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CHAPTER E-5.1

AN ACT TO REGULATE THE ELECTRICAL POWER RESOURCES OF NEWFOUNDLAND AND LABRADOR

(Assented to June 9, 1994)

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organization, trustee, administrator and other legal repre-
sentatives;

- (l) "parent corporation" means a corporation which controls a retailer;
- (m) "power" includes electrical power, however generated, and electrical energy;
- (n) "producer" means a person who produces or has the capacity to produce power in the province;
- (o) "public utilities board" means the Board of Commissioners of Public Utilities;
- (p) "rates" includes prices, charges, tolls or conditions applying to prices for power or other consideration given for the supplying of power;
- (q) "retailer" means a public utility within the meaning of the *Public Utilities Act*, other than a public utility exempt from the application of that Act, which buys or generates power and whose primary business is the sale or resale of power to arm's length customers;
- (r) "strike" means "strike" as defined in the *Labour Relations Act*; and
- (s) "voting share" means a share carrying a voting right under all circumstances.

PART I

DECLARATION OF POLICY AND IMPLEMENTATION

Power policy

3. It is declared to be the policy of the province that

- (a) the rates to be charged, either generally or under specific contracts, for the supply of power within the province
 - (i) should be reasonable and not unjustly discriminatory,

- (ii) should be established, wherever practicable, based on forecast costs for that supply of power for 1 or more years,
 - (iii) should provide sufficient revenue to the producer or retailer of the power to enable it to earn a just and reasonable return as construed under the *Public Utilities Act* so that it is able to achieve and maintain a sound credit rating in the financial markets of the world, and
 - (iv) should be such that after December 31, 1999 industrial customers shall not be required to subsidize the cost of power provided to rural customers in the province, and those subsidies being paid by industrial customers on the date this Act comes into force shall be gradually reduced during the period prior to December 31, 1999;
- (b) all sources and facilities for the production, transmission and distribution of power in the province should be managed and operated in a manner
- (i) that would result in the most efficient production, transmission and distribution of power,
 - (ii) that would result in consumers in the province having equitable access to an adequate supply of power,
 - (iii) that would result in power being delivered to consumers in the province at the lowest possible cost consistent with reliable service,
 - (iv) that would result in, subject to Part III, a person having priority to use, other than for resale, the power it produces, or the power produced by a producer which is its wholly-owned subsidiary,
 - (v) where the objectives set out in subparagraphs (i) to (iv) can be achieved through alternative sources of power, with the least possible interference with existing contracts,

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