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Mission Statement

Through our skilled staff and an investigative and monitoring process that invites full public participation, we ensure that the public of Newfoundland and Labrador are well served in a changing environment by achieving an equitable balance between the interests of consumers and service providers in the electric utility, automobile insurance and motor carrier industries.





NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Prince Charles Building, 120 Torbay Road
P.O. Box 21040
St. John's, Newfoundland
Canada
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Robert Noseworthy
Chairperson & Chief Executive Officer
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December 31, 2001

The Honourable Kelvin Parsons, Q.C.
Minister of Justice and Attorney General
Department of Justice
Government of Newfoundland and Labrador
4th Floor, East Block, Confederation Building
P. O. Box 8700
St. John's, NF.
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Dear Minister:

In compliance with section 18 of *the Public Utilities Act* I respectfully submit the annual report of the Public Utilities Board for the year ended March 31, 2001.

The annual report provides an overview of our regulatory and administrative activities for the year, the Board's Financial Statements and a summary of the Orders issued by the Board.

Yours truly,

Robert Noseworthy,
Chair and Chief Executive Officer

WHO WE ARE

The Board, by statute, is comprised of the Chairperson and Chief Executive Officer, Vice- Chairperson, and one Commissioner, all full-time, and up to six part-time Commissioners.

The Board operates at arms length from Government primarily under the authority of the *Public Utilities Act, R.S.N.1990* as an independent, quasi-judicial regulatory agency appointed by the Lieutenant Governor in Council, and statutory responsibilities include the administration of:

- i) *The Electrical Power Control Act;*
- ii) *The Public Utilities Acquisition of Lands Act;*
- iii) *The Automobile Insurance Act;*
- iv) *The Motor Carrier Act;*
- v) *The Motor Vehicle Transport Act; and,*
- vi) *The Expropriation Act*

The Board submits its annual report and budget to the Minister of Justice. Board orders and decisions are independent of any reporting structure. The Board is fully funded by assessments upon the industries it regulates and receives no funding from the consolidated revenue fund.

Primarily, the Board is charged with the general supervision of public utilities, as defined by the Act. The two major electric utilities operating in the province are Newfoundland Power Inc. and Newfoundland and Labrador Hydro Corporation. The Board is mandated to ensure that the rates charged are reasonable and just, and that service provided is safe and reliable. The Board is also charged with the supervision of the rates charged by the 55 registered automobile insurance companies operating in the Province and has limited regulation of the motor carrier industry in relation to specified passenger and ambulance operations.

Role of Regulation



Regulatory activities include: monitoring compliance with reporting requirements and Board Orders; considering applications; managing complaints and responding to inquiries; conducting hearings on various matters; conducting investigations into particular matters or concerns; and inquiries requested by Government.

The overall administration of the Board is the responsibility of the Chair and Chief Executive Officer. The Board employs ten employees to provide professional and support services to the Board. The internal administrative of the organization is divided between Corporate Services Division and the Regulatory Affairs Division.

The Corporate Services Division manages the human and financial resources of the Board and its interface with the public. Responsibilities include: policy and planning activities; staffing; training; accounting and financial management; legal services; information systems and technology services; records management; internal and external communications; public interface; inventory control; and physical security. Staff include the Director of Corporate Services and Board Secretary, Legal Counsel, Executive Secretaries, Financial Officer, Information Technology Officer, and Clerk-Stenographer.

The Regulatory Affairs Division consists primarily of staff and consultants who: provide advice and recommendations on applications submitted to the Board; assess regulatory filings; complete compliance and financial audits; provide expertise in the areas of financial and economic regulation; and participate in customer complaint resolution. Staff members include the Director of Regulatory and Advisory Services, Economic and Financial Analyst, and Compliance Auditor.

As a relatively small organization, staff from both divisions work closely together to fulfill the Board's mandate. The Board encourages active staff participation in decisions that affect the organization, which helps to achieve the strategic goal of a team-based environment.

COMMISSIONERS

April 1, 2000 - March 31, 2001

Chair & CEO



Robert (Bob) Noseworthy was appointed Chair and Chief Executive Officer in January 2001. Before his appointment, he served as a Deputy Minister in the Provincial Government for 12 years. Mr. Noseworthy is a graduate of Memorial University of Newfoundland and holds an Engineering Degree from Nova Scotia Technical College (now Dal Tech) as well as a Master of Business Administration from the University of Western Ontario. Mr. Noseworthy, in his early career worked in the private sector in the engineering field. Most of his career has been spent in the provincial public service where he has held several senior positions. His most recent responsibilities included Deputy Minister of the Department of Municipal and Provincial Affairs, Chairman/CEO of the Newfoundland and Labrador Housing Corporation and Chair of the Municipal Assessment Agency. His interests lie in areas of public policy, planning and public service reform.

Vice - Chair



Darlene Whalen was a part-time commissioner with the Board since 1997 and was appointed Vice-Chair in May 2000. Prior to joining the Board Ms. Whalen was the Manager of the Co-operative Education Program at the Faculty of Engineering of Memorial University. Ms. Whalen is a registered professional Engineer and holds a Bachelor of Engineering degree (Civil) and a Masters degree in Applied Science and Environmental Engineering, both from Memorial University.



Raymond A. Pollett was appointed as a full time Commissioner on December 17, 1997, after serving four years as a part-time Commissioner. Prior to this full time appointment, he was elected as Mayor of the City of Corner Brook for three consecutive terms (1985-1997). He was also a self-employed Realtor from 1970-1990. He was awarded the Queens 25th Anniversary Medal for Community Service (1952-1977) and is an International Lifetime Member of the Corner Brook Lions Club. Since 1985 he was actively involved in the initial planning and construction of the "Corner Brook Canada Games Centre", and was a founding member of the "1999 Canada Winter Games" (Host Society) which were held in Corner Brook on behalf of the province of Newfoundland and Labrador.



William B. Crosbie was appointed part-time Commissioner in September of 1998. Mr. Crosbie graduated with a B.Eng. degree from Nova Scotia Technical College (now TUNS), in 1973. He has pursued a career in consulting engineering for twenty years and has been president of Crosbie Engineering Ltd. for ten years. He has volunteered with the Canadian Diabetes Association, the Newfoundland and Labrador Sailing Association and Topsail Anglican Church. He has particular interest in power generation, transmission and distribution systems.



William Finn was appointed as a part-time Commissioner May 1997. Mr. Finn is a graduate of St. Mary's University and Dalhousie Law School, Halifax, Nova Scotia. Mr. Finn has been involved in private law practice since 1975. He is a former member of the Board of Regents for Memorial University and was appointed Queen's Counsel in 1997.



Gerard Martin was appointed as a part-time Commissioner in October 1999. Mr. Martin is a graduate of St. Francis Xavier University and Dalhousie Law School, Halifax, Nova Scotia. Mr. Martin has been involved in private law practice since 1974 and was appointed Queen's Counsel in 1989.



Don Powell was appointed as a part-time Commissioner on June 30, 2000 for a term of three years. Mr. Powell has been a member of the Institute of Chartered Accountants of Newfoundland since September 1965. He practiced Public Accounting in Stephenville from 1970 until he sold his interest in the firm in 1994. He presently provides consulting services to selected businesses and individuals in Western Newfoundland. Mr. Powell has been involved in many community activities and is presently chairing the Rotary Music Festival, the New Enterprise Store Advisory Board and the Kindale Library Building Committee.



Fred Saunders was appointed as a part-time Commissioner in May of 1997. This is Mr. Saunders' second term with the Board having served in several senior level positions, including that of Commissioner, between 1968 and 1978. Mr. Saunders has held senior management positions in the private sector including that of President and CEO of Day & Ross (Nfld), Ltd. He has also been involved in several community activities having served for five years as Chairperson of the Janeway Children's Hospital Foundation Board of Directors.



Gary R. Vey was appointed as a part-time Commissioner in 1997. Mr. Vey is currently Executive Director of the Gander International Airport Authority Inc. He has held a number of positions in the financial industry and worked for 14 years as a small business and community development consultant. Mr. Vey is a graduate of the College of Trades and Technology and the University of Waterloo.

REGULATORY ACTIVITIES

This section provides an overview of the Board's regulatory activities for the past year. A complete summary of all orders issued by the Board under its legislative mandate can be found beginning on page 19 of this report. The following is a brief overview of the most significant activities for the past year.

ELECTRIC UTILITIES

The two electric utilities operating in the Province of Newfoundland and Labrador regulated by the Board are Newfoundland Power Inc., an investor-owned utility, and Newfoundland and Labrador Hydro Corporation, a crown corporation. The Board receives numerous reports on a regular basis from the utilities on their operations, and the Board uses these reports in its continued oversight and supervision of the electric utility industry in the Province. In addition to this general supervision the Board also worked with both utilities to streamline and improve the reporting of power outages and incident advisories to the Board.

The Board is also responsible for the Contribution in Aid of Construction (CIAC) charges of Newfoundland Power Inc. and Newfoundland Hydro as they relate to the provision of line extensions on behalf of commercial and residential customers. The current CIAC Policy approved for use by the Board requires prior approval of all line extensions for seasonal, residential customers, as well as for any line extensions where the construction costs are estimated to exceed \$25,000. During the preceding fiscal year, the Board dealt with eighteen CIAC applications

Significant items coming before the Board this year include:

Newfoundland & Labrador Hydro

Application for the setting of rates charged to its Island Industrial Customers P.U. 25(2000-2001) & P.U. 38(2000-2001)

On November 19, 1999, Hydro applied to adjust the rates the utility charges to its Island Industrial customers as required by Section 3(a)(iv) of the *Electrical Power Control Act, 1994*. In Order P.U. 23(1999-2000) the Board set interim rates for this class of customer for the period January 1, 2000 to November 30, 2000 and ordered the utility to file an updated cost of service study reflecting 1999 actual operating and financial results. Following review, the Board decided that the information received was not appropriate for the finalization of rates for the Island Industrial Customers and that these rates should not be finalized in isolation of rates charged to the other customer classes of Hydro. Hydro was ordered to file a general rate application no later than May 1, 2001, which was later amended in Order P.U. 38(2000-2001), at the request of Hydro, to May 31, 2001.

2001 Capital Budget Approval***P.U. 31(2000-2001)***

On October 16, 2000 Newfoundland & Labrador Hydro filed its 2001 Capital Budget for approval. Following a public hearing, capital expenditures totaling \$54,681,000 were approved.

Newfoundland Power Inc.***Rate Stabilization and Municipal Tax Adjustment******P.U. 7(2000-2001)***

On May 25, 2001, Newfoundland Power applied to adjust its schedule of rates for the impact of the Rate Stabilization Adjustment (RSA) and Municipal Tax Adjustment (MTA). The RSA is designed to ensure stability in electrical energy costs despite variations in fuel prices. The MTA is a flow through of taxes charged by municipalities in which the company operates. The application of these two adjustments resulted in an overall reduction of energy costs to consumers of 1.1%.

2001 Capital Budget Approval***P.U. 24(2000-2001)***

On August 15, 2000 Newfoundland Power applied for approval of its: 2001 capital budget with forecasted expenditures of \$39,109,000; rate base for 1999 of \$505,688,000; forecasted average rate base for 2000 of \$518,724,000; and forecasted average rate base for 2001 of \$526,065,000. The application was approved following a public hearing.

Automatic Adjustment Formula***P.U. 30(2000-2001)***

The automatic adjustment formula, approved in 1998, was used to set rates for Newfoundland Power customers for 2001. Based on the average of long-term Canada bond rates the deemed rate of return on equity for 2001 was set at 9.25%. The calculated rate of return on rate base was 10.13%, which fell within the range of 10.10% to 10.46% set for 2000. As a result, there was no change in rates for Newfoundland Power customers for 2001 arising from the operation of the formula.

Disposition of Excess Revenue***P.U. 37(2000-2001)***

On February 8, 2001 Newfoundland Power applied for permission to dispose of \$7,743,000 excess revenue resulting from the favorable settlement of an outstanding issue with Canada Customs and Revenue. Excess earnings caused the company's rate of return on rate base for 2000 to exceed the upper limit of the allowed rate of return (10.46%). The company proposed to dispose of the amount through a one-time credit of 1.90% of customers' total billing amounts during the period January 2000 to December 2000. The application was approved following a public hearing.

AUTOMOBILE INSURANCE

The Board continues to exercise responsibility for the regulation of automobile insurance rates charged by insurance companies operating in the province. During the preceding twelve months, the Board has issued 36 orders on insurance matters, including one resulting from a hearing on the rates of Facility Association.

Facility Association Hearing

The Facility Association is the automobile insurance industry market of last resort. All regular market insurers are members of the Association by law and annually share proportionately in the pooled results of the Association's operations. In 1999-2000 there were a number of concerns expressed by the Superintendent of Insurance and others regarding the reported surpluses of the Facility Association. In March 2000 the Board commenced a public hearing on the rates charged on business placed in the Facility Association. This hearing continued throughout 2000/2001 and, following 11 days of hearings, the Board heard final oral argument from the parties on February 19, 2001. Represented at and participating throughout the hearing were the Facility Association, the Office of the Superintendent of Insurance and the Brokers Association of Newfoundland.

On March 30, 2001, the Board issued Order No. A.I. 36(2000-2001). In this order the Board found, among other things, that the Facility Association operates as an administrator of a risk sharing automobile insurance pool and any profit that may result from the operation of the pool should not be considered in setting rates for the future. It also found that the rates approved in the early nineties for Facility were based on sound actuarial principles and the best information available at the time. The Board is anticipating receipt of a rate filing from the Facility Association in 2001.

OTHER REGULATORY ACTIVITIES

In addition to its major responsibilities for regulation of electric utilities and automobile insurance rates, the Board also has certain responsibilities under the Motor Carrier Act and the Expropriation Act. Activities in these areas were limited for this period. Three orders were issued for ambulance motor carrier certificates. The Board also arbitrated a case referred by the Department of Works, Services and Transportation regarding fixing compensation to a landowner allegedly detrimentally affected by changes in road infrastructure. As a result the Board issued Order E.A. 1 (2000-2001), which found in favor of the landowner and awarded \$300,000 compensation.

CORPORATE ACTIVITIES

Personnel

During the year there were significant personnel changes at the Board. In May 2000 Darlene Whalen, who had been a part-time Commissioner since 1997, was appointed as Vice-Chair. Before joining the Board, Darlene, who is a registered Professional Engineer, worked with the Faculty of Engineering and Applied Science at Memorial University where she managed the Co-operative Education office. The Board also welcomed newly appointed commissioner Don Powell, C.A., a retired Chartered Accountant of Stephenville as well as the re-appointments for another three years, commissioners William Finn, Fred Saunders and Gary Vey.

In January 2001 the chair, David Vardy, announced his retirement from public service. In 2000 Dave received the Gold Medal Award of the Professional Institute of the Public Service of Canada. The receiving of this prestigious award was very fitting award for Dave who had a long and distinguished career in public service.

Robert (Bob) Noseworthy was appointed Chair and Chief Executive Officer. Bob is a graduate of Memorial University of Newfoundland and holds an Engineering Degree from Nova Scotia Technical College as well as a Master of Business Administration from the University of Western Ontario. His most recent responsibilities included Deputy Minister of the Department of Municipal and Provincial Affairs, Chairman/CEO of the Newfoundland and Labrador Housing Corporation and Chair of the Municipal Assessment Agency.

We also welcomed back from leave Leah Keating, the Board's Accountant, and said goodbye to Jason Paul who served temporarily in her position. To those who left us we thank-you for your service and wish you well in the future.

General Administrative Activities

The appointments of a new Chair, Vice-Chair and a part time Commissioner resulted in a transition period in the administrative governance of the Board and a re-focusing on education and training in administrative law and regulatory issues in preparation for the anticipated busy regulatory calendar.

Committees such as the Management Committee and Senior Staff Committee were created to deal with administrative and corporate business matters. The work of these committees greatly improved internal communications and streamlined workflow by reducing duplication in the departments.

Over the last year an emphasis was placed on improving communications for the public and major stakeholders. This resulted in a significant increase in the number of press releases and advisories released to the public. Improvements to the Board's website allowed the public to view first hand the Board's regulatory calendar as well as key decisions affecting the customers of the regulated companies and the public at large.

OUTLOOK FOR 2001 - 2002

During 2001-2002 the Board will focus much of its regulatory activity around the anticipated general rate application from Newfoundland and Labrador Hydro as ordered in P.U. 38 (1999-2000). Hydro's application is a significant activity for the Board as this will mark the first full general rate hearing for the crown corporation since becoming fully regulated. It is anticipated that the Hydro hearing will absorb most of the Board's time for the next year with preparation taking up the first three months. Six months will be set aside for actual hearing days and at least two months will be required for the release of a decision. Once the hearing is completed we will be revisiting our strategic plan and focus on developing a sound business plan for the immediate and long term.

As the focus in 2001-2002 will be on Hydro's general rate hearing, it is the Board's intention to streamline and improve the regulatory process within the hearing of Hydro's application. It is the Board's intention to issue procedural orders which set out clear and concise procedural rules for the conduct of the hearing and the scheduling of significant filing dates. Reducing costs and avoiding unnecessary time delays will also be the key in running a smooth and efficient hearing and an information management strategy will be developed to handle the enormous amount of information and evidence filed during Hydro's hearing.

We will also focus our attention on developing a strategy that will further communicate the Board's role and mandate to stakeholders and consumers affected by Board's decisions. The Board's website will be further enhanced by the inclusion of information relating to the Board's proceedings, public hearings and general information.

We are in the process of developing a Public Awareness Brochure that will be distributed in early spring to electric power customers. We also intend to develop a strategy to communicate the Board's role to insurance ratepayers regarding the regulation of the insurance industry.

FINANCIAL STATEMENTS

Morrissey & Company

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Members of the Board of Commissioners of Public Utilities:

We have audited the balance sheet of the **BOARD OF COMMISSIONERS OF PUBLIC UTILITIES** as at March 31, 2001 and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

St. John's, Newfoundland
May 25, 2001

Chartered Accountants

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
BALANCE SHEET**

As At March 31,	2001	2000
ASSETS		
Current		
Cash	\$ 397,242	\$ 370,840
Accounts receivable	159,111	42,242
Hearing costs recoverable (Note 3)	26,577	115,904
Prepaid expenses	<u>14,847</u>	<u>12,448</u>
	597,777	541,434
Designated pension funds (Note 4)	<u>640,290</u>	<u>660,586</u>
	<u>\$ 1,238,067</u>	<u>\$ 1,202,020</u>
LIABILITIES		
Current		
Accounts payable and accruals	\$ 101,812	\$ 80,011
Accrued vacation pay	<u>187,139</u>	<u>122,269</u>
	288,951	202,280
Accrued severance pay	122,603	117,997
Pension obligations (Note 4)	<u>392,700</u>	<u>411,200</u>
	804,254	731,477
EQUITY		
Surplus	<u>433,813</u>	<u>470,543</u>
	<u>\$ 1,238,067</u>	<u>\$ 1,202,020</u>

On behalf of the Board:

_____ Chairperson and CEO

See Accompanying Notes

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS**

Year Ended March 31,	2001	2000
Revenue		
Assessments	\$ 1,511,166	\$ 1,373,630
Hearings	8,525	2,250
Interest	42,079	23,599
Miscellaneous	383	4,927
Pension income (Note 4)	<u>45,149</u>	<u>26,153</u>
	<u>1,607,302</u>	<u>1,430,559</u>
Expenditure		
Advertising and notices	2,976	6,456
Furniture and equipment	26,108	9,918
Insurance	920	874
Leasehold improvements	289	2,350
Office supplies and printing	25,060	23,851
Pension obligations estimation adjustment (Note 4)	46,945	41,645
Postage and courier	6,062	4,758
Professional fees	176,583	81,058
Registration and training	42,531	29,691
Rent	130,145	128,645
Salaries and associated costs	1,076,781	854,353
Telecommunications	26,302	27,944
Transcription	13,125	4,038
Travel	<u>70,205</u>	<u>56,911</u>
	<u>1,644,032</u>	<u>1,272,492</u>
(Deficiency) excess of revenue over expenditure	(36,730)	158,067
Surplus as at beginning of year	<u>470,543</u>	<u>312,476</u>
Surplus as at end of year	<u>\$ 433,813</u>	<u>\$ 470,543</u>

See Accompanying Notes

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
STATEMENT OF CASH FLOWS**

Year Ended March 31,	2001	2000
Operating activities		
(Deficiency) excess of revenue over expenditure	\$ (36,730)	\$ 158,067
Changes in non-cash working capital balances		
(Increase) decrease in accounts receivable	(116,869)	48,709
Decrease (increase) in hearing costs recoverable	89,327	(77,897)
(Increase) decrease in prepaid expenses	(2,399)	5,900
Increase in accounts payable and accruals	21,801	2,983
Increase in accrued vacation pay	64,870	12,890
(Increase) decrease in accrued severance pay	<u>4,606</u>	<u>(6,073)</u>
Cash flows from operating activities	<u>24,606</u>	<u>144,579</u>
Investing activities		
Decrease in designated pension funds	20,296	39,292
(Decrease) in pension obligations	<u>(18,500)</u>	<u>(23,800)</u>
Cash flows from investing activities	<u>1,796</u>	<u>15,492</u>
Increase in cash resources during the year	26,402	160,071
Cash position as at beginning of year	<u>370,840</u>	<u>210,769</u>
Cash position as at end of year	<u>\$ 397,242</u>	<u>\$ 370,840</u>

See Accompanying Notes

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
NOTES TO THE FINANCIAL STATEMENTS**

Year Ended March 31, 2001

1. Authority

The Board of Commissioners of Public Utilities is an independent, quasi-judicial regulatory agency constituted by the Lieutenant-Governor in Council pursuant to the *Public Utilities Act*. The Board is responsible for the regulation of electric utilities in the Province to ensure that rates charged are just and reasonable and that the service provided is safe and secure. Other responsibilities include the setting and regulation of the rates for automobile insurance; limited regulation of the motor carrier industry in relation to certain passenger and ambulance operations; and establishing the amount of compensation for matters referred to the Board pursuant to the *Expropriation Act*. Established in 1949, the Board was incorporated on May 12, 2000 pursuant to an amendment to the *Public Utilities Act*.

2. Summary of significant accounting policies

These financial statements have, in all material respects, been prepared in accordance with generally accepted accounting principles, the more significant of which are set out below:

(a) Operating revenue and expenditure

Operating revenue and expenditure are accounted for on the accrual basis. The Board estimates expenses annually which are assessed upon and borne by regulated concerns.

(b) Hearing costs recoverable

Recoverable expenses relating to specific enquiries held by the Board are accrued in hearing costs recoverable accounts until the Board orders payment. These reimbursements and related underlying expenses are not included as operating revenue and expenditure of the Board.

(c) Capital assets

Capital assets are reported as expenditure in the year the assets are acquired. A Schedule of Tangible Capital Assets is provided (Page 8) to inform users of the capital assets on hand and available for use by the Board. The historic cost of the assets is estimated in some cases. Amortization is calculated on a straight line basis over the following useful lives:

Furniture and equipment	- 5 years
Leasehold improvements	- 5 years
Computer hardware	- 3.3 years
Computer software	- 1 year

The effect of amortization of tangible capital assets is recognized only on the Schedule of Tangible Capital Assets and not on the Statement of Revenue, Expenditure and Surplus.

(d) Severance Pay

Severance pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. The right to be paid severance pay vests with employees with nine years of continual service. No provision for severance pay is made in the accounts for employees with less than nine years of continual service. Severance pay for eligible employees is payable when the employee ceases employment with the Board.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2001

3. Hearing costs recoverable

	2001	2000
Hearing costs recoverable - beginning of year	<u>\$ 115,904</u>	<u>\$ 38,007</u>
Add - specific enquiry costs incurred during the year		
Professional fees	90,166	118,703
Transcription and printing	2,100	7,203
Salaries	31,531	28,040
Other	<u>27,475</u>	<u>19,200</u>
	<u>151,272</u>	<u>173,146</u>
	267,176	211,153
Less - costs recovered during the year	<u>240,599</u>	<u>95,249</u>
Hearing costs recoverable - end of year	<u><u>\$ 26,577</u></u>	<u><u>\$ 115,904</u></u>

4. Pension assets and liabilities

The Board maintains a defined benefit pension plan for two former commissioners. Other commissioners and employees of the Board are members of the public service pension plan.

Designated pension funds of \$640,290 (2000 - \$660,586) consist of investments maintained in trust with the Royal Trust Corporation of Canada on behalf of pensioners and are valued at market value.

Changes in designated pension funds are as follows:

	2001	2000
Balance, beginning of year	\$ 660,586	\$ 699,878
Add, earnings net of expenses	<u>45,149</u>	<u>26,153</u>
	705,735	726,031
Deduct, benefit payments	<u>65,445</u>	<u>65,445</u>
Balance, end of year	<u><u>\$ 640,290</u></u>	<u><u>\$ 660,586</u></u>

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
NOTES TO THE FINANCIAL STATEMENTS****Year Ended March 31, 2001****4. Pension assets and liabilities (continued)**

Pension obligations of \$392,700 at March 31, 2001 represent the present value of accrued pension benefits as at that date, as calculated in an actuarial report dated May 22, 2001. The report indicates that a pension obligations estimation adjustment was required as at March 31, 2001 due to changes in actuarial assumptions. The estimation adjustment of \$46,945 (2000 - \$41,645) is included in expenditure in the fiscal year.

The Board is also committed to make pension payments to a former Commissioner in the amount of \$2,043 per month. These payments are paid directly by the Board out of operating expenditure and are included in salaries and associated costs. Direct pension payments for the year were \$24,520 (2000 - \$10,217). Salaries and associated costs also includes the Board's pension expenditure of \$37,236 (2000 - \$36,606) with respect to the public service pension plan.

5. Income taxes

The Board is a Crown entity of the Province of Newfoundland and as such is not subject to provincial or federal income taxes.

6. Lease commitments

The Board entered into the following leases for the rental of office space:

- (a) five year lease agreement in the amount of \$10,345 per month (\$124,140 per annum) commencing May 1998.
- (b) three year lease agreement in the amount \$500 per month (\$6,000 per annum) commencing July 1999.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
SCHEDULE OF TANGIBLE CAPITAL ASSETS

As At March 31, 2001

	<u>Estimated Original Cost</u>			<u>Accumulated Amortization</u>			<u>Net Book Value</u>	
	Balance March 31, 2000	Additions Net of Disposals	Balance March 31, 2001	Balance March 31, 2000	Additions Net of Disposals	Balance March 31, 2001	Balance March 31, 2001	Balance March 31, 2000
Furniture and Equipment	\$ 143,606	\$ 12,474	\$ 156,080	\$ 110,645	\$ 7,840	\$ 118,485	\$ 37,595	\$ 32,961
Leasehold improvements	107,967	289	108,256	43,187	12,985	56,172	52,084	64,780
Computer hardware	90,029	12,107	102,136	66,454	8,978	75,432	26,704	23,575
Computer software	<u>9,403</u>	<u>1,352</u>	<u>10,755</u>	<u>9,403</u>	<u>1,352</u>	<u>10,755</u>	<u>-</u>	<u>-</u>
	<u>\$ 351,005</u>	<u>\$ 26,222</u>	<u>\$ 377,227</u>	<u>\$ 229,689</u>	<u>\$ 31,155</u>	<u>\$ 260,844</u>	<u>\$ 116,383</u>	<u>\$ 121,316</u>

See Accompanying Notes

**SUMMARY OF ORDERS OF THE BOARD ISSUED DURING 2000 - 2001
UNDER
THE PUBLIC UTILITIES ACT**

Newfoundland Power Inc. **P.U. 1 (2000-2001)**
April 4, 2000

Application:

Application to amend the contribution in aid of construction (CIAC) Policy approved by Order No. P.U. 7 (1997-98) pursuant to Section 41 of the Act.

Decision:

Approval granted, as requested, as a result of a meeting of the Board.

Newfoundland Power Inc. **P.U. 2 (2000-2001)**
April 4, 2000

Application:

Application for approval of (i) revised distribution line cost per metre for CIACs; (ii) revised distribution plant upgrade cost for CIACs; and (iii) revised CIAC cost factors.

Decision:

Approval granted, as requested, as a result of a meeting of the Board.

Newfoundland Power Inc. **P.U.3 (2000-2001)**
May 1, 2000

Application:

Application for approval of a contribution in aid of construction (CIAC) for a line extension to serve the Town of Stephenville.

Decision:

Approval granted, as requested, as a result of a meeting of the Board.

Newfoundland Power Inc. **P.U. 4 (2000-2001)**
May 1, 2000

Application:

Application to vary an Order prescribing the conditions and compensation for the use by Glovertown Cable TV Ltd. of NP's poles pursuant to Section 53 (2) of the Act.

Decision:

Approval granted as a result of a public hearing:

1. The rate that NP shall charge Glovertown Cable for the use of NP's poles shall be calculated in accordance with the Formula as attached to the application forming part of Schedule "A" of the application;
2. NP is not discharged from its obligation to supply Glovertown Cable with electricity in the event of non-payment of the amounts calculated in accordance with the Formula;
3. The parties shall, within three weeks from the date herein, file with the Board an agreement reflecting the decisions of the Board as set out in this Order. The rates shall become effective on the date that the Board approves of the content of the Agreement, or such date as the Board may deem appropriate; and
4. The costs of this hearing shall be borne equally between the parties.

Newfoundland and Labrador Hydro**P.U. 5 (2000-2001)****Application:****May 12, 2000**

Application by Newfoundland and Labrador Hydro ("Hydro"), pursuant to S. 38 of the Act, to abandon the Roddickton diesel generating plant

Decision - As a result of a public hearing:

1. Hydro is hereby authorized, under section 38 of the Public Utilities Act, to abandon the Roddickton diesel plant and to write off the undepreciated value of the assets that are no longer used and useful, subject to the following conditions:
 - (a) Hydro will put in place a supply of emergency power by November 1, 2000 in the amount of 1500 – 2000 kW, in addition to the mini-hydro plant, with any future discontinuance of this service to be authorized by the Board pursuant to an application by Hydro to be filed on or after July 1, 2003;
 - (b) Hydro will decide on the staffing it deems necessary in accordance with good management practice to make emergency power available on a timely basis;
 - (c) Outages, other than failures specific to the distribution system, which affect the area north of the terminal station in Hawke's Bay, will be monitored, and a record kept of their causes, their duration and the number of customers affected, along with the complaints received and damage claims filed. These records are to be summarized in a quarterly report to be filed with the Board, along with Hydro's regular quarterly report, beginning with the third quarter in the year 2000. In each quarterly report on the performance of the electrical system in the area north of Hawke's Bay, Hydro will advise the Board of any generation units which have been relocated from, or into, the region for a period of more than 60 days and Hydro will advise whether such relocation has been undertaken as a temporary measure or on a permanent basis, along with the reasons therefore;
 - (d) Hydro is to conduct a study into the reliability of the transmission line serving the Great Northern Peninsula and will identify the amount of emergency power required. The study is to draw upon the information acquired by Hydro through the monitoring activities initiated pursuant to this Order. The study will also identify the role of mobile, transportable, and fixed generation units and where these units should be placed, recognizing the history of reliability and the performance of the transmission lines. This study shall be conducted by an independent consultant and the report should be submitted to the Board no later than July 1, 2003, reflecting the performance of the electrical system and its reliability up to May 31, 2003.
2. Hydro is hereby authorized, under section 38 of the Act, to include the 450 kW auxiliary diesel which was used within the Roddickton woodchip fired thermal plant as part of the plant covered by the authority to abandon given in P.U. 26 (1999-2000). The previous Order is amended accordingly.
3. Hydro will pay the costs of the Board.

Newfoundland Power Inc.**P.U. 6 (2000-2001)****Application:****May 30, 2000**

For approval of the balance of the weather normalization reserve as of December 31, 1999 pursuant to Sections 69(3) and 78 of the Act.

Decision:

Approval granted, as requested, as a result of a meeting of the Board.

Newfoundland Power Inc.**P.U. 7 (2000-2001)****Application:****June 8, 2000**

For approval of Rate Stabilization and Municipal Tax Adjustments to be applied to the rates of Newfoundland Power Inc., for the period July 1, 2000 to June 30, 2001 pursuant to Section 71 of the Act.

Decision:

Approval granted, as requested, as a result of a meeting of the Board.

Newfoundland Power Inc.**P.U. 8 (2000-2001)****Application:****June 9, 2000**

Agreement filed on May 23, 2000, setting out the Rates and other matters relating to the pole attachments of Glovertown Cable, as ordered in P.U. 4 (2000-2001) to vary an Order prescribing the conditions and compensation for the use by Glovertown Cable TV Ltd. ("Glovertown Cable") of the Applicant's poles pursuant to Section 53(2) of the Act.

Decision:

1. The Agreement is hereby approved by the Board and shall be binding between the parties until either amended by the consent of the parties or altered by the Board.
2. The Agreement shall be deemed to come into effect as of the date of this Order.

Newfoundland and Labrador Hydro**P.U. 9 (2000-2001)****Application:****June 16, 2000**

Application for approval, pursuant to Section 41 of the Act, for the lease of computer equipment to upgrade office technology.

Decision:

1. Section A of P.U. 19 (1999-2000) is amended such that the figure for Upgrade Office Technology shall be \$40,000.
2. The Board approves the Applicant's proposal to enter into a lease along the terms set out in Schedule A, attached hereto.

Newfoundland Power Inc.**P.U. 10 (2000-2001)****Application:****June 28, 2000**

Application for approval of a contribution in aid of construction for seasonal customers located on Goose Pond, east of Whitbourne.

Decision:

Approval granted, as requested, pursuant to Section 41(5) of the Act, for the CIAC in the amount of \$2,803.13, including HST, as calculated under the policy, as a result of a meeting of the Board.

Newfoundland and Labrador Hydro**P.U. 11 (2000-2001)****Application:****June 28, 2000**

For approval of a contribution in aid of construction for the supply of single phase electrical service to a pump house at Fleur-de-Lys, Newfoundland

Decision:

Approval granted to the application of \$35,300.00 for a contribution in aid of construction for the supply of single phase electrical service to a pump house at Fleur-de-Lys, Newfoundland.

Newfoundland Power Inc.**P.U. 12 (2000-2001)****Application:****July 7, 2000**

Application for approval of a contribution in aid of construction (CIAC) for a line extension to serve Seasonal Customers located on Beachy Cove Road near the community of Tors Cove pursuant to Section 41(5) of the Act.

Decision:

Approval granted, as follows:

1. the CIAC in the amount of three thousand seven hundred and three dollars (\$3,703.00), including HST, for the five Group A customers;
2. the CIAC in the amount of four thousand six hundred twenty-three dollars and fifty-two cents (\$4,623.52) including HST, for the six Group B customers;
3. the suspension of refunds in accordance with Clause 6 of the Policy to the six Group B customers until the shortfall related to the deviation from the Policy is recovered, as a result of a Board meeting.

Newfoundland Power Inc.**P.U. 13 (2000-2001)****Application:****July 7, 2000**

Application for approval of a contribution in aid of construction for a line extension to serve seasonal Customers located in an area known as Second Junction Pond, Jack's Pond and Whelan's Pond near Brigus Junction, pursuant to Section 41(5) of the Act.

Decision:

Approval granted, as follows:

- the CIAC in the amount of five thousand three hundred seventy-three dollars and forty-two cents (\$5,373.42), including HST, as calculated under the Policy, as a result of a meeting of the Board

Newfoundland Power Inc.**P.U. 14 (2000-2001)****Application:****July 7, 2000**

Application for approval of a contribution in aid of construction for a line extension to serve Rotary Club of Avalon Northeast, pursuant to Section 41(5) of the Act.

Decision:

Approval granted, as follows:

- the CIAC in the amount of three thousand eight hundred thirty-seven dollars and fifty-five cents (\$3,837.55), including HST, as calculated under the Policy, as a result of a meeting of the Board.

Newfoundland Power Inc.**P.U. 15 (2000-2001)****Application:****July 26, 2000**

Application for approval of a Contribution in Aid of Construction for a line extension to serve NewTel Communications Inc., pursuant to Section 41(5) of the Act.

Decision:

Approval granted, as follows:

- the CIAC in the amount of Two hundred twenty-eight thousand one hundred thirty dollars (\$228,130), including HST, as calculated under the Policy, as a result of a meeting of the Board

Newfoundland and Labrador Hydro**P.U. 16 (2000-2001)****Application:****July 31, 2000**

Application for approval of an amendment to Order P.U. 19 (1999-2000) pursuant to Section 41(3)(b) and 76 of the Act.

Decision:

1. Approval granted, as follows:
 - a. the relocation of the diesel generator from St. Anthony to the Roddickton wood chip site;
 - b. the modification of the black start system at St. Anthony to work in the absence of the 850 kW mobile generator;
 - c. the provision of protection/control devices and automated plant programming changes for St. Anthony; and
 - d. the installation of additional tankage and the upgrading of the fuel system at the Roddickton Terminal Station; at a cost of \$84,000.
2. Order P.U. 19 (1999-2000), as amended by P.U. 9 (2000-2001), is hereby amended, mutates mutandis.

Newfoundland Power Inc.**P.U. 17 (2000-2001)****Application:****August 10, 2000**

Application for approval of a contribution in aid of construction (CIAC) for a line extension to serve the Town of Heart's Delight-Islington ("the Customer") pursuant to Section 41 (5) of the Act.

Decision:

Approval granted, pursuant to Section 41(5) of the Act for a contribution in aid of construction in the amount of twenty-two thousand fifty-one dollars and twenty-five cents (\$22,051.25), including HST, as calculated under the Policy.

Newfoundland Power Inc.**P. U. 18 (2000-2001)****Application:****August 29, 2000**

Application for approval of a contribution in aid of construction (CIAC) for a line extension to serve seasonal customers ("the Customers") located at Old Man's Pond, pursuant to Section 41 (5) of the Act.

Decision:

Approval granted, pursuant to Section 41(5) of the Act for a contribution in aid of construction in the amount of four thousand one hundred sixty dollars and thirteen cents (\$4,160.13), including HST, as calculated under the Policy.

Newfoundland Power Inc.**P. U. 19 (2000-2001)****Application:****August 29, 2000**

Application for an Order rescinding Order No. P.U. 13 (2000-2001), pursuant to Section 76 of the Act, and approving a revised contribution in aid of construction for a line extension to serve seasonal customers located in an area known as Second Junction Pond, Jack's Pond and Whelan's Pond near Brigus Junction, pursuant to Section 41(5) of the Act.

Decision:

Approval granted

1. Pursuant to Section 76 of the Act, Order No. P.U. 13 (2000-2001) is rescinded; and
- 2 (a) the CIAC in the amount of five thousand sixty dollars and forty-six cents (\$5,060.46), including HST, as calculated under the Policy; and
 - (b) the suspension of the payment of refunds to the Customers until the shortfall of \$311.96 per customer is recovered.

Newfoundland and Labrador Hydro**P.U. 20 (2000-2001)****Application:****August 30, 2000**

Application for approval of an amendment to Order P. U. 19 (1999-2000) pursuant to Sections 41 (3) (b) and 76 of the Act.

Decision:

Approval granted:

1. Pursuant to Section 41 (3) of the Act, the Board approves:
 - (i) the upgrade to the generation and distribution facilities at Charlottetown;
 - (ii) the additional generation and fuel storage capacity at Davis Inlet; and
 - (iii) changes to the diesel plant substation transformer capacity at Black Tickle at a cost of \$1,404,600.
2. Order P. U. 19 (1999-2000), as amended by Orders No. P. U. 9 & 16 (2000-2001), is hereby amended, mutatis mutandis.

Newfoundland and Labrador Hydro**P. U. 21 (2000-2001)****Application:****Sept. 8, 2000**

Application for approval to decommission the diesel generating station at La Poile.

Decision:

Approval granted as a result of a meeting of the Board.

Newfoundland Power Inc.**P.U. 22 (2000-2001)****Application:****Sept. 27, 2000**

Application for approval of a contribution in aid of construction (CIAC) for a line extension to serve seasonal customers at Goulds Big Pond, off the Trans Canada Highway near Roaches Line.

Decision:

Approval granted, pursuant to Section 41(5) of the Act for a CIAC in the amount of nine thousand four hundred sixty-five dollars and ninety-four cents (\$9,465.94), including HST, as calculated under the Policy, as a result of a meeting of the Board.

Newfoundland Power Inc.**P.U. 23 (2000-2001)****Application:****Sept. 27, 2000**

Application for approval of a contribution in aid of construction (CIAC) for a line extension to serve Porter Professional Services, Cape St. George.

Decision:

Approval granted, pursuant to Section 41 (5) of the Act for a CIAC in the amount of forty-six thousand seven hundred fifty-three dollars and twenty-five cents (\$46,753.25) including HST, as calculated under the Policy, as a result of a meeting of the Board.

Newfoundland Power Inc.**P.U. 24 (2000-2001)****Application:****Oct. 6, 2000**

Application for approval of:

- (a) (i) its 2002 capital budget; (ii) approving leases for 2001 in excess of \$5,000 per year; and (iii) approving; and
- (b) (i) fixing and determining its average rate base for 1999 in the amount of \$505,688,000; (ii) approving its revised forecast average rate base for 2000 in the amount of \$518,724,000; and (iii) approving its forecast average rate base for 2001 in the amount of \$526,065,000; and
- (c) approving revised values for rate base and invested capital for use in the automatic adjustment formula (the "Automatic Adjustment Formula") for the calculation of return on rate base for 2001 pursuant to Order No. P.U. 16 and 36 (1998-99) and No. P.U. 18 (1999-2000).

Decision:

Approval of the Applicant's capital budget in the amount of \$39,109,000, inter alia, as a result of a public hearing.

Newfoundland and Labrador Hydro**P. U. 25 (2000-2001)****Application:****Oct. 27, 2000****On the Board's Own Initiative**

Finalization of rates applicable to the Island Industrial Customers of Newfoundland and Labrador Hydro, approved on an Interim basis pursuant to Order No. P. U. 23 (1999-2000):

Decision:

1. Hydro is ordered to file a general rate application no later than May 1, 2001 (the "Rate Application") using forecast data.
2. In preparing the Rate Application, Hydro will use the Generic Methodology.
3. Industrial rates will be finalized pursuant to a hearing based upon the Rate Application.
4. The interim rates approved by Order No. P. U. 23 (1999-2000) are hereby extended to December 31, 2001.
5. By November 30, 2000 Hydro will file with the Board a schedule (i.e., a "critical path"), indicating significant milestones and activities it must undertake in order to file the Rate Application by May 1, 2001.
6. The Board will be requesting progress reports from Hydro from time to time as to the progress made in reference to the schedule filed with the Board.
7. The Board will grant Newfoundland Power Inc. and the Industrial Customers intervenor status in the Rate Application.
8. The schedule and progress reports to be filed by Hydro will also be provided by Hydro to Newfoundland Power and the Industrial Customers.

Newfoundland Power Inc.**P.U. 26 (2000-2001)****Application:****Oct. 31, 2000**

Application for approval of a contribution in aid of construction (CIAC) for a line extension to serve Mr. Ray Champion, located off the Bay d'Espoir Highway pursuant to Section 41 (5) of the Act.

Decision:

Approval granted pursuant to Section 41 (5) of the Act for a contribution in aid of construction in the amount of forty-four thousand sixty-seven dollars and eight cents (\$44,067.08), including HST, as calculated under the Policy.

Newfoundland Power Inc.**P.U. 27 (2000-2001)****Application:****Oct. 31, 2000**

Application for approval of a contribution in aid of construction (CIAC) for a line extension to serve seasonal customers located near Loon Pond, off Deer Park Road, Salmonier Line pursuant to Section 41 (5) of the Act.

Decision:

Approval granted pursuant to Section 41 (5) of the Act for a contribution in aid of construction in the amount of two thousand seven hundred eighty-one dollars and fifty-six cents (\$2,781.56), including HST, per customer as calculated under the Policy.

Newfoundland Power Inc.**P.U. 28 (2000-2001)****Application:****Oct. 31, 2000**

Application for an Order rescinding Order No. P. U. 19 (2000-2001), pursuant to Section 76 of the Act, and approving a contribution in aid of construction for a line extension to serve seasonal customers located in an area known as Second Junction Pond, Jack's Pond and Whelan's Pond near Brigus Junction pursuant to Section 41 (5) of the Act.

Decision:

Approval granted

1. Pursuant to Section 76 of the Act, Order No. P. U. 19 (2000-2001) is rescinded, and
2. Pursuant to Section 41 (5) of the Act
 - (i) for a contribution in aid of construction in the amount of five thousand sixty dollars and forty-six cents (\$5,060.46), including HST, per customer as calculated under the Policy, and
 - (ii) the suspension of the payment of refunds to the customers until the shortfall is recovered.

Newfoundland Power Inc.**P. U. 29 (2000-2001)****Application:****Oct. 31, 2000**

Application for approval of a contribution in aid of construction for a line extension to serve Mr. Doug Edison, located off Woodford's Station Road, Holyrood pursuant to Section 41 (5) of the Act.

Decision:

Approval granted pursuant to Section 41 (5) of the Act for a contribution in aid of construction in the amount of eight thousand two hundred ninety-three dollars and eighty cents (\$8,293.80), including HST, as calculated under the Policy.

Newfoundland Power Inc.**P.U. 30 (2000-2001)****Application:****Nov. 28, 2000**

In the matter of an automatic adjustment mechanism to adjust the rates of Newfoundland Power Inc., based on variations in rate base as established by the Board in Order No. P.U. 16(1998-99) and Order No. P. U. 36 (1998-99).

Decision:

1. Pursuant to Order No. P. U. 36 (1998-99) there shall be no change in electrical rates charged by the Company for the year 2001; and
2. The allowable rate of return for the Company for the year 2001 shall remain within the range of 10.10% to 10.46%.

Newfoundland and Labrador Hydro**P.U. 31 (2000-2001)****Application:****Dec. 18, 2000**

Application for approval of:

- a. its 2001 Capital Budget pursuant to S. 41(1) of the Act;
- b. its 2001 capital purchases and construction projects in excess of \$50,000 pursuant to S. 41 (3) (a) of the Act;
- c. its leases for 2001 in excess of 5000; and
- d. its estimated contribution in aid of construction for 2001 pursuant to S. 41 (5) of the Act.

Decision:

Approval of the Applicant's capital budget for 2001 in the amount of \$54,681,000, inter alia, as a result of a public hearing.

Newfoundland and Labrador Hydro**P. U. 32 (2000-2001)****Application:****Jan. 12, 2001**

Application for approval of a contribution in aid of construction (CIAC) for the supply of three-phase primary electrical service to the Hammerdown Gold Mine site near King's Point, Newfoundland

Decision:

Approval granted for a contribution in aid of construction in the amount of sixty-eight thousand four hundred and thirty-five dollars (\$68,435.00), plus HST, as calculated under the Policy

Newfoundland Power Inc.**P.U. 33 (2000-2001)****Application:****Jan 12, 2001**

Application for approval of (i) revised distribution line cost per metre for CIACs; (ii) revised distribution plant upgrade cost for CIACs; and (iii) revised CIAC cost factors.

Decision:

Approval granted, as requested, as a result of a meeting of the Board.

Newfoundland Power Inc.**P.U. 34 (2000-2001)****Application:****Jan 12, 2001**

Application for approval of a contribution in aid of construction for a line extension to serve the Town of Pouch Cove.

Decision:

Approval granted pursuant to Section 41 (5) of the Act for a contribution in aid of construction in the amount of thirty-four thousand eight hundred eighty-six dollars and sixty-nine cents (\$34,886.69) including HST, as calculated under the Policy.

Newfoundland Power Inc.**P. U. 35 (2000-2001)****Application:****Feb. 8, 2001**

Application for relief from the statutory obligation to supply electrical energy pursuant to Section 54(4) of the Public Utilities Act.

Decision:

Approval granted, as follows:

1. Pursuant to Section 54(4) of the Act, the Applicant is relieved from the obligation to provide electrical service to the Customer in the circumstances set out in the letter of arrangement between the Applicant and the Customer dated December 20, 2000 and attached as Schedule A and as accepted by the Customer as set out in Schedule B to this Order, except that the Applicant shall give the Customer at least twenty-four hours notice prior to disconnecting the Customer's electrical service for failure to comply with the terms and conditions set out in Schedule A.
2. This Order shall govern the provision of electrical service by the Applicant to the Customer until such time as the Customer complies with the requirements of the Customer Deposit Policy of the Applicant as approved by the Board.

Newfoundland and Labrador Hydro**P.U. 36 (2000-2001)****Application:****Feb. 22, 2001**

Ex Parte Application for approval, pursuant to Section 41 of the Act, for the lease of upgrades to certain computer equipment.

Decision:

1. The Applicant's proposed lease for the disk upgrade for the IBM AS/400 Development Computer is hereby approved.
2. PU 19(1999-2000) is hereby amended such that the amount of \$103,000 previously approved shall be excluded from the approved expenditures for 2000 and not allowed as a carryover to 2001.
3. The Applicant shall file an amended Section D "2001 Leasing Costs" to form part of the 2001 Capital Budget as approved by Order No. P.U. 31 (2000-2001).

Newfoundland Power Inc.**P.U. 37 (2000-2001)****Application:****March 15, 2001**

For an Order, pursuant to Sections 58 and 80 and all other enabling powers of the Act and Orders of the Board, approving the disposition of revenue credited to the Applicant's excess revenue account through a rebate to customers.

Decision:

1. The balance in the Excess Revenue Account, as at December 31, 2000, of \$6,733,000 be rebated to customers; together with HST of \$1,010,000, through a one-time credit to each of its customers on their April 2001 electric service bills of 1.90% of the customer's total billing amounts on electric service bills issued during the period January 2000 to December 2000.
2. The Applicant file with the Board on or before June 30, 2001 a report showing the actual disposition by rate class of the Excess Revenue Account and any amounts not distributed.
3. The Applicant file with the Board in advance of the first April billing in which the rebate will be credited, a copy of the Customer Information Pamphlet as well as copies of any other public communiqué or press release to be distributed in connection with this matter.
4. The Applicant shall pay the expenses of the Board arising out of this application.

Newfoundland and Labrador Hydro**P.U. 38 (2000-2001)****Application:****March 16, 2001**

Request for an amendment to Paragraph 1 of Order No. PU 25 (2000-2001) to extend the date for the filing of a General Rate Application from May 1, 2001 to May 31, 2001.

Decision:

1. Paragraph 1 of Order No. P.U. 25 (2000-2001) be and it is hereby amended to extend the date for the filing of a General Rate Application from May 1, 2001 to May 31, 2001.
2. Hydro is required to provide progress reports commencing March 23, 2001 and bi-weekly thereafter as to the progress made in meeting the timelines set by the Rate Hearing Schedule filed previously with the Board. At the same time, Hydro shall also advise the Board of any issues which may affect the Rate Hearing Schedule and an explanation as to how Hydro intends to overcome these issues.

Newfoundland and Labrador Hydro**P.U. 39 (2000-2001)****Application:****March 28, 2001**

Contribution in aid of construction for the supply of single-phase electrical service to the Deadman's Cove Ecotourism Park for the Town of Harbour Breton.

Decision:

Pursuant to Section 41(5) of the Act, the Board approves the CIAC in the amount of twenty-nine thousand eight hundred and eight dollars (\$29,808.00), including HST, for the supply of single-phase primary electrical service to the RV site and Convenience Store at Deadman's Cove Ecotourism Park, Harbour Breton, Newfoundland.

**SUMMARY OF ORDERS OF THE BOARD ISSUED DURING 2000-2001
UNDER
THE AUTOMOBILE INSURANCE ACT**

- National Frontier Insurance Company** **A.I. 1 (2000-2001)**
Application: **April 6, 2000**
Application to implement rates for its commercial class of business
Decision:
Approved as a result of a meeting of the Board
- Lloyd's Underwriters** **A.I. 2 (2000-2001)**
Application: **April 6, 2000**
Application to implement revised rates for its private passenger class of business
Decision:
Approved as a result of a meeting of the Board
- Chubb Insurance Company** **A.I. 3 (2000-2001)**
Application: **April 27, 2000**
Application to implement rates for its commercial class of business
Decision:
Approved as a result of a meeting of the Board
- Lombard Canada Ltd.** **A.I. 4 (2000-2001)**
on behalf of: **April 27, 2000**
Lombard General Insurance Company of Canada, Lombard Insurance Company, & The Tokio Marine & Fire Insurance Company Ltd.
Application:
Application to introduce S.E.F. 43R and S.E.F. 43R(L) to its commercial classes of business.
Decision:
Rating program confirmed as a result of a meeting of the Board
- CGU Insurance Company of Canada** **A.I. 5 (2000-2001)**
Application: **May 30, 2000**
Application seeking to introduce a six star protector to its private passenger automobile insurance policy
Decision:
Approved as a result of a meeting of the Board
- Co-operators General Insurance Company** **A.I. 6 (2000-2001)**
Application: **May 30, 2000**
Application for a revision to its private passenger automobile insurance rating program
Decision:
Approval granted as a result of a meeting of the Board to introduce CLEAR rating groups for own-damages' coverages

Echelon General Insurance Company **A.I. 7 (2000-2001)**

Application: **May 30, 2000**

Application for a revision to its private passenger automobile insurance rating program

Decision:

Approval granted as a result of a meeting of the Board to introduce CLEAR rating groups for own-damages' coverages

Traders General Insurance Company **A.I. 8 (2000-2001)**

Application: **May 30, 2000**

Application for revisions to its private passenger automobile insurance rating program

Decision:

Approval granted as a result of a meeting of the Board for adoption of benchmark differentials for its Class 05 and 06 underage operator classifications, and for introduction of a six star protector enhancement

Pembridge Insurance Company **A.I. 9 (2000-2001)**

Application: **May 30, 2000**

Application to implement revised rates for its private passenger class of business

Decision:

Approval granted as a result of a meeting of the Board

The Citadel General Assurance Company **A.I. 10 (2000-2001)**

Application: **May 30, 2000**

Application to implement rates for its commercial class of business

Decision:

Approval granted as a result of a meeting of the Board to adopt the IAO rating program

Lloyd's Underwriters **A.I. 11 (2000-2001)**

Application: **May 30, 2000**

Application requesting an amendment to its discounts applicable to its private passenger class of business

Decision:

Approved as a result of a meeting of the Board

Unifund Assurance Company **A.I. 12 (2000-2001)**

Application: **May 30, 2000**

Application to implement revisions to its schedule of rates for use with Standard Endorsement Forms for its miscellaneous classes of business

Decision:

Approved as a result of a meeting of the Board

Continental Insurance Company and Continental Casualty Company **A.I. 13 (2000-2001)**

Application: **June 13, 2000**

Application to implement revised rates for its private passenger class of business

Decision:

Approved as a result of a meeting of the Board

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| <p>The Portage La Prairie Mutual Insurance Company
 Application:
 Application to implement revised rates for its private passenger class of business
 Decision:
 Approved as a result of a meeting of the Board</p> | <p>A. I. 14 (2000-2001)
 June 28, 2000</p> |
| <p>Continental Insurance Company and Continental Casualty Company
 Application:
 Application to implement revised rates for their commercial and miscellaneous classes of business
 Decision:
 Approved as a result of a meeting of the Board</p> | <p>A. I. 15 (2000-2001)
 July 14, 2000</p> |
| <p>The Economical Insurance Group, for
 Economical Mutual Insurance Company
 Application:
 Application to implement rates for its commercial class of business
 Decision:
 Approved as a result of a meeting of the Board</p> | <p>A. I. 16 (2000-2001)
 Oct. 26, 1999</p> |
| <p>The Dominion of Canada General Insurance Company
 Application:
 Application to implement revised rates for its commercial class of business
 Decision:
 Approved as a result of a meeting of the Board</p> | <p>A. I. 17 (2000-2001)
 Oct. 31, 2000</p> |
| <p>The Dominion of Canada General Insurance Company
 Application:
 Application to add usage classes to S.E.F. 20, S.E.F. 43R and S.E.F. 43R(L) to its rating program of its commercial class of business
 Decision:
 Approved as a result of a meeting of the Board</p> | <p>A. I. 18 (2000-2001)
 Oct. 31, 2000</p> |
| <p>The Halifax Insurance Company of Canada
 Application:
 Application to implement a revised rating program for its private passenger class of business
 Decision:
 Approved as a result of a meeting of the Board</p> | <p>A. I. 19 (2000-2001)
 Oct. 31, 2000</p> |
| <p>Scottish & York Insurance Co. Limited
 Application:
 Application seeking to introduce a six star protector to its private passenger automobile insurance policy
 Decision:
 Approved as a result of a meeting of the Board</p> | <p>A. I. 20 (2000-2001)
 Oct. 31, 2000</p> |

- Dominion of Canada General Insurance Company** **A. I. 21 (2000-2001)**
Application: **Nov. 28, 2000**
 Application to implement revisions to its snow vehicle rating program
Decision:
 Approval granted as a result of a meeting of the Board
- Co-operators General Insurance Company** **A. I. 22 (2000-2001)**
Application: **Nov. 28, 2000**
 Application to implement revised rates for its private passenger class of business
Decision:
 Approval granted as a result of a meeting of the Board
- Axa Canada,** **A.I. 23 (2000-2001)**
on behalf of: **Dec. 20, 2000**
 Insurance Corporation of Newfoundland
Application:
 Application for approval of a revised rating program for its private passenger class of business
Decision:
 Approval granted as a result of a meeting of the Board; ICON shall submit an actuarially-supported private passenger filing using 2001 Filing Instructions by no later than February 1, 2001
- Dominion of Canada General Insurance Company** **A.I. 24 (2000-2001)**
Application: **Dec. 20, 2000**
 Application for approval of a revised rating program for its private passenger class of business
Decision:
 Approval granted as a result of a meeting of the Board; Dominion shall submit an actuarially-supported private passenger filing using 2001 Filing Instructions by no later than February 1, 2001
- Dominion of Canada General Insurance Company** **A.I. 25 (2000-2001)**
Application: **Dec. 20, 2000**
 Application to vary the implementation date of revisions to its snow vehicle rating program that was approved in A.I. 21 (2000-2001)
Decision:
 Approval granted as a result of a meeting of the Board – new effective date January 1, 2001 for new business and renewals
- CGU Insurance Company of Canada** **A.I. 26 (2000-2001)**
Application: **Dec. 20, 2000**
 Application for revised rates for its commercial class of business
Decision:
 Approval granted as a result of a meeting of the Board

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| <p>Axa Insurance (Canada)
 on behalf of:
 Insurance Corporation of Newfoundland
 Application:
 Application to vary the implementation date of revisions to its private passenger rating program that was approved in A.I. 23 (2000-2001)
 Decision:
 Approval granted as a result of a meeting of the Board – effective date January 15, 2001 for new business and March 1, 2001 for renewals</p> | <p>A.I. 27 (2000-2001)
 Jan. 12, 2001</p> |
| <p>Axa Insurance (Canada)
 on behalf of:
 Axa Pacific Insurance Company
 Application:
 Application to revise rates for its commercial class of business
 Decision:
 Approval granted as a result of a meeting of the Board</p> | <p>A.I. 28 (2000-2001)
 Jan. 12, 2001</p> |
| <p>Axa Insurance (Canada)
 Application:
 Application to revise rates for its commercial class of business
 Decision:
 Approval granted as a result of a meeting of the Board</p> | <p>A.I. 29 (2000-2001)
 Jan. 12, 2001</p> |
| <p>Axa Insurance (Canada)
 on behalf of:
 Insurance Corporation of Newfoundland
 Application:
 Application to revise rates for its commercial class of business
 Decision:
 Approval granted as a result of a meeting of the Board</p> | <p>A.I. 30 (2000-2001)
 Jan. 12, 2001</p> |
| <p>PricewaterhouseCoopers
 on behalf of:
 The Coseco Insurance Company
 Application:
 Application to revise rates for its private passenger class of business
 Decision:
 As a result of a meeting of the Board, application denied; Coseco Insurance Company shall continue to use rating program approved in Board Order A.I. 34 (1998-99) until June 1, 2001 (new business) and July 1, 2001 (renewals), and rates as approved, within 2001 benchmark, for use from June 1, 2001/July 1, 2001</p> | <p>A.I. 31 (2000-2001)
 March 28, 2001</p> |
| <p>Echelon General Insurance Company
 Application:
 Application to implement revised rates for its private passenger class of business
 Decision:
 Approval granted as a result of a meeting of the Board</p> | <p>A.I. 32 (2000-2001)
 March 28, 2001</p> |

ING Novex Insurance Company of Canada

A.I. 33 (2000-2001)

Application:

March 28, 2001

Application to revise rates for its private passenger class of business

Decision:

Approval granted as a result of a meeting of the Board

Co-operators General Insurance Company

A.I. 34 (2000-2001)

Application:

March 28, 2001

Application to revise rates for its private passenger class of business

Decision:

Approval granted as a result of a meeting of the Board

Metro General Insurance Corporation Ltd.

A.I. 35 (2000-2001)

Application:

March 28, 2001

Application to revise rates for its commercial class of business

Decision:

Approval granted as a result of a meeting of the Board

On the Board's Own Motion

A.I. 36 (2000-2001)

Application:

March 30, 2001

Hearing called by the Board to investigate the rates charged by the unincorporated non-profit association of insurers known as Facility Association pursuant to Section 102 (4) of the Insurance Companies Act

Decision:

The Board finds, inter alia, that:

1. The Board has the authority to investigate and hear this matter under the provisions of s.102 (4) of the Insurance Companies Act and that Board Order No. A.I. 58(1998-99) denying Facility's December 17, 1997 application and revision did not alter the status of the previously approved rates. The Board's action in respect of the amendment being sought at the time was merely to deny any change in the previously approved rates. Thus, when the Board ordered a hearing to investigate Facility's rates it was acting in full compliance with the governing statutes and, therefore, completely within its jurisdiction.....as a result of a public hearing.

**SUMMARY OF ORDERS OF THE BOARD ISSUED DURING 2000-2001
UNDER
THE MOTOR CARRIER ACT**

Central West Health Corporation

**M.C. 1 (2000-2001)
June 28, 2000**

Application:

Application for the amalgamation of motor carrier certificates:
3560 -Springdale Hospital Corporation, 3563 -A.M. Guy Memorial Hospital, 3564 -Central Newfoundland Hospital Corporation, 3558 - Baie Verte Peninsula Health Centre, with re-issuance under the name - Central West Health Corporation

Decision:

Approval granted as a result of a meeting of the Board.

Town of La Scie

**M.C. 2 (2000-2001)
Dec. 18, 2000**

Application:

Application for a Motor Carrier Certificate (ambulance)

Decision:

Approval granted as a result of a meeting of the Board

Town of Cow Head

**M.C. 3 (2000-2001)
Jan. 4, 2001**

Application:

Application for a Motor Carrier Certificate (ambulance)

Decision:

Approval granted as a result of a meeting of the Board

**SUMMARY OF ORDERS OF THE BOARD ISSUED DURING 2000-2001
UNDER
THE EXPROPRIATION ACT**

**The Honourable the Minister of Works,
Services & Transportation (the “Applicant”)
re: [Expropriation – Airport Inn Realty(“Claimants”)].**

**E.A. 1 (2000-2001)
April 19, 2000**

Application:

To determine and fix compensation to the owner of land, the Airport Inn Realty, (“the Claimant”) allegedly detrimentally affected by changes in road infrastructure.

Decision:

1. The Minister shall pay to the Claimant as compensation for detrimental affection to the Airport Inn land the sum of \$300,000.
2. The Claimant shall be entitled to its costs to be taxed.
3. In the event that s. 34(3) of the Act is applicable herein the expense in connection with the hearing herein before the Board shall be deducted from the compensation otherwise payable herein by the Minister and remitted to the Board.
4. In the event that s. 34(5) of the Act is applicable the Minister shall pay the expenses in connection with the within hearing before the Board.
5. The Board defers any order with respect to award of additional interest, if any, pending the hearing of further submission of the parties, if any, in respect of matters to be considered by the Board pursuant to s. 36 (c), (d) and (e) of the Act.

STAFF
Year End - March 31, 2001

Director of Corporate Services and Board Secretary *G. Cheryl Blundon*
Director of Regulatory and Advisory Services *Robert Byrne*
Financial and Economic Analyst *Doreen Dray*
Accountant *Leah Keating*
Legal Counsel *Randy Pelletier*
Senior Electrical Engineer *Vacant*
Compliance Auditor *Don Seaward*
Information Technology Officer *Mike McNiven*
Secretary to the Chair *Helen Reddy*
Assistant Board Secretary & Executive Secretary *Barbara Thistle*
Clerk-Steno *Colleen Wood*

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