

GB #1

Nov. 27, 2003

Presentation to the Public Utilities Board

In response to
Newfoundland and Labrador Hydro
For rate increase

November 28th 2003

At
Happy Valley, Goose Bay
Labrador

Submitted by: Mayor Gary Bolger
On behalf of the Town of St. Lewis

Good afternoon ladies and gentlemen , Public Utilities Board Members, Government Officials, MHA's and Town Representatives.

My name is Gary Bolger, I am Mayor of the Town of St. Lewis.

On behalf of the Town of St. Lewis I would like to thank you for the time you have allowed me to speak on the request made by, Newfoundland and Labrador Hydro for a rate increase.

It is uncertain times right now for any resident or business on the coast, any increase in the rates would be totally unacceptable, no matter how insignificant or significant.

For example: There has been a 40% cut in the crab quota for this area, meaning the profit margin for the companies operating the crab plants along the coast has dropped, the power bill for these plants right now are an average of \$6,000.00 per month if there are any increase this will mean cut into their profits, which could deter them from operating these plants and you would have no employment for these small towns. There are 30 people in St. Lewis who, one month before Christmas, have no income and hasn't had any since the first week in September and does not qualify for employment insurance, any added burden to those people would have detrimental effect .

The towns bill for the month of January is approximately \$1300.00 and in August \$ 1639.35 which is when the crab plant is in operation. If the board agrees to any rate increase this will obviously mean that the town will have to pass on the added cost to the residents, but how can we possibly expect the residence to pay any more with the economy as it is.

We are constantly being bombarded with the rising costs of having to live in small communities, that are right now just coming out of the isolation stage with the opening of the Trans- Labrador Highway. Things were supposed to get easier for us, but to no avail things are

seemingly getting worst with regard to the cost of living.

The Town of St. Lewis has been under a constant struggle to get ahead just when we see the light another dark cloud looms over us. Our population has dropped to 253 people this year and we have lost one business. How can we possibly justify another blow for the residents and businesses by accepting an increase adding again to the already struggling economy of rural Newfoundland and Labrador.

Newfoundland and Labrador Hydro has requested a rate increase which they say is desperately needed to offset the cost of diesel generated power plants.

The power plant here in St. Lewis is a wooden structure that has never been upgraded and safety should be considered a big issue, it could be a hazard to the people working in that environment. It is time that serious money was put into the plant here to bring it on stream with the rest of the province, then that would prove to the Town that Hydro is willing to help us if we help them. At the present time that is certainly not the case.

Options:

If the cost of running these diesel plants are so high, why haven't Newfoundland and Labrador Hydro come up with a solution to provide the necessary electricity to these small towns by other means??

I would assume that these problems have been looked into before now? I'm sure that something can be done that would provide a more viable outcome. In the fall of 2001 a company called Westenwind came to meet with the town council, they were proposing a wind turbine that could cut the usage of diesel generated power to half its current usage in our town. The cost would have been \$150,000.00 to install, they also committed to having a person trained to maintain this turbine. This would in return cut down on cost and all importantly pollutants going into the air.

The advise from the board at this time to Newfoundland and Labrador Hydro should be to provide a more ideal proposal for the future, in the way of cheaper, more reliable form of electricity to our communities. Then have the existing power operations that cost so much to run be taken out of service.

If these measures are taken and it is then proven that Newfoundland and Labrador Hydro cannot meet its potential means to provide these services, then and only then should Hydro come to the board and the communities they service with their request.

In closing I would like to once again thank the board and officials for giving me the opportunity to give you our point of view on this request. I hope the people here representing our government, the public utilities board and surrounding communities will refuse Hydro the rate increase it is demanding.

Thank you.