Q. Please provide for the record a copy of the most recent Peer Group Report.

A. Attachment A is a copy of the report *Peer Group Performance Measures for Newfoundland Power* dated December 23, 2008.

Peer Group Performance Measures
For Newfoundland Power
December 23, 2008

NEWFOUNDLAND POWER
A FORTIS COMPANY

Newfoundland Power Inc.

55 Kenmount Road
PO Box 8910
St. John's, Newfoundland
A1B 3P6
Business: (709) 737-5600
Facsimile: (709) 737-2974
www.newfoundlandpower.com

HAND DELIVERED

December 23, 2008

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

Re: Peer Group Performance Measures for Newfoundland Power

On February 28, 2005, the Company submitted a report entitled *Peer Group Performance Measures for Newfoundland Power*. The report committed the Company to reporting annually on the measures presented therein until otherwise directed by the Board.

The report enclosed herewith is provided in fulfillment of that commitment.

We trust this is satisfactory. However, if there are any questions or concerns, they should be directed to the undersigned.

Yours very truly,

Gerard M. Hayes
Senior Counsel

c. Geoff Young
Newfoundland & Labrador Hydro

Tom J. Johnson
Consumer Advocate
O'Dea, Earle Law Offices

Peer Group Performance Measures
For Newfoundland Power

December 23, 2008

NEWFOUNDLAND POWER
A FORTIS COMPANY

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1.0 Introduction

In Order No. P.U. 19 (2003), the Board of Commissioners of Public Utilities (the "Board") ordered that Newfoundland Power Inc. ("Newfoundland Power" or "the Company") file with the Board in 2004 a report suggesting a "peer group" of utilities and performance measures upon which to evaluate the Company's performance.

In 2004, the Company submitted a draft report entitled *A Report on Peer Group Performance Measures for Newfoundland Power* (the "Draft Report") which reviewed the Company's initial findings in relation to utility performance measures and benchmarking initiatives. Subsequently Newfoundland Power submitted a report entitled *A Supplementary Report on Peer Group Performance Measures for Newfoundland Power* (the "Supplementary Report") addressing questions from the Board and recommending certain additional measures.

On February 28, 2005, the Company submitted a report entitled *Peer Group Performance Measures for Newfoundland Power* (the "February 2005 Report"), which provided comparative statistical data together with an assessment of the appropriateness of the recommended performance measures.

The February 2005 Report included comparisons between the Company and a composite of Canadian utilities and a composite of American utilities. The report indicated that, due to concerns with data availability and quality and observed differences in participating utilities' operating profiles, it was not possible for Newfoundland Power to draw meaningful conclusions regarding the Company's performance through comparisons with others. The February 2005 Report also committed the Company to report annually on the measures presented until otherwise directed by the Board.

This report is provided in fulfillment of the Company's commitment to report annually on the measures presented in the February 2005 Report, and updates the performance information to 2007.

2.0 Performance Measures

This report provides a comparison of Newfoundland Power performance measures against the performance measures of a composite of Canadian and U.S. utilities.

2.1 Canadian Utility Measures

The following measures are presented for comparing the Company's performance against a composite of Canadian utilities:

1. System Average Interruption Frequency Index (SAIFI);
2. System Average Interruption Duration Index (SAIDI); and
3. All-injury Frequency Rate (Injuries per 200,000 hours worked).

For this report, as with the previous reports, the Company used data from the CEA. In particular, the report includes data from the Canadian Electricity Association's ("CEA") annual *Service Continuity Report on Distribution System Performance in Electrical Utilities* and Safety Incident Statistics Reports.

The selection of three measures presented in this section is reduced from the list of seven Canadian utility measures presented in last year's report. Four of the measures presented in the report dated December 21, 2007 have been excluded from this year's report as a consequence of a CEA policy decision.

In 2005, the CEA issued a policy paper, *Benchmarking Data in Regulatory Settings,* regarding the appropriate use of CEA utility data in assessing utilities' performance in a regulatory setting. In accordance with this policy, the CEA Councils have considered which benchmarking performance indicators are appropriate for use in a regulatory setting. Recommended measures include safety, reliability, and customer service quality measures. For distribution and customer service utility functions, no cost-related measures have been recommended.

The four Canadian utility measures excluded from this year's report were cost-related measures that compared Newfoundland Power's performance to composite data from the CEA Committee on Performance Excellence ("COPE"). The CEA has advised Newfoundland Power that the composite information for these measures is no longer available for publication.

There are no other cost-related CEA composite indicators available for the Company to use in this context. Further, the recommended customer service quality measures are not yet available, as they are still under development.

Appendix A shows comparisons of the remaining Canadian utility composite measures and the equivalent Newfoundland Power data.

Appendix B contains a letter from the CEA confirming the status of its review of performance indicators for use in the regulatory setting. A copy of the CEA policy paper, *Benchmarking Data in Regulatory Settings,* is provided in Appendix E.

2.2 U.S. Utility Measures

The following measures are presented for comparing the Company's performance to a peer group of U.S. utilities:

1. Total Distribution Operating Expense per Customer;
2. Total Distribution Operating Expense per MWh;
3. Total Customer Service Expenses per Customer;
4. Total Administration and Other Operating Expense per Total Operating Expense (Excluding fuel and purchased power);
5. Total Operating Expense per Energy Sold (Excluding fuel and purchased power); and
6. Total Operating Expense per Customer (Excluding fuel and purchased power).

All of these measures are based on information found in utility filings with the Federal Energy Regulatory Commission (FERC). FERC requires major electric utilities to annually file prescribed information regarding their operations. This principally involves the reporting of accounting information broken down in accordance with the FERC code of accounts. The FERC filings are public information.

Appendix C contains the comparisons of the composite measures for U.S. utilities and the equivalent Newfoundland Power data. The U.S. composite measures are based on data from 20 utilities. For each measure, the range of individual utility results is provided.

The measures for the U.S. data are presented without any adjustment for exchange rates. With the significant shifting in exchange rates since 1999, converting U.S. dollar figures to Canadian figures would greatly distort cost trends.

Appendix D is a list of the U.S. utilities from which the composite measures in Appendix C were compiled.

3.0 Summary and Conclusion

This report presents comparative utility data for a variety of measures of utility performance. Other than the excluded Canadian measures noted in Section 2.1, the measures are the same measures as were provided to the Board in our previous reports.

The February 2005 Report assessed a number of performance measures for comparing the performance of Newfoundland Power to other utilities. The Company concluded in the February 2005 Report that it was difficult to draw meaningful conclusions regarding the Company's performance through comparisons with other utilities. This is because of continued concerns with data availability and quality and observed differences in participating utilities' operating profiles. The Company's assessment remains unchanged.

Newfoundland Power will continue to report to the Board annually on the measures presented herein until otherwise directed by the Board.

Appendix A

CEA Composite Comparisons

Appendix A

CEA Composite Comparisons

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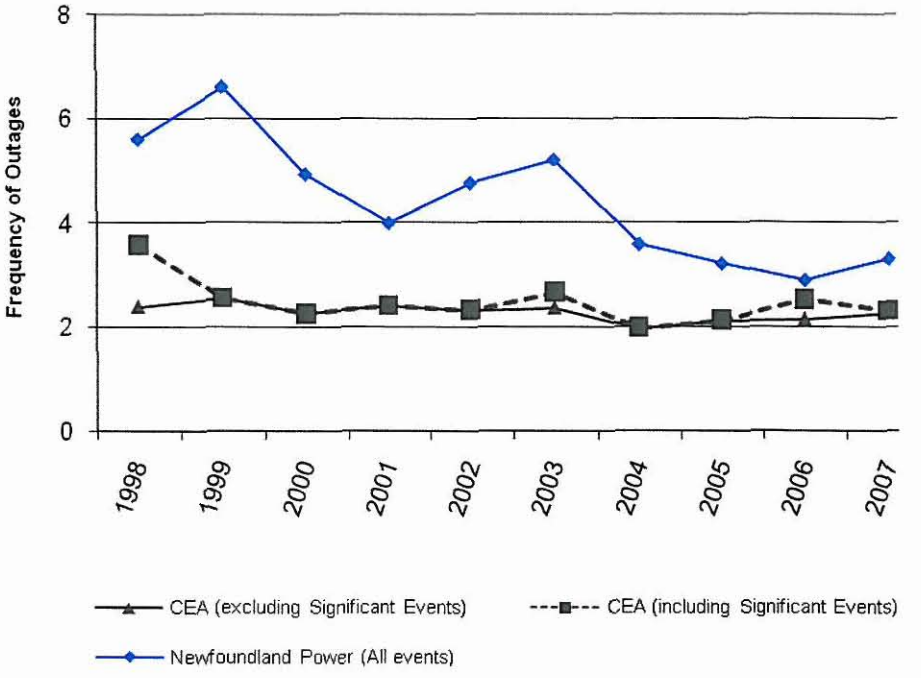
Measure **Page**

System Average Interruption Frequency Index (SAIFI)



Year	CEA (Excluding Significant Events)	CEA (Including Significant Events)	Newfoundland Power
1998	2.40	3.58	5.60
1999	2.56	2.56	6.60
2000	2.26	2.26	4.93
2001	2.41	2.41	3.99
2002	2.33	2.33	4.76
2003	2.37	2.67	5.20
2004	1.98	1.98	3.58
2005	2.13	2.13	3.21
2006	2.15	2.53	2.89
2007	2.27	2.32	3.30

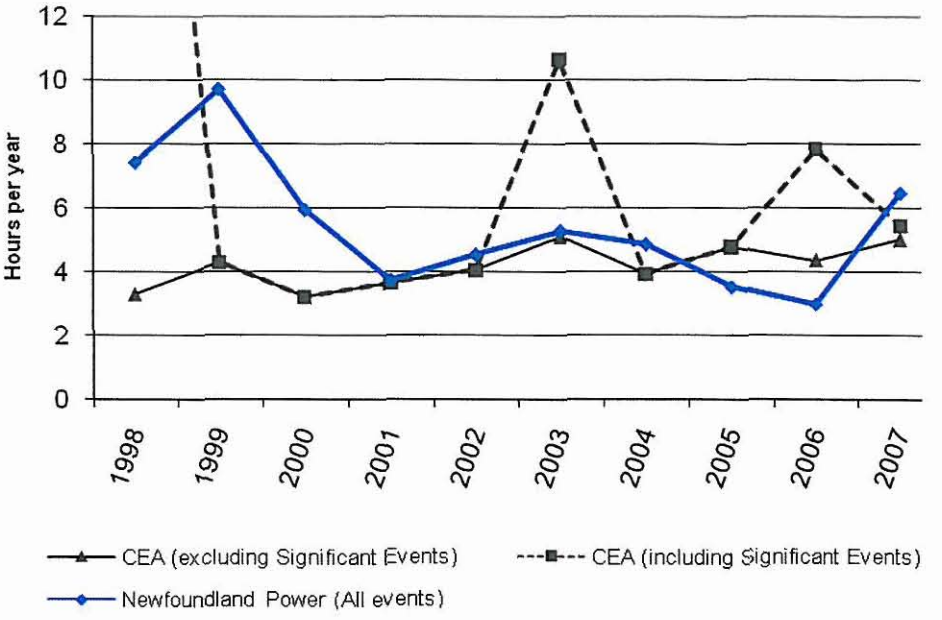
SAIFI is a standard industry index of the average annual cumulative frequency of service interruptions to customers.

The CEA trend line is the composite performance of participating Canadian utilities (27 participants in 2007). The trend line shows significant variability year over year when significant events are included in the CEA data. There is a general decline in the trend line for Newfoundland Power and a slight decline in the CEA composite[1].

[1] Technological advances that improved data collection may impact the trend in reliability data. This factor was recognized in the COPE Report. *2003 Industry Evaluation Distribution Business Unit Executive Summary*, December 2004. The Report stated:

> "It is important to note that technological advances in data collection systems coupled with additional rigor in the data processes as a result of utilities' increased focus on customer service and outage management implies that there has been additional improvement in the average number of outages experienced by customers that does not appear in the trend line."

System Average Interruption Duration Index (SAIDI)



Year	CEA excluding Significant Events	CEA including Significant Events	Newfoundland Power
1998	3.32	30.31	7.41
1999	4.31	4.31	9.70
2000	3.23	3.23	5.93
2001	3.67	3.67	3.73
2002	4.06	4.06	4.54
2003	5.11	10.65	5.28
2004	3.95	3.95	4.86
2005	4.80	4.80	3.53
2006	4.37	7.85	2.98
2007	5.02	5.47	6.46

SAIDI is a standard industry index of the average annual cumulative duration of service interruptions to customers.

The CEA trend line is the composite performance of participating Canadian utilities (27 participants in 2007). The trend line shows significant variability year over year, especially when significant events are included in the CEA data. The trend lines also appear to show a decline in SAIDI for Newfoundland Power and a slight increase in the CEA composite excluding significant events.[2]

The significant increase in Newfoundland Power's service interruption duration in 2007 reflects the impact of a severe winter storm on the Bonavista Peninsula in December.

The anomalous results evident in the "CEA including Significant Events" trend line reflect the Quebec ice storm in 1998, the eastern North America power blackout in 2003, and storms in British Columbia and Ontario during 2006.

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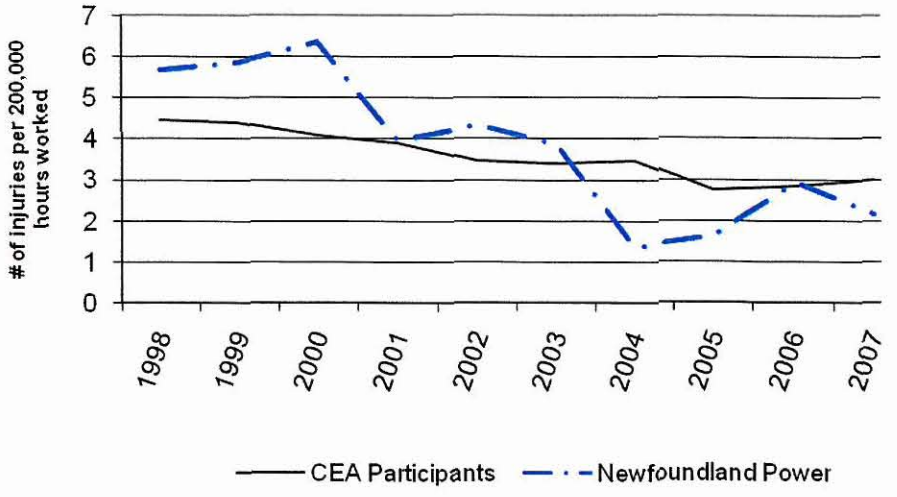
[2] Technological advances that improved data collection may impact the trend in reliability data. This factor was recognized in the COPE Report. *2003 Industry Evaluation Distribution Business Unit Executive Summary,* December 2004. The Report stated:

> "It is important to note that technological advances in data collection systems coupled with additional rigor in the data processes as a result of utilities' increased focus on customer service and outage management implies that there has been additional improvement in the average number of outages experienced by customers that does not appear in the trend line."

All-injury Frequency Rate
(Injuries per 200,000 hours worked)



Year	CEA Composite	Newfoundland Power
1998	4.47	5.67
1999	4.41	5.84
2000	4.09	6.35
2001	3.91	3.96
2002	3.47	4.33
2003	3.41	3.87
2004	3.48	1.36
2005	2.76	1.65
2006	2.84	2.94
2007	3.01	2.16

This represents the rate of disabling injuries and medical aid injuries per 200,000 exposure hours (hours worked).

The CEA data is a composite of participating Canadian utilities (37 in 2007). Both the CEA and the Newfoundland Power trend line show a clear and comparable level of improvement.

Appendix B

CEA Policy Letter

Canadian Electricity Association
Association canadienne de l'électricité
www.canelect.ca

December 22, 2008

Mr. Lorne Henderson
Director Regulatory Affairs
55 Kenmount Road
P.O. Box 8910
St. John's, NL A1B 3P6

Dear Mr. Henderson:

This is in response to your request for an update on the CEA's review of the use of benchmarking data in regulatory settings, and for confirmation of the status of the composite measures used by Newfoundland Power for regulatory reporting purposes.

Over the past year, the CEA Councils have completed an assessment of the performance indicators currently available through the various CEA data gathering bodies. Following their assessment, the Councils have recommended a number of indicators for use in regulatory settings, and have identified other indicators that are to be further evaluated.

In accordance with the CEA policy paper *Benchmarking Data in Regulatory Settings (BD:RS)*, only composite benchmarks deemed appropriate for regulatory use will be released for publication. The four composite cost measures based on COPE data, which have been used previously by Newfoundland Power for regulatory reporting purposes, are not recommended for such purposes. Consequently, those composite indicators are no longer available for publication.

A list of the indicators currently recommended as appropriate for regulatory purposes by the CEA Distribution Council and Customer Council is attached.

The development by the CEA of appropriate performance indicators is an ongoing process. It is anticipated that the portfolio of composite benchmarks that are deemed appropriate for regulatory environments will continue to evolve.

I trust the above and enclosed are satisfactory for your purposes.

Sincerely,
CANADIAN ELECTRICITY ASSOCIATION

Francis Bradley
Vice President

CEA 350 Sparks Street, suite 907, Ottawa, Ontario Canada K1R 7S8
Tel.: (613) 230-9263 Fax: (613) 230-9326 info@canelect.ca
The voice of Canadian Electricity

ACE 350 rue Sparks, bureau 907, Ottawa, Ontario Canada K1R 7S8
Tel.: (613) 230-9263 Telec.: (613) 230-9326 info@canelect.ca
La voix de l'électricité canadienne

Recommended indicators for the Distribution and Customer Business Units

Reliability

System Average Interruption Duration Index (SAIDI)
System Average Interruption Frequency Index (SAIFI)

Available from CEA's annual Service Continuity Report on Distribution System Performance in Electric Utilities

Safety

All Injury/Illness Frequency
Lost-Time Injury/Illness Frequency
Lost-Time Injury Severity

Available from the Safety Incident Statistics Executive Summary Report

Customer Service

There are three performance indicators recommended for more detailed assessments these are:

Customer Satisfaction
Telephone Accessibility
Response time to Complaints

Appendix C

American (U.S.) Peer Group
Composite Comparisons

Appendix C

American (U.S.) Peer Group Composite Comparisons

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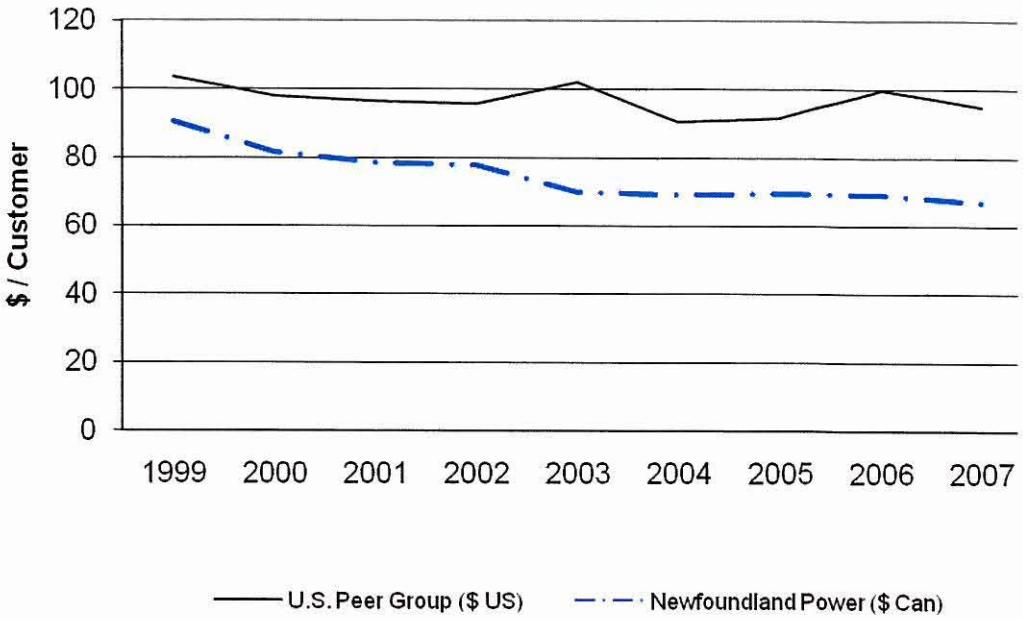
Total Distribution Operating Expense Per Customer (2007$)



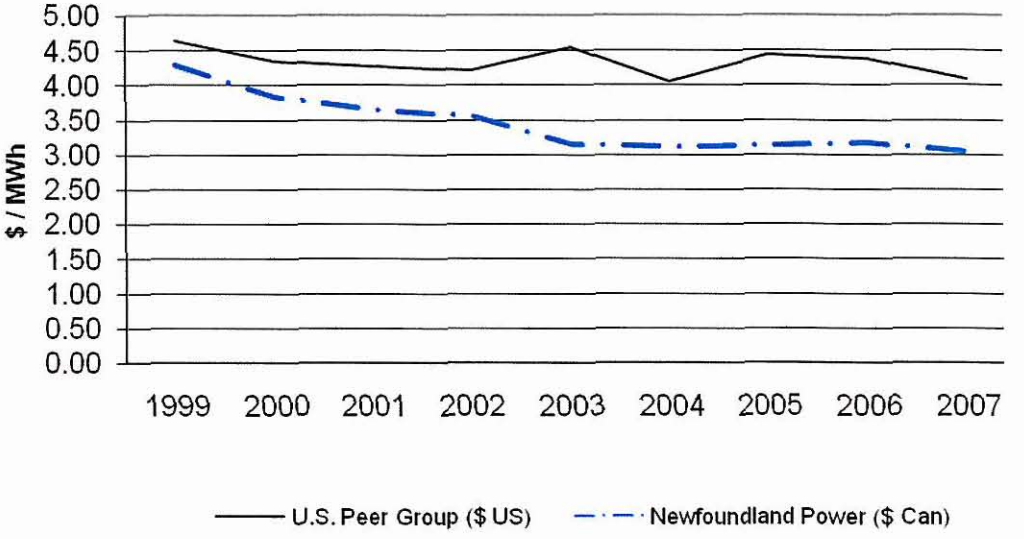
Year	U.S. Peer Group Composite	Newfoundland Power
1999	103.5	90.4
2000	98.0	81.3
2001	96.5	78.5
2002	95.8	77.6
2003	102.1	69.7
2004	90.6	69.2
2005	91.6	69.3
2006	99.7	69.1
2007	95.0	66.8

This measure represents the total cost of operating and maintenance for the distribution function, as defined under the FERC code of accounts, expressed on a per customer account basis. It measures the total direct cost of operating labour and materials, excluding allocated corporate shared services, involved in the operation and maintenance of the distribution portion of the electrical system, expressed on a per customer basis.[3]

[3] The distribution system is the portion of the electrical system that links the transmission system to customer facilities.

The Company has included 9 years of historic data for trending purposes. The trend shows a general downward trend for both Newfoundland Power and the U.S. peer group over the period. The U.S. utilities' individual 2007 measures range from approximately $46 to approximately $208 per customer.

Total Distribution Operating Expense Per MWh (2007$)



Year	U.S. Peer Group Composite	Newfoundland Power
1999	4.64	4.28
2000	4.34	3.83
2001	4.28	3.63
2002	4.21	3.55
2003	4.55	3.14
2004	4.05	3.10
2005	4.44	3.13
2006	4.38	3.16
2007	4.08	3.03

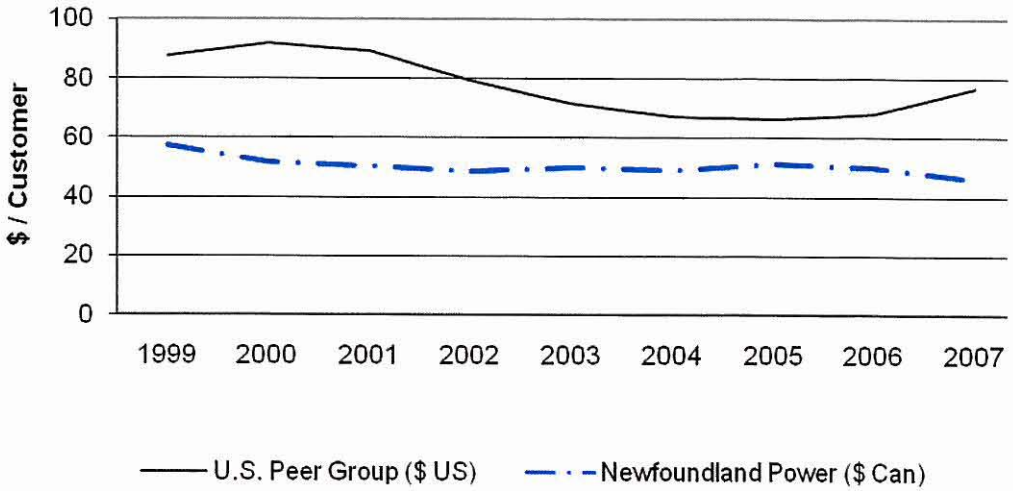
This measure represents the total cost of operating and maintenance for the distribution function, as defined under the FERC code of accounts, expressed on a per MWh of retail sales basis. It measures the total direct cost of operating labour and materials, excluding allocated corporate shared services, involved in the operation and maintenance of the distribution portion of the electrical system, expressed on a per MWh basis.[4]

[4] The distribution system is the portion of the electrical system that links the transmission system to customer facilities.

The MWh of retail sales includes the total MWh sales of electricity for retail rate schedules. It does not include sales for resale such as those to other distribution companies and retailers, nor energy interchanged through the power system (usually through transmission facilities).

The Company has included 9 years of historic data for trending purposes. The trend shows a general downward trend for both Newfoundland Power and the U.S. peer group over the period. The U.S. utilities' individual 2007 measures range from approximately $2 to approximately $14 per MWh.

Total Customer Service Expenses Per Customer
(2007$)

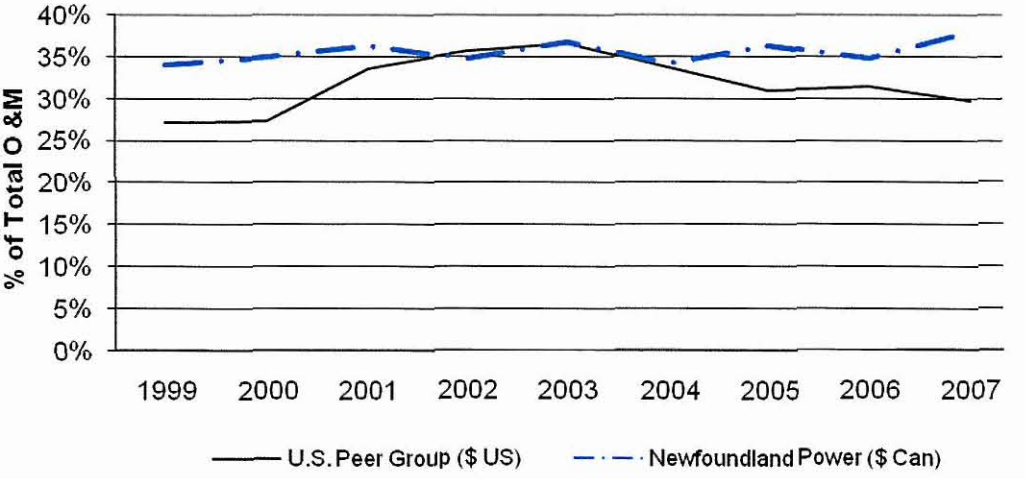


Year	U.S. Peer Group Composite	Newfoundland Power
1999	87.6	57.2
2000	91.8	51.7
2001	89.1	50.4
2002	79.2	48.6
2003	71.6	49.9
2004	67.3	48.9
2005	66.4	51.3
2006	68.3	49.7
2007	76.7	45.9

This measure represents the total cost of operating and maintenance for the customer accounting and customer service functions, as defined under the FERC code of accounts, expressed on a per customer account basis. It measures the total direct cost of operating labour and materials, excluding allocated corporate shared services, associated with the management of customer relations and billing functions, expressed on a per customer account basis.

The Company has included 9 years of historic data for trending purposes. Both Newfoundland Power and the U.S. peer group show an overall downward trend. The U.S. utilities' individual 2007 measures range from approximately $40 to approximately $131 per customer.

Total Administration and Other Operating Expense Per Total Operating Expense
(Excluding fuel and purchased power, 2007$)

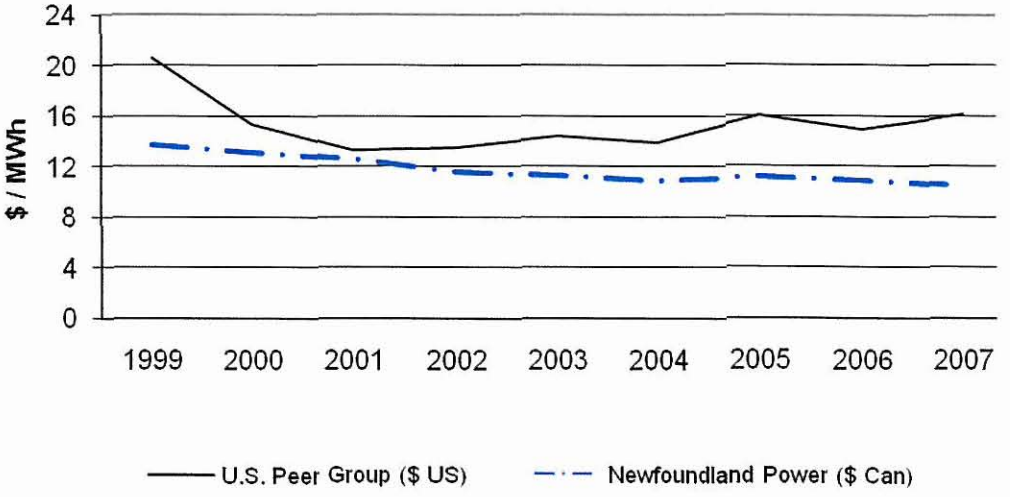


Year	U.S. Peer Group Composite	Newfoundland Power
1999	27.1%	34.0%
2000	27.2%	34.9%
2001	33.5%	36.4%
2002	35.7%	34.7%
2003	36.6%	36.8%
2004	33.7%	34.2%
2005	30.9%	36.3%
2006	31.4%	34.8%
2007	29.8%	38.0%

This measure is a ratio of the total administration and general expense to the overall corporate electrical operating and maintenance expense (excluding fuel and purchased power) as defined by the FERC code of accounts.

The trend line for the U.S. utilities shows an increase between 1999 and 2003, and a decrease thereafter. The initial increase appears to reflect a dramatic reduction in production expenses (net of fuel and purchased power) that occurred between 1999 and 2001. The U.S. utilities' individual 2007 measures varied from approximately 5% to 61%. The trend line for Newfoundland Power is relatively flat over the nine-year period.

Total Operating Expense
Per Energy Sold
(Excluding fuel and purchased power, 2007$)



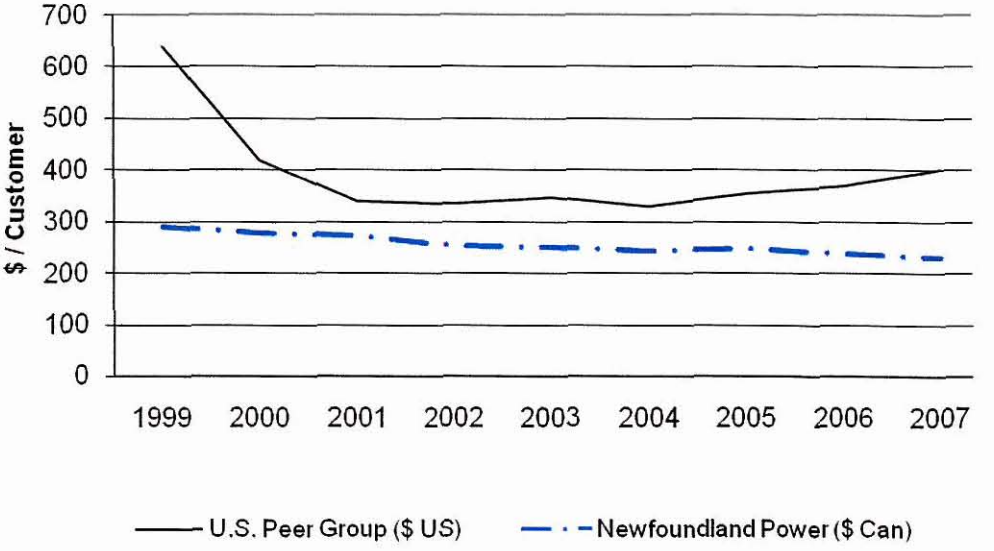
Year	U.S. Peer Group Composite	Newfoundland Power
1999	20.6	13.7
2000	15.3	13.1
2001	13.3	12.6
2002	13.6	11.6
2003	14.4	11.3
2004	13.9	10.9
2005	16.1	11.1
2006	15.0	10.9
2007	16.1	10.5

This measure represents the corporate electrical operating and maintenance expense (excluding fuel and purchased power), as defined by the FERC code of accounts, expressed on a per MWh of total energy sold basis. Total energy sold includes sales according to retail rate schedules, and sales for resale, such as sales to other distribution companies, sales to retailers, and energy interchanged through the power system (usually through transmission facilities).

The trend line for the U.S. utilities shows a significant decrease up to 2001 and a slight upward trend since 2001. This reflects a dramatic reduction in production expenses (net of fuel and purchased power) that occurred between 1999 and 2001. The reduction in production expenses is likely due to industry restructuring or a change in policy for reporting such costs to FERC. The U.S. utilities' individual 2007 measures varied from approximately $4 to $37 per MWh.

The trend line for Newfoundland Power shows a decline over the nine-year period.

Total Operating Expense
Per Customer
(Excluding fuel and purchased power, 2007$)



Year	U.S. Peer Group Composite	Newfoundland Power
1999	638.02	290.21
2000	418.74	277.67
2001	339.03	272.10
2002	333.85	254.06
2003	345.80	250.14
2004	328.66	242.91
2005	354.19	246.84
2006	368.95	237.68
2007	399.55	230.71

This measure represents the corporate electrical operating and maintenance expense (excluding fuel and purchased power), as defined by the FERC code of accounts, expressed on a customer account basis.

The trend line for the U.S. utilities shows a significant decrease up to 2001. This decrease reflects a dramatic reduction in production expenses (net of fuel and purchased power) that occurred between 1999 and 2001. The reduction in production expenses is likely due to industry restructuring or a change in policy for reporting such costs to FERC. Beyond 2001, there is a slight upward trend. The U.S. utilities' individual measures varied from approximately $124 to approximately $773 in 2007.

The trend line for Newfoundland Power shows a decline over the nine-year period.

Appendix D

List of Companies Included in U.S. Utility Peer Group

Companies Included in U.S. Utility Peer Group
(2007 Information)

Company	Number of Customers	Sales (MWh)	% Production of Total O&M	% Transmission of Total O &M
Atlantic City Electric Company	542,126	14,317,855	24.1	3.0
Bangor Hydro-Electric Company	133,397	1,864,469	0.5	-38.5[1]
Central Hudson Gas and Electric Corporation	293,205	4,904,437	1.8	7.7
Central Illinois Public Service Company	387,776	12,758,227	0.0	17.5
Central Vermont Public Service Corporation	157,919	3,018,123	7.9	18.8
Unitil Energy Systems, Inc.	75,442	1,259,222	1.7	35.1
Delmarva Power & Light Company	516,059	13,695,905	3.2	6.2
Duquesne Light Company	585,944	14,160,858	0.0	4.1
Green Mountain Power Corporation	93,483	2,181,181	7.7	33.4
Illinois Power Company	613,536	18,495,239	-0.9[1]	8.7
Kingsport Power Company	47,624	2,185,822	0.0	5.0
Metropolitan Edison Company	543,864	16,454,821	-3.2	77.5[1]
The Narragansett Electric Company	477,612	6,738,061	0.0	19.3
New York State Electric & Gas Corporation	871,638	16,832,007	1.4	9.8
Orange and Rockland Utilities, Inc.	221,454	4,470,009	1.0	7.1
Rockland Electric Company	72,274	1,703,952	0.0	3.4
Duke Energy Kentucky	133,876	4,684,997	27.0	14.7
West Penn Power Company	711,055	20,577,487	0.1	27.6
Western Massachusetts Electric Company	206,429	4,178,469	0.2	29.3
Wheeling Power Company	41,332	2,230,165	0.0	7.7

[1] Anomalous results appear to be related to accounting issues.

Appendix E

CEA Policy Paper
Benchmarking Data in Regulatory Settings

Canadian Electricity Association
Association canadienne de l'électricité
www.canelect.ca

Canadian Electricity Association
Policy Paper
Benchmarking Data in Regulatory Settings (BD/RS)

As approved by the CEA Executive Committee 14 October 2005

1.0 Overview

CEA and its members are seeking to improve their common frame work for utility performance measurement and best practices in order to ensure that the industry, shareholders, customers and rate-payers benefit from improved performance.

For many years, Canadian utilities have been participating, via CEA and other benchmarking organizations, in studies concerning the continuity of service, customer's satisfaction, employee safety and cost related indicators. The main purpose of these efforts was to improve the operational performance of the participating utilities. The process involved:

- Identifying participating utilities and the key performance indicators
- Gathering data on various performance indicators
- Conducting analysis to identify "best performers"
- Establishing working groups to validate "best performers" and determine "best practices" in the various business areas. In many cases this effort included a review of reporting practices to validate "best performers".

Since the main focus of these efforts was to improve operational performance, through the identification of utility "best practices", the data collection methods were not of sufficient quality for use in benchmarking for Regulatory purposes.

Regulators in Canada are increasingly requesting data and results from these benchmarking studies as a basis to assess electric utility company performance. While CEA and its members believe there are limitations to the use of benchmarking data in regulatory processes, CEA and its members are actively engaged with regulators to improve regulatory reporting in Canada.

2.0 Context

Many of the current indicators used are intended for operational purposes and as such do not require the degree of accuracy implicit in regulatory proceedings

Participation in benchmarking studies typically are voluntary. Regulatory actions using data for purposes it was not intended is likely to result in incorrect results and could therefore inhibit participation in benchmarking activities for the purpose of operational improvement. This would adversely impact the ability to identify best practices and the pursuit of performance improvement and ultimately will do a disservice to the ratepayer.

CEA believes it has a responsibility to develop the appropriate cautions concerning the use of non-verified benchmarking data in regulatory settings, and provide these cautions to members for their use when interfacing with regulatory bodies.

Given the inherent challenges in benchmarking with others, utilities have tended to limit the use of "peer group" benchmarking to discovery and identification of "best practices". For utilities, the relative ranking of the participants or the comparison of a utility to a composite has limited value and, when taken at face value, has little correlation to individual utilities' performance. The ultimate goal is performance improvement through informed decision making and the determination and utilization of "best practices".

By its very nature, "peer group" benchmarking is an extremely challenging undertaking. Attempts to account for unique operating and business environments are complex and require detailed information. This detailed information, while more than adequate for the "discovery" process which is at the heart of performance benchmarking, is often not of sufficient quality to be used in regulatory environments.

3.0 Policy

3.1
Policy 1
Appropriate benchmarking performance information (which is accurate, verifiable, and verified and includes the proper consideration, caveats, standardized interpretations and collection methodologies) will be developed by CEA for use in Regulatory settings. Participating CEA members commit to work towards providing data that meets these criteria, on a yearly basis, that will be used in the development of an agreed-to set of indices.

3.2
Policy 2
CEA members do not support a peer-to-peer approach when assessing a company's performance and especially to establish pass/fail criteria for breach and consequence, due to the complexity of identifying true "peers". This complexity is due to differences between companies' geography, climate, customer mix, growth rate, system age, resource mix, degree of interconnection, impact of significant events, and a range of other factors.

3.3
Policy 3
As a result of the complexity of "peer" benchmarking, trending the performance of an individual utility over time should be used as opposed to peer-to-peer benchmarking

3.4
Policy 4
CEA and its members will work cooperatively with regulatory authorities to ensure that indicators used in regulatory settings are accurate, verifiable and verified, and are meaningful. Through CEA's Councils, and in cooperation with members of CAMPUT, appropriate benchmarking indicators for assessing individual company performance over time will be developed.

3.5
Policy 5
CEA members will meet or exceed standards of data quality, integrity and consistency of reporting for these indicators

3.6
Policy 6
Improved productivity and performance result in significant benefits to companies, shareholders and customers. CEA therefore will continue to promote the use of benchmarking to identify best practices for performance improvement.

3.7
Policy 7
Only composite benchmarks deemed appropriate for regulatory environments, will be produced. Participants are cautioned that publication of metrics not identified as appropriate for regulatory environments in composite or other form in a regulatory forum or elsewhere may result in blocking further participation by that member or the termination of further CEA benchmarking on that metric.

3.8
Policy 8
CEA will subject all proposed new or modified indices to an agreed review process by the appropriate Council to ensure that the qualifying criteria are met.

4.0 Impact on CEA Activities

CEA Councils will develop as appropriate a short set of high-level indicators to be proposed as appropriate for regulatory purposes.

CEA Councils will provide direction to CEA data gathering bodies. This will include direction on the appropriate breadth and scope of data being gathered, and any changes required to the current indicators.

CEA's data gathering programs will establish standards for data quality, integrity and consistency of reporting.

5.0 Implementation

The CEA Policy on the use of Benchmarking Data in Regulatory Settings will be developed and refined by the Task Group.

The CEA Policy will be presented to Councils in August-September for review.

Once vetted by the Councils, the Policy will be submitted for approval to the CEA Executive Committee and Board of Directors in October and November, and, pending approval, will become public..

Beginning in fall 2005, the Councils will work with CEA data gathering programs to define the appropriate indicators for use in regulatory settings.

CEA Councils will provide strategic direction of data gathering bodies and activities beginning in 2006.