

*Newfoundland and Labrador*

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

---

**ANNUAL REPORT  
YEAR ENDING MARCH 31, 2014**

---

# TABLE OF CONTENTS

**MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER ..... 2**

**OVERVIEW ..... 3**

    MANDATE AND LINES OF BUSINESS .....3

    VISION .....4

    KEY STATISTICS.....4

    ORGANIZATION.....4

    FINANCIAL .....6

**HIGHLIGHTS AND ACCOMPLISHMENTS..... 7**

**REPORT ON PLANNED ACTIVITIES ..... 10**

    STRATEGIC ISSUE I: ENHANCING REGULATORY EFFICIENCY AND EFFECTIVENESS..... 10

    STRATEGIC ISSUE II: ENHANCING CORPORATE CAPACITY ..... 13

**OPPORTUNITIES AND CHALLENGES AHEAD..... 16**

**APPENDIX I ..... 17**

**APPENDIX II..... 34**

**APPENDIX III ..... 37**

## MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

I am pleased to present the annual performance report of the Board of Commissioners of Public Utilities (the “Board”) for the fiscal year ending March 31, 2014. This report was prepared under my direction and in accordance with the *Transparency and Accountability Act*. The Board is classified as a Category 3 entity and is required to submit annual performance reports to the House of Assembly on its success in achieving the objectives, measures and indicators as outlined in its multi-year performance-based activity plan. As required this report provides a summary of the Board’s achievements in meeting the goals and objectives as outlined in the 2011-14 Activity Plan. As Chair and Chief Executive Officer I am accountable for the results as outlined in the report.

The Board operates as an independent, quasi-judicial tribunal constituted under the *Public Utilities Act*. The regulatory mandate of the Board includes regulation and oversight of the electric utilities, regulation of automobile insurance rates, setting maximum prices for petroleum products in the Province, as well as limited responsibilities in the areas of motor carrier operations and expropriations.

The Board’s strategic priorities for this planning period included enhancing regulatory efficiency and effectiveness and enhancing corporate capacity. Since March 31, 2014 marks the end of the final year in the 2011-14 planning cycle, achievement for the results of the goals set out for 2011-14 planning cycle as well the objectives for 2014 are included for each of the strategic issues.

Over the last three years the Board has had a very demanding regulatory calendar and its focus has been ensuring continual support of an effective and responsive regulatory environment in meeting its strategic goals and objectives, while at the same time striving to be responsive, proactive and innovative in meeting its regulatory mandate.



Andy Wells  
Chair and Chief Executive Officer

## OVERVIEW

### MANDATE AND LINES OF BUSINESS

The Board operates as an independent, quasi-judicial tribunal constituted under the *Public Utilities Act*.

The Board has mandated responsibilities as set out in the following legislation:

*Public Utilities Act*  
*Electrical Power Control Act*  
*Automobile Insurance Act*  
*Insurance Companies Act*  
*Petroleum Products Act*  
*Motor Carrier Act*  
*Expropriation Act*  
*Public Utilities Acquisition of Lands Act*

The *Public Utilities Act* defines the general powers of the Board, granting authority for the general supervision of public utilities to ensure compliance by public utilities with the law. The public utilities regulated by the Board include Newfoundland Power Inc. and Newfoundland and Labrador Hydro.

The *Electrical Power Control Act* sets out the power policy of the province and provides the Lieutenant Governor in Council with the authority to refer electrical power matters to the Board. The Board also has responsibility under this Act with respect to the establishment and oversight of water management agreements between power suppliers on rivers.

The *Automobile Insurance Act* gives the Board responsibility for the general supervision of the rates an insurer charges or proposes to charge for automobile insurance in the Province. The Board also has responsibilities in relation to the underwriting guidelines and risk classification systems of insurers operating in the Province. Under the *Insurance Companies Act* the Lieutenant Governor in Council can direct the Board to undertake a review of any aspect of insurance in the province.

The *Petroleum Products Act* sets out the manner in which the Board is required to establish maximum prices for regulated petroleum products in the province.

The *Expropriation Act* requires the Board, at the request of the Minister of Transportation and Works or the City of St. John's, to determine the appropriate level of compensation for land expropriated by Government or the City of St. John's.

The *Motor Carrier Act* gives the Board the power to grant certificates and approve rates for public service carriers such as ambulance operations and regularly scheduled bus service along the Trans Canada Highway.

These Acts fall under the responsibility of various departments of Government, including the Department of Justice (*Public Utilities Act*), Service NL (*Automobile Insurance Act*, *Insurance Companies Act*, and *Petroleum Products Act*), the Department of Natural Resources (*Electrical Power Control Act*), and the Department of Transportation and Works (*Expropriation Act*).

To deliver its regulatory mandate the Board conducts public hearings, technical conferences, stakeholder meetings, compliance monitoring, audits, detailed technical/financial reviews, and investigations.

The Board is accountable administratively through the Minister of Justice who presents the Board's annual budget for approval by the Lieutenant Governor in Council and tables its annual report in the legislature. The Board is also subject to the requirements of the *Transparency and Accountability Act*, which requires the Board to prepare and submit activity plans and annual performance reports.

### VISION

The vision of the Board of Commissioners of Public Utilities is excellence in regulation which engenders the trust and confidence of the people of the Province.

### KEY STATISTICS

The work of the Board is diverse and has broad implications for most residents of Newfoundland and Labrador.

- The Board is responsible for the regulation and general oversight of Newfoundland and Labrador Hydro and Newfoundland Power Inc., with a combined customer base of approximately 293,640 residential and general service customers, and five industrial customers on the island.
- The Board regulates automobile insurance rates and underwriting guidelines for insurance companies operating in the province. Based on the most recently available market information (2012) 48 companies wrote total premiums of \$367,597,000, insuring approximately 329,081 private passenger and commercial vehicles in the province. The automobile insurance market in the province continues to show a high level of concentration, with 14 insurers writing 86.6 per cent of all the automobile insurance business.
- The Board sets maximum prices for regulated petroleum products sold in the province through a network of suppliers, wholesalers and retailers of gasoline, automotive diesel and heating fuels.
- The Board currently has 58 active ambulance certificates and 55 active bus service certificates.

### ORGANIZATION

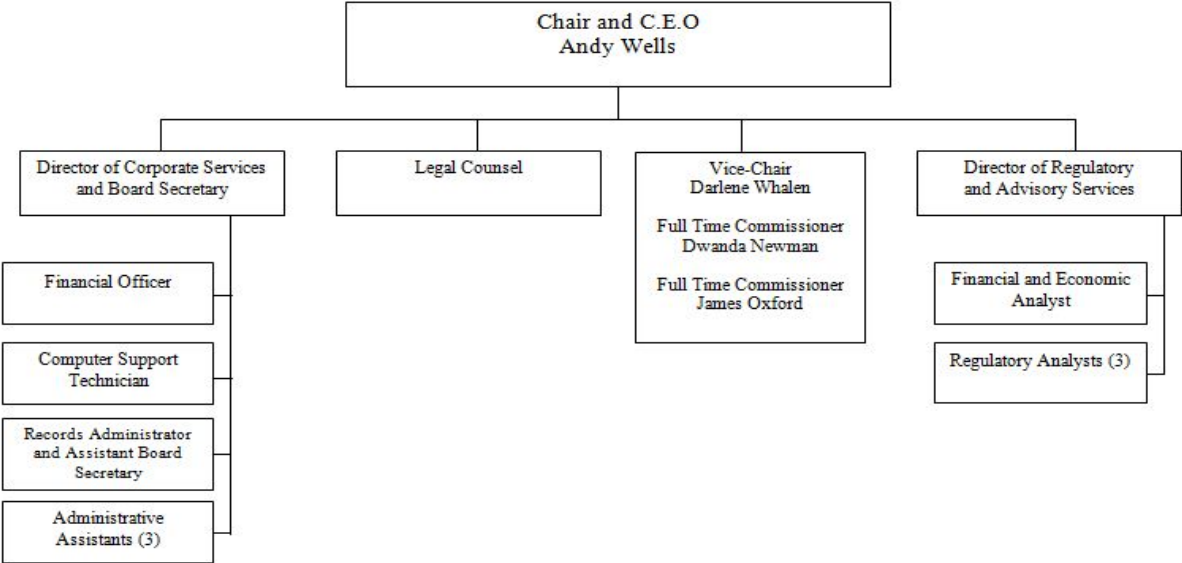
Created by statute in 1949 the Board is comprised of four full-time commissioners, appointed by the Lieutenant Governor in Council, including the Chair and Chief Executive Officer and the Vice Chair. The *Public Utilities Act* gives the Chair and Chief Executive Officer the full authority for the overall operation, management and financial administration of the Board.

The Board has 17 permanent full-time staff located in St. John's.

The Board's functional organizational structure, shown in the Organizational Chart (Figure 1), consists of **regulatory and advisory services** and **corporate services**. Regulatory and Advisory Services oversees the Board's regulatory mandate with responsibility for coordination and management of applications, research, investigations, compliance monitoring, financial/technical reviews and customer complaints. Corporate Services is responsible for management of the administrative functions of the Board, including finance, communications, information technology and human resource services.

Figure 1

Board of Commissioners of Public Utilities  
Organizational Chart  
At March 31, 2014



**FINANCIAL**

The Board’s operating expenses for 2013-14 were \$2,404,931. The comparative expenditures for the previous five-year period are shown below:

<b>Board of Commissioners of Public Utilities</b>						
<b>Expenditures</b>						
<b>Years Ended- March 31</b>						
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Operating - SJ Office	\$1,568,949	\$1,722,233	\$1,775,102	\$1,553,617	\$2,444,530	\$2,404,931
Operating - GF-W	\$447,395	\$427,729	\$553,677	\$583,752	\$0	\$0
<b>Operating - Total</b>	<b>\$2,016,344</b>	<b>\$2,149,962</b>	<b>\$2,328,779</b>	<b>\$2,137,369</b>	<b>\$2,444,530</b>	<b>\$2,404,931</b>
Hearings - Board	\$171,533	\$508,801	\$465,146	\$1,813,549	\$714,955	\$1,140,741
Hearings - Consumer Advocate	\$76,173	\$529,450	\$281,689	\$692,538	\$860,976	\$307,410
<b>Hearing - Total</b>	<b>\$247,706</b>	<b>\$1,038,251</b>	<b>\$746,835</b>	<b>\$2,506,087</b>	<b>\$1,575,931</b>	<b>\$1,448,151</b>
<b>Total Expenditures</b>	<b>\$2,264,050</b>	<b>\$3,188,213</b>	<b>\$3,075,614</b>	<b>\$4,643,456</b>	<b>\$4,020,461</b>	<b>\$3,853,082</b>

The Board is fully funded through assessments charged to regulated industries/companies or on a cost recovery basis from applicants. Assessments to each industry vary depending on the actual allocation of work performed by the Board in a given year. For 2013-14 the Board assessed 61% (\$1,561,228) of its annual revenue requirement to electrical utilities, 20% (\$496,725) was assessed to automobile insurance companies, and 19% (\$495,453) was assessed to the petroleum products industry. A special assessment in the amount of \$172,442 was charged to the Department of Justice to cover accumulated deficits relating to Motor Carrier and Expropriation activities of the Board.

Public hearings are funded outside of normal budgeted activities on a cost recovery basis in accordance with applicable legislation. The Board also recovers other costs directly from applicant(s) and/or parties involved in specific proceedings and/or investigations. During 2013-14 the Board’s accumulated hearing costs totaled \$1,448,151 with significant costs as follows:

- \$218,060, the utilities’ capital budget applications and annual financial reviews;
- \$54,455, Newfoundland and Labrador Hydro’s applications regarding its Rate Stabilization Plan;
- \$25,616, Newfoundland Power’s General Rate Application for 2013;
- \$650,397, Newfoundland and Labrador Hydro’s General Rate Application for 2013;
- \$8,550, Newfoundland and Labrador Hydro’s application for the approval of its interim rates;
- \$3,089, other applications by Newfoundland and Labrador Hydro;
- \$8,024, other applications by Newfoundland Power;
- \$91,674, relating to automobile insurance rate filing reviews; and
- \$388,286, Board’s investigation and hearing – supply issues and power outages.

Further details regarding the Board’s recoverable costs can be found in Note 6 to the Board’s Financial Statements found in Appendix III of this report.

## HIGHLIGHTS AND ACCOMPLISHMENTS

The Board's focus on strategic planning guides its overall operations and ensures that, to the extent possible, the Board can effectively and efficiently respond to those matters which often arise in the context of economic regulation. Compliance monitoring and general regulatory oversight constitute a significant portion of the Board's ongoing regulatory activities, especially in the areas of public utility and automobile insurance rate regulation.

During 2013-14 the Board issued 69 orders under the *Public Utilities Act*, the *Automobile Insurance Act* and the *Motor Carrier Act*, as detailed in Appendix I. In addition the Board ordered 52 adjustments to the maximum price of regulated petroleum products under the *Petroleum Products Act*. Maximum pricing adjustments for each of the regulated petroleum products for 2013-14 can be found in Appendix II of this report.

Highlights for 2013-14 are outlined as follows:

### 1. UTILITY REGULATION

Forty-three orders and three subsequent amending orders were issued during 2013-14 under the Board's public utilities mandate. A summary of the major public utility decisions is outlined below.

On April 17, 2013 the Board issued Order No. P.U. 13 (2013) in relation to Newfoundland Power's General Rate Application filed during the third quarter of 2012. The Order directed Newfoundland Power to file a revised Schedule of Rates, Tolls and Charges based on the findings of the Board following a public hearing and written submissions. On May 16, 2013 Newfoundland Power filed a revised application in accordance with Order No. P.U. 13 (2013). The application also requested approval of the annual rate stabilization and municipal tax adjustments to reflect variations in certain Newfoundland Power costs. On June 14, 2013 the Board issued Order No. P.U. 23 (2013) approving, effective July 1, 2013, an overall average decrease in Newfoundland Power customer rates of 3.1%, reflecting the net impact of both a 4.8% increase in rates associated with the General Rate Application and a 7.9% decrease in rates as a result of the rate stabilization and municipal tax adjustments. In Order No. P.U. 24 (2013) the rates of Newfoundland and Labrador Hydro were amended to harmonize applicable rates with the adjusted rates of Newfoundland Power.

On April 2, 2013 Hydro applied to the Board requesting approval of a supplementary capital expenditure for refurbishment and repairs to Unit 1 at the Holyrood Thermal Generating Station due to significant damage experienced on January 11, 2013 during a major winter storm. On April 24, 2013 the Board issued Order No. P.U. 14 (2013) approving a supplemental capital expenditure of \$12,809,700. An Order of the Board regarding the inclusion of this expenditure in rate base is pending.

On July 30, 2013 Newfoundland and Labrador Hydro filed a General Rate Application to establish customer electricity rates effective January 1, 2014. On September 12, 2013 the Board held a pre-hearing conference and, on September 18, 2013, the Board issued Order No. P.U. 28 (2013) identifying the registered intervenors, a schedule of dates and the rules of procedure for the hearing of the Application. The schedule of dates has since been revised and a public hearing is pending.



On September 13 2013 the Board issued Order No. P.U. 27 (2013) approving Newfoundland Power's 2014 Capital Budget Application totaling \$84,462,000, and fixing and determining the average rate base for the year ending December 31, 2012 at \$883,045,000.

On December 20, 2013 the Board issued Order No. P.U. 42 (2013) approving Newfoundland and Labrador Hydro's Capital Budget Application totaling \$97,805,300. The determination of Newfoundland and Labrador Hydro's average rate base for the year ending December 31, 2012 is pending.

On January 10, 2014 the Board advised that it would hold an inquiry and hearing into supply issues and power interruptions on the Island Interconnected system over the period January 2-8, 2014. On February 5, 2014 the Board engaged the services of The Liberty Consulting Group to provide expertise and assist the Board in its investigation and hearing. On February 19, 2014 the Board issued Order No. P.U. 3 (2014) establishing the intervenors, rules of procedure, timelines and issues to be considered. An interim report is to be released in May 2014 to identify the immediate actions needed to reduce the risk of similar events on the system over the period 2014-2016. Completion of the Board's final report is expected in early 2015 following further investigation and public hearings.

The Board also issued orders arising from applications for supplementary approval of 2013 and 2014 capital spending, contributions in aid of construction, and various other financial and accounting matters for both Newfoundland and Labrador Hydro and Newfoundland Power.

## **2. AUTOMOBILE INSURANCE REGULATION**

### **Filings**

During the year the Board issued 21 orders in relation to Category 2 rate filings and two related to Category 3 filings. Seven of the Category 2 filings were initially denied by the Board but later resubmitted and approved. The Category 2 and 3 orders represent rate increases or the establishment of new rates.

The Board also received 25 Category 1 filings representing no changes or reductions in rates to insureds. Pursuant to legislative provisions these filings are not subject to prior approval and may be implemented 30 days, or later as may be specified by the company, following filing with the Board. Included in the 25 Category 1 filings were a number of revisions to underwriting guidelines and Vehicle Rate Group updates. These filings are not subject to prior approval but the Board may prohibit an insurer from using a ground or risk classification system that is found to violate provisions in legislation or regulations.

### **Compliance Audit Program**

The Board has established a compliance audit program to review the rates and rating practices of the automobile insurance companies. The compliance audit program is designed to ensure that automobile insurers writing business in the Province are only charging rates that have been approved by the Board in accordance with the *Automobile Insurance Act* and the *Insurance Companies Act*. The audit program also ensures that agents and brokers of an insurer are

interpreting the underwriting guidelines of the insurer correctly and that insureds of similar risk characteristics are being rated correctly.

The Board completed two compliance audits and commenced one additional audit during the 2013-14 reporting period.

3) **PETROLEUM PRODUCTS PRICING REGULATION**

During the year 52 scheduled weekly adjustments were made to the maximum price of regulated petroleum products. No unscheduled pricing adjustments were required during this period.

The Board is reviewing the current allowed maximum mark-up and zone differentials included in the maximum price of price regulated petroleum products. The review is being conducted in two parts: Part A, a review of the maximum mark-up included in maximum prices for heating fuels; and Part B, a review of the maximum mark-up included in maximum prices for automotive fuels as well as the zone differentials for all price regulated petroleum products. The Part A review was completed in late spring 2013 and adjustments to the total allowed margins for heating fuels were implemented with the May 16, 2013 weekly price adjustment. The consultant's report on the Part B review will be completed by spring 2014.

4) **MOTOR CARRIER REGULATION**

Three orders were issued under the Board's Motor Carrier mandate related to ambulance services.

## **REPORT ON PLANNED ACTIVITIES**

The *Report on Planned Activities* covers the 2011-14 planning cycle, therefore the Board has included the achievement of the Goals established for the 2011-14 planning cycle, and the results of the Objectives for 2014.

The Board's strategic issues are derived from its mandated regulatory responsibilities as no strategic directions of government were applicable to the Board's work in the 2011-14 planning cycle.

### **STRATEGIC ISSUE I: ENHANCING REGULATORY EFFICIENCY AND EFFECTIVENESS**

The Board's regulatory efficiency and effectiveness strategy has been very successful in the past two planning cycles. Efficiencies and cost savings have been realized through enhanced communication with its primary clients, technological improvements in the hearings room and improvements in administrative support systems. During the 2011-14 reporting period the Board continued to build on successes in the past planning cycles towards achieving continued improvement in regulatory efficiency and effectiveness.

The role of the Board is to provide a transparent and open regulatory framework which balances the interests of consumers and the regulated entities/companies. The Board strives for regulatory excellence in the delivery of its mandate and it is this underlying principle that motivates the Board to review and update its methodologies, practices and processes to ensure an efficient, effective and responsible regulatory system. The nature of the Board's work means that, in a given year, there will be routine and reoccurring matters, such as annual capital budget applications, compliance reviews and weekly pricing adjustments. However, in addition to the routine functions, the Board must also be ready to respond to unplanned and unanticipated applications, such as general rate applications, insurance filings or directed government reviews. One of the ongoing challenges for the Board is to ensure the necessary resources are in place to ensure the Board can fulfill its regulatory responsibilities in a timely and efficient manner.

In terms of the Board's regulatory calendar the past three years have been extraordinarily busy with many unplanned and unanticipated activities that have significantly impacted the work of the Board. In early June 2011 the Board received the Muskrat Falls Reference Question from Government which directed that the Board's report on the reference questions be submitted by March 31, 2012. Newfoundland Power's General Rate Application was filed in September 2012 with the Board's decision and order released April 2013. Newfoundland and Labrador Hydro's General Rate Application followed in June 2013 and is still ongoing. In addition to these major applications the Board received a number of unforeseen capital budget applications and, in January 2014, opened an investigation and hearing into supply issues and power interruptions in response to major outage events on the Island Interconnected system. All these matters involve complex and technical issues and intensive gathering of information and evidence in addition to the public hearings and decision writing, requiring significant dedicated effort by staff and commissioners.

The Newfoundland and Labrador public utility regulatory environment is unique in that a limited number of parties participate in most of the applications before the Board. Once a regulator is seized with a major application it is not appropriate for regulators and parties to the application to meet outside of the hearing process. To ensure transparency the Board decided that it would defer ongoing program and policy reviews until the hearings were completed.

While a number of program reviews had been put on hold the following provides the results achieved for the goals identified for the past three-year planning cycle.

<b>Goal 1</b>	<b>By March 31, 2014 the Board will have achieved continued improvement in regulatory efficiency and effectiveness.</b>
<b>Measure</b>	Continued improvement in regulatory efficiency and effectiveness achieved
<b>Indicator</b>	Regulatory programs reviewed
<b>Results</b>	<p>Regulatory programs were reviewed. Regulatory efficiency meetings are held with the public utilities to review utility regulatory programs. The Board had a number of these meetings in 2011-12 and in the beginning of 2012-13. While these meetings were suspended for the remainder of 2012-13 and 2013-14 because of ongoing applications and matters before the Board, continued improvements in regulatory efficiency and effectiveness has been achieved with the review of the following regulatory programs.</p> <p>With respect to the Board’s public utilities mandate Board staff, in conjunction with the utilities, completed a review of the Power Outage Reporting Policy. A review and analysis of the Document Filing Guidelines was also completed with new guidelines introduced early in February 2014. The Board also commenced a review of the Capital Budget Filing Guidelines, which were introduced in 2007, and Quality of Service Reviews of the utilities but both reviews have been put on hold pending conclusion of the various regulatory matters.</p> <p>The Board re-established a compliance audit program to review the rates and rating practices of the automobile insurance companies.</p> <p>In 2011 an internal review of the petroleum products pricing process was completed. A review of the current allowed maximum mark-up and zone differentials included in the maximum price of price regulated petroleum products was conducted with the results of the review of the maximum mark-up included in maximum prices for heating fuels completed being in 2013. The results of review of the maximum mark-up included in maximum prices for automotive fuels as well as the zone differentials for all price regulated petroleum products expected to be completed in late spring 2014.</p>
<b>Indicator</b>	Enhanced processes identified and implemented
<b>Results</b>	<p>Enhanced processes were identified and implemented. Following the review of the Power Outage Reporting Review Policy the criteria was significantly revised to provide clarity of reporting and reduce the number of reports required to be filed by the utilities, improving regulatory efficiency.</p> <p>Enhancements have been made to the Capital Budget Filing Guidelines and more are expected as the review continues. The introduction of these initiatives has resulted in significant time and cost savings for the utilities primarily due to reduced costs for legal and expert witnesses, travel and transcriptions.</p> <p>The Board’s comprehensive review of the total allowed mark-ups for regulated heating fuels, undertaken with industry, will provide a framework for a more streamlined and efficient review of mark-ups in the future.</p>

	The internal review of the efficiencies gained through technological change and improvements in the petroleum products pricing process resulted in the transfer of petroleum pricing functions to the St. John’s office and closure of the Petroleum Pricing Office in Grand Falls-Windsor, contributing to an estimated annual savings of approximately \$200,000.
<b>Indicator</b>	Policies and procedures documentation further developed and updated
<b>Results</b>	<p>Policies and procedures documentation were further developed and updated. The review of the Power Outage Reporting Policy resulted in the identification of significant improvements to reporting criteria. The Board is waiting for final sign-off from both utilities before the changes are implemented. The review of the Capital Budget Filing Guidelines will continue into the next reporting period.</p> <p>The Guidelines for Filing of Documents were introduced in June 2013 and revised in February 2014 to provide clarity and direction with respect to the document filing process.</p>

**RESULTS OF STATED OBJECTIVE 1.3 FOR THE PERIOD ENDING MARCH 31, 2014:**

In the past two years the Board committed to building on the efficiencies achieved by continuing to monitor and make improvements and implement changes to the policies and procedures documentation where identified. Significant work towards this objective has been accomplished prior to the current reporting period. Unplanned activities have significantly impacted the Board's planned activities identified in the 2011-14 Activity Plan.

The following measure and indicators were identified for the stated objective for the reporting period ending March 31, 2014:

<b>Objective 1.3:</b>	<b>By March 31, 2014 the Board will have implemented the changes to the policy and procedures documentation where identified.</b>	
<b>Measure:</b>	Changes to the policy and procedures documentation implemented, where identified	
<b>Indicators</b>	<b>Actual Results</b>	
Stakeholder feedback solicited	<p>Stakeholder feedback was solicited in the review of the current allowed maximum mark-up and zone differentials included in the maximum price of price regulated petroleum products with industry, the Newfoundland and Labrador chapter of the Canadian Oil Heat Association and individual station owners.</p> <p>Feedback was also solicited with the participants involved in routine public utility applications in the review of the document filing process and review of the Power Outage Reporting Policy.</p>	

	In relation to the January 2014 power outage investigation and hearing the Board has stated that, in addition to the registered parties and intervenors, electricity customers will also have an important role to play as the Board moves forward in the process. To date feedback has been solicited from interested persons during the pre-hearing conference held in February 2014.
Feedback analyzed	Feedback has been analyzed and is ongoing.
Changes to policies and procedures completed	Changes to the document filing process were completed.
Policy and procedure changes implemented	The Guidelines for Filing of Documents were introduced and revised in February 2014.

**STRATEGIC ISSUE II: ENHANCING CORPORATE CAPACITY**

Corporate services provides oversight and management of the Board’s administrative, financial, records management, and technological resources to ensure the Board has the people, technology, information and capacity necessary to carry out its mandate. The ultimate goal in the 2011-14 Activity Plan is enhanced corporate capacity.

In recent years the Board’s human resource capacity has been impacted by changes in the Board’s legislative mandate and operational structure, as well as by succession planning issues. Enhanced human resource capabilities and capacity were identified as being essential in ensuring that the Board is equipped to deliver effective and efficient regulation and to meet its current and future regulatory responsibilities and challenges.

As previously stated unplanned activities such the Muskrat Falls review, delays in the filing of major applications and the unplanned investigation and hearing into supply issues and power interruptions on the Island Interconnected system have significantly impacted the Board's planned activities identified in the 2011-14 Activity Plan. The Board has a relatively small staff complement, with four commissioners and 13 regulatory and administrative staff. Over the past three years there have been five new employees hired, three resignations as well as two leaves of absences. These staff changes have significantly impacted the Board's work processes. New staff require time to train and become familiar with economic regulation which is a very specialized and unique area of work. The combination of the changes in work processes and staffing complement combined with the number of unplanned activities has resulted in some of the planned activities being deferred or placed on hold.

The following reflects the results achieved for the goals that identified for the past three-year planning cycle.

<b>Goal 2</b>	<b>By March 31, 2014 the Board will have enhanced corporate capacity.</b>
<b>Measure</b>	Corporate capacity initiatives enhanced
<b>Indicator</b>	Human Resource Plan operationalized
<b>Results</b>	<p>The Human Resources Plan has been operationalized. The development of the learning and development plans began and is ongoing. Changes to the human resource complement in the past three years has required a realigning of staff duties and responsibilities.</p> <p>Key issues in succession planning requirements have been identified and a human resource strategy was initiated to address organizational continuity. This included cross-training, mentoring and participation in specifically identified educational and training programs. Commissioners and staff continue to participate in training and educational requirements to meet functional needs, succession planning and individual professional requirements.</p> <p>An update of the human resources policies began and recommendations were implemented as required. A Human Resource (HR) Committee has been established to deal with specific HR resources issues. Policy review is an ongoing activity and this committee will continue to review, update and implement recommendations and changes to the HR policies as required.</p>
<b>Indicator</b>	Electronic information management system implemented
<b>Results</b>	Implementation of the Board’s electronic management system was completed with the configuration of TRIM, according to the Board’s Classification Plan for its operational records. The system was implemented February 2013 after staff and Commissioners received customized training. Since implementation the program has received positive feedback and has enhanced productivity by improving access to Board records and reducing research time.
<b>Indicator</b>	Communications strategy review completed
<b>Results</b>	The communications strategy review commenced with a review of the Board's website. Due to operational and staffing issues, completion of work related to this review has been placed on hold until the next reporting period.

**RESULTS OF STATED OBJECTIVE 2.3 FOR THE PERIOD ENDING MARCH 31, 2014:**

The Board's communications strategy has commenced with a review of the Board's website. Due to operational issues completion of work related to the review of the communications strategy has been placed on hold.

The following measure and indicators were identified for the stated objective for the reporting period ending March 31, 2014:

<b>Objective 2.3:</b>	<b>By March 31, 2014 the Board will have completed a review of its communications strategy.</b>	
<b>Measure:</b>	<b>Communications strategy reviewed</b>	
	<b>Indicators</b>	<b>Actual Results</b>
	Goals and objectives identified	Goals and objectives have been identified with respect to the Board's website review.
	Target audience/ stakeholders identified	The target audience and stakeholders have been identified as: the regulated entities, electricity consumers, customers of automobile insurance, purchasers of petroleum products, government, the Consumer Advocate, media and general public.
	Research and analysis completed	Research and analysis has been completed in the first part of the communications strategy website review.
	Outreach plan and communications material developed	Development of the outreach plan and communications material has been put on hold due to operational issues.



## OPPORTUNITIES AND CHALLENGES AHEAD

Over the next three years the Board is anticipating a very demanding regulatory calendar. In late December and early January 2014 power outages on the Island Interconnected system resulted in the establishment of an investigation and hearing process that will significantly impact the Board's activities in 2014-15 and into 2015-16. The hearing of Hydro's general rate application is running concurrent to the supply issues hearing and the Board is also anticipating a number of major applications that will be time sensitive and require significant dedication of Board resources. Newfoundland Power is also expected to file a general rate application in 2015 for new rates for 2016. The Board's primary focus is to maintain an organization that is responsive to change and is capable of meeting new challenges while completing its on-going regulatory calendar.

In 2017 the Muskrat Falls generating station will be interconnected with the Island and the North American electrical grid which may result in changes to the regulatory regime for the province's electrical system. In January 2014 Government also announced "*An independent review will be conducted to look at the current electricity system in Newfoundland and Labrador and how it operates, is managed and is regulated as the province moves from an isolated system to an interconnected system.*" The potential impacts on the Board's regulatory operations are unknown at present. The Board will continue to build on its human resource strategy to ensure required resources and capacity are available to respond to possible changes in the regulatory framework and to be able to support any new legislative mandate as required.

Providing clear, well-reasoned decisions and timely information is an important aspect of maintaining the trust and confidence of consumers, the public and stakeholders. The Board's website is an important tool that provides information to its primary clients on the significant applications and matters before the Board. Feedback has generally been positive on the type and level of information that has been posted to date. The amount and complexity of information being posted has increased significantly over the last number of years and the Board has seen a significant increase in general inquiries and information requests relating to the information that is being posted. In recognizing the importance of its website in providing necessary and valuable information, the Board will continue with its website review with the goal of making improvements and changes to meet the primary needs of its end users.

**APPENDIX I**

**SUMMARY OF ORDERS OF THE BOARD  
UNDER THE PUBLIC UTILITIES ACT  
APRIL 1, 2013 TO MARCH 31, 2014**

**Newfoundland and Labrador Hydro**

**Order No. P.U. 9(2013)**

**Application:**

**Issued: April 3, 2013**

Newfoundland and Labrador Hydro filed an application on March 6, 2013 seeking approval of a service agreement and rates to be charged to a new Industrial Customer, Praxair Canada Inc. on an interim basis, pursuant to Sections 71 and 75 of the *Act*.

**Decision:**

1. The Service Agreement for Praxair Canada Inc. is approved, as filed.
2. The rates that apply as of this date to Teck Resources Limited and Vale Newfoundland and Labrador, pending a final Order to be made by the Board varying or confirming that rates determination, shall apply to electrical service provided by Hydro to Praxair Canada Inc., effective from the date that Praxair Canada Inc. first begins receiving power under the approved Service Agreement.
3. Hydro shall file an executed Service Agreement and an interim rate schedule reflecting the rates approved in this Order and indicating the effective date.
4. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland Power Inc.**

**Order No. P.U. 10(2013)**

**Application:**

**Issued: April 8, 2013**

Application for approval for disposition of the balance in the Optional Seasonal Rate Revenue and Cost Recovery Account

**Decision:**

1. The Board approves the disposition of the balance in the Optional Seasonal Rate Revenue and Cost Recovery Account as of December 31, 2012 by charging the balance of \$129,795 to the Rate Stabilization Account as of March 31, 2013.
2. Newfoundland Power shall pay all costs and expenses of the Board in connection with this Application.

**Newfoundland Power Inc.**

**Order No. P.U. 11(2013)**

**Application:**

**Issued: April 8, 2013**

Application for approval of the balance in the Weather Normalization Reserve as of December 31, 2012

**Decision:**

1. Newfoundland Power's Weather Normalization Reserve of a positive balance of \$4,803,404 as of December 31, 2012 is approved.
2. Newfoundland Power shall pay all costs and expenses of the Board in connection with this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 12(2013)**

**Application:**

**Issued: April 11, 2013**

Application for approval of \$5,198,000 in supplemental capital expenditures in 2013 to refurbish the marine terminal at the Holyrood Thermal Generating Station.

**Decision:**

1. The proposed 2013 capital expenditure of \$5,198,000 for the refurbishment of the marine terminal at the Holyrood Thermal Generating Station is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 13(2013)

**Application:**

Issued: April 17, 2013

General Rate Application by Newfoundland Power Inc. for approval of, inter alia, rates to be charged its customers.

**Decision:**

**RATE BASE, RETURN ON RATE BASE AND RANGE OF RETURN**

1. Newfoundland Power shall file an application for approval of a revised forecast average rate base and rate of return on rate base for 2013 and 2014 based on the proposals in the Application, incorporating the determinations of the Board in this Order, including:
  - i) a common equity component in the capital structure not to exceed 45% for ratemaking purposes; and
  - ii) a ratemaking rate of return on common equity of 8.8%.
2. The allowed range of rate of return on rate base shall be 36 basis points for 2013, 2014 and 2015.
3. Newfoundland Power shall file an application for approval of a revised definition of the Excess Earnings Account.
4. Newfoundland Power shall file an application on or before November 17, 2014 for approval of the 2015 forecast average rate base and rate of return on rate base maintaining the ratemaking common equity ratio and return on common equity established in this Order.
5. Newfoundland Power shall, unless otherwise directed by the Board, file its next general rate application with a 2016 test year on or before June 1, 2015.

**REVENUE REQUIREMENT**

6. Newfoundland Power shall calculate and file a revised forecast revenue requirement for the 2013 and 2014 test years based on the proposals in the Application, incorporating the determinations of the Board in this Order.

**DEPRECIATION**

7. Newfoundland Power's proposal to adjust the depreciation expense to amortize the accumulated reserve variance of approximately \$2.6 million over the account's composite remaining life is approved.
8. Newfoundland Power's proposal to use the depreciation rates recommended in the 2010 Depreciation Study is approved.
9. Newfoundland Power shall file its next depreciation study relating to plant in service as of December 31, 2014 with its next general rate application.

**OTHER REGULATORY MATTERS**

10. The proposed calculation of the defined benefit pension expense for regulatory purposes in accordance with United States Generally Accepted Accounting Principles is approved.
11. The amortization over 15 years, commencing in 2013, of the forecast defined benefit pension expense regulatory asset approved in Order No. P.U. 11(2012) of approximately \$12.4 million is approved.
12. The amortization over seven years, commencing in 2013, of annual customer energy conservation program costs through the annual Rate Stabilization Account adjustment is approved.
13. The proposed change in the definition of the Conservation and Demand Management Cost Deferral Account is approved as set out in Schedule A to this Order.
14. The proposed disposition of the annual balance in the Weather Normalization Reserve Account through the annual Rate Stabilization Account adjustment is approved.
15. The amortization over three years, commencing in 2013, of the 2011 year-end balance in the Weather Normalization Reserve Account of approximately \$5.0 million is approved.
16. The amortization over three years, commencing in 2013, of the amount of \$4,726,000 relating to previously approved deferrals is approved.
17. The amortization over three years, commencing in 2013, of the amount of the revenue shortfall for 2012 resulting from the determination of Newfoundland Power's 2012 cost of capital in Order No. P.U. 17(2012) is approved.
18. The amortization over three years, commencing in 2013, of costs billed to Newfoundland Power for Board and Consumer Advocate hearing costs relating to the Application, estimated to be \$1.25 million, is approved.
19. The proposed amortization over three years, commencing in 2013, of the 2013 revenue shortfall resulting from the implementation of new rates after January 1, 2013 is approved.
20. Newfoundland Power shall file with the Board, no later than April 1, 2014, a report in relation to its conservation program and the process for the review of this program.
21. Newfoundland Power shall file, as part of its next general rate application, a report on its capital structure.

**RATES, RULES AND REGULATIONS**

22. The proposed changes to the rate design and structure are approved as follows:
- i) merge existing Rates 2.1 and 2.2 into a single General Service Rate for all customers with demands of less than 100kW;
  - ii) modify demand and energy charges to better reflect marginal costs;
  - iii) change energy block sizes in Rates 2.3 and 2.4;
  - iv) make changes to the basic customer charge;
  - v) apply the average rate increase to the Maximum Monthly Charge;
  - vi) maintain the Curtailable Service Option with the current credit;
  - vii) modify the Early Payment Discount;
  - viii) maintain the Optional Seasonal Rate Revenue and Cost Recovery Account until the next general rate application;
  - ix) increase the Optional Seasonal Rate consistent with the Rate 1.1 increase; and
  - x) increase the Time of Day Rates in accordance with the increase in the applicable rate class.
23. The proposed changes to the Rate Stabilization Clause are approved as set out in Schedule B to this Order.
24. Newfoundland Power shall file an application for approval of a revised Schedule of Rates, Tolls and Charges effective for service provided on and after July 1, 2013, based on the proposals in the Application, incorporating the determinations of the Board in this Order.
25. Newfoundland Power shall file revised Rules and Regulations to be effective July 1, 2013.

**HEARING COSTS**

26. Newfoundland Power shall pay the costs and expenses of the Board arising from the Application, including the expenses of the Consumer Advocate incurred by the Board.

**Newfoundland and Labrador Hydro**

**Order No. P. U. 14(2013)**

**Application:**

**Issued: April 24, 2013**

Application for approval of the refurbishment of Unit 1 at the Holyrood Thermal Generating Station.

**Decision:**

- 1. The proposed 2013 capital expenditure of \$12,809,700 for the refurbishment and repairs to Unit 1 at the Holyrood Thermal Generating Station is approved.
- 2. Hydro shall file a report in relation to the root cause of the failure of Unit 1 at the Holyrood Thermal Generating Station on or before June 30, 2013.
- 3. Hydro shall not include the expenditure in relation to the refurbishment and repairs to Unit 1 at the Holyrood Thermal Generating Station in rate base until a further Order of the Board.
- 4. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 15(2013)**

**Application:**

**Issued: April 29, 2013**

Application for the approval to install additional 230 kV transformer capacity at the Oxen Pond Terminal Station.

**Decision:**

- 1. The proposed multi-year capital expenditures for the installation of additional 230 kV transformer capacity at the Oxen Pond Terminal Station in the amount of \$3,823,600 in 2013 and \$15,310,400 in 2014 are approved.
- 2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland Power Inc.**

**Order No. P.U. 16(2013)**

**Application:**

**Issued: May 10, 2013**

Application for an Order of the Board providing for disposition of: (i) the balance in the Pension Expense Variance Deferral Account (the "PEVDA") and (ii) the balance in the OPEBs Cost Variance Deferral Account (the "OPEVDA").

**Decision:**

- 1. Newfoundland Power's proposal that the Pension Expense Variance for 2013 of \$2,081,909 be charged to the PEVDA and the balance in the PEVDA for 2013 of \$2,081,909 be charged to the Rate Stabilization Account as of March 31, 2013 is approved.
- 2. Newfoundland Power's proposal that the OPEBs Expense Variance for 2013 of \$452,200 be charged to the OPEVDA and the balance in the OPEVDA for 2013 of \$452,200 be charged to the Rate Stabilization Account as

of March 31, 2013 is approved.

3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 17(2013)**

**Application:**

**Issued: May 13, 2013**

Application for approval, pursuant to Section 70 of the *Act*, of the Rate Stabilization Plan Adjustment in the rates to be charged to Newfoundland Power Inc.

**Decision:**

1. The rates to be charged by Hydro to Newfoundland Power, as set out in Schedule "A" to this Order, to be effective for electrical consumption on or after July 1, 2013, are approved on an interim basis.
2. Hydro shall pay the expenses of the Board incurred in connection with this matter.

**Newfoundland Power Inc.**

**Order No. P.U. 18(2013)**

**Application:**

**Issued: May 16, 2013**

Application for approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Pitts Pond South, near the community of Terra Nova.

**Decision:**

1. The Non-Refundable Contribution in Aid of Construction of seven thousand eight hundred forty-three dollars and seventy-five cents (\$7,843.75), excluding HST, to apply to Domestic Customers located in the Cottage Area known as Pitts Pond South is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P. U. 19(2013)**

**Application:**

**Issued: May 16, 2013**

Application for approval of a contribution in aid of construction to construct a three-phase distribution line extension for the Department of Municipal Affairs to serve the Trouser Lake Pumphouse near the community of Nain, pursuant to Section 41 of the *Act*.

**Decision:**

1. The Contribution in Aid of Construction of seven hundred eight thousand eight hundred and thirty-eight dollars (\$708,838.00), excluding HST, as calculated under the Policy to provide three-phase service to the Trouser Lake Pumphouse, as requested by the Department of Municipal Affairs on behalf of the Inuit Community Government of Nain, is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P. U. 19(2013) Amended**

**Application:**

**Issued: May 21, 2013**

Application for approval of a contribution in aid of construction to construct a three-phase distribution line extension for the Department of Municipal Affairs to serve the Trouser Lake Pumphouse near the community of Nain, pursuant to Section 41 of the *Act*.

**Decision:**

1. The Contribution in Aid of Construction of seven hundred ten thousand nine hundred and eighteen dollars and fifty cents (\$710,918.50), excluding HST, as calculated under the Policy to provide three-phase service to the Trouser Lake Pumphouse, as requested by the Department of Municipal Affairs on behalf of the Inuit Community Government of Nain, is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 20(2013)**

**Application:**

**Issued: May 16, 2013**

Application for approval to proceed with replacement of the Hardwoods Gas Turbine Alternator.

**Decision:**

1. The proposed capital expenditure of \$8,105,800 for the replacement of the alternator on the Hardwoods Gas Turbine is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 20(2013) Amended**

**Application**

**Issued: May 21, 2013**

Application for approval to proceed with replacement of the Hardwoods Gas Turbine Alternator.

**Decision**

1. The proposed capital expenditure of \$8,015,800 for the replacement of the alternator on the Hardwoods Gas Turbine is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 21(2013)**

**Application:**

**Issued: May 27, 2013**

Application for the deferred recovery of 2013 costs associated with its 2013 energy conservation plan.

**Decision:**

1. The deferred recovery of the 2013 costs related to the energy conservation plan, estimated to be \$1,950,000, is not approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland Power Inc.**

**Order No. P.U. 22(2013)**

**Application:**

**Issued: June 6, 2013**

Application for approval of a contribution in aid of construction for three-phase electrical service for Pennecon Limited pursuant to Section 41 of the *Act*.

**Decision:**

1. The Contribution in Aid of Construction of one hundred fifty thousand one hundred ninety dollars and forty-eight cents (\$150,190.48), excluding HST, as calculated under the Policy to provide three-phase electrical service to an industrial manufacturing facility in the town of Bay Bulls as requested by Pennecon Limited is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**Newfoundland Power**

**Order No. P.U. 23(2013)**

**Application:**

**Issued: June 14, 2013**

An application by Newfoundland Power Inc. for approval of:

- a) customer rates, tolls and charges reflecting the determinations set out in Order No. P.U. 13(2013); and
- b) a revised rate stabilization adjustment and municipal tax adjustment to apply to the rates of Newfoundland Power Inc. for the period of July 1, 2013 to June 30, 2014.

**Decision:**

1. The forecast average rate base for 2013 of \$918,716,000 and the forecast average rate base for 2014 of \$955,416,000 are approved.
2. The rate of return on average rate base for 2013 of 7.92% in a range of 7.74% to 8.10% and the rate of return on average rate base for 2014 of 7.88% in a range of 7.70% to 8.06% are approved.
3. The Rate Stabilization Adjustment of 0.839 cents/kWh and the Municipal Tax Adjustment Factor of 1.02377 for the period of July 1, 2013 to June 30, 2014 are approved.
4. The Schedule of Rates, Tolls and Charges of Newfoundland Power as set out in Schedule A, to be effective for all electrical consumption on and after July 1, 2013, is approved.
5. Newfoundland Power shall make an application to implement the amendments to the Maximum Monthly Charge in Rates 2.2, 2.3 and 2.4 approved in Order No. P.U. 13(2013) after Newfoundland and Labrador Hydro has applied for a change in its base rate to Newfoundland Power.
6. Amendments to the Rate Stabilization Clause to clarify the language in relation to: i) the Weather Normalization Reserve balance in the Rate Stabilization Account; and ii) the energy charge in the "Maximum Monthly Charge", are approved as set out in Schedule B.
7. Newfoundland Power shall file revised Rules and Regulations to be effective July 1, 2013.
8. The revised definition of the Excess Earnings Account as set out in Schedule C is approved.
9. Newfoundland Power shall pay the expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 24(2013)**

**Application:**

**Issued: June 14, 2013**

Application for approval of a change in rates to be charged to Island Interconnected and Isolated Rural customers.

**Decision:**

1. The rates proposed by Hydro to be effective for all electrical consumption on or after July 1, 2013 for its Island Interconnected customers, excluding Burgeo School & Library (rate Classes 1.1, 1.1S, 2.1, 2.3, 2.4 and 4.1) and Isolated Rural customers (rate Classes 1.2D, 1.2DS, 2.1D and 2.2D and 4.1D), as set out in Schedule A to this Order, are approved.
2. Newfoundland and Labrador Hydro shall file a revised Schedule of Rates, Tolls and Charges to be effective July 1, 2013.
3. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 25(2013)**

**Application:**

**Issued: June 20, 2013**

Application for approval, on an *ex parte* basis, to proceed with the lease of vehicles pursuant to Section 41 of the *Act*.

**Decision:**

1. The two proposed three-year automobile leases in the amount of \$5,888.76, plus HST, and \$5,852.52, plus HST, are approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 26(2013)**

**Application:**

**Issued: August 30, 2013**

Application for approval, of the Rate Stabilization Plan rules and components of the rates to be charged to Island Industrial customers.

**Decision:**

1. Hydro shall on August 31, 2013:
  - i) credit \$49 million to the Island Industrial customers' Rate Stabilization Plan; and
  - ii) transfer the remaining balance in the January 1, 2007 to August 31, 2013 accumulated Load Variation component of the Rate Stabilization Plan to the credit of the Newfoundland Power Inc. Rate Stabilization Plan.
2. The rates to be charged to all Island Industrial customers, as set out in Schedule "A" to this Order, to be effective for electrical consumption on and after September 1, 2013, are approved on an interim basis.
3. Hydro shall pay the expenses of the Board incurred in connection with this matter.

**Newfoundland Power Inc.**

**Order No. P.U. 27(2013)**

**Application:**

**Issued: September 13, 2013**

An application by Newfoundland Power Inc.:

- a) approving its 2014 Capital Budget of \$84,462,000; and
- b) fixing and determining its average rate base for 2012 in the amount of \$883,045,000.

**Decision:**

1. Newfoundland Power's 2014 capital purchases and construction projects in excess of \$50,000, as set out in Schedule A to this Order, are approved.
2. The 2014 Capital Budget for improvements and additions to Newfoundland Power's property in an amount of \$84,462,000 is approved, as set out in Schedule B.
3. The average rate base for the year ending December 31, 2012 is hereby fixed and determined at \$883,045,000.
4. Unless otherwise directed by the Board, Newfoundland Power shall file an annual report to the Board on its 2014 capital expenditures by March 1, 2015.
5. Unless otherwise directed by the Board, Newfoundland Power shall provide, in conjunction with the 2015 Capital Budget Application, a status report on the 2014 capital budget expenditures showing for each project:
  - i) the approved budget for 2014;
  - ii) the expenditures prior to 2014;
  - iii) the 2014 expenditures to the date of the application;
  - iv) the remaining projected expenditures for 2014;

- v) the variance between the projected total expenditures and the approved budget; and
  - vi) an explanation of the variance.
6. Newfoundland Power shall pay all costs and expenses of the Board incurred in connection with the Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 28(2013)**

**Application:**

**Issued: September 18, 2013**

General Rate Application to establish customer electricity rates effective January 1, 2014.

**Decision:**

1. The Intervenor in the Application are as set out in Schedule "A" to this Order.
2. The Schedule of Dates for the Application is approved as set out in Schedule "B" to this Order.
3. The Rules of Procedure for the Application are approved as set out in Schedule "C" to this Order.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 28(2013) AMENDED**

**Application:**

**Issued: September 18, 2013**

General Rate Application to establish customer electricity rates effective January 1, 2014.

**Decision:**

1. The Intervenor in the Application are as set out in Schedule "A" to this Order.
2. The Schedule of Dates for the Application is approved as set out in Schedule "B" to this Order.
3. The Rules of Procedure for the Application are approved as set out in Schedule "C" to this Order.  
(Schedule "B" Amended)

**Newfoundland and Labrador Hydro**

**Order No. P.U. 29(2013)**

**Application:**

**Issued: September 30, 2013**

Application for approval of the Rate Stabilization Plan rules and components of the rates to be charged to Island Industrial customers pursuant to section 71 of the *Act*.

**Decision:**

1. Hydro's Island Industrial customer rates charged for electrical consumption from January 1, 2008 to August 31, 2013 are approved on a final basis.
2. Hydro's Utility rate charged for electrical consumption from January 1, 2011 to August 31, 2013 is approved on a final basis.
3. The rates to be charged to Island Industrial customers to be effective for electrical consumption on and after September 1, 2013, are approved on an interim basis, as set out in Schedule A to this Order.
4. Hydro's Utility rate to be charged to Newfoundland Power Inc. to be effective for electrical consumption on and after September 1, 2013, is approved on an interim basis, as set out in Schedule B to this Order.
5. Hydro shall file revised Rate Stabilization Plan rules reflecting the findings of the Board in this Order to be effective September 1, 2013 on an interim basis.
6. The Industrial Customers (Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teck Resources Limited) are entitled to an award of costs in an amount to be fixed by the Board.
7. Vale Newfoundland and Labrador Limited is entitled to an award of costs in an amount to be fixed by the Board.
8. Hydro shall pay all costs and expenses of the Board incurred in connection with the Application.

**Newfoundland Power Inc.**

**Order No. P.U. 30(2013)**

**Application:**

**Issued: October 23, 2013**

An application by Newfoundland Power Inc. for approval to issue Series AN First Mortgage Bonds pursuant to section 91 of the *Act*.

**Decision:**

1. Newfoundland Power's proposal to issue Series AN First Mortgage Bonds in an amount of up to \$75,000,000 is approved subject to the following conditions:
  - a) The bonds shall be issued on or before March 31, 2014.
  - b) Newfoundland Power shall file with the Board a report specifying the terms and conditions of the bond issue within five (5) days after closing, setting out the following:
    - i) date of issue;
    - ii) term;
    - iii) maturity date;



- iv) principal amount;
  - v) coupon rate;
  - vi) particulars of sinking fund, if any;
  - vii) price to public and to the underwriters;
  - viii) yield to the public;
  - ix) underwriting fee;
  - x) actual cost (i.e. yield) to Newfoundland Power, and
  - xi) any other material terms or conditions.
- c) Newfoundland Power shall file with the Board a copy of the Underwriting Agreement relating to the bond issue within five (5) days after closing.
  - d) Newfoundland Power shall file with the Board a report on the disposition of the proceeds no later than six months from the date of the bond issue.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 31(2013)**

**Application:**

**Issued: October 25, 2013**

Approval of capital expenditures to supplement the Allowance for Unforeseen Items for the construction and purchase of certain improvements and additions to its property pursuant to section 41 of the *Act*.

**Decision:**

- 1. The addition of a supplementary amount of \$207,000 to the 2013 Allowance for Unforeseen Items is approved.
- 2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 32(2013)**

**Application:**

**Issued: November 1, 2013**

Application for approval of the Rate Stabilization Plan rules pursuant to section 71 of the *Act*.

**Decision:**

- 1. The Rate Stabilization Plan rules proposed by Hydro in its application and attached hereto as Schedule "A" are approved on an interim basis.
- 2. Hydro shall pay the expenses of the Board incurred in connection with this matter.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 33(2013)**

**Application:**

**Issued: November 6, 2013**

Application for approval of the replacement of a generator main breaker at Hinds Lake pursuant to section 41 of the *Act*.

**Decision:**

- 1. The proposed capital expenditure of \$388,700 for the replacement of a breaker at Hinds Lake generating station is approved.
- 2. Hydro shall pay the expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 34(2013)**

**Application:**

**Issued: November 25, 2013**

Application for approval of changes to the Rate Stabilization Plan rules pursuant to section 71 of the *Act*.

**Decision:**

- 1. The Rate Stabilization Plan rules attached hereto as Schedule "A" are approved on an interim basis.
- 2. Hydro shall pay the expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 35(2013)**

**Application:**

**Issued: November 27, 2013**

Application for approval for the deferred recovery of 2013 costs associated with its energy conservation plan.

**Decision:**

- 1. The deferred recovery of the 2013 costs related to Hydro's energy conservation plan, estimated to be \$1,950,000, is approved.
- 2. Hydro shall pay the expenses of the Board arising from this Application.

**Newfoundland Power Inc.**

**Order No. P.U. 36(2013)**

**Application:**

**Issued: November 28, 2013**

Application for approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Big Eel Lake, near the town of Norris Arm.

**Decision:**

1. The Non-Refundable Contribution in Aid of Construction of five thousand two hundred four dollars and six cents (\$5,204.06), excluding HST, to apply to Domestic Customers located in the Cottage Area known as Big Eel Lake is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**Newfoundland Power Inc.**

**Order No. P.U. 37(2013)**

**Application:**

**Issued: November 28, 2013**

Application by Newfoundland Power Inc. for approval of a Contribution in Aid of Construction for three-phase electrical service for Labrador-Island Link Limited Partnership.

**Decision:**

1. The Contribution in Aid of Construction of three hundred sixty-seven thousand seven hundred thirty-five dollars and sixty-five cents (\$367,735.65), excluding HST, as calculated under the Policy to provide three-phase electrical service to the terminal station facility located near Soldiers Pond as requested by Labrador-Island Link Limited Partnership is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 38(2013)**

**Application:**

**Issued: November 29, 2013**

Application for approval of capital expenditures and for deferral of lease costs associated with the installation of diesel units at the Holyrood Thermal Generating Station for the purpose of black start, pursuant to sections 41, 49, 78 and 80 of the *Act*.

**Decision:**

1. The proposed capital expenditure of \$1,263,400 to install a 16 MW diesel plant and other necessary infrastructure to ensure black start capability at the Holyrood Thermal Generating Station is approved.
2. The creation of a deferral account to allow for the deferred recovery, until a further Order of the Board, of lease costs associated with the 16 MW diesel plant and other necessary infrastructure to ensure black start capability at the Holyrood Thermal Generating Station is approved.
3. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 39(2013)**

**Application:**

**Issued: December 2, 2013**

Application for approval of a capital expenditure to purchase equipotential bonding and grounding equipment pursuant to section 41 of the *Act*.

**Decision:**

1. The proposed capital expenditure of \$158,300 for the purchase of equipotential bonding and grounding equipment is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 40(2013)**

**Application**

**Issued: December 13, 2013**

Application for approval of rate changes for certain customers on an interim basis, effective January 1, 2014, pursuant to section 75 of the *Act*.

**Decision**

1. The Rate Stabilization Plan rules attached hereto as Schedule "A" are approved on an interim basis.
2. Hydro shall pay the expenses of the Board incurred in connection with this matter.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 41(2013)**

**Application:**

**Issued: December 13, 2013**

Application for approval for approval to treat costs associated with repairs to the fuel oil system at the Holyrood Thermal Generating Station as an extraordinary expense pursuant to sections 69, 78 and 80 of the *Act*.

**Decision:**

1. The creation of a deferral account for Hydro's 2013 costs relating to repairs to the fuel oil system at the Holyrood Thermal Generating Station is approved.
2. Hydro's proposals in relation to the recovery of the 2013 costs relating to the repairs to the fuel oil system at the Holyrood Thermal Generating Station and the inclusion in rate base of the unamortized balance are not approved at this time and will be addressed in a subsequent Order of the Board.
3. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 42(2013)**

**Application:**

**Issued: December 20, 2013**

An application by Newfoundland and Labrador Hydro for an order: a) approving its 2014 capital budget; b) approving its 2014 capital purchases and construction projects in excess of \$50,000; c) approving the estimated contributions in aid of construction for 2014; and d) fixing and determining its average rate base for 2012.

**Decision:**

1. Hydro's proposed construction and purchase of improvements or additions to its property in excess of \$50,000 to be completed in 2014, as set out in Schedule A to this Order, are approved.
2. Hydro's proposed multi-year construction and purchase of improvements or additions to its property in excess of \$50,000 to begin in 2014, except:
  - a) Replace diesel units – Port Hope Simpson and Mary's Harbour;
  - b) Upgrade Excitation Systems Units 1 and 2 – Holyrood; and
  - c) Upgrade Shoreline Protection – Cat Arm (expenditures beyond 2014), as set out in Schedule B to this Order, are approved.
3. Hydro shall not recover any costs over and above the approved capital expenditure of \$12,650,000 associated with the project to construct two 25 kV Terminal Stations in Labrador City until further review and Order of the Board.
4. Hydro's proposed contributions in aid of construction for 2014 are approved.
5. Hydro's 2014 Capital Budget for improvements or additions to its property in the amount of \$97,805,300, as set out in Schedule C to this Order, is approved.
6. Unless otherwise directed by the Board Hydro shall file, in conjunction with the 2015 Capital Budget Application, an updated overview in relation to the proposed capital expenditures for the Holyrood Thermal Generating Station.
7. Unless otherwise directed by the Board Hydro shall file an annual report with the Board in relation to its 2014 capital expenditures by March 1, 2015.
8. Unless otherwise directed by the Board Hydro shall file, in conjunction with the 2015 Capital Budget Application, a status report on the 2014 capital expenditures.
9. Vale and the Industrial Customer Group are entitled to an award of costs in an amount to be fixed by the Board, with cost submissions to be filed by both parties within 30 days of this Order.
10. Hydro shall pay all costs and expenses of the Board incurred in connection with this Application.

**Newfoundland Power Inc.**

**Order No. P.U. 43(2013)**

**Application:**

**Issued: December 20, 2013**

Application for approval of a capital expenditure to replace the Bell Island Submarine Cable pursuant to section 41 of the *Act*.

**Decision:**

1. The proposed capital expenditure of \$14,520,000 to replace the Bell Island submarine cable system is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 1(2014)**

**Application:**

**Issued: January 21, 2014**

Application for approval of the Rate Stabilization Plan rules and components of the rates to be charged to Island Industrial customers pursuant to section 71 of the *Act* for an award of costs to Vale Newfoundland Limited pursuant to Order No. P.U. 29(2013).

**Decision:**

1. The costs of Vale Newfoundland and Labrador Limited are fixed at \$60,451.63.
2. Hydro shall, within thirty days, pay costs to Vale Newfoundland and Labrador Limited in the amount of \$60,451.63.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 2 (2014)**

**Application:**

**Issued: February 3, 2014**

Application for approval of an amendment to the terms and conditions under which Newfoundland and Labrador Hydro supplies electricity to North Atlantic Refining Limited pursuant to Section 71 of the *Act*.

**Decision:**

1. Revisions to Newfoundland and Labrador Hydro's service agreement with North Atlantic Refining Limited to add a provision to limit Hydro's liability, as set out in the attached Schedule A, are approved.
2. Newfoundland and Labrador Hydro shall pay all expenses of the Board arising from this Application

**An Investigation and Hearing into supply issues and power outages on the Island Interconnected system**

**Order No. P.U. 3(2014)  
Issued: February 19, 2014**

**Decision:**

1. The issues to be addressed in the proceeding are established as set out in Schedule "A" to this Order, which may be amended by letter of the Board.
2. The process is established as set out in Schedule "B" to this Order, which may be amended by letter of the Board.
3. The intervenors in this proceeding are as set out in Schedule "C" to this Order.
4. The Rules of Procedure for the proceeding are as set out in Schedule "D" to this Order.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 4(2014)**

**Application:**

**Issued: February 26, 2014**

Application for approval to treat costs associated with repairs to the fuel oil system at the Holyrood Thermal Generating Station as an extraordinary expense pursuant to sections 69, 78 and 80 of the *Act*.

**Decision:**

1. Hydro's proposal to treat the 2013 costs of repairs to the fuel oil system at the Holyrood Thermal Generating Station as a major extraordinary repair such that the costs are amortized over a five-year period with the unamortized balance to be included in rate base is not approved.
2. Hydro shall expense the 2013 costs of the repairs to the fuel oil system at the Holyrood Thermal Generating Station in 2013.
3. Hydro shall file a report with the Board no later than May 30, 2014 setting out the actions taken and future plans in relation to the quality of fuel supplied to the Holyrood Thermal Generating Station.
4. Hydro shall pay all expenses of the Board arising from this Application.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 5(2014)**

**Application:**

**Issued: March 13, 2014**

An application by Newfoundland and Labrador Hydro for an order: a) approving its 2014 capital budget; b) approving its 2014 capital purchases and construction projects in excess of \$50,000; c) approving the estimated contributions in aid of construction for 2014; and d) fixing and determining its average rate base for 2012 for an award of costs to Vale Newfoundland and Labrador Limited pursuant to Order No. P.U. 42(2013).

**Decision:**

1. The costs of Vale Newfoundland and Labrador Limited are fixed at \$27,402.93.
2. Hydro shall, within thirty days, pay costs to Vale Newfoundland and Labrador Limited in the amount of \$27,402.93.

**Newfoundland and Labrador Hydro**

**Order No. P.U. 6 (2014)**

**Application:**

**Issued: March 13, 2014**

An application by Newfoundland and Labrador Hydro for an order: a) approving its 2014 capital budget; b) approving its 2014 capital purchases and construction projects in excess of \$50,000; c) approving the estimated contributions in aid of construction for 2014; and d) fixing and determining its average rate base for 2012 for an award of costs to Island Industrial Customer Group to Order No. P.U. 42(2013).

**Decision:**

1. The costs of the Island Industrial Customer Group are fixed at \$16,938.51.
2. Hydro shall, within thirty days, pay costs to the Island Industrial Customer Group in the amount of \$16,938.51.

**Newfoundland Power Inc.**

**Order No. P.U. 7(2014)**

**Application:**

**Issued: March 20, 2014**

Application by Newfoundland Power Inc. for an Order of the Board providing for disposition of the balance in the Demand Management Incentive Account pursuant to Sections 58 and 80 of the *Act*.

**Decision:**

1. The Board approves, pursuant to Sections 58 and 80 of the *Act*, the recovery of the 2013 balance in the Demand Management Incentive Account and related income tax effects by means of a debit in the amount of \$383,085 to the Rate Stabilization Account as of March 31, 2014.
2. Newfoundland Power shall pay all costs and expenses of the Board arising from this Application.

**Newfoundland Power Inc.**

**Order No. P.U. 8(2014)**

**Application:**

**Issued: March 26, 2014**

Application by Newfoundland Power Inc. for approval of:

- (i) revised distribution line costs per metre for Contributions in Aid of Construction (CIACs);
- (ii) revised distribution plant upgrade cost for CIACs; and
- (iii) CIAC cost factors.

**Decision:**

1. The revised cost factors contained in Schedules A, B, C and D attached to this Order are approved to be used in the calculation of all CIACs with effect from April 2, 2014, and, where advantageous to customers of Newfoundland Power, on all CIACs quoted but unpaid as of April 2, 2014.
2. Newfoundland Power shall submit a revised CIAC Policy in its entirety incorporating the revisions approved herein.
3. Newfoundland Power shall pay the expenses of the Board arising from this Application.

**SUMMARY OF ORDERS OF THE BOARD  
UNDER THE AUTOMOBILE INSURANCE ACT  
APRIL 1, 2013 TO MARCH 31, 2014**

**Facility Association**

**Order No. A.I. 9(2013)**

**Application:**

**Issued: April 19, 2013**

For approval of revised rates for Third Party Liability, Accident Benefits and Uninsured Auto coverages for its Taxis, Jitneys and Liveries class of business.

**Decision:**

1. The rate proposal received January 24, 2013 from Facility Association for its Taxis, Jitneys and Liveries class of business is approved effective 100 days post approval for new business and renewals.
2. Pursuant to section 57 of the *Automobile Insurance Act* and section 90 of the *Public Utilities Act*, Facility Association will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

**Royal & Sun Alliance Insurance Company of Canada**

**Order No. A.I. 10(2013)**

**Application:**

**Issued: April 23, 2013**

For approval of a revised automobile insurance rate proposal for its Private Passenger Automobiles class of business as directed in Order No. A.I. 6 (2013).

**Decision:**

1. The revised rate proposal received March 20, 2013 from Royal & Sun Alliance Insurance Company of Canada for its Private Passenger Automobiles class of business is approved to be effective no sooner than June 1, 2013 for new business and July 23, 2013 for renewals.

**Federation Insurance Company of Canada**

**Order No. A.I. 11(2013)**

**Application:**

**Issued: May 7, 2013**

For approval of a revised automobile insurance rating program for its Private Passenger Automobiles class of business.

**Decision:**

1. The Application is denied.
2. Federation Insurance Company of Canada shall pay the costs of the Board incurred in connection with this matter.

**Federation Insurance Company of Canada**

**Order No. A.I. 12(2013)**

**Application:**

**Issued: June 6, 2013**

For approval of a revised automobile insurance rating program for its Private Passenger Automobiles class of business.

**Decision:**

1. The revised rate proposal received May 28, 2013 from Federation Insurance Company of Canada for its Private Passenger Automobiles class of business is approved to be effective no sooner than June 6, 2013 for new business and August 1, 2013 for renewals.

**Intact Insurance Company**

**Order No. A.I. 13(2013)**

**Application:**

**Issued: September 11, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The application is denied.
2. Intact Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

**Intact Insurance Company**

**Order No. A.I. 14(2013)**

**Application:**

**Issued: September 13, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The revised rate proposal received September 12, 2013 from Intact Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than October 15, 2013 for new business and November 15, 2013 for renewals.

**Scottish & York Insurance Co. Limited**

**Order No. A.I. 15(2013)**

**Application:**

**Issued: September 25, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The application is denied.
2. Scottish & York Insurance Co. Limited will be required to pay the costs of the Board associated with this filing, including costs of the actuarial review.

**S&Y Insurance Company**

**Order No. A.I. 16(2013)**

**Application:**

**Issued: September 25, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The application is denied.
2. S&Y Insurance Company will be required to pay the costs of the Board associated with this filing, including costs of the actuarial review.

**Traders General Insurance Company**

**Order No. A.I. 17(2013)**

**Application:**

**Issued: September 25, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The application is denied.
2. Traders General Insurance Company will be required to pay the costs of the Board associated with this filing, including costs of the actuarial review.

**Aviva Insurance Company of Canada**

**Order No. A.I. 18(2013)**

**Application:**

**Issued: September 27, 2013**

For approval of a revised automobile insurance rating program for its Commercial Vehicles and Interurban class of business.

**Decision:**

1. The rate proposal received August 9, 2013 from Aviva Insurance Company of Canada for its Commercial Vehicles and Interurban class of business is approved effective no sooner than November 1, 2013 for new business and January 1, 2014 for renewals.

**Scottish & York Insurance Co. Limited**

**Order No. A.I. 19(2013)**

**Application:**

**Issued: October 17, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The revised rate proposal received October 3, 2013 from Scottish and York Insurance Co. Limited for its Private Passenger Automobiles class of business is approved to be effective no sooner than November 1, 2013 for new business and December 1, 2013 for renewals.

**S&Y Insurance Company**

**Order No. A.I. 20(2013)**

**Application:**

**Issued: October 17, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The revised rate proposal received October 3, 2013 from S&Y Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than November 1, 2013 for new business and December 1, 2013 for renewals.

**Traders General Insurance Company**

**Order No. A.I. 21(2013)**

**Application:**

**Issued: October 17, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business

**Decision:**

1. The revised rate proposal received October 3, 2013 from Traders General Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than November 1, 2013 for new business and December 1, 2013 for renewals.

**The Sovereign General Insurance Company**

**Order No. A.I. 22(2013)**

**Application:**

**Issued: October 17, 2013**

For approval to adopt IAO advisory rates for its Miscellaneous Vehicles class of business.

**Decision:**

1. The application of The Sovereign General Insurance Company to adopt IAO advisory rates for its Miscellaneous Vehicles class of business is approved to be effective no sooner than January 1, 2014 for new business and March 1, 2014 for renewal business.

**The Sovereign General Insurance Company**

**Order No. A.I. 23(2013)**

**Application:**

**Issued: October 17, 2013**

For approval to adopt IAO advisory rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The application of The Sovereign General Insurance Company to adopt IAO advisory rates for its Private Passenger Automobiles class of business is approved to be effective no sooner than January 1, 2014 for new business and March 1, 2014 for renewal business.

**The Portage la Prairie Mutual Insurance Company**

**Order No. A.I. 24(2013)**

**Application:**

**Issued: October 25, 2013**

For approval to implement revised rates for its Private Passenger Automobiles class of business.

**Decision:**

1. The Application is denied.
2. The Portage la Prairie Mutual Insurance Company shall collect its own company specific unallocated loss adjustment expense information for future rate applications to the Board.
3. The Portage la Prairie Mutual Insurance Company shall pay the costs of the Board associated with this filing, including the costs of the actuarial review.

**Co-operators General Insurance Company**

**Order No. A.I. 25(2013)**

**Application:**

**Issued: December 11, 2013**

For approval of a revised rating program for its Motorcycles class of business.

**Decision:**

1. The revised rating program received November 20, 2013 from Co-operators General Insurance Company is approved to be effective no sooner than January 15, 2014 for both new business and renewals.
2. Co-operators General Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

**RBC General Insurance Company**

**Order No. A.I. 26(2013)**

**Application:**

**Issued: December 12, 2013**

For approval of a revised rating program for its Private Passenger Automobiles class of business.

**Decision:**

1. The revised rating program received November 29, 2013 from RBC General Insurance Company is approved to be effective no sooner than January 26, 2014 for new business and April 11, 2014 for renewals.
2. RBC General Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.



**Facility Association**

**Order No. A.I. 27(2013)**

**Application:**

**Issued: December 13, 2013**

For approval to implement a revised rating program for its Private Passengers Automobiles class of business.

**Decision:**

1. The application is denied.
2. Facility Association shall submit for the approval of the Board, within 30 days of receipt of the Reasons for Decision, a revised rating program for its Private Passenger Automobiles class of business that reflects the findings of the Board as set out in the Reasons for Decision.
3. Facility Association shall report to the Board within 90 days in relation to finance fee revenues as set out in the Reasons for Decision.
4. Facility Association shall pay the costs of the Board associated with this application, including the costs of the actuarial review.

**Facility Association**

**Order No. A.I. 1(2014)**

**Application:**

**Issued: January 9, 2014**

For approval to implement a revised rating program for its Private Passengers Automobiles class of business.

**Decision:**

1. Facility Association shall submit for the approval of the Board, within 30 days of the date of this Order, a revised rating program for its Private Passenger Automobiles class of business, as set out in Order No. A.I. 27(2013).

**Facility Association**

**Order No. A.I. 2(2014)**

**Application:**

**Issued: February 20, 2014**

For approval to implement a revised rating program for its Private Passenger Automobiles class of business.

**Decision:**

1. The revised rating program received January 24, 2014 from Facility Association for its Private Passenger Automobiles class of business is approved to be effective no sooner than 100 days post approval for both new business and renewals.

**CUMIS Insurance Company**

**Order No. A.I. 3(2014)**

**Application:**

**Issued: March 26, 2014**

For approval to adopt the most recent rates and rating program of COSECO Insurance Company for Private Passenger Automobiles and Miscellaneous Vehicles.

**Decision:**

1. The proposed rates and rating program received February 21, 2014 for Private Passenger Automobiles and Miscellaneous Vehicles of CUMIS Insurance Company is approved with effect no sooner than August 1, 2014 for new business and October 1, 2014 for renewals.

**Dominion of Canada General Insurance Company**

**Order No. A.I. 4(2014)**

**Application:**

**Issued: March 26, 2014**

For approval to implement a revised rating program for its individually rated Commercial Automobiles and Interurban Trucks class of business.

**Decision:**

1. The Commercial Automobiles rate proposal received January 17, 2014 from Dominion of Canada General Insurance Company is approved to be effective no sooner than May 15, 2014 for new business and June 15, 2014 for renewals.
2. The Interurban Trucks rate proposal received January 17, 2014 from Dominion of Canada General Insurance Company is not approved.
3. Dominion of Canada General Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

**SUMMARY OF ORDERS OF THE BOARD  
UNDER THE MOTOR CARRIER ACT  
APRIL 1, 2013 TO MARCH 31, 2014**

**Hickey's Limited**

**Order No. M.C. 5(2013)**

**Application:**

**Issued: August 14, 2013**

Application for the reissuance of Motor Carrier Certificate No. 6387 in the new corporate name 13910 Newfoundland & Labrador Inc.

**Decision:**

Motor Carrier Certificate No. 6387 issued to Hickey's Limited be reissued in the name 13910 Newfoundland & Labrador Inc. and the original Certificate No. 6387 issued in the name of Hickey's Limited be returned to the Board with all attached Schedules.

**Reliable Ambulance Service Limited**

**Order No. M.C. 6(2013)**

**Application:**

**Issued: November 29, 2013**

Application for approval of the transfer of beneficial ownership of the shares of Motor Carrier Certificate No. 3549 from Robert Patten and the Patten Family Trust to 43751 Newfoundland and Labrador Inc.

**Decision:**

The application for the transfer of the beneficial ownership of the shares of the holder of Motor Carrier Certificate No. 3549 from Robert Patten and the Patten Family Trust to 43751 Newfoundland and Labrador Inc. is approved.

**Pascal and Dianne Ryan**

**Order No. M.C. 1(2014)**

**Application:**

**Issued: February 27, 2014**

Application for approval of the transfer of beneficial ownership of the shares of the holder of Motor Carrier Certificate No. 3591 issued to Ryan's Ambulance Service Ltd., from Paschal and Dianne Ryan to Fewer's Ambulance Service Limited.

**Decision:**

The application for the transfer of the beneficial ownership of the shares of the holder of Motor Carrier Certificate No. 3591, Ryan's Ambulance Service Ltd., from Paschal and Dianne Ryan to Fewer's Ambulance Service Limited is approved.

## APPENDIX II

**SUMMARY OF MAXIMUM PRICE CHANGES  
UNDER THE PETROLEUM PRODUCTS ACT  
APRIL 1, 2013 TO MARCH 31, 2014**

### Pricing Zones

The Province is divided into 14 primary pricing zones for the setting of maximum prices for petroleum products. Each of these pricing zones is separated from the next by unique geographic boundaries, and each has established product-pricing differentials from the base zone. These zone price differentials are added to the base prices for products in the base zone to reflect the additional costs for the transportation, storage and distribution of the products in the destination zone. As well, where primary zones contain special geographic features, such as islands, pricing sub-zones have been established to reflect the additional cost of providing products to these more remote locations.

Zone 1 (Avalon) is the base zone for motor fuels, Zone 1 ANE (Avalon North East) is the base zone for heating fuels, except residential propane, which has Zone 2 (Burin Peninsula/ Bonavista Peninsula / Bonavista Bay) as its base zone because the majority of the propane that is consumed in the Province is produced at the oil refinery in Come By Chance.

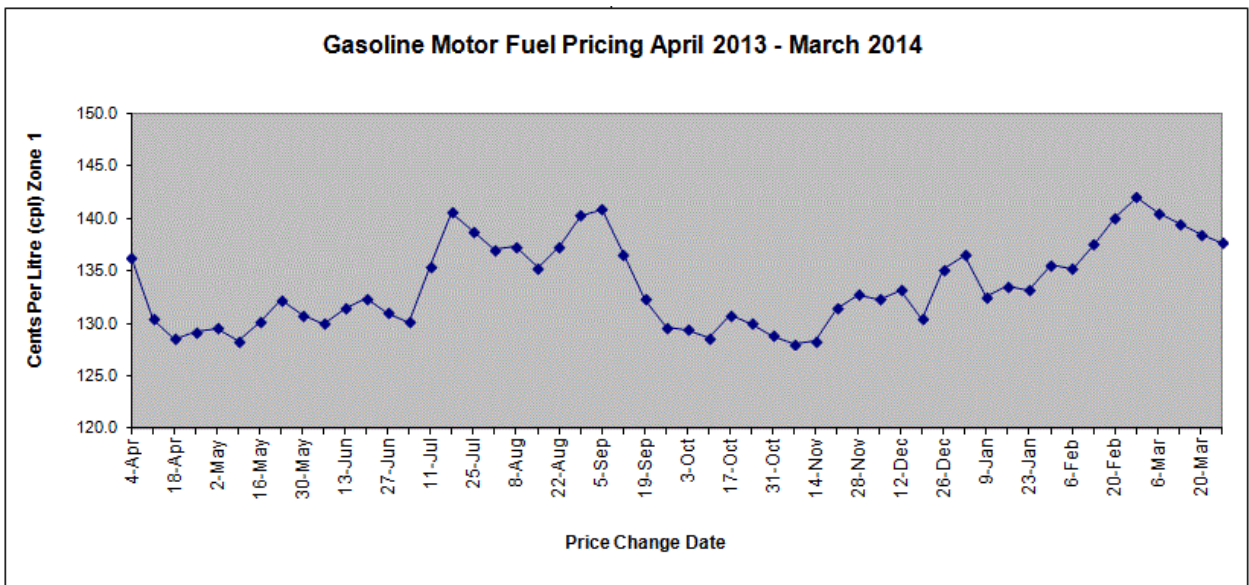
The following charts reflect the overall pricing movements in the Avalon region for each of the refined petroleum products for which maximum prices are regulated. (Note: the lines joining the data points in the following graphs are intended to reflect trends only and do not represent gradual increases or decreases in prices between the indicated price changes.)

There were 52 scheduled changes to the maximum prices of various fuel products for the period April 1, 2013 to March 31, 2014. There were no unscheduled adjustments for any regulated petroleum product during this period.

### Gasoline Motor Fuel

There were 52 scheduled adjustments (25 increases, 27 decreases) to the maximum price of gasoline motor fuel.

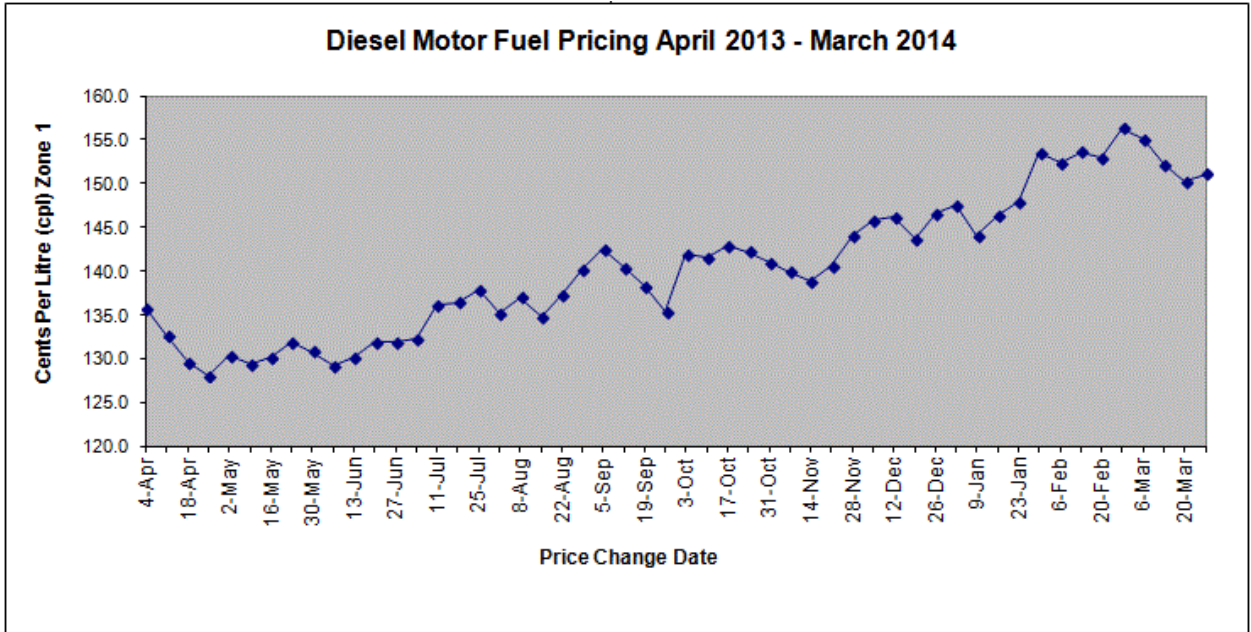
### Maximum Gasoline Motor Fuel Prices



**Diesel Motor Fuel**

There were 52 adjustments (27 increases, 24 decreases and one adjustment with no change) to the maximum price of automotive diesel.

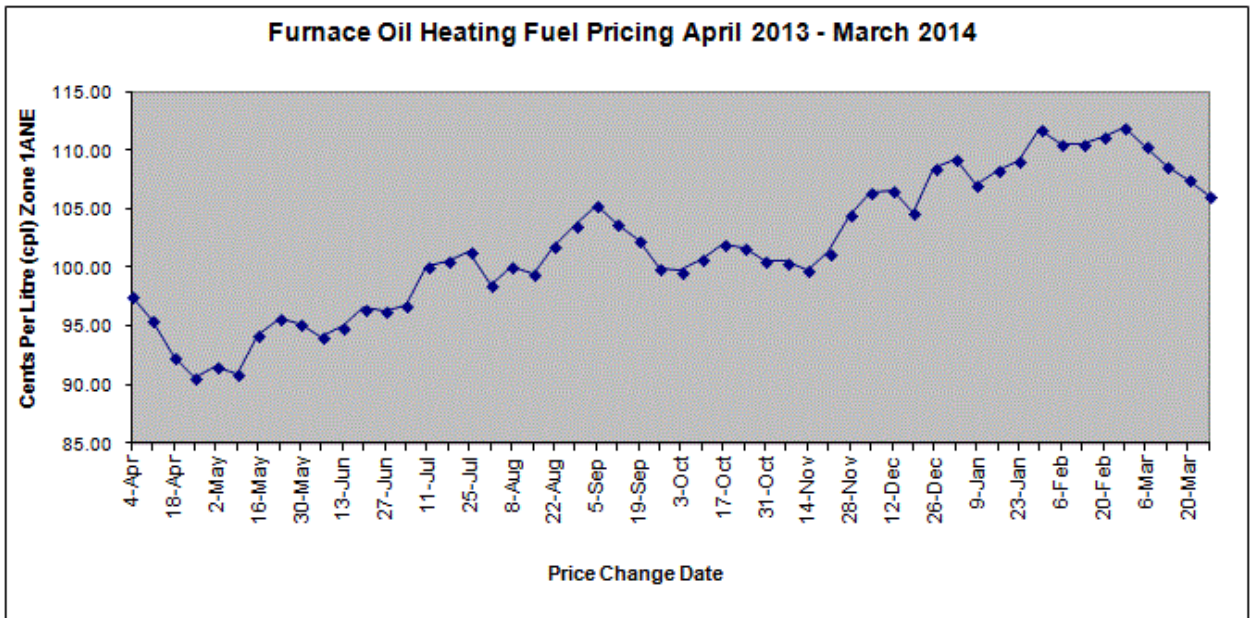
**Maximum Diesel Motor Fuel Prices**



**Furnace Oil Heating Fuel**

There were 52 adjustments (26 increases and 26 decreases) to the maximum price of furnace oil heating fuel.

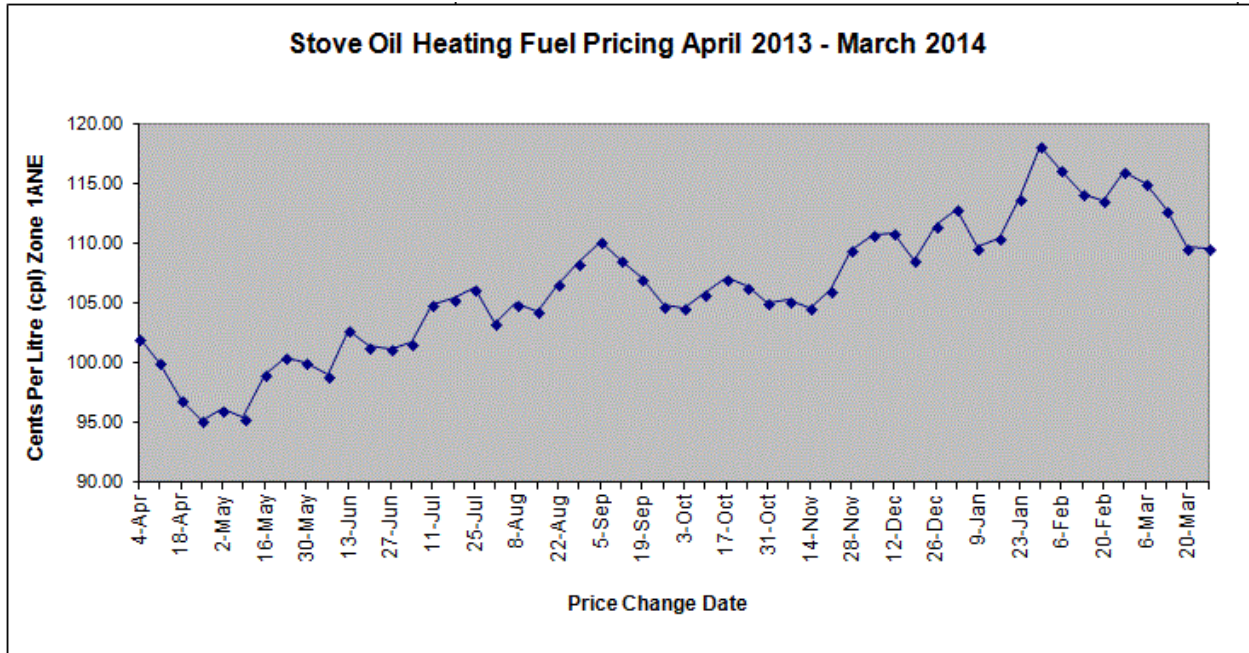
**Maximum Furnace Oil Heating Fuel Prices**



**Stove Oil Heating Fuel**

There were 52 adjustments (26 increases and 26 decreases) to the maximum price of stove oil heating fuel.

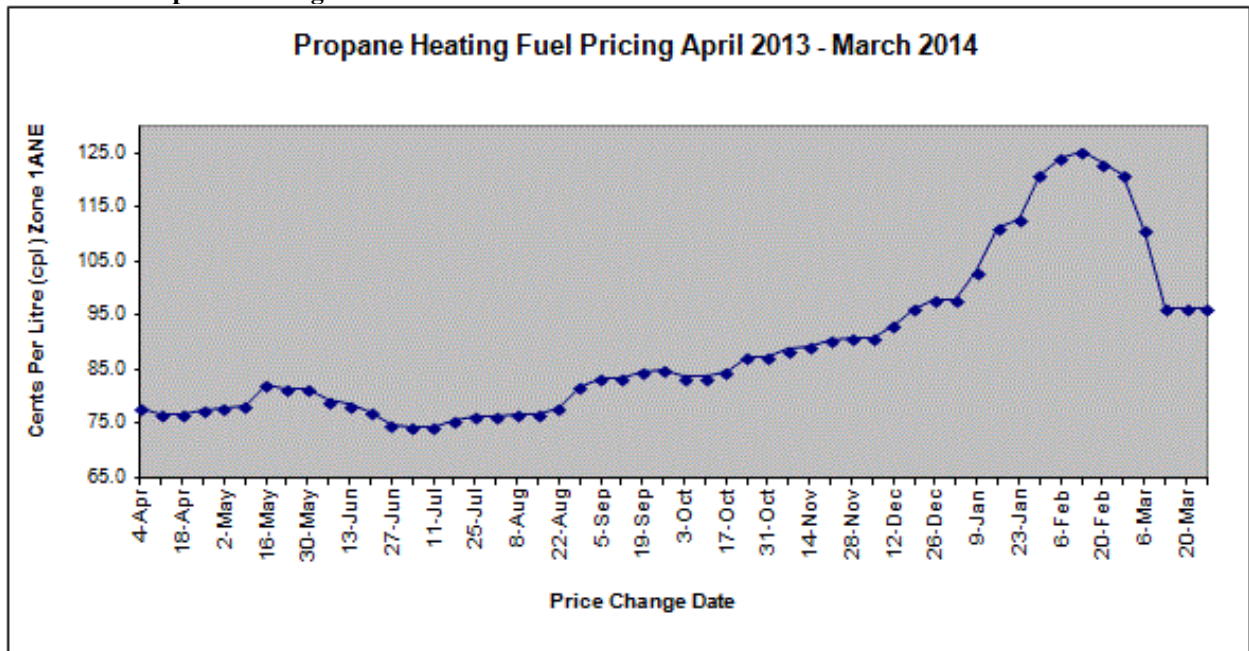
**Maximum Stove Oil Heating Fuel Prices**



**Propane Heating Fuel**

There were 52 adjustments (27 increases, 13 decreases and 12 adjustments with no change) to the maximum price of propane heating fuel.

**Maximum Propane Heating Fuel Prices**



# **APPENDIX III**

## **BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

### **FINANCIAL STATEMENTS MARCH 31, 2014**

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES****Index to Financial Statements****Year Ended March 31, 2014**

---

**CONTENTS**

Independent Auditors' Report .....	2
Statement of Financial Position .....	3
Statement of Operations .....	4
Statement of Change in Net Financial Assets .....	5
Statement of Cash Flows .....	6
Notes to the Financial Statements .....	7-14

## BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

---

### INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of Public Utilities

We have audited the accompanying financial statements of the Board of Commissioners of Public Utilities, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board of Commissioners of Public Utilities as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

  
Chartered Accountants  
St. John's, Newfoundland & Labrador  
June 3, 2014



**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**Statement of Financial Position  
Year Ended March 31, 2014**

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,836,354	\$ 1,683,223
Receivables (Note 4)	342,022	195,958
HST receivable (Note 5)	60,630	132,941
Recoverable costs (Notes 2 & 6)	1,217,812	1,142,413
Designated pension funds (Note 7)	-	27,308
	<b>3,456,818</b>	<b>3,181,843</b>
<b>LIABILITIES</b>		
Payables and accruals	\$ 579,600	\$ 711,658
Government remittances payable	728	1,168
Payroll accruals	949,393	885,822
	<b>1,529,721</b>	<b>1,598,648</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,927,097</b>	<b>1,583,195</b>
<b>NON-FINANCIAL ASSETS</b>		
Capital assets (Note 8)	\$ 55,846	\$ 61,644
Prepaid expenses	7,062	8,350
	<b>62,908</b>	<b>69,994</b>
<b>ACCUMULATED SURPLUS</b>	<b>1,990,005</b>	<b>1,653,189</b>
<b>Accumulated surplus comprised of:</b>		
Invested in capital assets (Note 8)	\$ 55,846	\$ 61,644
Invested in designated pension funds (Note 7)	-	27,308
Internally restricted (Note 11)	1,435,052	1,409,554
Unrestricted	499,107	154,683
	<b>\$ 1,990,005</b>	<b>\$ 1,653,189</b>

Commitments (Note 12)

On Behalf of the Board:


Chairperson and CEO

Vice Chairperson

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES****Statement of Operations**  
**Year Ended March 31, 2014**

	Budget 2014 (Note 14) (Unaudited)	2014	2013
<b>REVENUES</b>			
Regulatory assessments	\$ 2,553,425	\$ 2,726,148	\$ 2,556,860
Interest and other income	7,500	16,405	13,647
Pension fund earnings, net of expenses (Note 7)	-	(777)	(3,294)
	2,560,925	2,741,776	2,567,213
<b>EXPENDITURES</b>			
Amortization	\$ -	\$ 23,475	\$ 60,542
Consulting fees	371,650	253,915	339,300
Office equipment, supplies, and services	86,503	60,473	65,479
Pension obligations estimation adjustment	-	-	(12,204)
Rent and insurance	224,950	225,027	224,862
Salaries and associated costs	1,709,867	1,750,665	1,687,530
Telecommunications	34,920	28,782	28,705
Training and membership	81,300	27,180	20,741
Travel	51,735	35,414	26,930
Write down of capital assets	-	-	2,645
	2,560,925	2,404,931	2,444,530
<b>Excess of revenue over expenditures</b>	\$ -	\$ 336,845	\$ 122,683

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**Statement of Change in Net Financial Assets**  
**Year Ended March 31, 2014**

	Budget 2014 (Unaudited)	2014	2013
Annual surplus	\$ -	\$ 336,845	\$ 122,683
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets		(17,677)	(12,752)
Amortization of tangible capital assets		23,475	60,542
Write down of capital assets	-	-	2,645
	-	5,798	50,435
<b>Change in other non-financial assets</b>			
Net acquisition of prepaid expenses		1,259	2,434
	-	1,259	2,434
<b>Increase in net assets</b>	-	<b>343,902</b>	175,552
<b>Net financial assets, beginning of year</b>	1,583,195	<b>1,583,195</b>	1,407,643
<b>Net financial assets, end of year</b>	\$ 1,583,195	<b>\$ 1,927,097</b>	\$ 1,583,195

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**Statement of Cash Flows  
Year Ended March 31, 2014**

	2014	2013
<b>Operating transactions</b>		
Cash receipts from assessments and other revenues	\$ 2,668,023	\$ 2,541,470
Cash paid to suppliers and employees	(2,449,124)	(2,198,664)
Cash provided by operating transactions	218,899	342,806
<b>Hearing and review transactions</b>		
Decrease (increase) in recoverable costs	(75,399)	420,905
Cash (used in) provided by hearing and review transactions	(75,399)	420,905
<b>Capital transactions</b>		
Purchase of capital assets	(17,677)	(12,752)
Cash used in capital transactions	(17,677)	(12,752)
<b>Investing transactions</b>		
Decrease (increase) in designated pension funds	27,308	(8,909)
Cash provided by (used in) investing transactions	27,308	(8,909)
<b>Increase in cash during year</b>	<b>153,131</b>	<b>742,050</b>
<b>Cash position, beginning of year</b>	<b>1,683,223</b>	<b>941,173</b>
<b>Cash position, end of year</b>	<b>\$ 1,836,354</b>	<b>\$ 1,683,223</b>

## BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

---

### Notes to Financial Statements Year Ended March 31, 2014

#### 1. GENERAL

The Board of Commissioners of Public Utilities (the "Board") is an independent, quasi-judicial regulatory tribunal constituted in 1949 by the Lieutenant-Governor in Council pursuant to the *Public Utilities Act*. The Board regulates the electric utilities in the Province of Newfoundland and Labrador and is responsible for ensuring that the rates charged are reasonable and that the service provided is safe and reliable. Other responsibilities include: (a) the regulation of automobile insurance rates; (b) the regulation of, from June 8, 2004, fuel prices pursuant to the Petroleum Products Act; (c) limited regulation of the motor carrier industry as it relates to certain passenger and ambulance operations; and (d) establishing compensation for matters referred to the Board pursuant to the *Expropriation Act*. The Board was incorporated on May 12, 2000 pursuant to an amendment to the *Public Utilities Act* and as a Crown entity of the Province is not subject to provincial or federal income taxes.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of accounting

The Board is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board.

##### Financial instruments

The Board's financial instruments recognized in the statement of financial position consists of cash, receivables, HST receivable, recoverable costs, payables and accruals, government remittance payable and payroll accruals. The Board generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Board subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Transaction costs and any gains or losses arising from changes in fair value are recognized immediately in the statement of revenues and expenditures. Receivables are classified as loans and accounts payable are classified as other financial liabilities. Both are measured at amortized cost.

The Board's carrying value of cash, receivables, HST receivable, recoverable costs, payables and accruals, government remittance payable and payroll accruals approximates its fair value due to the immediate or short term maturity of these instruments

##### Cash

Cash includes cash in bank.

##### Recoverable costs

Recoverable costs relating to regulatory hearings and specific enquiries held by the Board are accrued until the Board orders payment. The costs and subsequent recoveries for these enquiries are not included in the operating revenues and expenditures of the Board.

## **BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

---

### **Notes to Financial Statements Year Ended March 31, 2014**

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Capital assets

Capital assets are recorded on the Statement of Financial Position at cost net of accumulated amortization and are amortized as follows:

Furniture and equipment	20%	declining balance method
Computer hardware	35%	declining balance method
Computer software	50%	declining balance method
Leasehold improvements		the lesser of five year straight-line or remaining term of the lease

Capital assets are written down when conditions indicate that they no longer contribute to the Board's ability to provide goods and services, or when the value of future economic benefits associated with the capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

##### Prepaid expenses

Prepaid expenses include amounts paid in advance for services, insurance, and workers compensation and are charged to expense over the periods expected to benefit from it.

##### Funds and reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

##### Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

##### Expenditures

Expenses are reported on an accrual basis. The costs of all goods consumed and services received during the year are expensed.

##### Severance pay

Severance pay is accounted for on the accrual basis and is based upon years of service and current salary levels. The entitlement to severance pay vests with employees after nine years of continual service and accordingly no provision has been made in the accounts for employees with less than nine years of continual service. The amount is payable when the employee ceases employment with the Board.

## BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

### Notes to Financial Statements Year Ended March 31, 2014

#### Sick pay

The cost of non-vesting sick leave benefits are determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

## 3. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2014.

#### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk with respect to regulatory assessments. An allowance for doubtful accounts may be established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate credit facilities.

## 4. RECEIVABLES

Revenues receivable	<b>\$ 339,733</b>	\$ 192,664
Accrued interest receivable	<b>1,617</b>	1,315
Other receivables	<b>672</b>	1,979
	<b>\$ 342,022</b>	\$ 195,958

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**Notes to Financial Statements  
Year Ended March 31, 2014**

5. HST RECEIVABLE

HST rebate receivable from federal government	<b>\$ 89,469</b>	\$ 170,931
HST payable to federal government	<b>(28,839)</b>	(37,990)
	<b>\$ 60,630</b>	\$ 132,941

6. RECOVERABLE COSTS

Recoverable costs, beginning of year	<b>\$ 1,142,413</b>	\$ 1,563,318
Add - specific enquiry costs incurred during the year:		
Consulting fees	<b>957,393</b>	556,915
Consumer Advocate	<b>307,410</b>	860,976
Legal	<b>137,480</b>	114,950
Advertising and notice	<b>25,295</b>	26,350
Other	<b>19,617</b>	2,069
Transcription and printing	<b>956</b>	14,671
	<b>1,448,151</b>	1,575,931
	<b>2,590,564</b>	3,139,249
Less - costs recovered during the year	<b>(1,372,752)</b>	(1,996,836)
Recoverable costs, end of year	<b>\$ 1,217,812</b>	\$ 1,142,413



## BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

### Notes to Financial Statements Year Ended March 31, 2014

#### 7. DESIGNATED PENSION FUNDS AND PENSION ASSET (OBLIGATIONS)

Designated pension funds are disclosed in the Statement of Financial Position as net of the related pension obligation.

The Board previously maintained a pension fund for one former commissioner. During the year this pension fund was wound up and all amounts on deposit were transferred to the Board's cash balance.

Balance on deposit, beginning of year	\$ 27,308	\$ 39,499
Add (deduct) - earnings net of expenses	(777)	(3,294)
	<b>26,531</b>	36,205
Less - benefit payments	-	8,897
Less - amount withdrawn on wind-up	<b>26,531</b>	
Balance on deposit, end of year	\$ -	\$ 27,308

In addition, other commissioners and employees for whom no designated pension plan has been established are members of The Public Service Pension Fund Act 1991. Pension contributions deducted from commissioners' and employees' salaries are matched by the Board and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to commissioners and employees when they retire. The Board's share of pension expense for the year of \$112,405 (2013 - \$118,469) is included in salaries and associated costs.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES****Notes to Financial Statements  
Year Ended March 31, 2014****8. CAPITAL ASSETS**

	Furniture and Equipment	Computer Hardware and Software	Leasehold Improvements	Total
<b>Cost</b>				
Opening balance	\$ 236,893	\$ 219,099	\$ 190,515	\$ 646,507
Additions	5,511	12,166	-	17,677
Disposals	-	-	-	-
Closing balance	242,404	231,265	190,515	664,184
<b>Accumulated amortization</b>				
Opening balance	208,793	185,555	190,515	584,863
Amortization	6,183	17,292	-	23,475
Disposals	-	-	-	-
Closing balance	214,976	202,847	190,515	608,338
Net book value	\$ 27,428	\$ 28,418	\$ -	\$ 55,846

**2013**

	Furniture and Equipment	Computer Hardware and Software	Leasehold Improvements	Total
<b>Cost</b>				
Opening balance	\$ 246,886	\$ 212,472	\$ 190,047	\$ 649,405
Additions	3,876	8,408	468	12,752
Disposals	13,869	1,781	-	15,650
Closing balance	236,893	219,099	190,515	646,507
<b>Accumulated amortization</b>				
Opening balance	213,308	162,361	161,657	537,326
Amortization	7,026	24,658	28,858	60,542
Disposals	11,541	1,464	-	13,005
Closing balance	208,793	185,555	190,515	584,863
Net book value	\$ 28,100	\$ 33,544	\$ -	\$ 61,644

## **BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

### **Notes to Financial Statements Year Ended March 31, 2014**

#### 9. BANK CREDIT AGREEMENT

The Board has established a \$1,000,000 line-of-credit subject to a general security agreement over all accounts and book debts, equipment, tangible capital assets and certain other assets. Any outstanding balance bears interest at the bank prime rate plus 0.5%. As at March 31, 2014, the balance outstanding was \$Nil (2013- \$Nil).

#### 10. NON-VESTED SICK LEAVE PAYOUTS

Prior to a change in government policy, several employees were allowed to accumulate unused sick day credits. As of March 31, 2014, there are four employees who have an accumulated sick-leave payout balance. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment. The benefit costs and liabilities related to the plan are included in the financial statements.

#### 11. INTERNALLY RESTRICTED SURPLUS

The Board has adopted a formal policy to accumulate and restrict estimated amounts required to meet expected future obligations. The amounts restricted as at March 31, 2014 are as follows:

	<b>2014</b>	2013
Lease commitments	<b>\$ 223,300</b>	\$ 223,300
Payroll contingency	<b>67,205</b>	66,341
Redundancy pay contingency	<b>729,541</b>	693,092
Working capital	<b>415,006</b>	426,821
	<b>\$ 1,435,052</b>	\$ 1,409,554

#### 12. COMMITMENTS

The Board has a premises lease agreement in the amount of \$18,608 per month (\$223,296 per annum), concluding May 31, 2018.

The Board has a contract for telecommunications in the amount of \$14,400 per annum, concluding in 2015.

#### 13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

#### 14. BUDGET FIGURES

Budget figures have been provided for comparison purposes and have been derived from the estimates approved by the Board.

## **BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

---

### **Notes to Financial Statements Year Ended March 31, 2014**

#### 15. ASSESSMENT REDUCTIONS AND SUBSEQUENT EVENT

Subsequent to year end and pursuant to section 13(7) of the Public Utilities Act, the Board approved reductions in assessments to the electrical utilities, the insurance industry and the petroleum products industry in the amounts of \$75,877, \$180,988, and \$242,239 (total \$499,104).

**COMMISSIONERS**

**Year End - March 31, 2014**

Chair and Chief Executive Officer ..... Andy Wells  
Vice-Chair..... Darlene Whalen  
Full-time Commissioner ..... Dwanda Newman  
Full-time Commissioner ..... James Oxford

**STAFF**

**Year End - March 31, 2014**

Director of Corporate Services and Board Secretary ..... Cheryl Blundon  
Director of Regulatory and Advisory Services..... Robert Byrne  
Financial and Economic Analyst ..... Doreen Dray  
Financial Officer ..... Don Seaward  
Legal Counsel ..... Jacqueline Glynn  
Regulatory Analyst ..... Travis Fisher  
Regulatory Analyst ..... Ryan Oake  
Regulatory Analyst ..... Mike McNiven  
Computer Support Technician ..... Andrew Davis  
Records Administrator..... Sara Kean  
Administrative Assistant..... Bobbi Sheppard  
Administrative Assistant..... Colleen Jones  
Administrative Assistant..... Colleen Wood

For further information regarding the Public Utilities Board, please contact:

Ms. Cheryl Blundon  
Director of Corporate Services and Board Secretary  
Prince Charles Building  
Torbay Road  
P. O. Box 21040  
St. John's, Newfoundland and Labrador  
Canada A1A 5B2

Phone: 709-726-8600  
Fax: 709-726-9604  
Toll Free: 866-782-0006  
Email: [cblundon@pub.nl.ca](mailto:cblundon@pub.nl.ca)  
Website: [www.pub.nl.ca](http://www.pub.nl.ca)