



HOUSE OF ASSEMBLY  
Newfoundland and Labrador

**GEORGE MURPHY, M.H.A.**  
**District of St. John's East**

Mr. Andy Wells  
Chair and Chief Executive Officer  
Board of Commissioners of Public Utilities  
P.O. Box 21040, 120 Torbay Road  
St. John's, NL A1A 5B2

January 29, 2013

Dear Mr. Wells:

I am writing to express my concern over Newfoundland Power's application to the Public Utilities Board for an electricity rate increase of 7.2 per cent to residential customers. I also write out of concern for many customers' health and financial well-being.

While Newfoundland Power can be subject to rising oil prices and electricity rates as they would be set based on NL Hydro's oil price expectations, it should be noted that NL Hydro's expectation of an average oil price of \$119 a barrel was not met at any time last year. The fact that oil prices did not hit the mark I would assume means that Newfoundland Power either did not get charged a rate based on that projection or received a rebate through the rate stabilization formula. Newfoundland Power could use that savings to top off executive salaries if that is their wish and that of their shareholders.

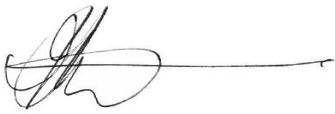
To allow this utility a higher rate of return to cover executive bonuses goes beyond what is acceptable in this day and age. This is a time of restraint for customers and should be for the company. Most recipients of seniors' benefits, for example, only see increases in income to cover the rate of inflation. Moreover, to allow the company a profit of more than ten per cent in a monopoly market would be egregious.

I run into seniors and underprivileged people every day who are finding it hard to pay for food, heat and rent. When do they get consideration from a utility that puts its executives' bonuses before the public interest?

It is my belief that Newfoundland Power has met with the law of diminishing returns: they will charge more, and consumers will reduce their electricity use, sometimes for the most basic of needs. This is a health concern for those who cannot afford to heat their residences, in the face of a monopoly corporation wanting to increase its profits, making electricity unaffordable.

This increase cannot be allowed to happen.

Kindest regards,

A handwritten signature in black ink, appearing to be 'George Murphy', followed by a long horizontal line extending to the right.

George Murphy