hydro and wanted some
92 other site. The upshot was that the whole construction of
93 the Nain plant was delayed for more than a year because
94 Council had not provided us with a building permit and
95 there was disagreement, after an exchange of
96 correspondence, I again went back into Nain with people
97 and we discussed the whole thing with the Council. The
98 engineering studies that we had, they professed that they

1 couldn't understand the engineering studies, that they had
2 to take our word for it, so Hydro retained a group of
3 consulting engineers in St. John's at Hydro's expense to
4 work with the Council on their behalf to advise them about
5 our studies and where the plant should be relocated, so at
6 that point in time we had our own engineering work done,
7 we paid for an engineering firm to provide for professional
8 advice to the Town Council, and that engineering firm
9 provided advice which corresponded without engineering
10 advice, that the one or two locations where you could put
11 the plant that would make some sense. And subsequent to
12 that, after another six or eight months delay, it was finally
13 agreed that the plant would go where it is, and I would
14 suspect that there are people in Nain who still have their
15 own views where that plant should be, but we certainly
16 took out almost two years of time trying to have an
17 understanding an agreement with the Town Council of
18 Nain where this structure should go, and the type of
19 structure it should be, and the type of benefit that the
20 Town would expect to get from it with respect to noise
21 which they said they were getting from the existing plant,
22 and sometimes fumes, depending on the direction of the
23 wind.

24 In our best judgement of our engineers, and
25 confirmed to some extent by that independent engineering
26 firm that was examining the evidence, we think that we have
27 the best location, and as it turns out, after some almost four
28 years, the plant is, the contractor is on schedule and it will
29 be completed and in service just prior to Christmas this
30 year. It's \$3 million for that particular plant.

31 MR. YOUNG: That's all my questions, Mr. Chair.

32 MR. NOSEWORTHY, CHAIRMAN: Thank you. Thank
33 you, Mr. Wells. It's 4:30, that brings the day's proceedings
34 to a conclusion. I would like to indeed thank all eight
35 presenters here today. I think your presentations were
36 indeed sincere and they were certainly informative and I
37 believe painted a very clear picture for us of life in your
38 communities on the coast, quite frankly, and has dealt with
39 some of the impacts of the application. I sincerely want to
40 thank you.

41 Just one final comment in respect to Nain's
42 presentation, certainly the approach that we have taken
43 here was never intended to display arrogance or ignorance.
44 The panel decided, I think, in all sincerity and in all honesty
45 that we were trying to facilitate more information rather
46 than less, and as well meet our legal and statutory
47 obligations that I referred to earlier. Certainly I have a great
48 deal of respect for the people on the north coast of
49 Labrador. I have, in over my 25 year career, I have visited
50 there many, many times and I am familiar with the area and
51 am familiar with what you have to cope with, and certainly,
52 as I said, there was never any intention and I want to make

53 this perfectly clear, to do anything other than try and
54 facilitate a process here that indeed would get more
55 information and more evidence before us than less. Having
56 said that, I do want to thank you very, very much for your
57 presentations here today and I can assure you that full
58 consideration will be given to these in our decision making
59 process. Thank you very much. We will reconvene at 9:30
60 tomorrow morning.

61 (4:35 p.m.)

62 (hearing adjourned)