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1 June 12, 2007  
 2 CHAIRMAN:  
 3 Q. Good morning everybody. Seems like rate  
 4 applications are the right of passage from  
 5 spring into summer the last couple of years.  
 6 Good morning, looking out there, there's  
 7 probably no need for any formal introductions  
 8 here this morning. I'd like to welcome  
 9 everybody first of all. I will, for the  
 10 purpose of the record, introduce ourselves.  
 11 I'm Bob Noseworthy, Chair and CEO of the  
 12 Public Utilities Board. Joining me this  
 13 morning is Darlene Whalen who is the vice-  
 14 chair, we formed a panel, at least for the  
 15 pre-hearing conference here this morning. To  
 16 my near left is Cheryl Blundon, Board  
 17 Secretary; and Dwanda Newman, who is the Board  
 18 counsel. I'll ask, beginning, I guess, with  
 19 Newfoundland Power to just introduce  
 20 yourselves, please, for the purposes of the  
 21 transcription service. Good morning Mr.  
 22 Kelly.  
 23 KELLY, Q.C.:  
 24 Q. Thank you, Chair. Good morning, Chair and  
 25 Vice-Chair. Ian Kelly for Newfoundland Power

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1 Ms. Newman to enter the matter and confirm the  
 2 issuance of appropriate notices and as well as  
 3 any notices of intervention this morning. Ms.  
 4 Newman?  
 5 MS. NEWMAN:  
 6 Q. Good morning Mr Chair and Vice-Chair and  
 7 everyone in the room. I guess I can confirm  
 8 that on May 10th, 2007, the Board received a  
 9 General Rate Application from Newfoundland  
 10 Power Inc., for a full review of its 2008  
 11 costs. Newfoundland Power was requesting that  
 12 the Board approve, among other things, an  
 13 overall average increase in current  
 14 electricity rates of 5.3 percent as of January  
 15 1, 2008, including proposed increases ranging  
 16 from 1.3 percent to 5.3 percent for commercial  
 17 customers and a proposed average increases of  
 18 6.4 percent for residential customers. A  
 19 notice of this application was published in  
 20 newspapers throughout the province, beginning  
 21 on May 19th, 2007 and in response to those  
 22 notices, the Board did receive two intervenor  
 23 submissions, one from the Consumer Advocate,  
 24 who has been duly appointed pursuant to the  
 25 Legislation; and one from Newfoundland and

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1 and with me is Gerard Hayes.  
 2 CHAIRMAN:  
 3 Q. Mr. Johnson.  
 4 MR. JOHNSON:  
 5 Q. Good morning, Tom Johnson appearing for the  
 6 Consumer Advocate in the proceeding.  
 7 MR. YOUNG:  
 8 Q. Good morning, Chair. Geoff Young on behalf of  
 9 Newfoundland and Labrador Hydro.  
 10 CHAIRMAN:  
 11 Q. Thank you. I neglected to introduce as well  
 12 down in the back there our analyst, Doreen  
 13 Dray. The purpose, I guess, of the pre-  
 14 hearing conference is really to assist with  
 15 the organization of planning for the public  
 16 hearing into Newfoundland Power's General Rate  
 17 Application. Most of the matters, I think  
 18 generally speaking have been dealt with, in  
 19 terms of setting the schedule and the  
 20 procedures, although we will review them here  
 21 this morning, in the event there might be some  
 22 additional comments or changes that might be  
 23 necessary. And before we begin that process,  
 24 I guess in terms of an agenda, I'll call upon

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1 Labrador Hydro. I would point out for the  
 2 Board that Hydro has indicated its intention  
 3 to participate in the hearing in a limited way  
 4 and I would, however, propose that Hydro be  
 5 appointed a full intervenor with the  
 6 obligation to advise the Board and the parties  
 7 of its intention should it change with respect  
 8 to the breadth of its intervention, so that if  
 9 it intends to go beyond its stated intention,  
 10 which is participation to the extent of  
 11 obtaining all information filed in the  
 12 proceeding and following requests for  
 13 information and attending technical  
 14 conferences, then perhaps Hydro could advise  
 15 the parties and the Board.  
 16 MR. YOUNG:  
 17 Q. Mr. Chair, I can confirm that's absolutely  
 18 acceptable to Hydro. We would ensure to give  
 19 due and adequate notice for any changes.  
 20 CHAIRMAN:  
 21 Q. Any other comments?  
 22 KELLY, Q.C.:  
 23 Q. That's satisfactory, Chair.  
 24 CHAIRMAN:  
 25 Q. Okay, thank you. I guess with a view to Item

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1 I then on the agenda that I have, at least,  
 2 the registered intervenors, that's been dealt  
 3 with, Ms. Newman?  
 4 MS. NEWMAN:  
 5 Q. Yes.  
 6 CHAIRMAN:  
 7 Q. The next item, I guess, is the scheduled  
 8 dates.  
 9 MS. NEWMAN:  
 10 Q. Yes, Mr. Chairman. The parties have been in  
 11 consultation as to proposed dates for the  
 12 hearing process and I have caused the Clerk of  
 13 the Board to circulate the dates which have  
 14 been effectively agreed to. Starting now and  
 15 reflecting, of course, exchange of information  
 16 and negotiation period and then the public  
 17 hearing to begin on October 16th. The dates  
 18 for the hearing itself, I would suggest would  
 19 be established by the Board later on, once the  
 20 rest of the process has unfolded to the extent  
 21 that we can perhaps identify the most  
 22 appropriate order of witnesses and dates for  
 23 the hearing to proceed. So what I would  
 24 propose is that these, the Board accept this  
 25 proposed schedule of dates with reserving the

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1 understanding that the hearing would then  
 2 begin on the 16th and continue at that stage,  
 3 as Ms. Newman has indicated. How much time we  
 4 will need will obviously depend on how  
 5 fruitful the discussions are during the  
 6 preceding period, but our hope or our  
 7 expectation and commitment is to have  
 8 approximately a month before the end of  
 9 negotiation and that October 16th start, so  
 10 that we all have a good understanding of what  
 11 will be required once the hearing begins.  
 12 CHAIRMAN:  
 13 Q. Mr. Johnson?  
 14 MR. JOHNSON:  
 15 Q. No particular comment on that, just to confirm  
 16 that the parties did certainly have a fair bit  
 17 of discussion as to what looked to them, at  
 18 least, to be a workable schedule, so I'm  
 19 satisfied with the schedule as provided to the  
 20 Board.  
 21 CHAIRMAN:  
 22 Q. Thank you. Mr. Young?  
 23 MR. YOUNG:  
 24 Q. My only comment, Mr. Chair, is I participated  
 25 in a somewhat limited way in those

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1 right to come back to establish the hearing  
 2 dates later on when it's appropriate.  
 3 CHAIRMAN:  
 4 Q. Any particular comment on this? Mr. Kelly?  
 5 KELLY, Q.C.:  
 6 Q. No, Chair. By way of explanation, what we  
 7 tried to do in consultation with the Consumer  
 8 Advocate, was to divide the time between now  
 9 and the beginning of the hearing essentially  
 10 into three blocks and this kind of builds on  
 11 our experience out of the Hydro negotiations  
 12 the last time. You will notice that the first  
 13 block essentially runs to mid August, say  
 14 August 20th on the schedule, which provides  
 15 for information exchange. So then as we move  
 16 into the second block, which is the  
 17 negotiation period of about a month's time,  
 18 the parties have adequate information for  
 19 those negotiations to be meaningful and  
 20 hopefully fruitful, and then there is still  
 21 another block of time of approximately a month  
 22 before the hearing begins, to enable the Board  
 23 to digest whatever we've managed to achieve  
 24 and to enable the parties themselves then to  
 25 prepare for the hearing. It would be our

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1 discussions, but I did observe that some  
 2 lessons were learned from Hydro's experience,  
 3 in particular the indication and it jumps off  
 4 the page, really, more information will be  
 5 exchanged before negotiations start, and that  
 6 was seen as a bit of a weakness in our--in  
 7 hindsight in our process because we intended  
 8 that the negotiations could reduce the amount  
 9 of information that would be exchanged. It  
 10 turned out not to be the case and it was  
 11 better to do it the way that it's proposed  
 12 here and I applaud the parties for proceeding  
 13 this way.  
 14 CHAIRMAN:  
 15 Q. Thank you, Mr. Young, for that. It seems to  
 16 be a reasonable schedule. Again, I guess from  
 17 our perspective it's a framework, it gives  
 18 everybody, as you point out, Mr. Kelly,  
 19 perhaps blocks of dates to deal with, the  
 20 blocks of activity to deal with within a  
 21 period of time. It may very well be that as  
 22 we proceed, there might be some need to  
 23 restructure some of the timing there,  
 24 particularly around the negotiations  
 25 themselves and I guess as far as we're

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1 concerned, we were very--I don't know if  
 2 "pleased" is the right word, but that's the  
 3 word I'm going to use in any event, with  
 4 regard to Newfoundland and Labrador Hydro's  
 5 hearing, as to how the negotiations progressed  
 6 there and while we acknowledge and recognize  
 7 that's not necessarily going to be the norm in  
 8 all cases, to the extent we can afford the  
 9 opportunity and the availability of time to  
 10 allow additional time if necessary for those  
 11 negotiations and issues to be dealt with in an  
 12 optimum manner, I suppose, whatever that might  
 13 be, subject to the discussions and the  
 14 settlement conference itself. We would want  
 15 to try to do that, so as far as the Board is  
 16 concerned, we're at your disposal and any  
 17 flexibility that might be required here, which  
 18 would aid, assist and abet that process, I  
 19 think it's fair to say that we'll do that and  
 20 agree to that as we proceed and at the end of  
 21 the day, the tentative date of October 16th is  
 22 rather tentative at this stage, but I guess  
 23 we'll see what happens. Okay, the next item  
 24 is the Rules of Procedure.  
 25 MS. NEWMAN:

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1 thank you for your co-operation and again, if  
 2 there are any changes that would effect any  
 3 greater efficiency upon what we're doing here,  
 4 certainly bring them to Ms. Newman's attention  
 5 and we'll do whatever we can to ensure that  
 6 that process might be followed to aid us all  
 7 in the timing that we have before us,  
 8 particularly over the summer months. I think  
 9 we all like to enjoy whatever is coming down  
 10 the tube in the next couple of months. Thank  
 11 you very much and I neglected to introduce  
 12 Judy Moss, Discoveries Unlimited at the  
 13 beginning and thank her for her participation  
 14 here this morning. So we'll see you when we  
 15 see you, I guess. Thank you.  
 16 Upon conclusion at 10:14 a.m.

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1 Q. Yes, Mr. Chairman. Again, these Rules of  
 2 Procedure have been circulated to the parties  
 3 and they are consistent with rules that the  
 4 Board has then, using the most recent  
 5 hearings, with some minor changes.  
 6 CHAIRMAN:  
 7 Q. Thank you. Any particular comments on the  
 8 Rules of Procedure, Mr. Kelly?  
 9 KELLY, Q.C.:  
 10 Q. No, Chair.  
 11 CHAIRMAN:  
 12 Q. Mr. Johnson?  
 13 MR. JOHNSON:  
 14 Q. No comment.  
 15 MR. YOUNG:  
 16 Q. No comment, Mr. Chair.  
 17 CHAIRMAN:  
 18 Q. Thank you. Are there any other issues before  
 19 we clue up? Okay. I guess that's--don't know  
 20 if it's a record, but it's probably close to  
 21 one. Anyway this brings the matter this  
 22 morning to an adjournment and the Board will  
 23 be, I guess, issuing an order accordingly to  
 24 reflect the consensus and agreement that has  
 25 certainly been reached here this morning. I

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1 CERTIFICATE  
 2 I, Judy Moss, hereby certify that the foregoing is  
 3 a true and correct transcript of a pre-conference  
 4 hearing heard on the 12th day of June, A.D., 2007  
 5 at the Public Utilities Board, Prince Charles  
 6 Building, St. John's, Newfoundland and Labrador and  
 7 was transcribed by me to the best of my ability by  
 8 means of a sound apparatus.  
 9 Dated at St. John's, Newfoundland and Labrador  
 10 this 12th day of June, A.D., 2007  
 11 Judy Moss