

1998 Newspaper Clippings

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e was closed but we t, because both inci- dented at the same time said the 1991 trashing, try plant workers n at the DFO office, boat fire, two sepa- where fishing nets oyed by a blaze, and a chicken coop in 1995, remain

r turnout for dates meeting

ymment, out migra- sm, and health care s everybody wanted out at a candidates t Port aux Basques, audience of just 40 0 candidates spoke han two hours at the Centre on how they to save Port aux The town is dying, idate Gerald Parrell, ody has to do some- it

n, employees th agreement de was relieved and ide was "pissed off." over two years of g over a contract, the its employees finally agreement. ew contract - the reir old contract with benefits - satisfied n workers but not a representative. a pissed off," said

the same.

OCTOBER

Pay as you go

Talks of collecting user fees from the motoring public resurfaced.

The federal department of Agriculture and AgriFood Canada (AAC) proposed a new cost recovery measure that will affect every car and truck leaving this province.

AAC intends to charge user fees and had its intent pro- bled in the Canada Gazette Part I, in the Sept. 6 edition. The new fee will mean an extra \$4.60 for passenger vehi- cles leaving Port aux Basques, and Argentina, via the gulf ferry service run.

The federal department established inspection and wash stations in Port aux Basques in 1968 and Argentina in 1979, to prevent soil-borne pests in Newfoundland soil to be transmitted to the mainland. Until now, the operation and cost of providing the service was provided by AAC. However, the federal depart- ment is saying the cost for the inspection service must be shared between those who derive a benefit from the ser- vice. AAC considers the potato and horticulture sectors, and the direct users of the ferry ser- vice, to be the beneficiaries.

Anderson in, Anderson out.

Port aux Basques elected one new councillor while a former councillor, his uncle, lost by two votes.

In his first bid for a spot on council, southwest coast action committee chair Bert Anderson received 855 votes, good enough for a council seat. The only new councillor, Anderson said he was satisfied with the result and a little surprised.

"On the one hand, I thought I had a good chance," he said, "but on the other hand, I was saying to myself that I was never an out-going person. It's only in the last year or so that I started to get going. I started getting out and doing things."

His uncle, Art Anderson, wasn't so happy. The former councillor lost his seat by just two votes to another incum- bent Gerald Greene.

Town 'watcher' off the hook

The town "watcher" can breath a sigh of relief - he will

Parsons and Mona Charles who nurse at the Dr. Charles L. McGrow Health Centre - were selected to take the new course, offered by Memorial University and the Centre for Nursing studies, along with nine other nurses across the province. The nurses will do two semesters in St. John's, until February, and a third at the local hospital where they will do their practical training.

Burnt Islands elects mayor

Kevin Hardy, a former mayor and a fisherman from Burnt Islands, defeated the incumbent Heather Bryson for the mayors position in the municipal election.

Hardy said he didn't feel like he won anything. The mayor's job is serious business, he said.

"There's a job to do and somebody has to do it," said Hardy.

Hardy said his first job was to organize the council into different committees and help keep the town volunteers com- mitted to their jobs. That was lacking in the last council, he said. Checking out the town's financial situation was also top priority.

Hydro project started
Newfoundland Power laun- ed construction on their hydro project at Rose (Blanche Brook).

The province's conserva- tion group, who are opposed to hydro development at Northwest Brook/Garia Bay - said they can go ahead. The river is already destroyed.

Peter Halliday, superinten- dent with Newfoundland Power, the company develop- ing the site, said the project could improve power on the southwest coast, including Port aux Basques. The Rose Blanche hydro project will provide a back-up and that would mean fewer outages, said Halliday.

"You'll have an extra source of power," he said. "It will improve the system's reli- ability."

Rick Maddigan, president of the Salmonid Council of Eastern Newfoundland, who spends a lot of time exploring west coast rivers, said it doesn't matter anyway-Rose Blanche Brook is already destroyed.

"The river is already destroyed," said Maddigan.

"There are no fish going up it anymore. There's a dam on the river and the fish plant is loca- ed right at its mouth. It's too bad really."

As for the jobs the project will create, Maddigan said there will be no permanent jobs and it looks like the con- struction jobs are going else- where.

"I was talking to someone up there the other day who told me all Rose Blanche is getting out of it is one rented house and one job," he said.

Power play

"It's frustrating as hell to have to deal with. I have to work 16 hours a day because four hours a day I'm tortured with this bulls--t!"

The sentiment expressed by ASIL (Atlantic Seaboard Industries Limited) president Rolie Manger, was a result of rampant chatter that the com- pany may lose its recently announced multi-million dollar contract.

It seems there are few sub- jects more talked about these days than "ASIL." Production was expected to start around

mid-October. The overdue has caused some upset, rumors about the company meeting contract agree- ment because of problems ac- cording financing, had the comp president upset.

"We were given 120 to final closure, subseque- them (India) supplying us the documentation that need to give the lenders," explained. "For each day the Indian government delays issuing these documents, have a day-to-day exten- These guarantees were posed to be issued early but didn't get issued until 28."

Ultrasound by Christmas

It will be a Christmas sent for the entire south coast.

The LeGrow Health Ce Foundation reached its g during an annual Radiot fundraiser, to provide ul- sound services to residen- the area. The Radiot pledges rang in \$30,090.

The ultrasound pro- began in September 15 where Foundation mem- projected three-four year

CALL FOR PROPOSALS IT STRATEGIC INITIATIVE

As part of our ongoing activities to grow the province's information technology (IT) industry, Operation ONLINE Inc. announces a Call For Proposals for an IT Strategic Initiative.

This competition is the first in a series of private sector funding competitions designed to encourage innovative project development and/or formation of partnerships in the IT sector by providing seed funding. Although the emphasis will be placed on health-related products and services, other innovative ideas will be considered. Projects will be assessed according to the following criteria:

- Market potential
- Technical excellence
- Technical innovation
- Fiscal viability of proposal
- Economic potential
- Partnership development
- Demonstrated management capability

Proponents are required to submit a concise 10-page Letter of Intent describing the proposed project, relevant technical expertise, short to long term markets or benefits to the company, as well as estimated project costs, including level of support requested from Operation ONLINE Inc.

Letters of Intent will be evaluated by a Project Review Committee and successful submissions will be invited to the second round. Notice of this evaluation will be conveyed to the proponents by mid-February. Successful proponents will be invited to submit a detailed business plan on or before March 14, 1998 unless otherwise notified.

Letters of Intent must be received by 2:00 p.m. Newfoundland Daylight Savings Time, January 23, 1998. Letters of Intent will not be accepted by fax. Propon- are advised to obtain an information package from office prior to making their submissions.

TER TO THE EDITOR

n responds to article

of the property, therefore, with the same mill rate in place as last year, your property own-

We wish to draw your attention to the following in our "Last Minute Gift Ideas" Flyer.

Page 3 - Item 3. Cordless phone, 69-8055-0, does NOT feature 10 number memory. The copy and illustration are incorrect.

Insert Page 4 - Item 3. RCA-



JOE GIBBONS/The Evening Telegram

CABLE GUYS

Newfoundland Power linemen Sean O'Leary (left), and Bob Grouchy make repairs on King's Bridge Road Wednesday night following a power outage to about 1,500 homes in the Signal Hill area. Repair crews were expected to remain on site overnight to restore power to the area.

Evening Telegram, Thursday, Jan. 9/95

THE EXPRESS
THIS WEEK

Nfld. Power as ready as possible

PAST ICE STORMS HAVE GIVEN UTILITY VALUABLE EXPERIENCE

BY ROBIN DURNFORD
EXPRESS STAFF

On the wall of a surprisingly small room in Newfoundland Power's control centre on Topsail Road a bunch of small square lights — connected by red, white and yellow lines — shine red. Scattered amongst them are a few green lights and some yellow.

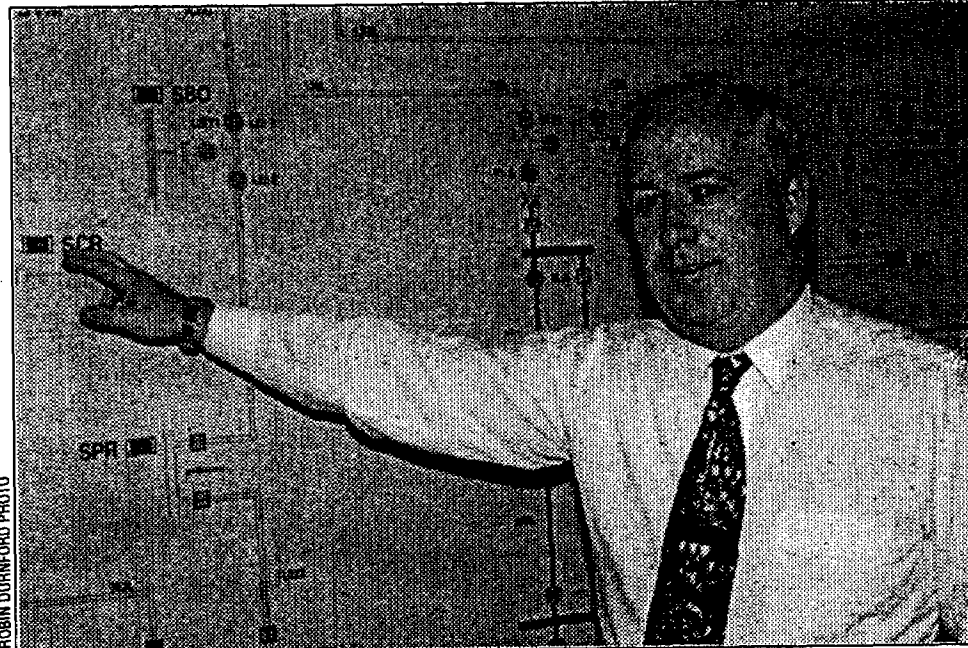
Suddenly the lights go off.

"That's what would happen if the power system failed," says Eugene Doyle, superintendent of system controls.

Although they're just checking the bulbs in Newfoundland, that's exactly what happened in Quebec a couple of weeks ago when the 'Great Ice Storm' hit. The lights went out.

This little room in Mount Pearl is where Newfoundland's entire power system is controlled. The Port aux Basques power system is monitored by the lights on the far right of the wall and St. John's by the lights on the far left. If there's a problem, an alarm goes off and the light changes color.

Newfoundland has experienced three major ice storms in the last century. There was one in 1959,



CENTRE OF POWER — Eugene Doyle, superintendent of system controls, at Newfoundland Power's control centre for the Island of Newfoundland.

another in 1984 and then another a few years ago in 1994.

If an ice storm like the one that hit Quebec ever hit the island, that experience would leave Newfoundland in a better position, says Bob Pike, the manager of corporate communications with Newfoundland Power.

"If we had an ice storm similar to the one that hit Quebec, I guess there's no way to be completely prepared," says Pike, "but we

are on an island in the middle of the North Atlantic and we feel we are as prepared as we can be."

George Durnford, manager of power systems, says Newfoundland starts from a better position than Quebec because of the way the power system is set up on the island. Whereas in Quebec, most of the power comes from one hydro source in the James Bay area, Newfoundland's power comes from different

sources like Holyrood and Baie d'Espoir.

That way if a sleet storm hits one part of the island, the power doesn't go out all over the island, says Durnford. And it's rare that a sleet storm would hit all of Newfoundland at once.

"If you had a disaster on the Avalon, everything on the rest of the island is still up and running," he says.

When one power source is down, Pike says the power company sends in

employees from outside that region — Newfoundland Power has the province divided into four regions including St. John's, western, central and eastern — to help restore the power. That way they have lots of resources, says Pike.

"We've been through it," says Doyle. "We're able to come together fairly quickly."

Durnford says they also have back-up power sources like gas turbines, thermal generators and diesel to kick in for a short time while the hydro power is out. That was also lacking in Quebec, he says.

Pike says Newfoundland Power also learned other lessons from past ice storms. They now have taller poles, for instance, that can withstand more ice and they now put the poles closer together.

"When the ice forms on the wires, the closer they are together, the more weight they can withstand," says Doyle.

Still, Pike says it's hard to be prepared for every situation.

"The key thing for us is we're highly involved in pro-active training and have well thought out contingency plans," he says. "After that, you hope for the best."

tax hikes

relief comes, we're almost shut the

— Mayor Hardy
Burnt Islands

He said a formula, where at one time the municipality paid 20 per cent of its revenue, has changed so much that it has gone up from \$40,000 in 1994 to \$115,000 this year.

Mayor Hardy said cuts to the town's MOG is not as big a concern as the long-term debt payment.

"It's not a big serious problem here because the MOG was only \$50,000, so it might be down by \$5,000 or \$6,000. We could find ways to handle that — that's not a problem. It's a little bit of a problem but the big problem is the large long-term debt share," said Hardy.

Hardy has concerns if the Department of Municipal Affairs is not willing to renegotiate long term debt payments.

"Unless some relief comes on the debt charge, then we're really in a position to almost shut the town down," said Hardy. "I can see this town being put on an emergency basis where employees work on necessary things only, and the town clerk accepts bill payments only on certain days."

Clear water for Port aux Basques

By MANDY RYAN
The Gulf News

Port aux Basques residents may not have to experience discolored water due to power outages, again. Newfoundland Power will be providing a decommissioned diesel generator to the town - free of charge.

During a meeting held in October between town manager, Melvin Keeping, Mayor Aneitha Sheaves and two Newfoundland Power employees, Keeping expressed concerns about problems with the equipment for the town's Water Treatment Plant as a result of power outages.

Since that meeting, the power company decided to donate one of its genera-

tors that is being used as a power back-up for the community. The generator, however, will not be given until the Rose Blanche Hydro project is completed and Newfoundland Power can use that source of electricity as a back-up in case of outages.

Keeping said the generator will be a great asset.

The town manager said havoc is created, and damages to electrical work at the plant are at risk, when power outages occur. At times during an outage, town maintenance men sometimes have to put the plant on a by-pass operation. During this process, water is chlorinated and filtered and put through the town, rather than having it go through the entire

system, like it would if power was on. Sometimes the water is discolored. Also town employees would not have to respond to an alarm at the plant each time the power flickers.

Keeping said over the last year the town has been looking for a second-hand generator to supplement power during outages at the Water Treatment Plant. He said Newfoundland Power's donation means considerable savings, when it could have been a major capital expenditure for the town.

"It will be a great asset to have and we are very appreciative of the contribution they will be making - very appreciative," said Keeping.

LETTER TO THE EDITOR

Don't forget buyers, processors

Continued from page 4

Stephenville, Port Saunders, Port aux Basques and Foxes Cove on a joint basis. These and purchasing lobsters and finished product from the processors and marketing in the US for sale.

As a result, we have been able to secure a market for our

lobster product today. Something has to be done for us too, as well as for people and plant workers.

As you can see, our involvement was quite extensive and complex. You can also see that the business has certainly thrived. I am sure that the business will continue to grow and prosper.

the buyers and processors. They are being lost in the shuffle. It is no good to solve a problem on one end and create another one on the other end.

Thank you for your time and attention, and for the due consideration with which we know you will respond to this letter.

5th

CIS/AM

JAN 22 '98 10:01

The Western Star
Saturday Jan 24/98

Buildup caused power outage

CORNER BROOK — Some city residents were without power Friday morning thanks to cold winter conditions.

From about 6:30 to 8:30 a.m., businesses and residents living in the grid between Park Street and Mount Bernard Avenue including The Western Star and the Glynmill Inn were without power.

John Pardy, area operations superintendent with Newfoundland Power, said a build up of ice on power lines caused two conductors to touch, which blew the power to those areas.

He said it was a combination of steam from the mill and extremely cold winds that caused the problem.

"It was almost like freezing rain, actually," said Pardy.

Nfld. Power as ready as possible for ice storm

By ROBIN DURNFORD
R-B News

On the wall of a surprisingly small room in Newfoundland Power's control centre on Topsail Road a bunch of small square lights — connected by red, white and yellow lines — shine red. Scattered amongst them are a few green lights and some yellow.

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Still, Pike says it's hard to be prepared for every situation.

"The key thing for us is we're highly involved in proactive training and have well thought out contingency plans," he says. "After that you hope for the best."

The Western Star
Saturday Jan 31/98



Star Photo by Paul Northcott

Newfoundland Power is a gold sponsor of the 1998 Corner Brook Winter Carnival. Gold sponsors donate between \$2,500 to \$4,999 in cash or in-kind services to the event. Utility representative Dave Manning recently presented a cheque to Jeanette Christopher of the carnival committee.

Saturday, February 14, 1998

Students learn about dangers of electricity

By MARILYN YOUNG
Star Correspondent

DEER LAKE — When a person's daily activities interact with electricity the consequences can be dangerous.

That's why Newfoundland Power wants everyone to Think Safety First, and that's the message company representatives brought to Grade 5 students at Elwood Elementary School this week.

With the assistance of a portable electrical display depicting a number of dangerous situations, demonstrators Harvey St. Croix and Barry Martyn drew expressions of awe and shivers from their young audience.

This was the first time that the visual display, entitled Hazard Hamlet, was used to demonstrate to young people the dangers that encounters with electricity can present, said Martyn, adding that the focus is to educate students in Grades 5-8.

During the presentation, the students saw situations which included machinery encountering electrical wires while digging a hole in the ground, a man cleaning his pool and the aluminum pole touching overhead wires, kite flying near hydro lines and what happens when an electric radio is touched while someone is bathing.

As well, it showed how dangerous a situation is if a car smacks into a hydro pole, if an electric lawnmower mows

over the cord attached to it, or attempts to take toast out of a toaster with a metal object without unplugging it first.

The students were provided with safety measures for the different situations, such as how to get out of a car safely and things they should look for before they begin any activity.

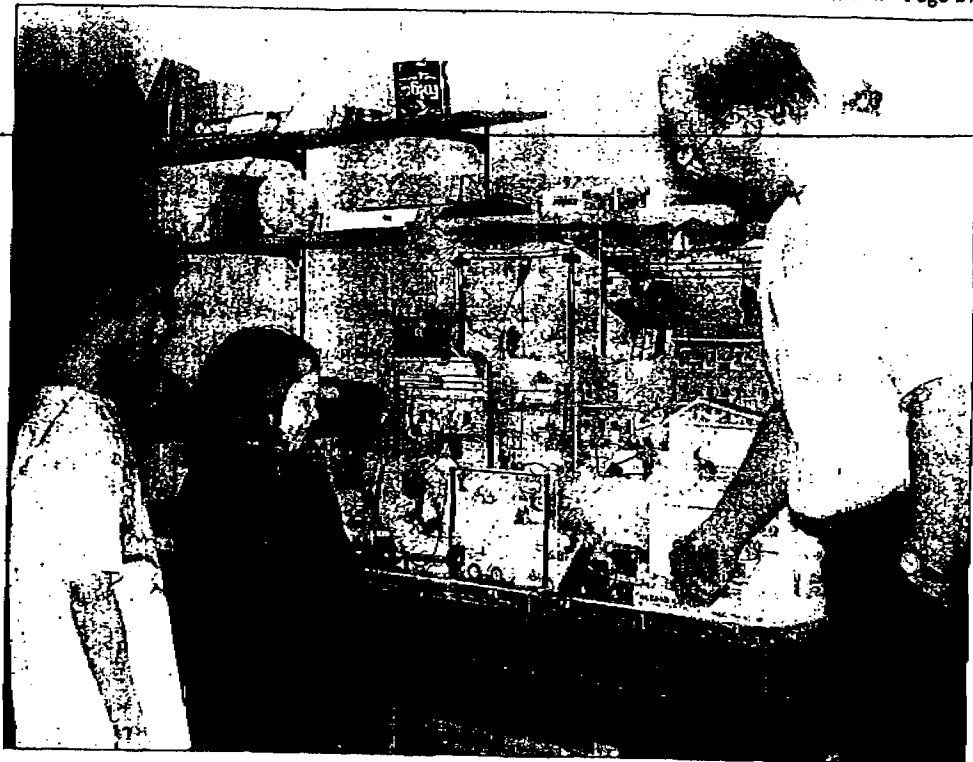
Students wanted to know why people didn't just move away or drop the object they were holding during such an episode. St. Croix replied that is electricity travels at the speed of light and travels to the ground.

They were also curious about whether the situations described were based on real events. "They are all real events that have happened," answered St. Croix.

Throughout the presentation, the students relayed some experiences they have had and one student reported a possible danger involving hydro lines which Newfoundland Power will now check out.

In concluding the session, St. Croix said what they were trying to do is to tell students that electricity is not fun. While it can be used to have fun, it can be dangerous too and caution should be taken.

Each student received a book entitled Shocker Stoppers containing games, puzzles and comic strips highlighting electrical safety and a pencil.



Marilyn Young photo

With the aid of a visual electrical display, Newfoundland Power representatives Barry Martyn and Harvey St. Croix provided Grade 5 students at Elwood Elementary with situations that show how dangerous encounters with

electricity can be. This was the first time that the display has been used in school demonstrations. Here, Martyn demonstrates the display to students Bobbi Rumbolt and Sean Davis.

The Western Star Page 27

Monday Feb 16/98

ADVERTISER, GRAND FALLS

COMMUNITY NEWS

Advertorial

Foundation Forum



Backpacking Trek for Health

The summer of 1998 will see a very different fund-raiser for the South and Central Health Foundation. Springdale residents Harvey Rice and Gilbert Penney will undertake a "Backpacking Trek for Health." These two seasoned backpackers will undertake a cross-country trip through the interior of Newfoundland beginning at the Baie Verte Hospital and ending at the hospital in Harbour Breton - respectively the most northerly and southerly hospitals in our region.

Their route will take them down the Baie Verte Peninsula, across the Gaff Topsails, through Buchans and Millertown, across Noel Paul's Brook to Ebbegumbeag Dam, around Cold Spring Pond to the West Salmon Hydro Development and south to the Head of Bay d'Espoir. From there they will walk the highway to Harbour Breton. The trip will cover approximately 400-kilometres through rugged Newfoundland terrain, and take up to 25 days to complete.

If your group or organization would like to hear more about this planned trip, or Harvey and Gilbert's past trips (they have already hiked across the island twice - from south to north and west to east), they would be happy to speak to you. Please call Harvey at 673-4128, or Gilbert 673-3669.

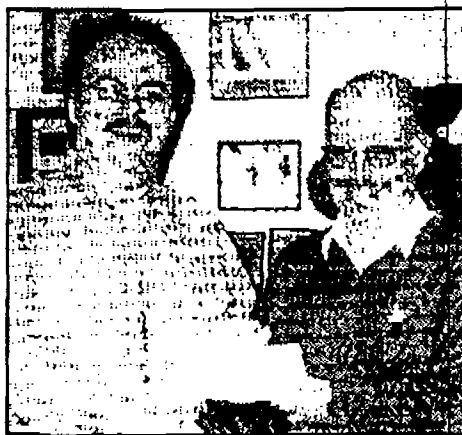
The South and Central Health Foundation is currently in the process of arranging corporate sponsorship for the Backpacking Trek for Health project.

Sno-Trek

Don't forget Sno-Trek '98, March 7, 1998. The Grand Falls Lions Club, foundation and Exploits Snowmobile Club are all hoping and praying for snow. Get your pledge sheet today by calling Lion Ed Connelly at 489-4385, or the South and Central Health Foundation at 292-2360.

During the last weekend in January, Ultramar held its annual Funspiel. Again this year a good time was had by all participants. (L-R) Barry Oake, South and Central Health Foundation, accepts \$1,500

from Dennis G. Cooper, Ultramar. The money was raised through a silent auction and team registrations.



Sponsored by

Advertiser



Janice Davis Jeans from the Dr. Hugh Twomey Centre, Botwood presented \$706 to Barry Oake, South and Central Health Foundation from their Jeans Day fund-raiser.

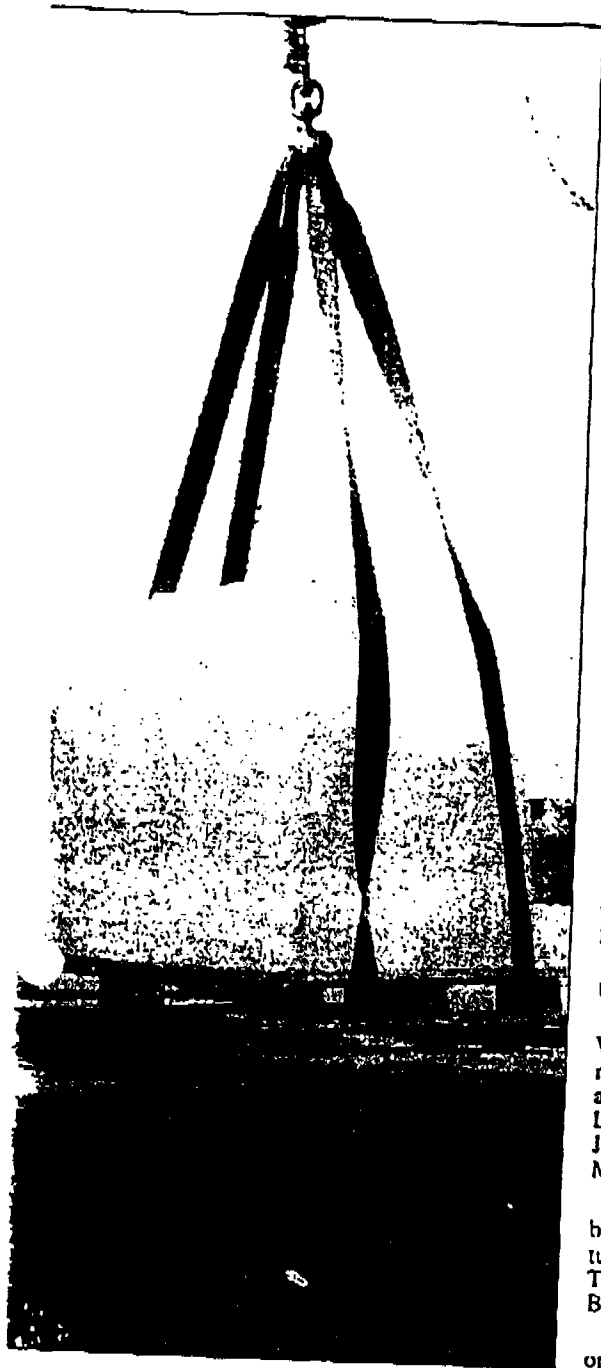


The staff of Newfoundland Power supports Jeans Day (L-R) Cavell Gaye presents the proceeds of Jeans Day to Barry Oake, South and Central Health Foundation while Frances Rideout looked on. The staff raised \$182, and this amount will be matched by Newfoundland Power.

The Western Star Feb 18/98

One Year And Counting...

The Western Star Page 3



Star photo by Pamela Vokev

's Seafoods, into a frosty figure for the One Day counting event on Saturday.

Saturday events to light way for the Games

CORNER BROOK — There'll be more than a thousands points of light emitting from the city on Saturday, Feb. 21.

In fact, 8,500 lights will brighten Majestic Square on the day as organizers of the 1999 Canada Winter Games kick-off their One Year and Counting celebration.

The festivities will begin at 2 p.m.

At the Humber Community YMCA, there will be demonstrations of some of the Canada Games sporting events for children in Grades 4 to 6 from 2 to 4 p.m.

At 4 p.m., there will be skating on the Majestic Lawn rink.

Leif the Lucky, the Corner Brook Winter Carnival mascot, and Tautuit, mascot of the Games, will be there, along with some entertainers such as Long Shot — Brian Burton and Jeannette Holwell — and Charlie Mercer.

Food concessions will be provided by Coleman's, and ice for a huge sculpture, to be carved by Corner Brooker Terry White, has been donated by Barry's Seafoods.

As well, the event will provide an opportunity to launch the first of 99 lapel pins; the first pin is a tiny replica of mascot Tautuit. It will sell for \$1.99 on the Majestic Lawn, but the price will go up to \$4.95 once the day is over.

Then at 6 p.m., the lights at Majestic Square, which are being provided by

Newfoundland Power, will be turned on. Games organizers also want residents to participate by turning their Christmas lights on.

"We want everyone to know, hey Canada we're ready," said Jeannette Christopher, of the 1999 Canada Winter Games Host Society.

Canadians from coast to coast will get a chance to see just how prepared the region is for the Games on March 8. That's when The Sports Network will air a program entitled Countdown to Corner Brook.

Christopher said the hour long show will focus on the region and the support the Games have received. As well, on Saturday, Christopher said officials from the Canada Games Council will be in the city.

"It's really important we have the council (members) participate, and it will reinforce to them the solid community support we have for the Games," Christopher said.

This weekend will also be a good opportunity for local sports fans to catch a glimpse of some Canada Games events because the Eastern Canadian Weightlifting Championships and the finals of the Canadian Intermediate Boxing Championships and Senior Commonwealth Boxing championships are scheduled for Saturday.

The final Saturday event will be a concert at the Canada Games Centre, featuring Charlie Major with the opening act by The Lisa Stratton Band.

Thursday, February 19, 1998

METRO/PROVINCIAL NEWS

The Evening Telegram/3

Letting it ride when it's cold outside

Power company waits for warmer weather before pulling plug on lax customers

By RYAN CLEARY
The Evening Telegram

How's this for irony?

Newfoundland Power customers in arrears definitely don't look forward to warmer weather when they can give their thermostats a break. The utility company only disconnects customers when temperatures climb above zero.

As long as it's freezing outside, power customers who owe money are safe.

Unfortunately, temperatures to date

this year have been fairly warm. Translation: Newfoundland Power has disconnected power to 102 homes.

In the first two months of 1997, only 65 homes were disconnected. That winter was a colder one. Meanwhile, 130 power customers were cut off in the balmy months of January and February 1996.

"We would only disconnect when the temperature is above zero and I'm sure you're aware the weather is better this year than it was last," said Donna

Hynes, a Newfoundland Power official.

She stressed that of the 102 customers disconnected so far this year, 78 per cent got their power back the next day. As for the rest — well they're probably still in the dark.

The actual disconnection process, said Hynes, takes almost three months.

Customers owing money are first sent a "friendly reminder" with their monthly bill, followed by another reminder and then a payment request letter. The next step is a notice to disconnect.

Hynes said company officials will try to meet with a customer in arrears to arrange a repayment schedule, as well as work with Social Services or even personal credit counselling services.

"There's a very formal process in terms of steps that we go through to make every effort to ensure that we can work with the customer to get them back on track," Hynes said.

Last September, Newfoundland Power axed its Share the Light program, an emergency plan set up in late

1987 to help low-income, elderly and disabled customers. The company matched any donation to the program dollar for dollar up to a \$15,000 limit.

The funds helped those in need pay their home heating costs, whether they were using oil, electricity or some other form of heating.

In July 1996, Newfoundland Power was taken to task by consumer advocate Dennis Browne for only squeezing a \$15,000 donation out of its \$27.5-million profit.

Going public with wage offer damaging: expert

By CRAIG JACKSON
The Evening Telegram

The province may have damaged collective bargaining by publicly announcing government workers shouldn't

Alcock, meanwhile, was chairman of a government-appointed committee of labor-management officials which submitted recommendations in November 1996 to the province on how to improve the labor relations environment. On the record, Alcock said

BUSINESS

The Evening Telegram/19

Utility listening to customers Newfoundland Power holding line on rate increases

By PAT DOYLE
The Evening Telegram

Newfoundland Power customers will not see a rate hike this year, says its president and chief executive officer.

"We are not looking at a rate increase in 1998," Philip Hughes told The Evening Telegram Wednesday.

"The idea is to hold the line. That be better for the economy and if the economy is better, then that's better for us. If the economy grows, we can grow."

The last year was one of transition for the company and the next two will be a period of building for the future, Hughes said.

"The plan is for 1998 and 1999 to be building years because we believe in 2000-2003 there will be competition," he said. "If we are to be successful in competition, we'd better spend the next three to five years listening to our customers and being prepared to make the appropriate changes."

A key part of that is to avoid having to increase electricity rates and the company is doing everything possible in that regard, Hughes said.

Meanwhile, a slight earnings decrease in year-end results released Wednesday was due to an early retirement plan last year, said Hughes who said revenues were actually up by 0.8 per cent over 1996.

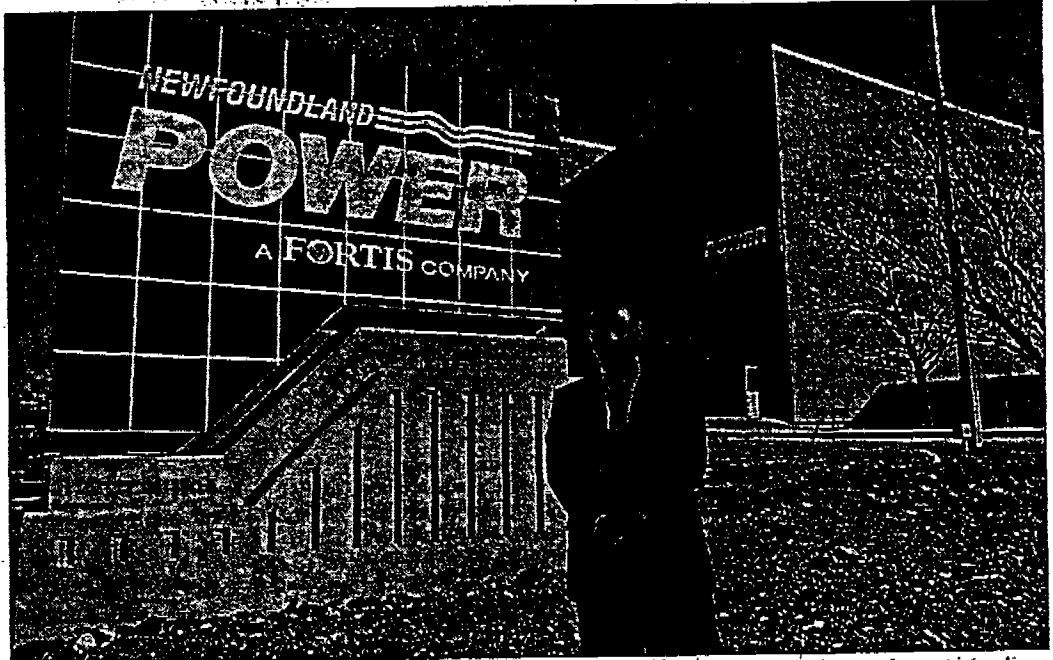
Earnings applicable to common shares declined to \$24.9 million from \$25.1 million in 1996. Earnings per common share in 1997 were \$2.42, down from \$2.44.

Revenue amounted to \$343.7 million, up from \$341.6 million.

"Productivity gains achieved were slightly offset by the early retirement expenses," he said.

To demonstrate the productivity gain, Hughes said the company's revenue per employee in 1997 was \$480,000 compared to \$420,000 in the previous year.

He said a low steady growth in customer base and energy sales is expected



Philip Hughes, president and chief executive officer of Newfoundland Power stands outside the Kenmount Road main office Wednesday afternoon. Hughes said the company won't seek a rate increase this year.

ed in the coming years.

"The general economy, low housing starts, competition from the oil sector and maturation of the electric heating market will have a direct effect on customer and energy sales growth."

The renewed focus on customer service and productivity resulted in 1997 being a year of transition, Hughes said.

Challenges during the year included meeting the changing needs of customers, increasing productivity and reorganizing the corporate structure.

Hughes, who came to Canada from England in 1981, and to Newfoundland Power in January 1997, as president and chief operating officer, became chief executive officer three months

later.

As part of the utility's streamlining, 104 employees participated in an early retirement plan, reducing staff to 760. No further staff reductions are being contemplated, Hughes said.

At the management level, the company, which had four vice-presidents and 24 managers when Hughes took over, now has three vice-presidents and 13 managers.

Newfoundland Power will have a \$40.6-million capital program in 1998, up from \$30.9 million last year. It will focus on improving electrical system reliability and customer service.

Hughes said customers experienced a slight increase in the number and

length of power outages in 1997, "due primarily to supply interruptions late in the year."

However, he noted that in 1997 the company increased the use of infrared thermoscan technology to "detect trouble areas and take preventive measures to eliminate potential problems which cause outages."

The 1998 capital program includes \$11 million toward construction of a \$13-million, 6.1-megavolt hydroelectric generating plant at Rose Blanche Brook on the southwest coast. There will be 70 construction jobs provided.

The plant is expected to be in place by the latter part of this year, Hughes said.

Saturday, Feb. 21, 1998 Evening Telegram

Utility upgrading to stop excessive power failures

Newfoundland Power says it will spend \$300,000 to stop what it calls "an unacceptable number" of power failures on part of the northeast Avalon Peninsula.

The company plans to spend the

money upgrading equipment in St. Thomas, Portugal Cove-St. Philip's, and on Bell Island.

The preventative maintenance program will see the company replace insulators on one main transmission

line, along with the replacement of power poles, insulators and other hardware on distribution lines in the areas.

More than half of the eight power failures in the area in 1997 were the result of insulator problems.

WEDNESDAY

the nor'wester serving

springdale

FEB. 25, 1998

NOR'WESTER, SPRINGDALE, NFLD.

PAGE 5A

Local businesses should join Newfoundland Power battle – Wellman

By RANDY EDISON
the nor'wester

SPRINGDALE -Local businesses should join forces with the town and even consider circulating a petition to battle the possibility of Newfoundland Power not stationing a maintenance representative here on a permanent basis, according to Councillor Len Wellman.

Councillors were to meet with company officials yesterday to discuss council fears that Springdale's maintenance might be performed by a representative based in Baie Verte. "The businesses stand to lose more in this if their power goes out for seven

or eight hours, so they should be having more to say," commented Coun. Wellman.

"It's pretty difficult to put 90 businesses together with no organized body to do it," stated Deputy Mayor Terry Rolfe, in reference to the absence of a functioning Chamber of Commerce.

"As long as we do something about it, and if it still happens, the businesses can't come back to us and say we didn't do anything," Coun. Wellman continued.

Coun. Gerald Pelley agreed that matters like this would fall under the interest of a Chamber of Commerce. "It's too bad that a town like this can't

hold something like that together. It's too much to leave us seven here to do when we all have to earn a living too. It doesn't speak well for the town."

Coun. Wellman expressed his displeasure with the town's decision to proceed with the Given'er on the Green outdoor music concert this summer. "I was against it in 1996 because I thought it was a waste of the taxpayers money and I still think it is. I think groups like the Lions or Kinsmen or someone should be running things like this."

"It did not cost the town of Springdale any money last time," pointed out Mayor Louise England. "It was money in and money out, but

there were monumental revenues generated. There might not have been any money actually come into this town office here, but the town of Springdale definitely benefitted."

Coun. Brud Croucher noted that there has already been an order for 100 tickets for advertising and promotion purchases. "They're buying those tickets at full price and since they're for promotion, they'll be plugging the concert for us," he said.

Coun. Wellman also expressed concern over future access to the boat launch now that the facility has been transferred to private interests. "The town built and paid for it...what if there comes a day that it's barred off,

what happens then?"

"We haven't had any problem with the owner to this point and we probably won't have one if we don't create one," commented Mayor England.

"We should wish the new owner good luck, he did us a favor," stated Coun. Croucher.

Also at Monday's meeting, Coun. George Yates expressed condolences to the Noel family on the passing of former educator Truman Noel. "We lost another leader...he will be missed," stated Coun. Yates.

"He was a well-respected and a community-minded man," added Mayor England.

Hydroelectric plant planned for province's southwest coast

By PAUL NORTHCOTT
The Western Star

ROSE BLANCHE — Newfoundland Power is expected to announce today plans to build a \$13.8-million hydroelectric plant in Rose Blanche to improve service for its southwest Newfoundland customers.

Details of the plan were to be unveiled at a media conference in the town's Kinsmen Community Centre at 11:30 a.m.

The Port aux Basques area is served by transmission lines which travel across terrain that's often subject to extremely high winds and poor weather conditions.

A weather-induced interruption in the transmission supply would leave the region with only enough power to meet 45 per cent of its peak requirements.

"For this reason, an additional source of generation in the area will provide enhanced security and reliability of

supply," said Bob Pike, Newfoundland Power's manager of corporate communications, in a prepared statement.

The development, located on Rose Blanche Brook about five kilometres from the town, would provide 6.1 megawatts of capacity to the provincial grid.

Roads and bridges to the area have already been built, and construction of a transmission line is scheduled to be completed by month's end.

In late May, or early June, construction of the powerhouse, penstock, forebay dam, substation and spawning channel should begin.

A concrete gravity dam, 35 metres long and eight metres to 10 metres high, and an overflow spillway will be built in the river channel to an elevation of 160 metres. That will create a reservoir which will cover about 100 hectares.

Construction on the project will create an estimated 70 jobs.

The generating station will be operated primarily by remote control from the company's system control centre in St. John's, and maintenance support will be supplied by Newfoundland Power personnel from Port aux Basques and Stephenville.

The company is also working with the Department of Fisheries and Oceans to find ways to protect the river's fish stocks.

Pike said the plant's design incorporates features which will enhance the ability of the Rose Blanche Brook ecosystem to support fish populations.

The company has committed more than \$1 million to protect the brook's ecosystem.

As well, because of the new hydroelectric energy the company expects it would displace 38,000 barrels of oil annually.

"This provides a tangible environmental benefit in the form of reduced greenhouse gas emissions," Pike said.

Thursday, Feb. 26, 1998 Evening Telegram

Saturday, Feb 28/98 Evening Telegram

Power corp. clarifies Lower Churchill stand

By BERNIE BENNETT
The Evening Telegram

In a surprise announcement Friday, Newfoundland Power's board of directors came out in support of efforts to work out a Lower Churchill hydroelectric deal with Quebec.

The board also gave qualified support to the construction of a line to transmit to the island 800 of the total 3,100 megawatts the Lower Churchill would produce.

The move comes a week after Stan Marshall, president and CEO of Fortis Inc., Newfoundland Power's parent company, said the \$2-billion transmission line would not make economic sense.

Marshall said the 1,100-kilometre line would be little used, would cause electricity rates to double, and might be impossible to repair in the event of a

natural disaster.

Late Friday, Dr. Linda Inkpen, chairwoman of the board, appeared to contradict Marshall. She said the transmission line is a very attractive option — "if it makes economic sense."

Inkpen said the board strongly supports Premier Brian Tobin's efforts to work out a fair and equitable agreement with Quebec in a deal that would lead to the creation of new opportunities for the province.

She said recent comments made by Marshall have been interpreted in a negative light and the board felt it was necessary to clarify its position.

"We welcome the government's efforts to develop new sources of electrical generation for Labrador and the island portion of the province," she said.

"We have an interest in the development of a secure, renewable source of power which can be made available to

both residential and industrial consumers at stable rates."

Mines and Energy Minister Chuck Furey said this week the province and Quebec are close to reaching an agreement to begin formal negotiations on the estimated \$12-billion Lower Churchill development.

The proposal would involve the construction of two dams on the river and have power flowing to the island by 2007 through an underwater transmission line across the Strait of Belle Isle.

Newfoundland is the only province not connected to the North American grid, noted Inkpen, and a connection is important as they move into a deregulated and competitive environment.

Contacted shortly after the Newfoundland Power release was received, Marshall said he supports their stand.

"I agree with what's in (the release) and I offer no other comment," said

Marshall. But in last Saturday's Telegram, he said that even if the project is federally funded, a Newfoundland transmission line could cause financial headaches for the province in maintenance and replacement costs.

He said without financial assistance it could lead to a doubling of electricity rates in the province. He said a transmission line wouldn't make economic sense.

On Sunday, Furey dismissed Marshall's comments as fearmongering.

The following day, Bill Wells, president and CEO of Newfoundland and Labrador Hydro, entered the picture in support of the Lower Churchill development. Wells said Lower Churchill hydro power is the best option for Newfoundland consumers over the long term.

Marshall stood by his statements, but added: "I hope that I'm wrong."

See editorial, page 10

INCE

The Western Star Page 2

Newfoundland Power directors back Tobin on Lower Churchill

By BERNIE BENNETT

ST. JOHN'S - In a surprise announcement Friday, the board of directors of Newfoundland Power came out in support of the provincial government's efforts to work out an agreement with Quebec for the Lower Churchill hydroelectric development.

It came a week after Stan Marshall, president and CEO of Fortis Inc., Newfoundland Power's parent company, stated the development doesn't make economic sense.

But in a prepared statement released late Friday, Linda Inkpen, chairwoman of the Newfoundland Power board, said they strongly support Premier Brian Tobin's efforts to work out a fair and equitable agreement with Quebec in a deal that would the creation of new opportunities for the province.

Inkpen said recent comments made by Marshall have been interpreted in a negative light and the board and the board felt it was necessary to clarify its position.

"We welcome the government's efforts to develop new sources of electrical generation for Labrador and the island portion of the province," stated Inkpen.

"We have an interest in the development of a secure, renewable source of power which can be made available to both residential and industrial consumers at stable rates."

Inkpen also said that an infeed to the island from Labrador is a very attractive option "if it makes economic sense."

"We are not privy to the details of the proposed development but we certainly support the government in

its efforts to fully explore all the options."

She noted that Newfoundland is the only province not connected to the North American grid and that a connection is important as they move into a deregulated and competitive environment.

When contacted shortly after the Newfoundland Power board's release was received, Marshall said he supports their stand.

"I agree with what's in (the release) and I offer no other comment," said Marshall.

But last Friday Marshall said that even if the project is federally funded, a Newfoundland transmission line could cause financial headaches for the province in maintenance and replacement costs.

He said that without financial assistance it could lead to a doubling of electricity rates in the province. He said a transmission line simply doesn't make economic sense.

"I don't know what the political agenda is here or what the government is trying to achieve," said Marshall last week.

But Mines and Energy Minister Chuck Furey dismissed Marshall's comments as fearmongering.

Then Bill Wells, president and CEO of Newfoundland and Labrador Hydro, entered the picture in support of the Lower Churchill development.

He said the Lower Churchill hydro power is the best option for Newfoundland consumers over the long term.

Still, Marshall stood by his statements, but added "I hope that I'm wrong."

The Gulf News

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At the Gateway to Newfoundland

Home delivery 95¢ Newsstand \$1.08
(HST INCLUDED)

MONDAY, MARCH 2, 1998

POSSIBILITY FOR 70 JOBS

Rose Blanche Hydro project announced

By MANDY RYAN
The Gulf News

The Rose Blanche hydro project, Newfoundland Power's first generating facility construction project in 14 years, was launched last week at the Kinsmen Centre in Rose Blanche.

The new development is an economical small-scale hydroelectric generation plant located at Rose Blanche Brook, about 5 km north of the southwest coast community.

President and CEO of Newfoundland Power, Philip Hughes told the media at a press conference last Thursday the power company will invest \$13.8 million during the project's construction. \$1 million has been dedicated to direct environmental costs.

Hughes told the press approximately 70 jobs will be created throughout the construction process. Local suppliers will have the opportunity to bid on contracts and tenders.

Two west coast businesses, one from

Pasadena and one from the Bay of Islands, have provided services for this project through the development of the new access road and pole placement for the transmission line. This project will provide an additional 6.1 megawatts of capacity for the area which will be interconnected to the provincial grid. The average output of the plant will be 23 gigawatt hours (GWh), with a firm yield of 18 GWh.

Port aux Basques residents currently receive their power through a series of
Please see page 7

The Daily News
Monday March 2/98

Rose Blanche Hydro project announced

Continued from page 1
long transmission lines (185 kilometers) which pass through inclement weather areas. While upgrading line efforts improved reliability recently, weather induced interruptions in the transmission supply can leave Port aux Basques with only enough power to meet 45 per cent of its peak requirements. In cases of power outages the new project will provide a back-up system, meaning fewer outages.

"For several years our company has been working to address reliability challenges in Port aux Basques and surrounding areas," said Hughes. "This project provides the solutions we have been searching for without impacting rates."

The power company have worked with, in consultation with fisheries and oceans Canada, throughout the design of this plant to incorporate features such as fishways, spawning areas and minimum stream flow in an effort to enhance the ability of the Rose Blanche Brook ecosystem to support fish populations. The project will also create environmental advantages by displacing 38,000 barrels of oil annually, reducing greenhouse gas emissions.

The hydroplant will be in service by the end of

November, with a final commissioning of the equipment scheduled for December.

Hughes said there may be one or two permanent jobs after construction ends, but the facility will be operated primarily by remote control from Newfoundland Power's system control centre in St. John's.

Ice freezes power out

A heavy buildup of ice on power lines caused a massive electrical outage early this morning across the city and much of the eastern Avalon Peninsula.

About 70,000 of the 175,000 customers serviced by Newfoundland Power in the province lost power for about 1 1/2 hours when the power shut down at approximately 2:30 a.m.

The failure occurred when heavy icing developed along the two main Newfoundland Hydro arteries running from Holyrood and Bay d'Espoir that feed power to the eastern Avalon.

Power failed throughout the greater St. John's area, Conception Bay South and the Southern Shore.

Newfoundland Power spokesman Bob Pike said it was the biggest electrical outage this winter but it was nothing compared to the outages of past years. In 1994 many area homes were left without power for nearly a week. Massive power outages also occurred in 1984 and 1959.

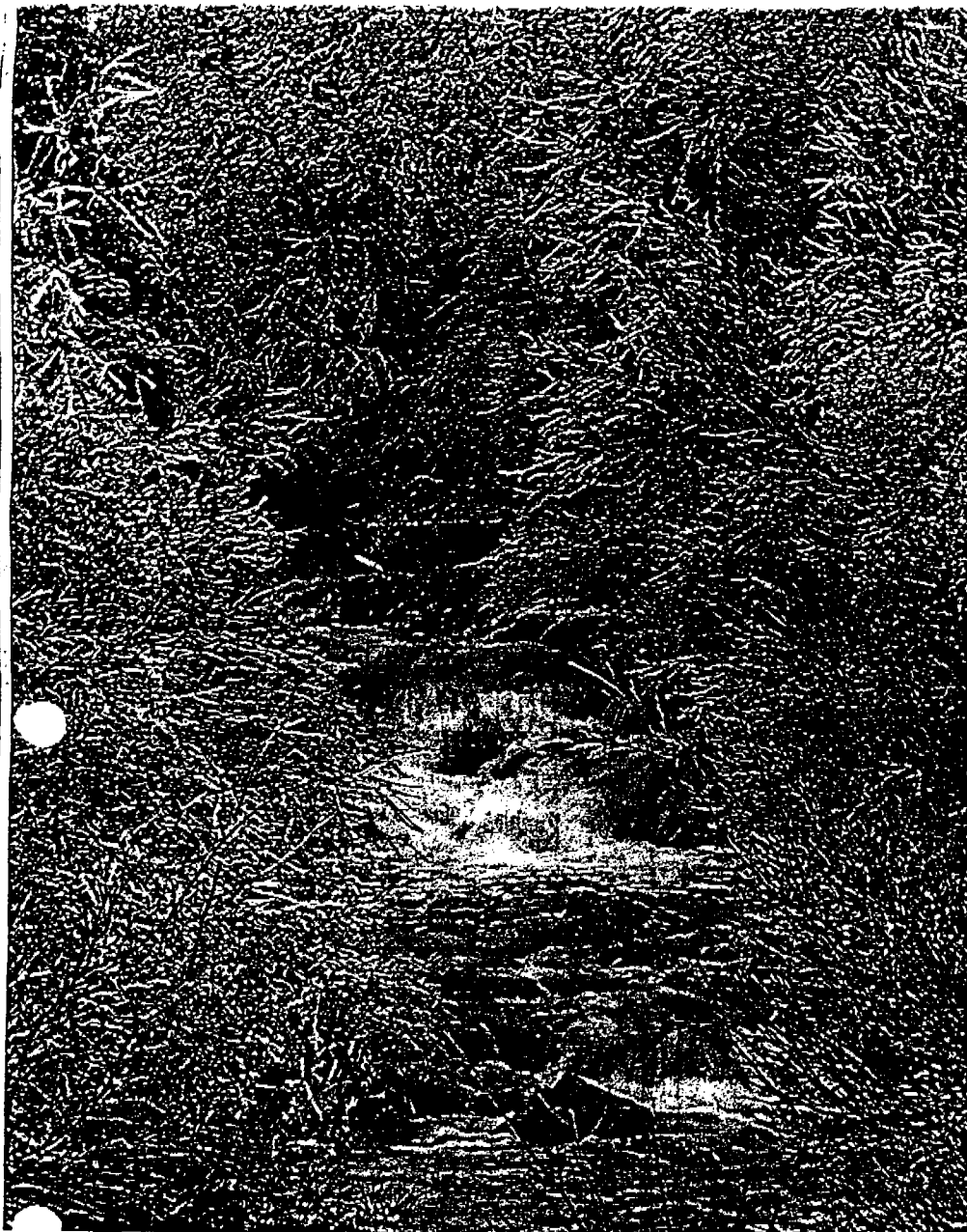
"What we're experiencing here is an isolated problem," Pike said when the juice came back on around 4 a.m.

"The two main lines feeding the area went down. Also ... we've had lines come down out by the airport and Blackmarsh Road ... The areas most affected are the higher areas."

Police responded to multiple calls during the blackout of burglar alarms going off. At 5 a.m. this morning police responded to a report of a live wire falling on a car. No details were available up to press time.

WEDNESDAY, MARCH 4, 1998
Evening Telegram

Thursday, March 5, 1998. Evening Telegram



PHONDA HAYWARD/The Evening Telegram

Although the weather caused quite a headache for many St. John's residents in the past two days, it does make a beautiful spectacle. This river is located in St. John's north.

Not-so-nice ice cuts power

By GARY HEBBARD
The Evening Telegram

Freezing rain on the Avalon, Bonavista and Connaigre peninsulas Tuesday and Wednesday left as many as 77,000 customers temporarily without electric power.

Heavy buildups of ice brought down wires, poles and transmission towers causing outages that lasted from an hour to possibly three days. About 1,500 customers of Newfoundland and Labrador Hydro on the Connaigre Peninsula may not get power back before Friday, company spokesman Don Barrett said Wednesday night.

A major section of the wooden pole transmission line serving the peninsula runs through really rough country, he

said, and it's taking time for repair crews to get to it.

Ironically, the company plans to spend \$6 million this year to relocate the line closer to the main road for easier access in just such incidents as this.

Hydro also had problems Wednesday morning on a short transmission line between Topsail Road and Oxen Pond Road where a wire came down across a conductor, cutting power. Also, one of two lines carrying power from Bay d'Espoir through Sunnyside and on to St. John's was out, but expected to be back no later than today.

"Because we only then had one line coming to the Avalon Peninsula, we had Holyrood (generating station) on

full bore so that if we did lose the second line because of icing, Holyrood could carry the peninsula," Barrett said.

Newfoundland Hydro generates about 90 per cent of the province's electric power and makes it available to Newfoundland Power which then sells it to retail customers. Hydro has a smaller number of retail customers, including the Connaigre Peninsula, parts of the southwest coast, the Northern Peninsula and all of Labrador.

Newfoundland Power generates the remaining 10 per cent of the province's power and serves the rest of the province.

Please see AVALON, page 2

Ice storm downs power lines in parts of Newfoundland

ST. JOHN'S (CP) — About 6,500 homes and businesses were still without power Wednesday night after heavy ice on power lines caused a massive electrical outage in parts of Newfoundland.

About 70,000 of the 175,000 customers serviced by Newfoundland Power in the eastern Avalon Peninsula found themselves without power at the height of the outage early in the day.

As much 20 centimetres of ice had built up on the two main hydroelectric lines that feed power to the eastern Avalon.

Power also failed throughout the

greater St. John's area and Conception Bay South and remained out late in the day on the Connaigre Peninsula, on the province's south shore.

Newfoundland Power spokesman Bob Pike said it was the biggest electrical outage this winter, but nothing compared to outages of past years.

In 1994, many area homes were left without power for nearly a week. Massive power outages also occurred in 1984 and 1959.

"What we're experiencing here is an isolated problem," Pike said, adding the outages have kept work crews busy.

Western Star, March 5/98.

Avalon restored by afternoon

Continued from page 1

Newfoundland Power's Bob Pike said about 75,000 of their customers were without power at the height of the disruption in the early morning hours of Wednesday. Repairs, however, were going well and they expected everybody to be back on line by today.

Blackhead, south of St. John's, was expected back on by this morning.

"They had some fairly massive ice in that area and it's really hard ice. What they're finding is they can't even beat it off (the poles and wires)," Pike said.

Repair crews were making steady progress in the Conception Bay North

area where hundreds of customers lost power around 10 p.m. Tuesday. The company brought in crews from as far west as Grand Falls-Windsor to help with the repairs and were expecting to have everyone hooked up again by this morning.

Pike said they lost about 20 poles to ice around the St. John's area and another 35 in C.B.N.

Ice storm blackens Bay de Verde Peninsula

By BILL BOWMAN

The Compass

It wasn't the great ice storm of the century which blacked out much of central Canada earlier this year - or even the sleet storm of 1984 which left hundreds of thousands of Newfoundlanders in the dark.

But an early March ice storm hit the tip of the Bay de Verde Peninsula last week leaving hundreds of customers without power for up to 48 hours.

Newfoundland Power officials in Carbonear estimate the storm damage cost the company about \$160,000 to repair.

The trouble began on Tuesday, March 3 when ice started forming on power lines in the

area.

Under the extreme weight of ice, and battered by a brisk breeze, poles snapped like match sticks and fell like dominos, leaving several North Shore communities in the dark.

Newfoundland Power crews swung into immediate action, working around the clock to restore power.

Sean LaCour, Newfoundland Power's regional manager for the Avalon Region, told The Compass they lost their first major block of customers in the Northern Bay to Low Point area around 6 p.m. on Tuesday.

By around midnight, LaCour explained, they were able to restore electricity as far as Burnt Point by bringing in power from

the Victoria sub station.

Meanwhile, around 10 p.m., "we lost the Bay de Verde, Red Head Cove, Grates Cove and Caplin Cove area."

Besides their own crews, the regional manager said backup crews had to be brought in from as far away as Burin, Clarenville, Grand Falls and Corner Brook, for a total workforce of about 60 men.

Private contractors also had to be called in to replace the approximately 50 poles that had yielded to the weight of the ice.

"What made the situation unique," he suggested, "was that the men had to physically beat the thick ice from the wires using hammers, pipes and whatever else they could find."

On Thursday afternoon, the crews got some help from Mother Nature when the sun came out long enough to melt some of the ice from the wires.

Bay de Verde residents had their power back by 5:30 p.m., Thursday. Grates Cove had power restored by 6:30 p.m. and Low Point by 9:15 p.m.

Despite being without power for two days and nights, LaCour said he "never heard a complaint from a soul" during the ordeal.

He said people were very understanding and co-operative.

For example, he noted, one woman in Bay de Verde had to leave her home, but left her door unlocked and left a note telling

See Residents... page A2

Residents helpful, understanding

(From page A1)

workers they were welcome to whatever food they might want.

In neighbouring Old Perlican, which didn't lose their power, the Baccalieu Lions Club opened up their den to the workers, providing food and refreshments.

LaCour said the Bay de Verde Town Council and Fire Department were also very supportive under the trying circumstances.

"They couldn't do enough for us," he said.

The regional manager said "everything could have been lost" had the wind kept up.

Bay de Verde Mayor Ray Walsh agreed, saying, "it had the potential to be a real disaster for the town."

Pointing out that between 20 and 25 poles were down between St. Joseph's High School and the town, Mayor Walsh said they had them all replaced by 7 a.m.

Commending the company on its response to the damage and the work crews for their efforts, Walsh said they did a "fantastic job."

In a telephone interview from his home last Friday, Walsh said some ice could still be seen on the wires and he had his fingers crossed that it would melt before

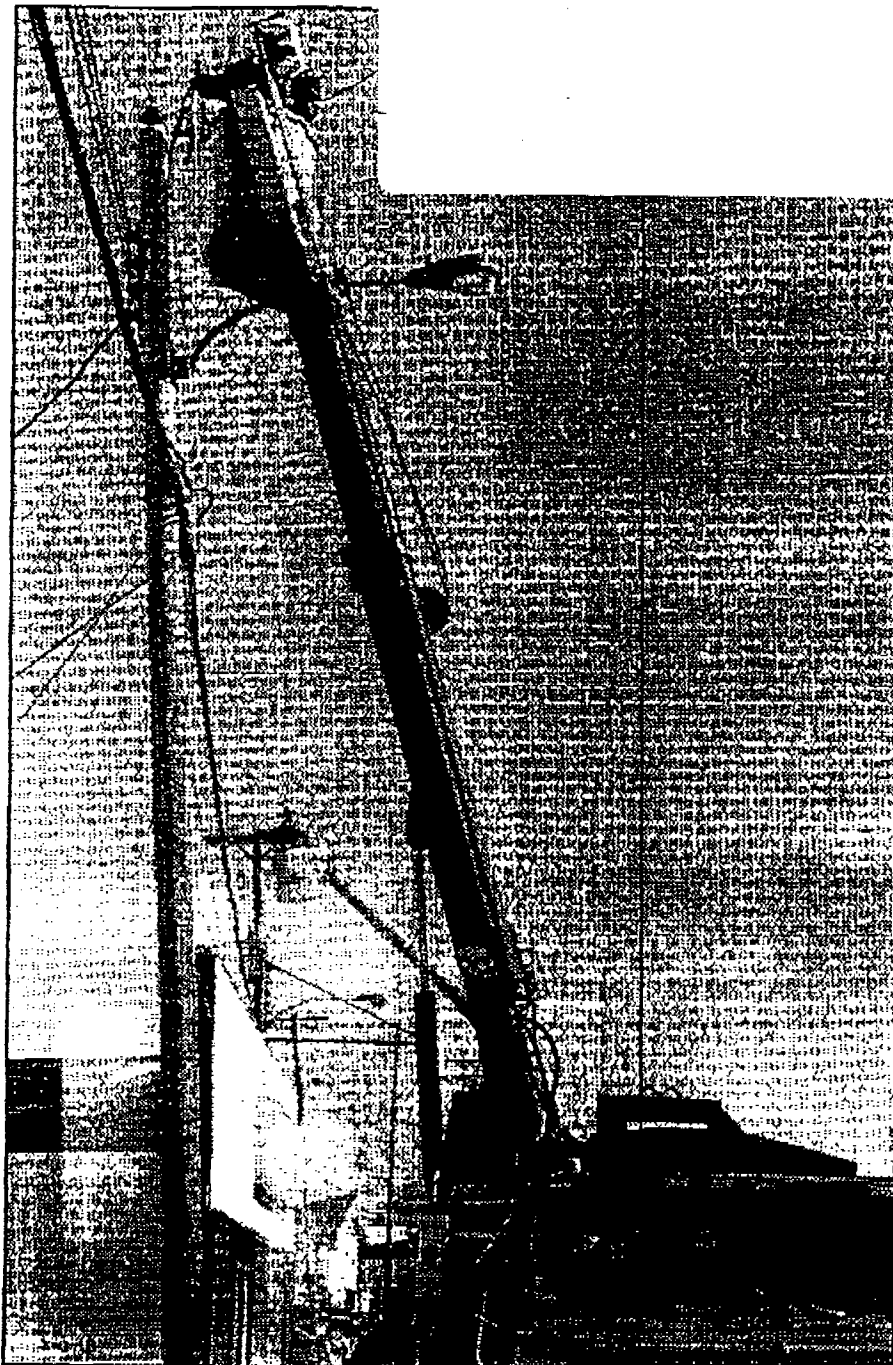
the wind picked up again.

Schools in the area were also closed for two days while the power was out.

Although there was some ice buildup on higher levels in the

area, most of Conception Bay North and Trinity South managed to escape the brunt of the ice storm which hit the tip of the Bay de Verde Peninsula and the metro area of St. John's.

The Hummer Log
Wednesday March 25/98



GOING UP! - Byron Brake, Dion Gosse and Don Small of Newfoundland Light & Power are upgrading the power lines on Main Street to a higher voltage. Some

residents in the area have been experiencing power outages during the past week due to the upgrading.

Power company has several initiatives planned for 1998

With more than 700 employees island-wide, Newfoundland Power is committed to providing reliable electrical energy and high quality customer service in a fair and responsive manner. More than ever, the company is working to develop consumer focused programs and services to fulfill the needs of its 17,000 customers.

Throughout 1998, corporate performance for Newfoundland Power will be based on activities in six primary areas: customer service, reliability and power quality, productivity, safety, employee development, and community involvement.

Initiatives to improve service are scheduled throughout 1998.

The largest of these, the construction of a \$13.8 million hydroelectric plant, will take place in western Newfoundland.

The Rose Blanch Brook hydroelectric development project will provide customers in southwestern Newfoundland with increased reliability and an enhanced supply of power.

In addition, this development will create an estimated 70 jobs throughout the construction process and contribute to the local economy through the purchase of supplies and services.

Technology plays an increasingly important role in Newfoundland Power's operations.

With the implementation of TVD (a leading edge telephone messaging system developed in New Zealand), the company significantly increases its ability to answer a number of customer calls regarding outages and emergencies simultaneously.

The technology is now being piloted in the Avalon region.

Once TVD is fully implemented, customers across Newfoundland will be able to receive cur-

rent information concerning power outages specific to their area through a 1 800- number.

Newfoundland Power is also using leading edge technology to improve reliability.

Using a modified camera to record heat sensitive photos, infra-red thermoscan technology allows line crews to detect and eliminate potential outage causing problems before they occur.

Increased use of infra-red technology, combined with regular upgrading, insulator replacement and preventive maintenance programs, will enable the company to further improve reliability, power quality and customer service in 1998.

An integral part of Newfoundland Power's training initiatives is the delivery of electrical safety presentations to elementary schools and safety seminars to fire fighters. Such training has been a part of Newfoundland Power's operation for 15 years.

Recently, the company's western region employees were awarded the 1997 President's Safety Award for their outstanding safety performance. In 1998, the company will bring a Fall Protection System and Flame Resistant Clothing Program into full implementation in an effort to reduce falls from utility poles and electrical burn injuries.

Newfoundland Power will further partner with schools and community groups this year to promote environmental awareness.

Verbon Hewlin, manager, western region, recently helped launch the Atlantic Salmon Federation's Fish Friends program at the W.E. Cormack Primary School in Stephenville.

This program, which teaches children about the importance of conserving fish populations, is used in 71 schools across the province.

(Supplement - Outlook '98)

*The Western Star
March 31/98*

Community and corporate support helps Whitbourne breakfast program

Compass Apr. 4/98

By DENISE PIKE
The Compass

Students at Whitbourne School Complex are benefiting from a breakfast program that their principal, teachers and community have recently put in place.

Harold Brown, principal of the Elementary level said there were a variety of reasons why they wanted to establish the program.

"Many students didn't eat breakfast at home because they felt there wasn't enough time. Others didn't want to eat as soon as they got up and felt that the bus ride would make them sick."

Whitbourne School includes children from Long Harbour, resulting in an approximate 40-minute bus ride. Other students were not eating because there aren't enough financial resources within the home, Brown said.

"We wanted to ensure that our students were able to concentrate on what they were supposed to - their school work - and not have to worry about being hungry."

It was the concern of addressing this particular need which prompted Brown to contact the School Children's Food and Foundation of Newfoundland and Labrador. This organizing body would provide the necessary start-up funds. However, a lot of planning and information had to be completed first.

A community profile, community interest and involvement, proof that the program would eventually be able to sustain itself and a sponsoring community are some of the areas which Brown had to address.

"We sent home letters to inform parents of our plan and



Photo submitted

BREAKFAST PROGRAM - The Whitbourne Volunteer Firettes parents, were very enthusiastic about the breakfast program at the whitbourne School complex and have contributed not only financially but are also cooking and serving the food.

entitled it MAD (Make A Difference) and the response was very positive," he said. "Our next step was to look for our sponsoring committee, however, they came looking for us."

The Whitbourne Volunteer Firettes, some of whom are school parents, were very enthusiastic about the program and have contributed not only financially but are also cooking and serving the food.

This breakfast program includes the entire school population from Kindergarten to Grade 12. It is served on Tuesday and Thursday from 8:10-8:40 a.m. To help keep the program, students who can are asked to donate 25 cents for each breakfast, however, this is managed in a very non-discriminating way.

Every student is provided with a small envelope, which is not

signed. They are asked to place in it 25 cents or whatever they wish to give. All envelopes are placed into a drop off box located in the cafeteria.

If for some reason, a student cannot donate any money, they can still drop in their envelope and no one will know.

"This way it is kept anonymous and there is no stigma attached," Brown said.

"Each student will receive breakfast and not have to worry about money, however, the small charge will not only help offset the cost of the program but the students, especially the younger, will learn the value of paying for a service and that it's not just "free."

Because this program will

benefit many children, many people and businesses in the area are becoming involved.

"We drafted a letter to the business community explaining the program and asked for financial support and were very pleased with the numerous responses," Brown said. "The fact that we have received this much support shows that they care about our children."

Brown gives thanks to the following sponsors: the School Children Food and Foundation of Newfoundland and Labrador, representative Susan Green; Whitbourne Volunteer Fire Department, Whitbourne Volunteer Firettes, Whitbourne Drug Mart, Holloway's Funeral Home, Whitbourne RCMP Detachment, Frosty Fashions, the Value Centre, Flower Boutique, Andy's Broilers, the students and teachers of Whitbourne School Complex and Newfoundland Light and Power for their corporate donation of \$1,000.

On Tuesday, March 31, during the first official breakfast Berkley Pinsent, district supervisor, presented the cheque to Whitbourne School on behalf of Newfoundland Light and Power.

"With the assistance of in school staff and the overwhelming community support this program is off to a great start and will continue. This project has no down side and can only produce positive results," Brown said.

"If we feed only one student who really needs it, then it's worth it."

April 6/98 Monday Evening Telegram

Hundreds still without power on peninsula

(CP) — It will be late today before Newfoundland Power restores electricity to everyone on the province's southern Burin peninsula.

About 1,600 homes were still without power Sunday, following a severe ice storm on Friday. More than 120 power poles were knocked down.

Newfoundland Power spokesman Bob Pike says a helicopter flew over the transmission lines Sunday to get a sense of the damage, while crews worked around the clock.

Electricity was restored to areas around Marystown early Sunday. It was expected to be up and running later Sunday in Epworth, St. Lawrence and Little St. Lawrence.

The communities of Lawn, Lord's Cove, Point aux Galle, Lamaline and Point May had to wait until today.

Heavy ice buildup — in some areas more than 2.5 centimetres thick — put too much weight on power lines and caused utility poles to splinter like matchsticks. The ice also caused extensive damage to trees.

Several areas in and around St. John's were without power for a few hours on Saturday.

The Western Star Thursday April 6/98

30000

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Deep freeze

Hundreds still without power

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Several areas in and around St. John's were without power for a few

hours on Saturday.

Newfoundland Power crews from Gander and Carbonear have been sent to the affected areas, and crews in St. John's were on standby, waiting for a call to go to the Burin Peninsula.

Bill Lockyer, the mayor of Lawn, said while the situation is rough, people in his community are grateful there were no serious injuries.

Lockyer commended Newfoundland Power maintenance crews for their diligence and commitment under difficult circumstances.

"Most of these maintenance people were out all night, under the roughest conditions," he said Saturday.

"We should be very grateful, for their quick response."

Lockyer says a lot of people in his area have wood and oil stoves which makes it easier to cope with the situation. Other residents have set up temporary generators.

All and all, he said, most people are taking the power outage in stride.

"Some might be a little cold," he said, "but in most instances they have doubled up with friends and relatives who have an alternative source of heat."

Storm cost power utility \$1 million

ST. JOHN'S — Damage caused by a weekend sleet storm will cost Newfoundland Power more than \$1 million.

The majority of repairs were needed on the Burin Peninsula.

The ice storm knocked out power to 3,000 customers on the Burin Peninsula and caused problems in the St. Mary's-Trespassey area, Chamberlains, Pouch Cove and parts of St. John's, said Earl Ludlow, vice-president of operations.

Ludlow said crews were dispatched to the Burin Peninsula from several of the company's operating areas to help restore power. About 170 poles and related equipment suffered damage by the ice, which in some places was five inches in diameter. In total, about 120 line personnel worked to restore power as quickly as possible.

Power on the Burin Peninsula was restored to all but 65 customers on Sunday evening, a full day ahead of schedule.

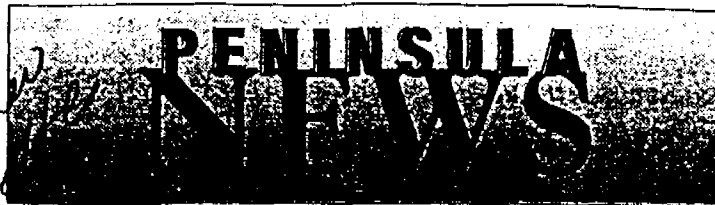
"Considering the weather conditions over the weekend, this is a remarkable demonstration of our employees' commitment to our customers," said Ludlow.

In 1992, a severe ice storm hit the same area of the Burin Peninsula. The lines were rebuilt to above-normal standards to withstand the harsh elements.

"It just goes to show you the power of Mother Nature," said Ludlow.

*St. John's Western Star
April 7/98*

South
2005
28.04.06



Sleet storm pounds peninsula

Thousands of homes on the Burin Peninsula were left without power Friday night and most of the weekend after a sleet storm struck the area. It was one of the worst sleet storms in recent memories, causing heavy destruction to power lines.

The hardest hit section of the peninsula was Little St. Lawrence to Point May where Newfoundland Power estimated some 175 poles and two transmission lines had come down as lines were laden with about an inch or more of ice. An assessment of the storm damage was done Sunday morning by helicopter in the Point May to Lawn area but most of the region did not have power back before Sunday night. Allan's Island, Lamaline, had to wait until yesterday though as residents along that shore huddled around wood and oil stoves through the weekend.

Newfoundland Power crews battled the late winter sleet storm along the tip of the peninsula Friday and Saturday trying to restore lost power to affected areas. The storm, which struck about mid-afternoon Friday, caused poles and trees to crack off.

Although most of Marystown, which had been affected, had power returned to homeowners early Saturday morning, a section of the town from Reddy Subdivision to Beau Bois remained without power Saturday as crews tried to determine how to repair the damaged service crossing at Canning Bridge. Power service was completely restored early Sunday morning.

A spectacular light show was visible in Marystown between 9:30 and 11:30 p.m. Friday as freezing rain arched out line fuses and affected transformers. Poles also cracked off in the business district of Marystown near the Friede Goldman Newfoundland shipyard around 3:30 a.m. Saturday.

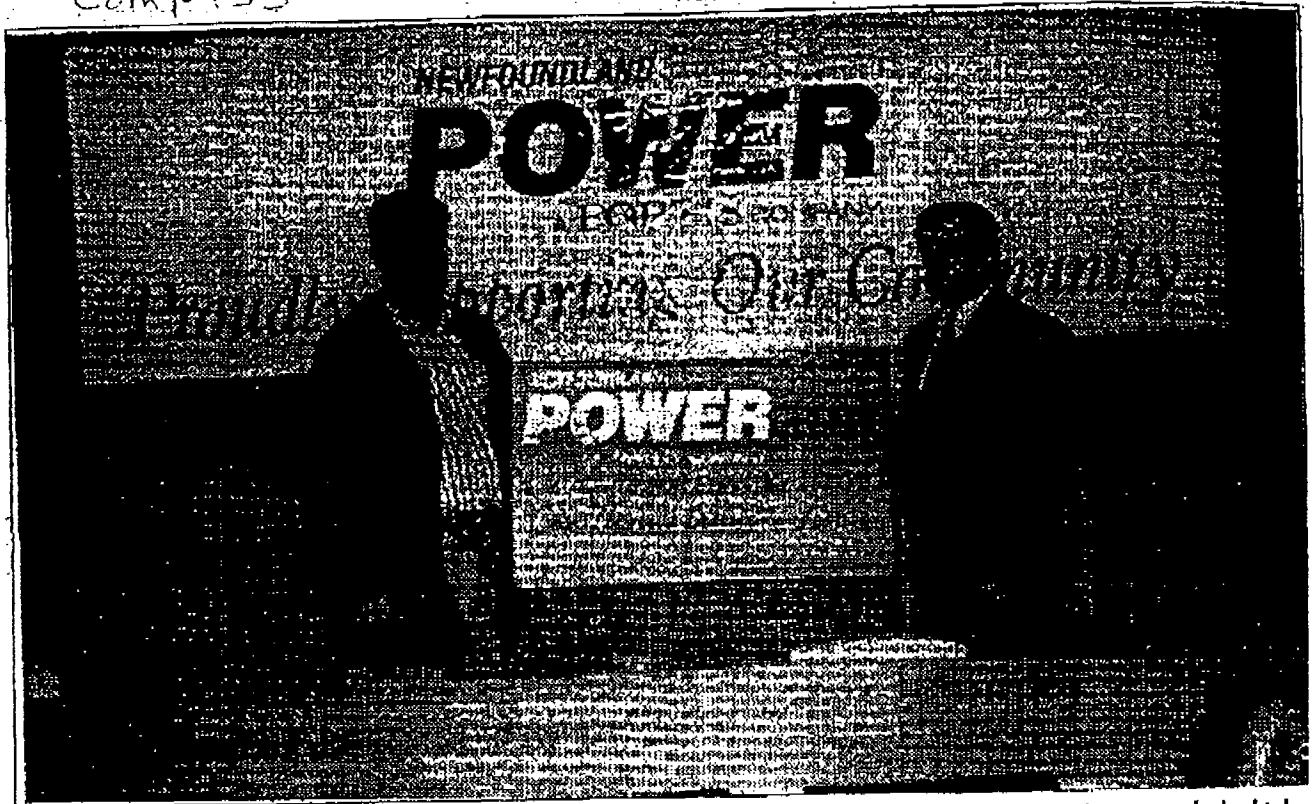
Other areas of the province - the lower Bonavista Peninsula, the Avalon Peninsula and St. John's area - were also impacted by the sleet storm Saturday. Driving conditions in all areas were made difficult by the storm as well and numerous activities were canceled Saturday.

Newfoundland Power crews from other regions of the province were brought to the Burin Peninsula Saturday to aid local crews.

SCHOOLS, CLUBS & ORG

APRIL 14, 1998 • PAGE B3 • THE COMPASS

Compass



CORPORATE DONATION - Berkley Pinsent, left, of Newfoundland Power presents a \$1,000 cheque to help kick-start the Whitbourne School Complex breakfast program. Accepting on behalf of Elementary level principal Harold Brown was Roy Gosse. High School level principal

Spring storm causes over \$1 million damage

**BY DON TURPIN
& GEORGE MACVICAR**
The Southern Gazette

Just as residents of the Burin Peninsula were recovering from one of the worst early spring sleet storms in recent years, another storm struck Wednesday. It

dumped upwards to six inches of heavy, wet snow making driving treacherous that night and causing more power outages.

The snow caused power lines to sag in communities north of Marystown and an ice buildup on the main transmission lines caused numerous power outages - some

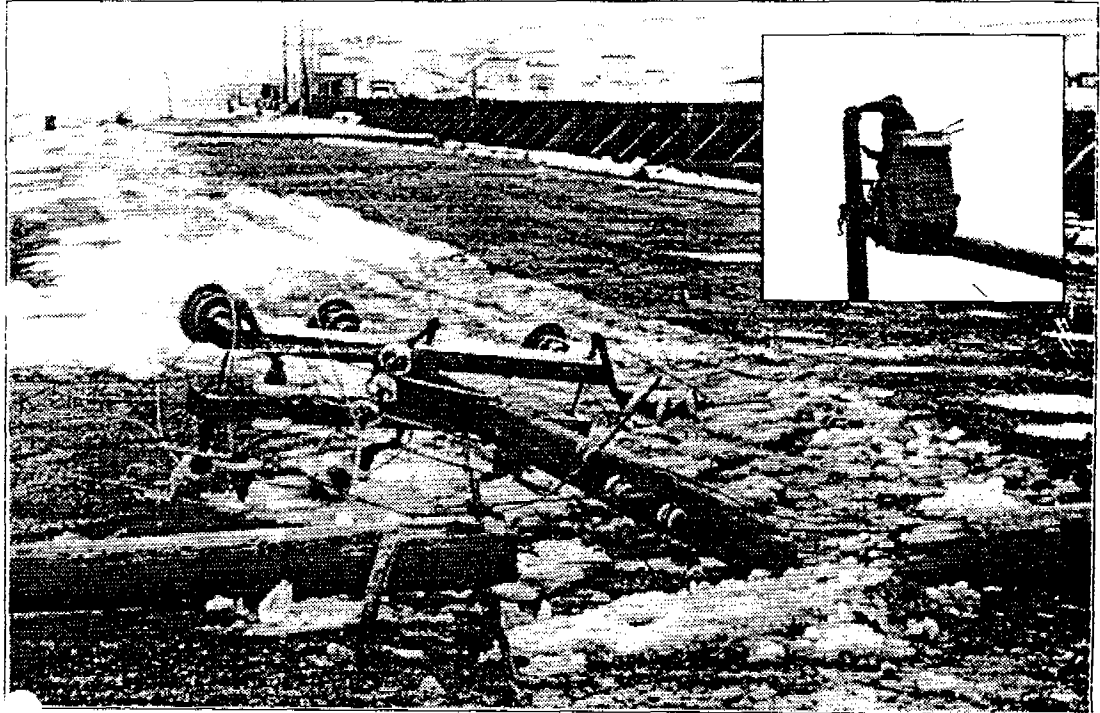
lasting for minutes but the Bay L'Argent area was without power for most of Thursday.

Newfoundland Power spokesman Austin Antle said crews were alerted to the power loss in the Bay L'Argent area around 4 a.m. and power was not restored until 8 p.m. At least four

power poles collapsed under the weight of the wet snow.

It forced the cancellation of schools for the entire day, although Christ the King School in Rushoon reopened for afternoon classes. Telephone lines coming down on

See LINEMEN... Page 2



Power poles, some 175 in total, toppled under the weight of heavy ice and high winds Apr. 3 forcing many Burin Peninsula into darkness that night. Residents in the St. Lawrence-Lawn area were without power for two days while Allan's Island in Lamaline went without power for almost three days. Inset: Newfoundland Lineman in bucket replacing attachments to power pole. More Photos on Page 5.

Linemen arrive to assist local crews

FROM PAGE 1

school property and power interruptions caused the Rushoon school to close that morning.

Linemen crews from other centres of the province were brought in to assist local crews, still trying to recoup from the effect of a storm five days earlier.

Residents of Little St. Lawrence to Point May coped well with an earlier sleet storm which toppled poles and snapped power lines causing over \$1 million damage. The storm struck the Burin Peninsula mid afternoon Apr. 3 and affected some 3,000 Newfoundland Power customers, leaving over half that number without electricity for up to two days.

The final residents to have power restored were on Allan's Island in Lamaline midday Monday. In one location the ice storm caused 5-6 poles to topple over on the causeway to Allan's Island. According to Light and Power, crews went to the area at approximately 8 p.m. Friday.

Heavy ice build-up of an inch to five inches dragged down power lines and high winds caused poles to sway and topple under the strain. Upwards to 175 poles snapped off or were uprooted along the southern tip of the peninsula.

A number of poles leading to the Grand Atlantic Seafoods fish plant in St. Lawrence came down as a result of the sleet storm as well.

Although electrical service was cut, neighbors were able to help others left without heat and light by inviting them into the homes with wood stoves and furnaces in use. Larger stores remained open under emergency generator power to accommodate the brisk business in the purchase of lamps, candles and other supplies - all reported sold out in a matter of hours.

The St. Lawrence U.S. Memorial Health Care Centre operated under its own emergency power with little difficulty. The St. Lawrence Volunteer Fire Department stood by at the fire station throughout the power outage to respond to fire emergency and ambulance calls.

Despite the damage, the Newfoundland Power crews called in various other centres in the province and New Brunswick, worked around the clock to restore the power service sometimes well in advance of predicted times. Lawn Mayor William Locke had nothing but praise for the efforts of the line crews. He said they continued working in driving rain and late at night with nothing but flashlights while climbing poles to restore power in this emergency eventful time.

Grand Bank and Fortune experienced brief power outages in the early morning hours of Apr. 4 but the problem was quickly rectified.



**Cancer can
be beaten.**

*Just
imagine...*



Nfld. Power employees enjoyed teaching assignment in Zimbabwe

CORNER BROOK — Employees of Newfoundland Power recently had a chance to share their knowledge with professional colleagues in another country.

John Pardy, the west coast's superintendent of area operations, and Glen Samms, a planning engineer from Newfoundland Power's operations in St. John's, just returned from a trip to Zimbabwe.

Pardy spoke at Thursday's regular luncheon of the Corner Brook Rotary Club.

Zimbabwe, located in the south of Africa, is in the process of adopting a new software package that allows for analysis of power distribution systems. It's the same software used by Newfoundland Power.

The Newfoundland company's opportunity to share this knowledge arose from its relationship with an international consulting firm which works in Zimbabwe as well. The firm set up the arrangement, and Pardy and Samms set off to hold a week of classes for employees of the Zimbabwe Electric Supply Authority.

The two Newfoundlanders taught



JOHN PARDY

from a 100-page manual they developed themselves in the months leading up to the trip.

It's one thing to have a working knowledge of the software, said Pardy, but it's something completely different to impart that information to

others, especially those from a different part of the world.

There were a few minor hang-ups, he said, such as the fact they had to download the software onto computers when they arrived, since the electric supply authority didn't already own it.

And teaching the ins and outs of a computer software program in a 30-degree classroom probably wouldn't be considered the best of conditions.

There were also some differences between North American and British-influenced power standards. Pardy and Samms had to bring along adaptors to plug into the power outlets.

But all in all, the experience was a good one, said Pardy.

And his "once in a lifetime experience" might turn into another adventure.

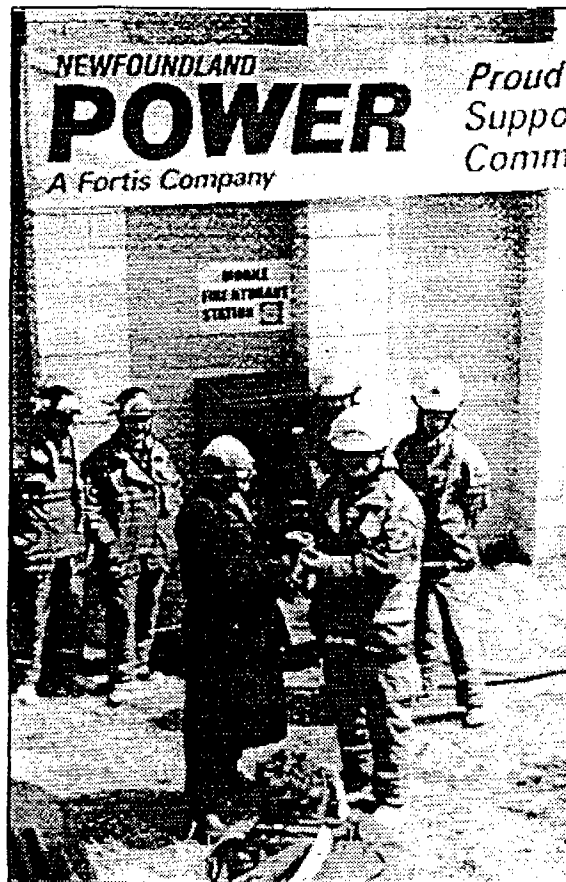
Pardy said there's a possibility he'll be travelling to Zambia in the fall for a similar teaching project.

"Most of the hard work, like the manual, is done," he said. "We'd just have to make a few modifications and go back again."

THE WESTERN STAR

Corner Brook, Nfld.

Mobile gets first hydrant



PASSING THE KEY

John Evans, Newfoundland Power's vice-president of engineering, passes a key to Mobile's first fire hydrant to Glen Carter, right, Chief of the Witless Bay Volunteer Fire Department.

Securing a reliable source of water to combat fires has been a long standing challenge for the Witless Bay Fire Department.

Thanks to a partnership with Newfoundland Power, the fire department now has a solution to the problem, at least in one of its coverage areas.

In partnership with the Witless Bay Fire Department, Newfoundland Power has constructed the first fire hydrant in Mobile.

The hydrant, which was created by tapping in to Newfoundland Power's penstock at the Mobile Hydro plant, will ensure a higher

providing an additional source of power for Witless Bay and Bay Bulls.

Newfoundland Power's vice president of engineering, John Evans.

"Newfoundland Power has a long history on the Southern Shore and a long history with volunteer fire departments across the province," Evans said. "This plant was built in 1953 and since then a lot of our

(corporate) family have come from the Southern Shore. We're proud to be part of the Southern Shore's family and we're proud to have the people of the Shore as part of our family."

Evans said the new fire hydrant "shows how industry and community can work together for the greater good of the community."

Glen Carter, Chief of the Witless Bay Volunteer Fire Department, said

he was glad to have use of the hydrant.

"This water source will allow

the fire department to offer a higher level of safety to the residents of Mobile," Carter said.

"The contribution this hydrant makes to the safety of our communities is tremendous."

Power outage in east end of city

A power outage affected about 3,000 people in the east end of St. John's Friday morning.

It occurred about 10:10 a.m. when a hydro unit at the Holyrood station "tripped out" resulting in loss of power at the Ridge Road substation near Higgins Line, said Newfoundland Power spokesman Bob Pike.

Residences and businesses in the area, including Confederation Building, were without power until 11 a.m. Pike said gas turbines on the Burin Peninsula were started as a backup while crews worked to restore power.

Telus says it's ending merger talks with AT and T Long Distance

EDMONTON (CP) — Telus Corp. is ending talks on a proposed \$1 billion merger with rival AT and T Long Distance, Alberta's telephone company announced Friday.

"Important issues could not be resolved in the best interests of our shareholders," Telus chief executive George Petty said in a release.

"Telus remains committed to its growth strategy. We will continue to improve shareholder value through growth in our areas of expertise and strength."

The two companies confirmed last month they were talking about merging into a telecommunications giant in a deal analysts estimated was worth about \$1 billion.

Such a combination would have

threatened the survival of the Stentor alliance, a national partnership that precludes Canada's former telephone monopolies from competing with each other.

Edmonton-based Telus, formerly Crown-owned Alberta Government Telephones or AGT, is Canada's third largest telephone company behind Bell Canada and BC Tel and a key member of Stentor.

AT and T Long Distance is a major competitor to the Stentor companies.

The proposed merger also signalled a looming shakeup in Canada's telecommunications industry, where intense competition in the \$7-billion-a-year long-distance market has forced companies to seek acquisitions to remain competitive.

E. Telegram April 18, 1998 - Saturday



Photo courtesy Newfoundland Power

BOLSTERING LINES - A Newfoundland Power linesman works on a major upgrade to the main transmission line servicing parts of the Trinity South Shore and the Conception Bay North Shore last Wednesday, April 22. The work is expected to provide more reliable electrical service around the tip of the Bay de Verde Peninsula.

See story on Page B4

The Compass
98.04.28

Upgrade should result in more reliable power

Newfoundland Power customers along the Lower Trinity South Shore and Old Perlican, Bay de Verde and Lower Island Cove areas should experience improvements in the reliability of electrical service.

This comes as the result of a major upgrade to the main transmission line serving that area.

On Wednesday, April 22, customers from Turks Cove to Lead Cove were without power for four and a half hours to allow upgrading of hardware on 100 poles on the main transmission line between Heart's Content and New Chelsea.

One hundred Newfoundland Power employees, including

linemen from Whitbourne, Carbonear, St. John's and Clarenville, replaced 300 insulators and related hardware that were found to be unreliable during a detailed inspection of the transmission line following a recent power interruption back in January of this year.

Sean LaCour, Newfoundland Power's manager for the region, said the recently completed transmission line upgrade is one of several projects planned this year to help improve service reliability in this area.

"We recognize that the performance of the power system serving this area, particularly the Bay de Verde peninsula, is not where we would like it to be," he said.

"We've experienced prob-

lems with the failure of insulators (the devices that support bare wires); and this year, we will complete insulator replacement projects at the Old Perlican substation, New Chelsea substation and on the transmission line between these stations."

He said the cost of the system reliability improvement projects for the Bay de Verde peninsula area will exceed \$300,000 this year.

"We've also invested in infrared scanning technology that identifies overheated components and connections. This preventative maintenance tool allows our repair crews to fix problems before they result in disruption of service to customers."

LaCour also noted that major scheduled outages, like the one last Wednesday, are not possible without the support of the local community.

"We try to work with all concerned parties to lessen the inconvenience. We were able to reconfigure the system and generate power from the Pittman's Pond and New Chelsea power plants to keep the power on at the Old Perlican substation serving the hospital," he said.

"Also, the fish plants at Bay de Verde and Old Perlican cooperated by reducing their power requirements during the scheduled outage, allowing us to successfully complete our work."

"We recognize that the performance of the power system serving this area, particularly the Bay de Verde peninsula, is not where we would like it to be."

**- Sean LaCour
Newfoundland
Power**

Newfoundland Power proposes reduction in electricity costs

Newfoundland Power is proposing a \$2.5-million reduction in the electricity rates charged to customers.

In documents filed with the Public Utilities Board on May 11, the company proposed a 1998 rate of return of 10.38 per cent. This represents the midrange of rates of return of most other regulated Canadian utilities.

"A 10.38 per cent allowed rate of return is fair to customers, acceptable to investors, and beneficial to the local economy," said Philip Hughes, president and chief executive officer of Newfoundland Power.

Long-term interest rates have declined since the 1996 rate hearing and have remained around six per cent.

"A 10.38 per cent rate of return is also acceptable to investors and will enable the company to continue to compete for investment funds in the financial markets," said Hughes. Investment funds are used to maintain and expand Newfoundland Power's electrical system, and improve the reliability and quality of power provided to the company's 172,000 customers.

Hughes says the company's capital projects will also benefit the local economy. For example, the company's current construction of a \$13 million hydroelectric plant, on the province's southwest coast is expected to create an

estimated 70 jobs throughout the construction period.

In 1998, Newfoundland Power will invest \$41 million to expand and maintain its electrical system throughout the island.

The Nor'wester
May 13/98 - Wednesday

Newfoundland Power proposes to reduce electricity costs

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"A 10.38 per cent allowed rate of return is fair to customers, acceptable to investors, and beneficial to the local economy," says Philip Hughes, President and Chief Executive Officer of Newfoundland Power.

Mr. Hughes says a reduction in the allowed rate of return is fair to customers given current general economic conditions. Long-term interest rates have declined since the 1996 rate hearing and have remained around six per cent.

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The Pilot, May 13/98 - Wednesday

NEWFOUNDLAND POWER

Consumer advocate says ads misleading

By SUE HICKEY
Advertiser

Newfoundland Power is "misleading the public," according to the consumer advocate Dennis Browne.

The "misleading" in question not only applies to a string of advertisements recently published claiming that Newfoundland's electricity costs were the lowest in Atlantic Canada, but to a proposed a \$2.5-million reduction in electricity rates charged to customers, as well as an announcement about the company's 1998 rate of return - money made by the company on investments - of 10.38 per cent.

"Our analysis shows that the consumers of this province pay the second highest electricity rates in Atlantic Canada," said Mr. Browne. "Only Nova Scotia is higher. In the ads, Newfoundland Power used figures based on low usage of electricity. These figures would only be good in the summer months, or for

someone who does not have electric heat.

"Upwards of 80 per cent of Newfoundland Power's customers use electric heat," he added.

As for the utility company's proposed \$2.5-million reduction, Mr. Browne called it a "paltry amount" that represents savings of less than a dollar per consumer.

For the consumer to realize a substantial savings on electric bills, the company would have to lower its rate of return - by reducing its revenue and therefore the amount of money available to invest - to nine per cent, a figure proposed by three independent Canadian economists, explained Mr. Browne.

"They're misleading in everything," he said. "For this company to suggest that a savings to consumers of \$2.5 million and given the good news in this particular economy where interest rates are low, where unemployment is falling and the Canadian government has eliminated the

deficit and there's little inflation, it's perhaps a little insulting to consumers."

Other figures deceiving

For its part, Newfoundland Power has proposed a rate of return of 10.38 per cent. However, that figure too is deceiving, said the consumer advocate, because while the company admitted that was a "midrange of rates of return," it did not say that the actual rate of return could reach as high as 10.75 per cent.

In documents filed with the Public Utilities Board

May 11, the company proposed its 1998 rate of return of 10.38 per cent, which represents the midrange of rates of return of most other regulated Canadian utilities, according to Philip Hughes, president and CEO of Newfoundland Power.

"A 10.38 per cent allowed rate of return is fair to customers, acceptable to investors, and beneficial to the local economy," stated Mr. Hughes.

Bob Pike, manager of corporate communications for Newfoundland Power, said

that the 1998 range of rate of return for the other utilities is between 10 and 11.5 per cent.

"We feel that it's very important for us to be in line with the other Canadian utilities," he said. "We have to be able to compete with those other utilities."

Mr. Hughes added that a reduction in the allowed rate of return was fair to customers, given the current general economic conditions. Long-term interest rates have declined since the 1996 rate hearing, and have remained at approximately six per cent.

Charging up the Opportunity Fund

By KIMBERLY McDONALD

Newfoundland Power added a \$100,000 jolt to The Opportunity Fund's goal on April 13, helping push the total private sector support to the \$21.5 million mark. This undesignated contribution is spread over five years and will be applied to the campaign objectives of increasing scholarships, enhancing teaching and research initiatives, and improving student services.

"As the province's only university, Memorial plays a role in Newfoundland Power's success."


Philip Hughes, president and chief executive officer of Newfoundland Power, announced the gift and noted the importance of Memorial University to the community.

"As the province's only university, Memorial plays a role in Newfoundland Power's success," said Mr. Hughes. "Our company functions under the leadership of many Memorial alumni, our employees are active participants

in part-time studies, and the Centre for Management Development is an invaluable resource."

Contributions such as Newfoundland Power's will help The Opportunity Fund reach its \$25 million private sector goal, said Memorial President Dr. Arthur May.

"Although we only launched The Opportunity Fund in March 1997, it is already having an impact on the university community," said Dr. May. "We have been able to triple the number of high school students who received early offer entrance scholarships. New research chairs have been established in various disciplines, including engineering and information technology, earth sciences, and women in science and engineering."

Chancellor and campaign chair John C. Crosbie thanked Mr. Hughes and Newfoundland Power for this gift and noted that it was appropriate to see a company which plays such a significant role in every Newfoundland community show its support for Memorial. Mr. Crosbie also noted that the Newfoundland portion of The Opportunity Fund is going well and credited the hard work of the Newfoundland volunteers, Victor Young, Charlie White and Sam Walters. 



SANDRA KELLY

Fortis — Major sponsor of '99 Canada Winter Games

Monday

By PAMELA GILL
The Western Star

Telegram May 25/98

CORNER BROOK — Fortis has announced its sponsorship of more than \$300,000 for the 1999 Canada Winter Games.

Stan Marshall, president and chief executive officer, made the announcement at a press conference in the Fortis-owned Holiday Inn Friday.

"Fortis and Fortis Group of Companies are proud to demonstrate their commitment to the development of youth through sport and the value of investing in our communities.

"We hope that our sponsorship will assist in the realization of dreams for the athletes, coaches, friends and families of the 1999 Canada Games," said Marshall, who also sits on the 1999 Canada Games' Board of Governors.

Fortis Properties and Newfoundland Power will also contribute to the sponsorship.

The Holiday Inn Corner Brook will act as the official host broadcast hotel for the Games.

Newfoundland Power will provide the installation of temporary electrical services during the Games, as well as 20 computers for Games office staff over the next nine months.

In addition to acting as a major sponsor, Fortis will also sponsor the 1999 Canada Winter Games Pin Trading Centre, open to athletes and community members.

The corporation's generosity wasn't too much of a surprise to Tourism Minister Sandra Kelly.

She pointed out other contributions Fortis has made, such as its support of the Cabot 500 celebrations and the sponsorship of the five-part CBC series *East of Canada*, which chronicles the history of Newfoundland as a colony, country and province.

"Fortis has a deep appreciation for our heritage, daily living and new opportunities ..." said Kelly.

Wayne Trask, president of the 1999 Canada Winter Games Host Society, agreed.

He noted the corporation's dona-

Nothing wrong with dams says Nfld. Power

*The Shoreline News
May 25/98*

Some residents in the Topsail Pond area were worried they would be flooded out this year. One person said there was even too much water for the ducks. Not to worry says Newfoundland Power, there is nothing wrong with the intake or feeder dams along the Topsail substation.

Two dams along the headwaters, including one at Paddy's Pond, feed the dam at Topsail Pond, part of the flume system which activates the Topsail substation.

"Ultimately all the water ends up at Topsail Pond and it has been very close to overflowing the banks. Residents in the area say water levels were never this high before they put in the new dam last year," says Paradise Councillor Gerry

Power who has asked the town council to pursue the matter.

Bob Pike of Newfoundland Power attributes the high water levels to the amount of precipitation this spring, which he says has far exceeded normal levels.

"We had a normal month's amount of rain for April in two days and more than a normal month's rainfall for May in two

weekends," says the spokesman for the utility. "Our water levels are actually higher throughout the watershed area. Most of us think that it has been a mild winter with little precipitation but we have had a lot of rainfall."

He assures residents that there is no problem with any of Newfoundland Power's infrastructure in that area.



KEN GEORGE, FRI

(Fellow of the Real Estate Institute of Canada)

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THE REGION

Wednesday, May 27, 1998

The Western Star Page 3

Community helping business group meet goals

By PAMELA GILL
Star Staff Writer

CORNER BROOK — If there's one thing Dave Chaffey has learned over the last year, it's that working together makes things a lot easier.

As chairperson of the Corner Brook Downtown Business Association, Chaffey has had the opportunity to work with many community organizations in realizing the dream of a revitalized downtown core.

"There's been a lot of activity between the association and other groups," said Chaffey at Tuesday night's annual general meeting of the downtown business association. "It's allowed us to share ideas and to progress at a faster rate in accomplishing our goals."

Groups that have helped the association in its endeavors include the city's Business, Industry and Tourism (BIT) Board, the Corner Brook Chamber of Commerce, the Corner Brook Stream Committee, Ducks Unlimited, Cabot 500, the Corner Brook Museum Society and Crime Stoppers, just to name a few.

The latest to come on board is Academy Canada, explained Chaffey.

The school's law and security students have created Citizens on Patrol — students will patrol the city's green spaces, park trails and restored areas to keep a check on vandalism and other crimes.

If the service is approved by the city and the Royal Newfoundland Constabulary, the patrol members will be responsible for recording and reporting all suspicious activity, recording descriptions of people and vehicles that seem suspicious, contacting the RNC immediately if a crime or evidence of a crime is discovered, protecting crime scenes until an officer arrives, and assisting police when requested.

ears of the police," said Chaffey.

Councillor Charles Pender, the city's liaison with the downtown business association, said council is also working hand in hand with the association.

By improving the city's downtown core, said Coun. Pender, the association is drawing new people to the area. That means more dollars are spent here, and as a result, jobs can be created.

"It's a long-term return," he said of the revitalization project. "And it also enhances the area for the whole community."

Chaffey said he's confident that municipal, provincial and federal governments are beginning to come around.

"I feel we have the ears of the politicians, although we don't have the purse strings," he said.

The fact that politicians are actually listening to what the association has to say is probably due to the public recognition it has been getting, said Chaffey.

"People are starting to see that Corner Brook businesses are not just self-centred — we're not just in this for ourselves," he said. "We're part of the community too. We do feel responsible for our city. We realize that when the community pulls together we can get things done."

The Corner Brook Downtown Business Association also elected its new board Tuesday night. The executive, serving the second year of a two-year term, is Dave Chaffey, chairperson, Gary Bennett, vice-chairperson, and Sybil Steele, secretary/treasurer.

Directors serving the second year of a two-year term are Lou Aileen, Ted Reader, Kevin Arbuckle and Lloyd Bennett. New directors are Fred Aileen Jr., Sheila Graham, Beverley Penney, Brenda Starks and Harvey St. Croix.

The liaison for the Corner Brook



The draft plans for the Downtown Business Association's gazebo were presented at the organization's annual general meeting Tuesday night. From back to front are

Croix, Newfoundland Power, and Sybil Steele, secretary/treasurer of the association. The gazebo will be built on the Majestic lawn this summer as part of the project.

Fortis announces \$300,000 Games sponsorship

By STEVE SHARPE
The Log

The newest contributor to the 1999 Canada Winter Games is the Fortis Group of Companies.

Stan Marshall, president and CEO of Fortis, announced that the company will become one of the major sponsors with more than a \$300,000 contribution to the event.

"The Fortis group of companies is deeply committed to the communities in which we live and operate," said Marshall.

"We believe that by supporting the Winter Games we are supporting the development of our youth through sports. We also believe that this sponsorship is an investment in our communities."

Fortis is providing office and hotel space for the Games in Fortis Tower, the Millbrook Mall, the Holiday Inn - Corner Brook and in St. John's.

Newfoundland Power will support the games by installing temporary electrical services, providing access to vehicles and equipment in assisting the hanging of banners and equipment.

Newfoundland Power will provide 20 comput-



STEVE SHARPE, LOG

On Friday, Fortis announced its support for the 1999 Canada Winter Games with a sponsorship valued at more than \$300,000. Stan Marshall, president and CEO of Fortis, announced the sponsorship along with Sandra Kelly, Minister of Tourism, Culture and Recreation. Also on hand for the announcement was Wayne Trask, president of the Games Host Society and Corner Brook Mayor Dave Luther.

ers to be used by the Games staff and will provide additional computers during the Games.

Fortis will also be the sponsor of the Fortis pin trade centre, to be located in the Millbrook Mall.

The centre will be open to athletes, the public and visitors who would like to take part in the popular past time of trading pins. The Holiday Inn has been designated the official host of the broadcasters during the 1999 Canada Winter Games.

Sandra Kelly, Minister of Tourism, Culture and Recreation, extended her appreciation towards Fortis for their outstanding commitment to the Corner Brook 1999 Winter Games.

"We are so proud that corporate Newfoundland and Labrador is helping us lay a solid foundation for the most prestigious and multi sport and cultural event in Canada next year," said Kelly.

Kelly added that the Fortis group has supported Newfoundland and Labrador at events like the Cabot celebrations and the five part CBC documentary, *East of Canada*.

"Fortis is a company with a well established track record of maximizing opportunities and the 1999 Canada Games is a paramount opportunity for

Newfoundland and Labrador... this is a company that routinely branches out to support initiatives that showcase Newfoundland and Labrador," said Kelly.

Humber Log, May 27th, 1998

NDA RECEIVES EARTH STATUS

EnviroFest '98

A gathering at Notre Dame Academy (NDA) in Grand Falls-Windsor June 4 was a celebration of the environment.

Hundreds of people visited the booths around the school's gymnasium during EnviroFest '98 to learn information about the environment and related topics.

The evening was part of a Newfoundland Power initiative, as part of the utility company's commitment to the environment, and the goal of EnviroFest '98 is to promote the protection and enhancement of the province's environment.

Across the province, Newfoundland Power partnered with more than 60 community and school groups to put off EnviroFest '98 activities.

But for NDA, the evening also marked a special occasion, as the school recently achieved Earth status as part of its global education about the environment. To achieve this level, the school completed 1,000 environment projects. NDA joins only two other schools in the province to achieve this level – the first being in Port aux Basques, and the other is Helen Tulk Elementary in Bishop's Falls.

Rosemary Fowler, NDA principal, told the crowd that achieving this level shows NDA's commitment to the environment, and how much importance the school places on the movement.



The Department of Health and Community Services has been actively promoting Safe Kids Week throughout the region. It encourages parents and children to practice safe home and play environments. Public health nurse and injury prevention committee member, Marilyn MacGillvary, explains the importance of wearing helmets.



NDA has become an Earth status school, which means they completed 1,000 environmental projects as part of the school's global education program. Accepting the certificate from Grand Falls-Buchans MHA Anna Thistle, who was representing Environment Minister Oliver Langdon.



Also marking the occasion of becoming an Earth status school, Grand Falls-Buchans MHA Anna Thistle presented the school with a certificate from her and the district's constituents. Representing the school was Stephanie



Newfoundland Power Donation

Verbon Hewlin, manager western region of Newfoundland Power presented a \$1,000 donation to Charmaine Wight and Pat Jorgenson, members of the Committee Against Violence. The contribution was made in honor of Consumer Advisory Council member Alice Dicks, in recognition of her six years of service to the council.

Wendy Houlihan photo

Advertiser, June 8th

Telegram - Tuesday - Jun 16/98

Survey to determine cause of turbine fire

GRAND BANK (Correspondent) —

A preliminary survey gets under way here today to determine the cause of a fire at the Green Hill gas turbine generating station Monday afternoon.

Newfoundland Power spokesman Bob Pike said if the turbine cannot be repaired, it could cost as much as \$5 million to replace.

The fire broke out shortly before 1 p.m. and was confined to the gas turbine.

Pike said the generator is driven by a Rolls-Royce jet engine, which sits in a building beside the main structure.

"We will more than likely have to bring in personnel from Rolls-Royce in the U.K. to really evaluate the damage from the fire and heat, to establish

whether or not the engine is damaged beyond repair."

Pike said it may be possible to repair it on site or have it shipped to the U.K. for a major overhaul.

"The worst-case scenario is if the engine can't be salvaged. ... We could be looking at a replacement cost of up to \$5 million."

Burin Peninsula residents should not be unduly affected by the loss, however. There is a second turbine to provide emergency service. The turbine, small generating stations on the peninsula and a second transmission line should be sufficient to handle any emergency.

Pike said it's too early to say how soon the backup generating plant can be up and running.

SOCIALS

The Compass

June 30/98 - Tuesday

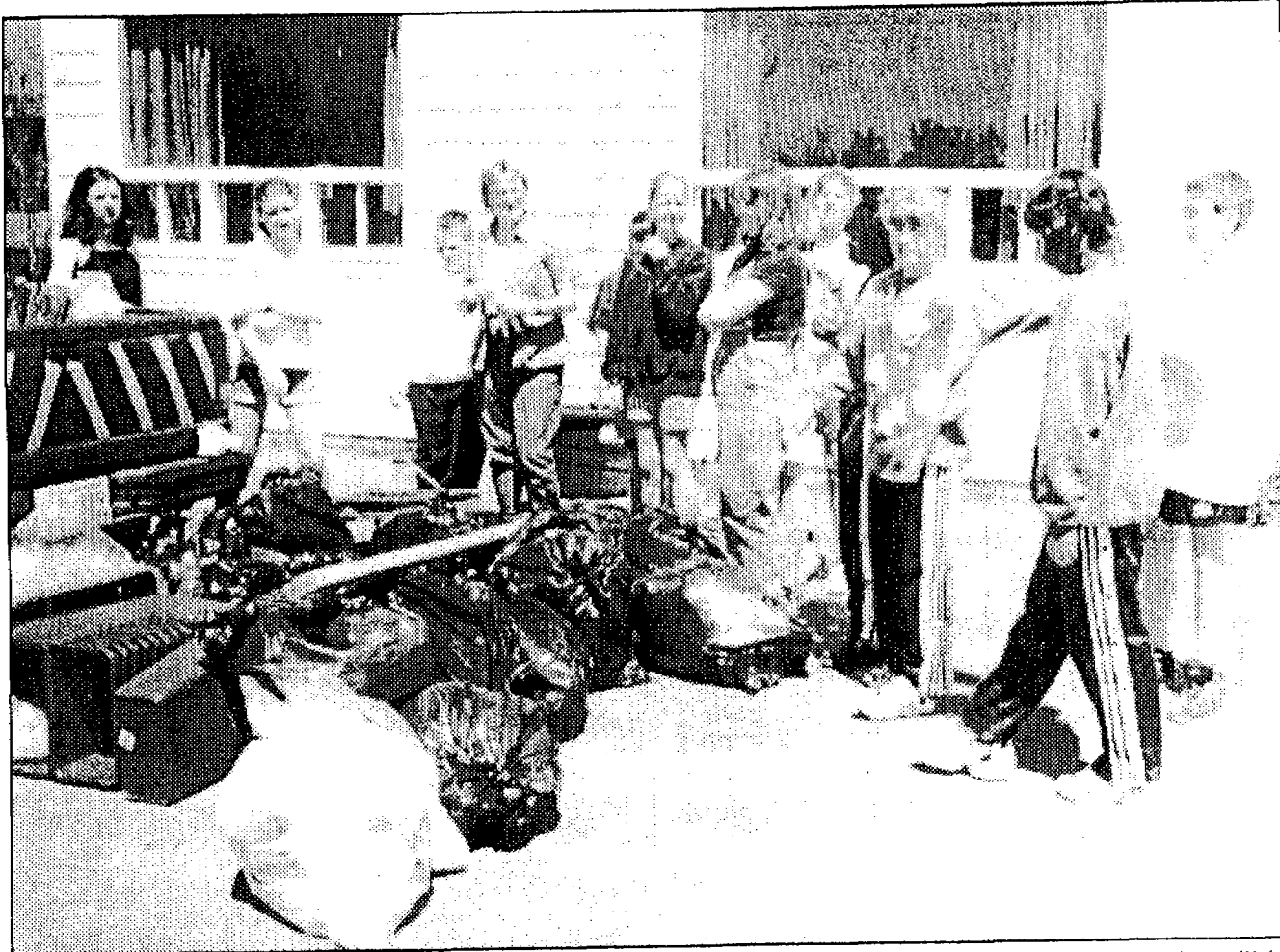
JUNE 30, 1998 • PAGE B6 • THE COMPASS

Donation



The Compass

HELPING CANCER PATIENT - John McCarthy of Carbonear accepts a \$1,000 cheque from Geoff Moore of Newfoundland Power and Carbonear Fire Chief Fred Earle Jr. The cheque represented the proceeds from a car wash held June 20, and sponsored jointly by the Fire Department and Newfoundland Power. McCarthy accepted the donation on behalf of his 15-year-old son Joey, who was diagnosed with leukemia on March 6. Joey was in a St. John's hospital undergoing treatment and was unable to attend the June 24 presentation at the John T. Pike Fire Hall. The contribution will help with expenses associated with his medical condition. Geoff Moore, who organized the car wash, said the 22 firefighters and Newfoundland Power staff who took part are "very proud of what they have done to help the McCarthy family." Special thanks to Fong's, Noel Motors, Red Circle, Nfld. and Lab. Credit Union, T.C. Square, CHVO and John Ford.



Newfoundland Power recently partnered with Clarenville Middle School Grade 6 classes to promote the environment and safety. On Friday, June 12 the students collected 32 bags of garbage around the school property. Newfoundland

Power donated recyclable containers which will be used to collect recyclables at the school.

Supplied photo

.....The Southern Gazette - Tuesday - July 7/98

98 July 07

PENINSULA NEWS

Theft concerns power company

The RCMP have charged three local men with possession of stolen property in relation to copper grounding cable stolen from the Linton Lake and Marystown sub stations of Newfoundland Power.

All three men will appear in provincial in September to answer to the charges.

Close to 300 pounds of copper was recovered by police Thursday night.

The theft of the grounding cables from the Marystown Site left a tower without any grounding. Had this not been detected by Newfoundland Power before the electrical storm June 26, it might have resulted in a disaster.

Newfoundland Power expressed its concern over the theft and the illegal access to the two sub stations, pointing out not only could a major outage result but it could mean tragic results for children.

The Marystown sub station had a large gap in the chain link fence cut open which could have allowed children into the area causing a safety concern.

Western Star, July 7th

Electricity rates up slightly

ST. JOHNS'S — Electricity rates edged up by .4 per cent as of July 1, as the result of an adjustment to Newfoundland Power's rate stabilization fund.

Spokesperson Donna Hynes said that will mean an increase of about 20 cents a month on a bill of \$50.

Hynes said the adjustment does not mean any additional revenue for the company. Instead it goes directly into the stabilization fund.

The Compass
98.07.14

MODEL AIRPLANE DONATED

Newfoundland Power donates a model airplane to the 589 Royal Canadian Air Cadet Carbonear Squadron. The presentation was made by Sean LeCour, regional manager, Newfoundland Power. From left, Capt. Blair Noel, Sgt. Stephen Oates, AC Stephen George and LeCour.



WESTERN STAR July 14th

Newfoundland Power board visiting corporate customers in city this week

CORNER BROOK — Visits to Corner Brook corporate customers will allow Newfoundland Power's board of directors to serve them better.

Newfoundland Power's board of directors began meetings in Corner Brook on Monday that will conclude on Wednesday.

The company's directors will visit corporate customers to gain an appreciation for customer service needs, reliability of supply issues and general economic con-

ditions of the area.

"Newfoundland Power is dedicated to providing our customers with superior services," said Philip Hughes, president and chief executive officer of Newfoundland Power. "Ongoing customer visits by our management team are beneficial in providing us with feedback to improve our service, as well as to ensure that our programs are customer-focused."

Barry's Ltd., Atlantic Group Ltd.,

North Star Cement and Western Memorial Regional Hospital are all scheduled to be visited by the company's directors today.

Newfoundland Power holds board of directors meetings on a quarterly basis to address the company's strategic planning and development.

Newfoundland Power is the major distributor of electricity in Newfoundland, providing service to about 172,000 customers:

\$100,000 damage to power substation

By BERNIE BENNETT
The Evening Telegram

RCMP in Glovertown are investigating damage to the Newfoundland Power substation on the Trans-Canada Highway near Gambo.

Police said the culprits responsible gained entry to the facility around 4 p.m. Sunday and caused an estimated \$100,000 damage, resulting in power failure in the communities of Gambo, Glovertown and the Eastport peninsula.

They broke into a shed in the compound and cut ground wires that were connected to several pieces of equipment. A remote control terminal, which is used to monitor equipment from the substation to the control centre in St. John's, was damaged beyond repair.

Felix Murrin, eastern regional manager with Newfoundland Power, said the thieves used bolt cutters to gain access to steal copper wire, but the company

was more concerned about the danger it presented.

"The action was extremely dangerous and could have resulted in serious injury, or even death to the individuals involved, or to a member of the general public," said Murrin.

"Our No. 1 concern is public safety and the reckless and criminal action of these individuals left the substation accessible to children and the general public."

He said that in addition to the safety hazard the thieves created, almost 7,000 customers were without power from about 4:30 p.m. to 7:30 p.m. Sunday.

Customers west of Clarenville and east of Gaarder had their service temporarily removed while crews made repairs to the electrical system.

Newfoundland Power is offering a \$1,000 reward for any information leading to the arrest and conviction of the individuals responsible.

Newfoundland Power has community focus

Newfoundland Power is working to enhance its community partnerships.

"We realized we had to increase our efforts in this area following a survey in which we asked our customers to identify some charities we supported," said Philip Hughes, the company's president and CEO. "The list was short."

Hughes, along with Newfoundland Power's board of directors, was in Corner Brook last week for board meetings. They also toured the operations of some of the utility's business customers. He spoke at an informal gathering at Marble Mountain on Tuesday.

According to Hughes, Newfoundland Power's customers didn't associate Newfoundland Power with any charities. However, he pointed out that each year the company was spending \$150,000 in cash donations and an equal amount on in-kind donations to assist education, health, recreation, and cultural groups.

"Today, not only do we want to get directly involved with our community partners, but we also want our customers and the general public to know what we are doing."

Specific to Corner Brook, Newfoundland Power, along with other members of the Fortis Group of Companies, has joined the group of sponsors for the 1999 Canada Winter Games.

Newfoundland Power's contribution includes \$25,000 in cash, the supply of 20 computers, and the installation of temporary electrical installations for the "Games" events and centres.

Hughes also pointed out that the company's west coast general manager is the vice-president of facilities for the Games.

"We're very proud of (Hewlin's) commitment to the Corner Brook community through this event which will see more coaches and athletes than the 1998 Nagano Olympics."

On the provincial level, an example of Newfoundland Power's new community focus is its partnership with the Newfoundland and Labrador division of the Canadian Cancer Society, said Hughes.

He said the Cancer Society was chosen at its corporate charity based on feedback from employees

and customers. The company formed a three-year partnership to help the society deliver its new campaign - *Families Can Beat Cancer*.

"We are now providing much needed printing support for the cancer society's public education materials and are using our billing system for distributing brochures and collecting donations."

The Cancer Society has given a value to the contribution over the next three years of more than \$600,000.

Hughes said he is proud of that partnership and of the manner in which Newfoundland Power's family has joined the fight against cancer to better the lives of fellow Newfoundlanders.

"Since our partnership began, we've received very positive comments on our involvement with the Cancer Society and in the first four months of our partnership, approximately \$40,000 has been contributed to the *Families Can Beat Cancer* campaign."

"I'm confident our partnership is off to a great start."

Hughes went on to say that providing superior customer service is



Newfoundland Power's primary goal. He said the company made a number of improvements to its customer service functions in 1997 and it will continue that improvement.

Through quarterly customer research, he said, Newfoundland Power is able to remain current on the needs of its customers. Based on that research the company has returned

"Listening to our customers is paying off. Our customer satisfaction rating has increased from 70 per cent in 1996 to 85 per cent in the first quarter of 1998."

- Philip Hughes

to monthly meter reading; introduced additional payment options; and extended its call centre hours.

"Listening to our customers is paying off. Our customer satisfaction rating has increased from 70 per cent in 1996 to 85 per cent in the first quarter of 1998."

The company is also committed to ensuring a reliable supply of power for customers, said Hughes.

"We are aggressively using thermoscan technology as a preventive measure to detect and eliminate potential system problems before they affect our customers. This technology is proving to be very valuable in reducing unplanned outages."

Upgrading also continues on the company's electrical system. Hughes said mentioning that construction has started on a \$13 million, 6.1 megawatt hydroelectric plant at Ros Blanche Brook. Other improvements, such as maintenance on the Humber substation and insular replacements, also contribute to providing a more reliable supply of electricity to its Corner Brook customers.

"At Newfoundland Power we are committed to our customers. Be this through improvements to our programs and services ensuring a reliable supply of electricity, or supporting our communities, customer service is our number one priority."

2
Western Star
Saturday - July 25/98

A Steady Brook resident called the Roamer this week to pass on a couple of notes of thanks.

First to Newfoundland Power. She said there was a problem in the area and the company was very responsive. She said Newfoundland Power work crews repaired the problem quickly and even called with updates until it was fixed.

She also had words of praise for an attendant at the Esso station in the Elizabeth Street area. The caller said she ran out of gas Monday on the top of Elizabeth Street and walked to the nearby station for help.

The woman said the attendant provided a container and even another vehicle to get to the stranded car.

"She said it was too hot outside and wouldn't let me walk," the caller said. "It's pretty hard to find a good employee like that."

Community Happenings

Brought to you by

SWISS
(HALET.
ROTISSEUR & GÂTEAU



Star photo by Paul Northcott

Verbon Hewlin, right, Newfoundland Power's regional manager in western Newfoundland, recently donated \$500 to Karen Martineau, public awareness person for the Committee on Family Violence. The contribution was based on the recommendation of the company's consumer advisory council committee, represented by Graham Wheeler.



NF Power purchases the first ticket on Mazol Shriners 1998 Sweep for 1998 Cavalier automatic or Chevrolet S-10 Pick Up or \$15,000.00 cash, from Trinity Conception Shriner Noble John C. Butt. Lucky ticket to be drawn September 26/98. Other prizes include 2nd prize \$1000.00 and third prize \$500.00. Tickets on sale at T.C. Square for \$1.00 each until draw date. Left to right: Noble John C. Butt, T.C. Shrine Club. Mr. Darryl Butt, Customer Service Co-Ordinator Avalon Region NF Power sponsor of the tickets and Ill. Sir Herman A. Walters Potentate Mazol Shriners of Newfoundland and Labrador.

The Compass 98.07.28

July 29/98

Committee says Nfld. Power hypocritical

Company takes exception to negative comments

By CARMEL PARSONS
The Log

The Community Free of Pesticides Committee has charged that Newfoundland Power, through using 2,4-D, are hypocrites.

But the company takes exception to some of the comments made by the committee stating that it takes its commitment to the environment seriously.

The committee says it's disappointed the electrical power utility company has again decided to apply herbicides on power line corridors throughout the province despite its lobby efforts to find alternative ways to control vegetation growth.

The active herbicide ingredient being used by the company is 2,4-D which a report of the Canadian Cancer Society indicates is a chlorophenoxy herbicide which the International Agency for Research on Cancer has concluded is a probable human carcinogen.

According to the committee, the 2,4-D has been linked to non-Hodgkin's lymphomas, one of the fastest growing forms of cancer in North America.

It is very hypocritical and a major contradiction for Newfoundland Power to be actively supporting the Newfoundland and Labrador Division of the

Canadian Cancer Society, the committee charged.

"How can they do this with a clear conscience when through their herbicide applications they are actively using a 'probably carcinogen' and are putting our health and the environment at risk?"

Bob Pike, communications manager for Newfoundland Power, said he doesn't feel very good that someone is questioning his company's integrity by applying this chemical while at the same time supporting the Canadian Cancer Society.

"The program we have in place abides by and is strictly regulated by all fed-

eral and provincial requirements. Anything we use is registered and approved through the National Test Management Regulatory Agency of Canada and also through the provincial government."

Pike said he has documentation which states that 2,4-D has been reviewed by expert panels throughout Canada, the United States and Europe, nine times in the past 10 years and all nine reviews have reached the conclusion that research has not established a cause and effect relationship between 2,4-D and cancer.

He said the company needs to control vegetation

growth on its power line right-of-ways for both safety and supply reasons. He pointed out that growing trees could hit lines causing power outages. As well, if a tree touches a line, someone could be electrocuted if they touched that tree.

"At Newfoundland Power we take our commitment to the environment and to health and safety of our community members very, very seriously."

Pike indicated he did receive a letter from a member of the committee, Bob Diamond, in September 1997 at which time Diamond outlined the committee's concerns.

Pike said he forwarded

that letter on to the provincial Environment department who responded to the concerns outlined. He said he then forwarded a response to Diamond along with the department's response and indicated company officials were prepared to meet with Diamond and discuss the issue further.

According to the Newfoundland Power spokesman, Diamond has yet to respond.

"I'm proud of how environmentally conscious we are as a company and the type of comments they are making are totally unwarranted and not supported."

Newfoundland Power must rebate customers

By CRAIG JACKSON

ST. JOHN'S — The Public Utilities Board has ordered Newfoundland Power reduce its rates by two per cent effective Sept. 1 and rebate customers.

The private utility, owned by Fortis Inc., must also ensure the rebates are retroactive to Jan. 1, 1998 up to the last billing date in August this year.

Customers must be refunded by Oct. 31 this year.

The board estimates Newfoundland Power's revenue will be decreased by \$7 million, meaning the average non-electric heat customer would see annual savings of about \$20.

But consumer advocate Dennis Browne, the St. John's lawyer who successfully convinced the PUB that Newfoundland Power's rate of return should be lowered, said Friday the lower rates will be more noticeable for larger electricity users, such as hospitals, municipalities and schools.

"Today, we're quite pleased with the result," he told reporters during an afternoon news conference at Confederation Building.

"Consumers for the first time in recent memory will see a reduction in their electricity bills."

The PUB, which held 15 days of hearings in early summer to review an appropriate rate of return and capital structure for the private utility, also ruled Friday that Newfoundland Power's rate of return for shareholders be 9.25 per cent on the dollar — much less than the 11.25 per cent shareholders were earning.

Browne argued during the hearings that Newfoundland Power's rate of return not exceed nine per cent.

Basil Kalymon, a professor of

finance at the University of Toronto, an expert retained by the consumer advocate, recommended a rate of 8.5 to nine per cent.

Newfoundland Power's submission to the PUB is that the rate should be 10.38 per cent. The private utility argues that its recommended rate of return is the mid-range of most other regulated Canadian utilities.

Newfoundland Power's expert witnesses say the utility should actually be earning between 10 per cent to 10.75 per cent.

Ralph Winter, a professor of economics and finance at the University of Toronto, and William Waters, a Toronto economist, recommended to the PUB that Newfoundland Power's rate of return be set in the range of 8.25 to nine per cent.

Philip Hughes, Newfoundland Power's president and chief executive officer, said Friday the utility is extremely disappointed with the PUB ruling.

"The board's decision will make it very challenging for Newfoundland Power to continue to attract the investment capital necessary to provide our customers with safe, reliable electrical service," he said.

The company believes the PUB ruling puts it at a disadvantage with other regulated Canadian utilities.

Hughes said the board's decision comes at a time when the private utility is investing \$41 million in capital projects to enhance the reliability of its electrical service to customers.

Newfoundland Power maintains more than 9,300 kilometres of power lines and provides electrical service to 172,000 customers throughout the province.

Definitely

Aug 11/98

The Western Star



KEITH GOSSE/The Evening Telegram

Consumer advocate Dennis Browne (left) speaks to journalists after the PUB ordered Newfoundland Power to reduce its rates by two per cent. At right is lawyer Marc Kennedy.

PUB: Utility must pay

Reduction and rebates ordered

By CRAIG JACKSON

The Evening Telegram

Saturday - ~~July~~ Aug 1/98

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Ralph Winter, a professor of eco-

Please see RULING, page 2

Ruling creates disadvantage, says utility

E. Telegram

Continued from page 1

Saturday, Aug 1/98

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province.

Hughes said the company will now have to look at all aspects of its operations, both capital and operating expenditures — including staffing levels — in light of the PUB decision.

"It's too early to say we're going to do A or B, but we're going to look at all those things," he said.

Browne doesn't buy the spin Newfoundland Power is putting on the PUB decision.

"They've taken the decision very poorly," he said, noting the PUB has sent a strong message to

Newfoundland Power.

"No longer can the utility come forward and demand and threaten and scare monger in order to get what the utility believes is its just desserts."

The PUB, meanwhile, also examined whether it would be appropriate for the board to implement an automated adjustment formula, meaning the board would have the authority to adjust Newfoundland Power's rate of return in conjunction with economic fluctuations.

The board has decided to address that issue again during fall hearings.

NF Power disappointed

Newfoundland Power is extremely disappointed with the Public Utilities Board's ruling, says Philip Hughes, president and CEO.

"The board's decision will make it very challenging for Newfoundland Power to continue to attract the investment capital necessary to provide our customers with safe, reliable electrical service," Hughes says.

The Public Utilities Board announced July 31 its decision to reduce the company's allowed annual rate of return from 11 per cent to 9.25 per cent.

It goes on to say the board's decision comes at a time when Newfoundland Power is investing \$41 million, an increase of one-third over 1997, in capital projects to enhance the reliability of electrical service to its customers.

Company issues warning to swimmers

Swimming near hydroelectric stations is a dangerous way to cool down, warns Newfoundland Power.

"Those who participate in water activities near generating facilities are putting themselves at great risk," says Bob Pike, manager of Newfoundland Power communications. "Water levels and flows change quickly near hydro facilities. This can create a strong underwater suction that can overpower even the strongest swimmers."

Hydroelectric stations use water intakes and gate structures to control water levels and flows. These stations are automatically controlled and

may cause water conditions to change quickly, without notice to those nearby.

Newfoundland Power is very concerned about the safety of community members. At this time of year, we are particularly concerned with the safety of people swimming and boating close to our hydro stations," he says.

To discourage unsafe activity, the company has erected fences, posted signs and asked employees, town councils and the police to patrol the area. More than half of the company's hydroelectric facilities are close or within community limits.

The Express - Friday - Aug 14/98



The Newfoundland & Labrador Environmental Association, Inc. wishes to express our sincere appreciation to Newtel Communications, Newfoundland Power and their contractor for an exceptional job of replacing pole lines in the Cape Shore, Placentia Bay area this summer. The poles we're replaced with a very minimum amount of disruption to the surroundings. In particular, the care and concern apparent in protecting the stand of birch trees along the roadside on the south side of Ship Cove is remarkable.

It is encouraging to recognize that these companies place such value on maintaining the beauty and integrity of the Newfoundland landscape.

Again, accolades to Newtel Communications and Newfoundland Power. Your consideration is appreciated.

Newfoundland and Labrador Environmental Association, Inc.

Saturday,
September 5th /98.

Packet Sept 07

**NEWFOUNDLAND POWER
& CLARENVILLE CUB
GROUP PARTNERING
TO PROMOTE
THE ENVIRONMENT**



Fred Norris, President Second
Clarenville Kinsmen Group
Committee accepting a dona-
tion from Gillian Moulton,
Newfoundland Power.

PATTERSON PALMER HUNT

The Western Star Oct 20 1978

LETTERS TO THE EDITOR

Putting a value on work

Dear Editor: Two interesting articles appeared in your October editions that I believe deserve some thought.

The first story said general practitioners will receive a pay increase bringing their salaries into the \$100,000 to \$120,000 range. The Oct. 7 edition said the CEO of the private power company received an increase of \$30,000, bringing his income to \$300,000.

Perhaps it is time that we look at some of our professionals, their work and responsibilities.

There is no doubt that for a person to receive a licence to practice medicine, requires about 10 years of study and training, and at today's costs, a graduating doctor ends up with at least a \$100,000 in loans.

Then there's the huge cost of insurance and other licences that must be purchased each year, so that when a person goes to a doctor, he is expected to cure one's illness or prescribe something that will.

In other words, we are in their hands and their responsibility.

On the other hand, how much training and education does one need to manage a company that has a guaranteed number of customers, with no competition, and therefore can practically set a rate for his product so he can never lose money.

There are thousands of CEOs or managers across this land who have no guaranteed customers, but all kinds of competition, and do not receive an income in the hundreds of thousands of dollars.

But what surprises me is the high rates that we are paying for electricity in this province. We are not like the

province of Ontario who spent \$34 billion dollars to build nuclear power plants.

In this province our largest source of power comes from Bay d'Espoir and the first 300,000 horsepower that was built by Brinco and cost the people of Newfoundland only \$67 million dollars.

I do not know how much the remaining 300,000 horsepower cost, but by the year 1972, they had built 1,500 miles of transmission lines that supplied electricity to 99% of the island's population.

The CEO of Newfoundland Power apparently believes he did a good job by eliminating a number of his employees and is therefore entitled to an increase in salary.

That gentleman appears to me much like our politicians, who after they get elected give themselves large incomes and pensions, and in return, we get massive unemployment.

I believe it's about time that we recognized the value and importance of our professional medical team, and brought back into line with everyday private business those who manage our resources.

Ted Shears, Rocky Harbour

DEER LAKE NEWS

Donation helps kids learn

By COLLEEN LEWIS
The Log

DEER LAKE - A recent donation of \$25,000 from Newfoundland Power will help teach kids to Learn not to Burn.

The money will provide books, brochures and videos in order to implement the program for all students in Kindergarten to Grade 3, according to John Dinney, director of region 5 from Burgeo to Deer Lake.

Wilson Wiseman, president of the Newfoundland Association of Fire Chiefs and Firefighters, says presently only 56 per cent of the province's children have access to the program.

Dinney says teaching the younger children usually works better than teaching the older children.

"They are more the enforcers than somebody in Grade 11 or 12. They are so serious over the stuff

and they just devour the information," said Dinney.

The children learn escape techniques and dos and don'ts of fire prevention.

Dinney says it is not the first time Newfoundland Power has been involved in fire prevention.

The company's sponsorship follows a three-year



Members of the 1998/99 executive of the Newfoundland and Labrador Association of Fire Chiefs and Firefighters accept a \$25,000-donation from Newfoundland Power to expand the Learn Not To Burn program into all elementary schools in the province. Holding the sym-

bolic cheque are: Roger Grimes (left), education minister; Wilson Wiseman, president, firefighters association; Philip Hughes, Newfoundland Power president; and Art Reid, municipal affairs minister.

Now You're Cooking program.

The campaign offered cash rebates on deep fryers in order to prevent fat fires. Since 1994, the number of

fat-related fires has declined by 50 per cent.

Last year was the first time there were no fat fire-related deaths in Newfoundland.

"Our corporate support for the Learn Not To Burn program is grounded in our commitment to education and safety," said Philip Hughes, president and CEO of Newfoundland Power.

"We feel the time has come for us to shift our attention to educating our future generation on fire prevention."

The program was established in 1993 through a partnership between Fire Prevention Canada, the Canadian Tire Child Protection Foundation and the National Fire Protection Association.

According to information released by the Department of Municipal and Provincial Affairs, since July 1997 there have been 47 lives saved in Canada due to lessons learned from the program, including three from Newfoundland.

RATES

PUB gets set for hearings

BY PAT DOYLE

The Telegram

Saturday - Oct 24/98

A public hearing will be held Monday on Newfoundland Power's application to issue up to \$60 million in long-term bonds.

It will be the first of three public hearings scheduled to begin over the next three weeks by the Public Utilities Board (PUB), two concerning Newfoundland Power and the other dealing with Newfoundland and Labrador Hydro Corp.

Newfoundland Power's bond application was originally scheduled to be heard Oct. 5.

The utility is seeking permission to issue First Mortgage Sinking Fund Bonds in the principal amount of up to \$60 million for a term of 25-35 years at an interest rate between six and eight per cent.

However, three days before the hearing was to start, the Canadian Bond Rating Service (CBRS) announced it had downgraded the credit rating on

the company's First Mortgage Bonds to A (low) from Single A and on its Preferred Shares to P2 from P-2 (high).

The CBRS also said, however, that the rating outlook remains stable.

At the time, Philip Hughes, Newfoundland Power's president and chief executive officer, said the company had concerns about the impact of the lowered rate on the company's ability to finance a capital program.

Postponement granted

As a result, the utility asked for and was granted a postponement of the PUB hearing so it would have time to assess the situation. The session was rescheduled for Oct. 26.

Meanwhile, the PUB has announced it will hold a public hearing Nov. 5 to deal with Hydro's request for approval of its 1999 \$40-million capital expenditure budget.

The board has advised that "any or all customers" of Hydro may be affected by the proposed capital expen-

ditures.

Hydro's proposed capital expenditures for next year include: generation, \$6.9 million; transmission, \$14.8 million; rural systems, \$14 million; general properties, \$3.1 million; and contingency fund, \$1 million.

On Nov. 9, the PUB will begin a public hearing it called to deal with various matters affecting the rates, tolls and charges and rate of return of Newfoundland Power.

The session is being held to address a number of matters left over from a 1996 hearing, as well as from a two-week hearing held earlier this year.

The PUB has given notice that this hearing may result in rate changes to customers of Newfoundland Power as well as to Hydro customers whose rates are based on the rate schedule of Newfoundland Power.

Since the pre-conference hearing which set the Nov. 9 start date, Newfoundland Power filed an application with the PUB for a 1.48 per cent rate increase to be effective Jan. 1, 1999.

It said that for the average residential customer it would mean an increase of \$1.73 per month.

The utility said that, like any other business, it must be able to pay its bills and the 1.48 per cent is necessary to pay for upgrades to the electrical system and for "significantly increased regulatory costs."

Profit will not increase

However, "Newfoundland Power's profit level, the lowest of all Canadian regulated utilities, will not increase as a result of the 1.48 per cent increase," the utility is telling its customers in a newsletter being sent out with current bills.

After the hearing held in late May and early June, the PUB reduced Newfoundland Power's rate of return to 9.25 per cent from 11.25 per cent for 1998.

The utility was also ordered to give customers a rebate of the higher rate that was charged from January through August.

First of two Newfoundland Power hearings slated to get under way on Monday

By PAT DOYLE

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Heaton & Co. - Saturday Oct 24/98

BUSINESS IN BRIEF

ST. JOHN'S

Utility given permission to issue bonds

The Public Utilities Board has granted Newfoundland Power permission to issue up to \$50 million in long-term bonds.

The board heard the utility's application Monday and issued an order Tuesday approving the request.

However, a company spokeswoman told The Telegram the date of issue of the bond and other details will not be known until after the board of directors finalizes the matter, likely next week.

The initial application to the PUB was for a bond issue of up to \$60 million and was to have been heard by the PUB Oct. 5. However, after the Canadian Bond Rating Service downgraded the ratings on the company's First Mortgage Bonds and Preferred Shares on Oct. 2, the hearing was postponed at the company's request.

When the application was heard Monday, the company had changed the request to \$50 million.

E. Tel - Wednesday - Oct 28/88

PUB

Power rebate sought

Consumer advocate cites report on excess earnings

BY CRAIG JACKSON

The Telegram

Saturday Oct 31/98

An independent consultant hired by the Public Utilities Board (PUB) has concluded Newfoundland Power did have excess earnings in 1992 and 1993.

Now, the PUB will have to decide whether Newfoundland Power should issue a rebate to its customers.

The Grant Thornton financial firm states in its report to the PUB that the private utility earned about \$3.5 million over and above approved PUB rates.

The company makes three recommendations to the PUB:

- The excess earnings be rebated to the consumer.



Dennis Browne

- The \$3.5 million be used in order to reduce Newfoundland Power's revenue requirements, which would, in effect, reduce or eliminate the utility's \$4.6-million rate increase application currently before the board.

- Or allow Newfoundland Power to retain the excess earnings.

"It would not be in the public interest for the board to allow Newfoundland Power to retain excess earnings in these circumstances," consumer advocate Dennis Browne said Friday.

Browne said the excess earnings should be rebated to customers.

The excess earnings and rate hike application will be among many items discussed at PUB hearings which begin Nov. 9.

Browne and his legal counsel, Mark Kennedy, first raised the issue of the company's excess earnings during PUB hearings in 1996, at which time they recommended the board ask the Newfoundland Supreme Court of Appeal to review the issue.

The PUB agreed. The appeal court ruled earlier this year that Newfoundland Power did have excess earnings in those years and made recommendations to the PUB similar to those made by Grant Thornton.

Browne strongly believes there's a direct correlation between Newfoundland Power's \$4.6-million rate hike application and the company's \$3.5 million in excess earnings.

See RATE, page 2

Rate hike intended to offset rebate, pair say

Continued from page 1

Both Browne and Kennedy believe the Fortis Inc. subsidiary is merely going for the rate hike to offset the excess earnings it may have to pay back to its customers.

Kennedy said it's obvious the excess earnings have already been paid out in dividends to Fortis Inc.

The excess earnings are not "sitting in a bank account somewhere," he said.

If the PUB were to order the company to rebate customers to the tune of \$3.5 million, Newfoundland Power would have to reach into its own pocket, taking money it would normally send to its shareholders for 1999, Kennedy said.

Newfoundland Power disagrees with the correlation drawn by the consumer advocate's office, arguing there's no link between the rate hike application and excess earnings.

Bob Pike, Newfoundland Power's corporate communications manager, said the PUB in 1992 and 1993 allowed the company to retain what is now being deemed excess earnings.

It appears the current board will have to decide whether to uphold the former board's decision, he said.

Browne said it's ironic that Newfoundland Power suddenly requires an

additional \$4.6 million from its ratepayers.

During PUB hearings in May and June this year, Newfoundland Power did not indicate it had intentions to seek the rate increase, which would be effective Jan. 1, 1999, he said.

Browne said it's also striking that Philip Hughes, Newfoundland Power's president and chief executive officer, made it clear in February that his company would not be looking at a rate increase in 1998.

"The idea is to hold the line," Hughes was quoted as saying at the time.

Pike said the current rate hike application, if approved, will not increase the profitability of Newfoundland Power.

The rate increase is designed to help the company pay for capital expenditures to the tune of \$36 million in 1999 and \$41 million this year.

The rate hike will also help the company recover \$1.3 million of the \$4 million it will spend in 1998 on regulatory costs associated with PUB hearings.

Kennedy said the PUB allows Newfoundland Power enough money to cover expenses and, above that, money that can go to company shareholders.

Both Browne and Kennedy don't believe the private utility's rate hike application is justified.

E. Telegram - Saturday - Oct 31/98

Municipalities fear, too

Continued from page 1

Peddle said hospital boards, for example, have been penny-pinching for the past number of years to achieve savings in an effort to provide services to the public.

"We have to live within the dollars that government has allocated to us," he said.

Peddle plans to make a presentation to the PUB during the public hearing process Nov. 20 on behalf of health and community services boards. The PUB hearings begin Nov. 9.

Brian Shortall, director of education with the Avalon East School Board, said his school district pays about \$2.8 million annually to cover electricity costs.

"You can imagine that 1.48 per cent of \$2.8 million is around \$40,000 or \$45,000 bucks," he said.

Unless the provincial government offsets the extra electricity costs, which is unlikely, "we'd have to find it from our other operating moneys," he said.

"So it's a real issue for us."

The other side of the coin is that school and hospital boards are not allowed to incur deficits at the end of a fiscal year.

The Avalon East School Board, for example, has already been grappling

"(The requested Jan. 1, 1999 increase is) during the dead of winter and it would have an adverse affect on the ability of hospitals, school boards and indeed ordinary citizens to control their own budgetary requirements."

*Consumer advocate
Dennis Browne*

with a higher than normal cost in electricity bills, likely due to computers running all night long.

As of June this year, the board's maintenance budget was in the red by about \$400,000 — in large part, it's believed — due to electricity costs.

Newfoundland Power's corporate communications manager Bob Pike said the utility understands times are tough for those public organizations, considering they're encountering funding cuts.

"I guess we too have to pay our bills," he said.

Pike said many of the company's costs are associated with capital programs which are aimed at improving electrical service reliability — essential to hospitals and schools. "We're continuing to do upgrades," he said.

Sam Synard, president of the Newfoundland and Labrador Federation of Municipalities, said Newfoundland Power's rate hike application couldn't come at a worse time.

"Any increase is difficult to absorb," he said. "Municipal budgets, almost without exception, are shrinking quite dramatically over the last three- to four-year period."

One of the bigger expenditures facing municipalities is the cost of electricity, he said.

Browne said Newfoundland Power is seeking to have its rate increase application effective Jan. 1, 1999.

"That's during the dead of winter and it would have an adverse affect on the ability of hospitals, school boards and indeed ordinary citizens to control their own budgetary requirements," he said.

Pike said it's important to note residential costs in the province are the lowest in Atlantic Canada and "Newfoundland has experienced the third lowest rate of increase in electrical rates throughout all of Canada since 1991."

UTILITIES

Power price hike worrying hospital, school boards

BY CRAIG JACKSON

The Telegram

Monday - Nov 2/98

Hospitals and school boards say their operating budgets could be driven out of whack if Newfoundland Power is successful in its \$4.6-million rate hike application before the Public Utilities Board.

Health and school board officials can only envision more cutting if electrici-

ty bills increase.

As consumer advocate Dennis Browne put it: health-care institutions and school boards have not budgeted for an increase in electricity bills in 1999.

Unless the provincial government came to their aid to cover the additional cost of electricity, publicly run institutions will have to find the money within their own budgets and that

means cuts, he said.

"No question about that," said John Peddle, executive director of the Newfoundland and Labrador Health and Community Services Association, which represents hospitals and community health boards.

The association is number crunching to ascertain just how much member organizations pay for electricity and how Newfoundland Power's 1.48

per cent rate hike would affect them if approved.

If the PUB approved the rate hike, "the first response we're going to have to do is go to government for more money and if that money is not available, and I wouldn't suggest that it will be available, it's going to mean we have to look at the way we deliver programs to the public," Peddle said.

See MUNICIPALITIES, page 2

UTILITIES

Request for increase arrogant: councillor

BY PAT DOYLE

The Telegram
Tuesday - Nov 3/98

Newfoundland Power's request for an electricity rate increase represents a "fit of unbelievable arrogance," says Dennis O'Keefe, a St. John's city councillor and consumer activist.

"As a result of this summer's decision by the Public Utilities Board (PUB), which reduced Newfoundland Power's rate of return from an excessive 10.25 per cent to a more reasonable 9.25 per cent, it was believed the utility giant had finally been brought under control and made accountable to the public whom it serves," O'Keefe told The Telegram on Monday.

"Or, so we thought," he added.

The PUB announced in early October it would hold a public hearing this fall to examine a wide range of issues affecting the rates, tolls and charges, and return on rate base of Newfoundland Power. After a pre-hearing conference, it was decided the hearing would begin 9:30 a.m. on Nov. 9.

When the utility filed its evidence for the hearing, it submitted a request for a 1.48 per cent increase, to be effective Jan. 1, 1999.

After a two-week hearing, which ended in early June, the PUB ordered the utility to reduce its rates by two per cent effective Jan. 1, 1998 and to rebate excess earnings from the period of January through August.

O'Keefe said Monday that just months after having been "financially reprimanded" and ordered to return excessive profits to consumers, Newfoundland Power has petitioned the PUB for an increase.

"This date, incidentally, is the beginning of the celebration of the Year of the Senior Citizen, a large and growing group which will certainly be negatively effected by any increase in electricity rates."



Dennis O'Keefe

Many of these people are on low incomes or are already suffering the pains of having to cope on pensions that have seen little, if any, increase in years and they will certainly find further erosion difficult, O'Keefe said.

"As well, the general population will feel the pain, especially as this increase, if it occurs, will come in the dead of winter and the height of the heating season."

Incomes grown little

He said incomes in the public and private sectors have grown very little over the past 10 years but the demands on them have increased constantly.

"Public servants, for example, will have the first year of their miniscule after-tax salary increase just about eaten up by any electricity rate increase."

O'Keefe added that "cities, towns, churches, school boards and hospitals all will feel the wrath of Reddy Kilo-watt if the PUB allows the increase to take place."

Now is the time for all groups to make their feelings known by writing

or contacting those who can affect the decision, such as elected representatives, the provincial government, PUB and Newfoundland Power, he said.

As part of its fall hearing, the PUB has set aside Nov. 20 as a day for presentations by hospitals, school boards, municipalities and individuals who wish to make known their concerns about Newfoundland Power's requested rate increase.

O'Keefe said he has informed the PUB he will be making a presentation at that time.

Similar notice has been received from Myrle Vokey, executive director of the Newfoundland and Labrador School Boards Association, and Anita Finn of the Retired Teachers Association.

Meanwhile, in addition to Dennis Browne, consumer advocate; intervenor status at next week's public hearing has been granted to Janet Henley Andrews, a St. John's lawyer who is representing Abitibi Consolidated; and provincial New Democratic Party Leader Jack Harris.

ELECTRICITY

Power Corp. foresees slight customer hike

Province's population is declining

BY PAT DOYLE

The Telegram

Despite Newfoundland's continuing population decline, largely due to significant emigration, Newfoundland Power expects a slight increase in domestic customers both this year and next.

However, domestic energy sales are expected to remain flat this year and grow only slightly next year, Ronald Crane, the utility's director of forecasts, told the Public Utilities Board (PUB) Monday.

Small increases are expected in customers and sales in the general service category for both years, Crane said.

He was the company's first official to give evidence as the board got down to business in what is likely to be a lengthy public hearing on a wide range of significant issues affecting Newfoundland Power's rates, tolls and charges.

Issues to be addressed include the return on rate base, a requested 1.31 per cent (\$3.9 million) rate increase, 1998

and 1999 capital budgets, executive and management compensation, and review of possible excess earnings in 1992 and 1993.

Crane, under questioning by Ian Kelly, the utility's solicitor for the hearing, said the total number of customers is forecast to grow by 0.9 per cent in 1998 and one per cent in 1999. Energy sales are expected to increase by 0.2 per cent this year and 1.6 per cent in 1999.

Crane pointed out that domestic customer growth is primarily determined by changes in population and the number of new homes constructed to meet the associated demand.

He noted that with the significant levels of emigration, the province's population continues to decline from the 1996 census.

"However, the population of individuals 20 years of age and older is forecast to increase by approximately 0.1 per cent annually," he said.

In addition, the Conference Board of Canada's latest forecast indicates housing starts to be 1,373 units in 1998

and 1,498 units in 1999.

"Since housing starts account for the majority of all new domestic customers, the number of domestic customers is forecast to grow by 0.8 per cent in 1998 and 0.9 per cent in 1999."

Crane also discussed the average amount of energy consumed per customer, which he said is dependent on a number of factors, the majority of which are tied to changes in economic variables such as personal disposable incomes, market share of electric space heating and the prices of electricity and competing fuels.

"Based on the economic and price assumptions and actual results ending September 1998, average annual usage is forecast to be 14,710 kilowatt hours (kWh) per year in 1998 and 14,689 kWh per year in 1999," Crane said.

"Combining the forecasts of customers and average annual usage, domestic energy sales are forecast to remain at the 1997 level in 1998 and grow by 0.8 per cent in 1999."

In the general service category, which covers customers in the goods

and services producing sectors, the number of customers is forecast to grow by 0.8 per cent this year and 0.7 per cent in 1999 while energy sales are expected to grow by 0.5 per cent in 1998 and 2.8 per cent in 1999.

The PUB was told the number of street and area lighting customers is forecast to grow by 3.2 per cent in both this year and next.

"The company is still experiencing growth in the number of street and area lighting fixtures in service, although at a reduced rate," Crane said.

"However, while the number of fixtures continues to grow, street and area lighting energy sales are forecast to decline," he said.

"This reduction is largely a reflection of the company's replacement of mercury vapour fixtures with more energy-efficient high pressure sodium fixtures."

Consequently, he said, "street and area lighting energy sales are forecast to decline by 1.7 per cent in both 1998 and 1999."

Dedicated to customers, dedicated to service

For more than 100 years, Newfoundland Power has served the people of Newfoundland. This service extends beyond providing customers with reliable electricity to contributing to communities across the island. Over the past several years the company has increased its focus on community involvement through environment, health and education partnerships.

In November 1997, Newfoundland employees from across the island launched the Newfoundland Power Environmental Commitment program. Through this program employees partner with community and school groups in each operating area to enhance the local environment.

In Grand Falls-Windsor the company's environmental team is working in conjunction with Notre Dame Academy, which has Earth Status in Green Schools Program. One of the projects is the clean-up of Corduroy Brook, which will also involve the Corduroy Brook Enhancement Association, another of Power's environmental partners. The company will assist students and association members with labour and equipment.

Newfoundland Power also provides a great deal of help to health organizations like the Newfoundland and Labrador division of the Cancer Society. For the next three years, the company will assist the society

in raising funds to better the lives of Newfoundlanders living with cancer by allowing customers to make a donation through their electrical bills.

In addition, the company prints and distributes educational material for the society.

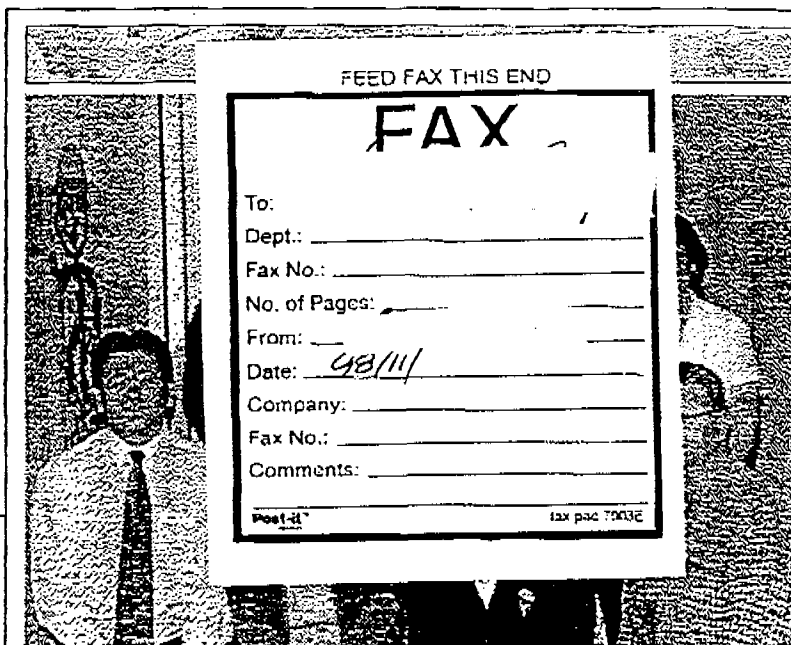
Other community-minded projects for the company include a partnership with the Newfoundland and Labrador Association of Fire Chiefs and Firefighters in awareness campaigns, such as the "Now You're Cookin'" and "Learn Not to Burn" public education programs.

In addition, the company trains firefighters on electrical safety as well as delivers electrical safety education to students throughout Newfoundland.

Newfoundland Power is also dedicated to providing work-term placements and scholarships to students, and providing jobs to graduates. In addition to building a well-skilled work force, the company believes that an investment in education is an investment in the future of our province.

Major sponsor

Most recently Newfoundland Power has become a major sponsor of the 1999 Canada Winter Games in partnership with the Fortis Group of Companies. This sponsorship is reflective of the company's dedication to the development of youth through sport and investing in Newfoundland communities.



The Newfoundland Power Grand Falls-Windsor office staff are: (front) Sean Tulk, Philpott. (Back) Sheila Maloney, Claire Butt, Fred Rowsell and Maxine George. Cavell Gaye, Janet Bishop and Trevor

Customer service

The company's operations center around one common goal, to deliver safe, reliable customer service in the most cost-efficient manner possible. According to Sean Tulk, energy consultant for central Newfoundland, providing a reliable supply of energy is a major component of this service. Reflective of the company's commitment to reliability

is its investment in upgrading facilities to ensure steady flow of electricity to customers. In 1998, the company will invest approximately \$41 million in capital projects.

Service and system improvements have contributed to an increase in Newfoundland Power's customer service rating from 79 per cent in 1996 to 85 per cent in the third quarter of 1998.

said Mr. Tulk.

Employee and public safety is a major priority for Newfoundland Power. Employees in Grand Falls-Windsor recently achieved milestone in this field with three years worked without loss-time accident. This milestone resulted in the employees receiving the Newfoundland Power President's Award for safety.

**Did
You
Know?**

- Newfoundland Power owns and maintains more than 10,000 kilometres of transmission and distribution lines throughout Newfoundland.
- Newfoundland Power provides electrical service to more than 172,000 customers.
- Newfoundland Power trains hundreds of firefighters in electrical safety each year.

- Newfoundland Power is the corporate sponsor of Learn Not to Burn public education program.
- Newfoundland Power is working with its customers and suppliers to ensure Year 2000 readiness.

**NEWFOUNDLAND
POWER**

~ NOV 6 95
The Advertiser

ELECTRICITY RATES

Use savings to cut costs, says Browne

BY CRAIG JACKSON
The Telegram

Rate payers don't benefit from an early retirement program designed to save Newfoundland Power \$3.5 million annually, consumer advocate Dennis Browne says.

Browne doesn't dispute the company may have achieved the savings which were identified in its 1997 early retirement plan.

But, he argues, the private utility should not have the discretionary power to take those savings — which customers pay for — and use it for other projects.

Newfoundland Power should use the early retirement savings to cut costs for consumers, he said, adding he sees no indication of where consumers truly benefited from the \$3.5 million in annual savings.

Browne said the Public Utilities Board (PUB) should order the power company to rebate consumers when such savings are realized.

Bob Pike, Newfoundland Power's manager of corporate communications, said the early retirement program improved efficiency and the savings were put to good use, such as carrying out projects designed to improve the electrical system and ensure a reliable supply of power for customers.

"Had we not taken those (early retirement) initiatives, then our expenses today, based on the projects that we have on the table, would be \$3.5 million higher," Pike said.

"By having these savings, we cut our expenses by \$3.5 million.

"We have to manage the company."

Pike said the power company, for example, has projects planned for 1999, such as brush clearing and computer maintenance. On the issue of computers, the company will spend about \$178,000 next year to ensure computers will be compatible for the year 2000.

Browne has no problem with Newfoundland Power using the savings

from the early retirement program to repair lines and equipment due to storms, such as was the case on the Burin Peninsula this year.

But, he said, consumers paid for that early retirement program and, if there are savings to be realized, they should benefit.

"The consumers of the province did not receive one cent in reduced rates as a result of that program," Browne said.

"This is further proof that the power company is only willing to return money to consumers if ordered to do so by the Public Utilities Board."

Pike said Browne is mixing two issues.

The \$3.5 million in savings from the early retirement program doesn't have anything to do with the current rate increase application, Pike said.

Browne, however, begs to differ and says he will raise the issue during the public hearing process.

Newfoundland Power, meanwhile, plans to undertake another early retire-

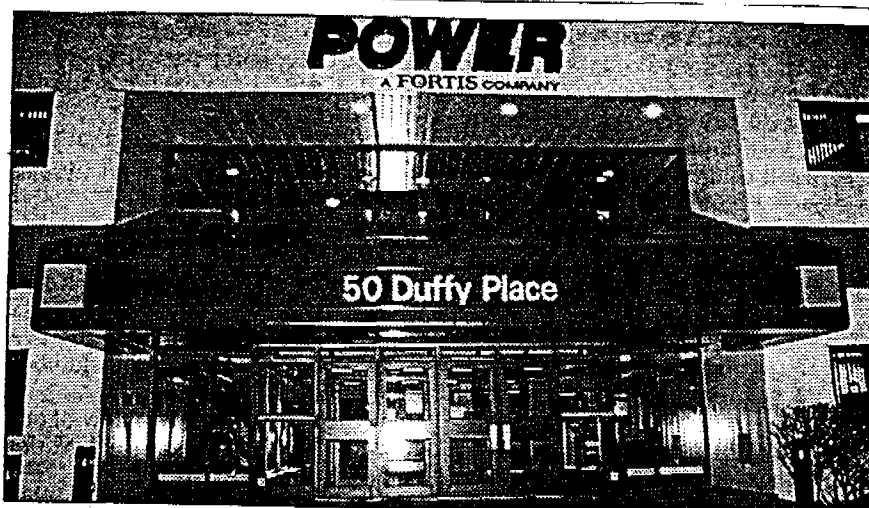
ment program which would save the company about \$682,000 annually.

PUB hearings on Newfoundland Power's rate hike application are scheduled to begin Monday.



"This is further proof that the power company is only willing to return money to consumers if ordered to do so by the Public Utilities Board."

Dennis Browne



JOE GIBBONS/THE TELEGRAM

Newfoundland Power reports its total earnings for the year to date are down over the same period last year.

RESULTS

Utility's earnings down

E. Telegram - Friday Nov 6/98

Newfoundland Power reports that its total earnings after the first three quarters this fiscal year are \$17.8 million — a drop of \$4.5 million from the same period last year.

Third-quarter results indicate the private utility's earnings declined to \$2.3 million from \$3 million during the same quarter in 1997.

The Fortis Inc. subsidiary is before the Public Utilities Board seeking a \$4.6-million rate hike. PUB hearings on the application commence Nov. 9.

The company attributes the slide in earnings to a 2.1 per cent drop in electricity rates and the fact the PUB lowered Newfoundland Power's rate of return for shareholders to 9.25 per cent in August from 11.25 per cent.

Newfoundland Power president

Philip Hughes said Thursday electricity rates and rate of return for shareholders are the lowest for any utility in the country.

"Energy sales are also lower as the provincial economy continues to experience the effects of out-migration," he said.

Newfoundland Power's electricity rates — the lowest in Canada — have only increased by 4.2 per cent since 1991, he said.

Hughes reports the company's operating expenses are \$2.2 million lower than the same period last year. The private utility has also invested about \$26 million on capital projects so far this year and estimates total capital spending will reach \$41 million by year's end.

Power boss defends action

Increase not meant to benefit shareholders

BY CRAIG JACKSON

Saturday, Nov 7, 1998
The Telegram

Newfoundland Power's \$4.6-million rate increase application is not designed to benefit shareholders, company president Philip Hughes says. "It does not change our profit one iota," he said.

The 1.48 per cent increase in rates is solely designed to cover its capital costs and expenses associated with the regulatory cost of appearing before the Public Utilities Board (PUB).

"If we hadn't had all those rate hearings (in 1998), I don't think we would probably be asking for a rate increase," he said.

The PUB will commence hearings on the private utility's rate increase application Monday.

Hughes said Friday the Fortis Inc. subsidiary requires additional capital to ensure customers receive consistent and reliable service.

"Not only is it keeping the lights on, but it's also the quality of the product," he said.

The company will spend about \$41 million this year on capital improvements.

Hughes said roughly \$3 million of the application is intended to go towards capital costs, while \$1.35 million will cover the regulatory cost of appearing before the PUB.

But, he said, the upcoming hearing was not the doing of the power company.

Newfoundland Power could have possibly absorbed the estimated \$3 million in capital costs it requires until after the year 2000. "But we just can't absorb all those (PUB) regulatory costs," Hughes said.

The hearings are expensive, he said, noting Newfoundland Power is left with the tab.

Newfoundland Power must pay, on average, about \$1,000 an hour for all lawyers who appear before the PUB on behalf of the company and the consumer advocate. Electrical industry experts who appear on behalf of all sides at the hearing cost the power company between \$50,000 and \$100,000 each.

Newfoundland Power, meanwhile, has earned \$17.8 million during the first three quarters of 1998.

Hughes still argues the 9.25 per cent rate of return Newfoundland Power shareholders are permitted to earn, as approved by the PUB, is the lowest of any Canadian utility.

For example, Nova Scotia Power's shareholders are permitted to earn 10.75 per cent on the dollar.

Hughes said shareholders are entitled to a fair return on their investment, "the same as if somebody gets a GIC or a Canada Savings Bond. They're entitled to a return for investing."

In 1997, for example, shareholders invested \$227 million in the company. Hughes said their return on investment is small when you look at the

larger picture.

If the rate of return isn't attractive, it's much more difficult for the power company to attract investment dollars, he said.

As for the company's profitability, Hughes said credit rating agencies and the lending community would actually like to see much larger earnings.

Lenders look at profitability levels to ascertain whether they're going to get their money back, he said.

CBRS credit rating agency recently lowered Newfoundland Power's credit rating. The lowering of a credit rating can hinder a company's ability to borrow money.

CBRS reported: "A projected decline in revenues, earnings and coverage ratios in 1998 has reduced the margin of protection traditionally provided to the bondholders."

Nesbitt Burns financial group referred to the PUB's lowering of Newfoundland Power's rate of return for shareholders as "very negative."

Despite the lowering of Newfoundland Power's rate of return for shareholders, the power company is quick to point out that its electricity costs, on average, are the lowest in the Atlantic region: \$143.50 per month in St. John's compared to \$171.76 per month in Halifax.

Even with Newfoundland Power's 1.48 per cent rate hike application included, the province's electricity rates since 1991 will have risen only 5.68 per cent — much less than the 28.9 per cent increase people in New Brunswick incurred during that period.

Related story, page 25

PUB

Rebate not warranted: Power Co.

BY CRAIG JACKSON

The Telegram
Saturday - Nov 7/98

Newfoundland Power plans to argue before the Public Utilities Board (PUB) that it should not have to rebate customers for excess earnings in 1992 and 1993.

Consumer advocate Dennis Browne, however, plans to argue the company earned about \$3.5 million more than it should have and consumers should be rebated for the amount.

The issue, which will be debated during Newfoundland Power's rate hike hearing which begins Monday, appears to be a contentious and technical matter.

Newfoundland Power president Philip Hughes agrees the utility earned a little more than had been approved by the PUB on rate base, which represents the company's allowed return on total assets.

But, he said, the PUB of the day decided to regulate the company's common equity (shareholders' profit on the dollar) rather than rate base. Technically, the PUB must regulate rate base.

The PUB, at the time, opted not to hold a hearing on the issue and allowed Newfoundland Power to keep the excess earnings on rate base.

Hughes said the PUB knew what it was doing in 1992 and 1993.

The consumer advocate, however, said documents clearly indicate that Newfoundland Power asked the PUB if it was OK to earn more on rate base as long as the rate of return on common equity wasn't surpassed.



Philip Hughes

It was Browne who asked the PUB in 1996 to send the matter to the Newfoundland Supreme Court of Appeal for a determination. The PUB agreed.

Both the court and the PUB's private financial consultant, Grant Thornton, suggested three options: allow Newfoundland Power to keep the excess earnings from 1992 and 1993, use the money to offset the company's current rate hike request of \$4.6 million, or rebate customers.

Hughes said the worst-case scenario is that Newfoundland Power will have to borrow \$3.5 million if the PUB ruled customers must be rebated.

The power company, meanwhile, is quick to battle Browne's contention that its executive salaries are increasing significantly and that the company should better manage its own expenses before expecting consumers to pay more on their electric bills.

Hughes, however, stands by the salaries of top personnel, saying the company is prepared to pay market salaries to attract the best people for the job.

Hughes' 1997 base salary, for example, was \$294,667 — much less than the \$396,500 the president and chief executive officer of Newtel earned that year.

Both Newtel and Newfoundland Power are similar. Newtel had sales of \$331 million and assets of \$603 million in 1997, while Newfoundland Power had sales of \$344 million and assets of \$581 million that year.

Hughes also points out that when he took over the power company's top post in 1997, he reduced the management team to one president, three vice-presidents and 14 managers.

In 1996, Newfoundland Power's top office had one president, four vice-presidents and 20 managers.

Total compensation for the 18 management positions in 1999 will be \$2.67 million, compared to \$2.24 million in 1996.

Power Co. refutes contempt charges

BY PAT DOYLE

The Telegram

Tuesday - Nov 10/98

Newfoundland Power was accused of being in contempt by the consumer advocate's legal counsel Monday as the opening salvos were fired in a Public Utilities Board (PUB) hearing.

Mark Kennedy told the PUB the utility is in "open contempt" of a board order because it has refused to provide requested information about executive level compensation at Fortis Inc., Newfoundland Power's parent company, and its other subsidiaries.

Dennis Browne, consumer advocate, had requested information pertaining to Fortis and all other companies in which it is a shareholder, including Maritime Electric, Canadian Niagara Power, Fortis Properties and Fortis Trust.

Ian Kelly, counsel for Newfoundland Power, rejected the contempt charge and said the company had answered the request "in accordance with the board's order and in accordance with the law."

There was extensive debate on the issue Monday as the five PUB commissioners held what was originally intended to be the first day of a public hearing on a wide range of issues pertaining to Newfoundland Power.

However, at the company's request, and with mutual agreement of all parties, David Vardy, board chairman, said the hearing would be adjourned until Friday.

On the issue of the company's response concerning the executive compensation, Vardy said the board will provide a ruling "as soon as possible."

Information essential

Kennedy said the information requested is necessary for the board to be able to appropriately examine this matter.

In its initial response, Newfoundland Power said detailed information on the compensation paid to executive officers of Fortis Inc., and the companies in which Fortis is a shareholder, "is neither relevant nor necessary for a satisfactory understanding of the

matters to be considered in this proceeding."

However, at the request of the consumer advocate, the PUB issued an order for Newfoundland Power to provide the requested information.

The utility then provided some information related to Fortis executive compensation, although it said it does not have "complete or reliable data on the precise 1998 compensation levels of executives at Fortis."

The precise compensation of executives at the other Fortis companies is "not in the public domain," Kelly told the board Monday.

"The other Fortis companies are not reporting issuers under the Canadian securities law and compensation paid by those corporations to their executives is not required to be disclosed by any law or regulation," Kelly said.

Wouldn't be right

It would be wrong for the utility to release such information, Kelly insisted.

The two sides argued that point with references being made to confidentiality, the Privacy Act, the Canadian Constitution and the Charter of Rights.

Kennedy said the utility had waived its claim of confidentiality when it provided the information to Hay Management Consultants, which carried out a study of the company's executive management structure.

Meanwhile, Newfoundland Power requested the delay in the start of the public hearing because certain data, such as yields on long Canadian bonds, a revised economic forecast of the Conference Board of Canada and possible changes in interest expense, on which its projections and forecasts are based, only recently became available.

Kelly said the utility would have to revise its evidence for the board to incorporate the latest data and the updated report will be ready on Thursday.

In addition to Browne, Janet Henley Andrews, counsel representing Abitibi Consolidated; and provincial New Democratic Party leader Jack Harris have been granted intervenor status.

Correction

A story in the Saturday, Nov. 7, 1998 edition of The Telegram accidentally transposed figures for total compensation for Newfoundland Power executives.

In fact, compensation for the utili-

ty's 18 senior managers in 1999 will total \$2.24 million.

Compensation for the 25 senior managers the utility had in 1996 totalled \$2.67 million.

The Telegram regrets the error.

E. Telegram Tuesday - Nov 10/98

UTILITY

Power Co. on spree, says advocate

BY CRAIG JACKSON

Wednesday - Nov 11/98
The Telegram

Consumer advocate Dennis Browne contends Newfoundland Power is on a spending spree and that many of its projected costs for computers, travel and signage appear to be excessive.

But the private utility says it has been conscientious of cost reduction and can prove it's trying to achieve efficiencies where possible.

On the issue of computers, Browne maintains the power company's \$1.1-million projection to purchase 214 computers in 1999 appears excessive.

Newfoundland Power projects the 189 desktop personal computers will run about \$4,425 each while the 25 laptops will cost about \$9,300 each.

Bob Pike, the power company's corporate communications manager, said the costs include both the cost of the computer and the labour associated with programming and installation.

"All those computers are networked so that they tie into all the systems," he said. "It's more cost efficient to have external people do it."

Pike also noted the utility purchases "high-end" computers because it's essential computer technology be applicable to the company's long-term needs.

"If we just went with sort of mid-range computers, next year we'd have to upgrade them and replace them," he said.

Browne also has problems with the company's travel costs, which are projected to reach \$1 million in 1999. He argues the power company reduced its travel expenses in 1993 to \$575,000 rather than seek a rate increase.

Newfoundland Power is before the Public Utilities Board seeking a 1.48 per cent rate hike.

Pike said the travel costs will only increase to \$1 million next year from \$933,000 this year. Travel costs were \$934,000 in 1997.

He said 1993 was the year the utility cut the bottom out of the organization by slashing expenditures.

Browne, meanwhile, also questions why it was necessary for the private utility to spend about \$75,000 to change the company logo to Newfoundland Power — A Fortis Company from Newfoundland Power.

Pike said the addition of A Fortis Company to the power company's logo is "a minor change, like a computerized graphic, and literally cost us nothing."

Newfoundland Power is forecasting a reduction in its operating expenses from 1996 to 1999 by \$2.35 million.

Don't raise power rates

Newfoundland Power needs a raise increase like the Titanic needs more ocean. Greed is defined as a desire for more than one needs or deserves and taking all that one can without thought of others' needs. One iota of and increase to light and power at this time and we will see more cut-off notices than Newfoundland has puffins. We see enough cut-off notices already. It's just another blow and added misery to the less fortunate.

There will be an even greater deprivation of one's family to meet the required funds to pay a utility bill, deleting an income that can't already meet basic acceptable food.

A rate increase at this time would give the company too much control over people's lives causing more stress and deprivation which is already an acute problem.

Where does the limit on starvation and suffering end? Less income affects health. The World Health Organization defines health as a state of complete physical, mental and social well-being. It's comprised not just by having too little to eat but also by consuming one kind of food and having too little. In that case, a lot of us are living high on the hog.

We need our elected representatives

to stand up to the promises they made to rid poverty and suffering. Not just a promise of a better tomorrow because as you know tomorrow never comes. Greed should not take precedence over hunger and suffering. It's the poor who will suffer as the rich can pay their bills. Food is a basic need and a human right. It's not a crime to have enough food sometimes.

*Albert Sheppard
St. John's*

*E. Telegram - Friday
Nov-13-98*

Reduced

Newfoundland Power changes rate hike application

By CRAIG JACKSON

ST. JOHN'S — Newfoundland Power has reduced its rate increase application before the Public Utilities Board by \$700,000.

The private utility, which had been seeking a \$4.6 million increase, has revised the figure to \$3.9 million.

Simply put: the power company is seeking to increase your monthly electric bill by 1.31 per cent rather than 1.48 per cent.

Bob Pike, Newfoundland Power's manager of corporate communications, said the power company's original rate increase application was based on the most accurate information at the time.

Pike said the lowering of the rate increase application is mainly due to a reduction in housing starts. That means the power company requires less revenue for capital projects, he said.

Pike also noted the company's 1998 hearing costs have been reduced by \$200,000 to reflect the PUB's decision to defer a segment of the hearing process to May 1999.

Pike also points out that the \$3.9 million rate increase application isn't necessarily cast in stone because the PUB must decide on a new rate formula which could affect the outcome.

The current rate hike hearing was postponed Friday due to the illness of board chairman David Vardy. PUB clerk Cheryl Blundon said the board is hoping to resume the hearing on Monday.

While consumer advocate Dennis Browne considers Newfoundland Power's revenue reduction application a step in the right direction, he still isn't fully satisfied.

Browne said the Fortis Inc. subsidiary still hasn't addressed how and when the province's electricity consumers can expect to be rebated for the company's \$3.5 million in excess earnings for 1992 and 1993.

Newfoundland Power, however, has steadfastly maintained that the PU-Board of the day allowed the company to keep the excess earnings on what's known as rate base (the return the company is allowed to receive on its total

assets).

In those years, the power company maintains its shareholders did not over-earn.

Pike said the PU-Board of the day approved Newfoundland Power's earnings in 1992 and 1993.

He also noted the \$3.5 million in excess earnings and \$3.9 million rate hike application are separate issues and must be dealt with separately before the PUB.

Browne said Newfoundland Power's rate hike application is not warranted because the utility owes consumers \$3.5 million for the excess earnings.

That decision, however, rests with the PUB. The provincial regulator has three options: simply allow Newfoundland Power to keep the excess earnings, use the amount to offset the rate hike application, or order the company to rebate consumers.

Browne argues, "Newfoundland Power must learn to become more efficient" in its operations and "consumers have a right to see the benefit of this effort through lower electricity rates."

Newfoundland Power contends it has lowered costs to the consumer.

The company is forecasting a reduction in its operating expenses from 1996 to 1999 by \$2.35 million.

Pike provided some examples of where the company has been cost efficient.

Newfoundland Power has reduced vehicle maintenance costs by \$370,000 annually, cut labour costs by \$3.5 million annually due to the 1997 early retirement program, and reduced senior management positions by 28 per cent.

Training and technology has led to customer service improvements. The cost per customer for that division has been reduced to \$49 in 1998 from \$54 in 1997 — amounting to an estimated annual saving of \$1 million.

"The savings that we've been making, of course, we've been using to improve the electrical system and to improve reliability," Pike said.

*See what's in
Nov. 14/98*

LOCAL NEWS

Browne, power company spar

Newfoundland Power goes on the attack as Public Utility Board hearings start

By ROB ANTLE and
BARBARA DEAN-SIMMONS
R-B News

As public hearings get underway to deal with a proposed rate increase by Newfoundland Power, the company is going on the attack against consumer advocate Dennis Browne.

The company is accusing Browne of wasting money on the process by filing evidence and discussing matters not relevant to the hearing, and of asking the company to provide information which would break the law.

Bob Pike, manager of corporate communications with Newfoundland Power, said Tuesday that information Browne is asking for regarding pay levels of executives at other companies is "a violation of the Privacy Act, the Charter of Rights and the Canadian Constitution."

"In the opinion of our legal counsel, it would be illegal and totally irresponsible for Newfoundland Power to make this information public," he said.

Pike also claim many of the consumer advocate's questions are repetitious, while others are already public record as a result of audits initiated by the Public Utilities Board.

In a Thursday conference call with R-B News initiated by Newfoundland Power, company officials estimated it costs \$1,000 per question to research and answer.

According to Pike, the three-week public hearing process this past spring cost Newfoundland Power \$222,000. That's the bill sent to the company by the PUB.

The budget for the current hearing is \$250,000, he noted. "That's almost half a million dollars for the public hearing process this year," he said.

That cost gets passed on to the consumer, Pike says, noting that part of the rate increase Newfoundland Power is seeking for Jan. 1, 1999, is to cover the \$1.35 million in costs connected with the work being done by the consumer advocate and the PUB.

When asked how the consumer advocate would benefit from an extended hearing process, Pike cited one main reason — money.

"The benefit is you have two individuals down there (Dennis Browne and Mark Kennedy) who are paid \$305 an hour for every hour they put into this process. The more questions they ask, the larger the bill. The more responses they get, the more paper they have to go through. When they go on Open Line, when they go on television like they were last week, that's \$305 an hour for the two of them. And very seldom do you see one without the other. It's almost like they're joined at the hip."

"In many cases they're asking questions and not paying attention to it. The agenda is to

mislead the public... In my view, he's playing games with the process."

However, Dennis Browne says it's Newfoundland Power that's trying to mislead the public.

He says the allegations he is benefiting from the process, via the \$305 per hour fee, are incorrect.

"I don't get paid \$305 an hour, that's incorrect. I don't get the money myself, it goes into our firm. Our firm's rate is set by the Lieutenant Governor in Council and the Department of Justice scales for retention of outside counsel."

Browne said he gets \$155 an hour, and he has the right to employ legal counsel. But according to the Order in Council, the legal counsel has to be within the same firm.

"Mark Kennedy in our firm is paid \$150 an hour."

Although Browne's and Kennedy's wages total \$305 per hour, Browne said the total is paid to the firm. Out of that total, the firm's overhead has to be paid.

"And most law firms barely get more than 50 cents to the dollar to share in profits among partners once the overhead is taken out. So it's not paid to me personally."

Browne assures that he is not extending the public hearing process. He says the real issue in all this is that, for the first time in its history, Newfoundland Power is being held accountable by the consumers of the province.

In the first phase of the hearings last spring, Browne noted, Newfoundland Power was ordered to rebate \$7.1 million to consumers.

"That's the first rebate consumers have seen in recent memory from Newfoundland. So really it's cost the consumers nothing up to this point. Consumers have actually gotten a rebate because of the process. Only Newfoundland Power has paid as a result of our involvement," he said.

Meanwhile, Newfoundland Power claims the cost of regulatory hearings this year will reach \$4 million.

"I think it's very costly," said the company's president and CEO, Philip Hughes. "To spend \$4 million in a year is a very high amount."

Asked whether there was a better way to regulate utility companies, Hughes pointed to systems used in other jurisdictions.

"What a lot of countries do is they... take the rate and tie it to something else. So they say that the rate cannot go up by higher than CPI (consumer price index) minus one per cent."

"The reason they do minus



Newfoundland Power president Philip Hughes speaks to reporters about the company's proposed rate increase on Thursday.

one per cent is so that each year the utility has to be one per cent more efficient. So it's tied to something that... the utility or anything else hasn't got control of."

He noted that in Prince Edward Island, electricity rates are tied to the rates in New Brunswick.

If a similar process had been available in the case of Newfoundland Power this year, Pike says, it would have eliminated the entire cost of the public hearing process.

"If that was the case this year, then the cost of electricity would have been \$4 million lower than it actually was," he calculated.

Dennis Browne begs to differ.

He said consumers haven't paid any costs this year because they have gotten a rebate. The only one who has paid anything is Newfoundland Power, he

pointed out, and that's because they were "over-earning."

"They have two solicitors on staff but they went out and got outside solicitors."

The company also brought in two experts, he charged, to speak on the issue of rate of return at a cost of \$100,000 each.

"Newfoundland Power also employed a chartered accounting firm, Deloitte Touche, at a cost of nearly \$40,000, despite the fact that they have chartered accountants on staff. They use their entire management team on these hearings, and despite that they go out and retain outside people."

"So it's Newfoundland Power that has in fact caused increased regulatory costs. Our regulatory costs are confined. Our (legal) rates are set by the Department of Justice and we can't set our own rates in terms of our own budgets."

Browne suggested the company is trying to deflect attention from the real issues.

"The fact of the matter is Newfoundland Power is the issue. In 1996 we uncovered that Newfoundland Power had over-earned in 1992 and 1993 — \$3.5 million, for both years."

Now, Browne says, the PUB will decide whether that \$3.5 million will be rebated to consumers, be considered part of Newfoundland Power's application for a rate increase, or kept by the company. The company is looking for a \$3.9-million increase in rates for 1999.

Browne agrees that the regulatory process could be changed, and he has already made a suggestion to the PUB.

The only other way to regulate, says Browne, is through an incentive-based process. If, for example, Newfoundland Power cut its expenses and still produced reliable service, half of the savings would be rebated to consumers and the other half would go to the shareholders.

"We do need to look at the system that's in place, that's true, but at the same time since 1996 the hearings before the Public Utilities Board have served consumers very well."

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The Packet - Nov 16/98

Newfoundland Power critical

Continued from page 3

Asked whether there was a better way to regulate utility companies, Hughes pointed to systems used in other jurisdictions.

"What a lot of countries do is they ... take the rate and tie it to something else. So they say that the rate cannot go up by higher than CPI (consumer price index) minus one per cent.

"The reason they do minus one per cent is so that each year the utility has to be one per cent more efficient. So it's tied to something that ... the utility or anything else hasn't got control of."

He noted that in Prince Edward Island, electricity rates are tied to the rates in New Brunswick.

"For example, in Prince Edward Island they tie it to New Brunswick rates because they want to be competitive with NB. So you can tie the rates to whatever you like and that's what you regulate ... the same as some people regulate gasoline prices. But you regulate it at the very top line which is what people pay.

If that process had been available in the case of Newfoundland Power this year, Pike added, it would have eliminated the entire cost of the public hearing process.

"If that was the case this year, then the cost of electricity would have been \$4 million lower than it actually was," he calculated.

Dennis Brownee begs to differ.

He said consumers haven't paid any cost this year because they have gotten a rebate. The only ones who have paid anything is Newfoundland Power, he pointed out, and that's because they were "over earning.

"They were earning 11.25 per cent on their equity when the board found they should have been earning 9.25 per cent on their equity. And that's where the \$7.1 million (rebate) came in.

"In terms of regulatory costs, Newfoundland Power's regulatory costs are themselves out of line."

Brownee noted that the Consumer Advocate is assigned a budget of \$191,000.

"That budget includes our own legal fees which are billed by our law firm, the fees for chartered accountant we have employed, an economist and a specialist on executive compensation because executive compensation is under scrutiny during this hearing."

All those people are paid from that \$191,000.

By comparison, Brownee

alleges, during the spring hearing Newfoundland Power paid to its solicitor \$175,000.

"They have two solicitors on staff but they went out and got outside solicitors."

The company also brought in two experts, he noted, to speak on the issue of rate of return "at a cost of \$100,000 each.

"Newfoundland Power also employed a chartered accounting firm Deloitte Touche at a cost of nearly \$40,000, despite the fact that they have chartered accountants on staff.

"They use their entire management team on these hearings, and despite that they go out and retain outside people.

"So it's Newfoundland Power that has in fact caused increased regulatory costs. Our regulatory costs are confined. Our (legal) rates are set by the Department of Justice and we can't set our own rates in terms of our own budgets."

Brownee suggested that what the company, in attacking the consumer advocate, is trying to deflect from the real issues.

"The fact of the matter is Newfoundland Power is the issue. In 1996 we uncovered that Newfoundland Power had over-earned in 1992 and 1993 \$3.5 million, for both years."

"And now, during this hearing, the board has to

decide whether that \$3.5 million should be rebated to consumers or should be considered as part of Newfoundland Power's application for rate increase. They're looking for \$4.6 million this time around.

"These are the issues before the hearing," said Brownee, adding, "I can see why they might want to distract consumers from these issues and attempt to personalize these matters.

"For our own part we have always stuck with the issues and I think consumers have benefited through the appointment of consumer advocate."

Brownee agrees that the regulatory process could be changed, and he has already made a suggestion to the PUB.

The only other way to regulate, said Brownee, is through an incentive-based process ... if Newfoundland Power cuts its expenses and can still produce reliable service for the population, half of the operating costs that are cut should be rebated to consumers and the other half the shareholders could keep.

"We do need to look at the system that's in place, that's true, but at the same time since 1996 the hearings before the public utilities board have served consumers very very well."

Nfld Power critical of Dennis Browne

Consumer Advocate costing consumers by asking irrelevant questions, say company reps

By BARBARA DEAN-SIMMONS
and ROB ANTLE
A-B News

As the public hearings get underway to deal with a proposed rate increase by Newfoundland Power, the company is going on the attack against Consumer Advocate Dennis Browne.

In two back-to-back press releases, the company accused Browne of wasting money on the process by filing evidence and discussing matters not relevant to the hearing, and of asking the company to provide information which breaks the law.

Bob Pike, manager of corporate communications with Newfoundland Power, said in a Nov. 10 press release that information Browne is "a violation of the Privacy Act, the Charter of Rights and the Canadian Constitution."

Browne is trying to discover the pay levels of executives at Maritime Electric, Canadian Niagara Power, Fortis Trust and Fortis Properties.

"In the opinion of our legal counsel, it would be illegal and totally irresponsible for Newfoundland Power to make this information public."

As for the questions that Browne is asking, in a Nov. 12 press release, Pike said many of the Consumer Advocate's questions are repetitious, while others are already public record as a result of audits initiated by the PUB.

In a conference call with RB reporters last week, initiated by

Newfoundland Power, company officials estimated it costs \$1,000 per question to research and answer.

According to Pike, the three-week public hearing process this past spring, cost Newfoundland Power \$222,000. That's the bill sent to the company by the PUB.

"The budget for the current hearing is \$250,000," he noted.

"That's almost half a million dollars for the public hearing process this year," he said.

That cost gets passed on to the consumer, Pike said, noting that part of the rate increase Newfoundland Power is seeking for Jan. 1, 1999, is to cover the \$1.35 million in costs connected with the work being done by the Consumer Advocate and the PUB.

In the last round of hearings, Newfoundland Power processed 227 requests for information, according to corporate communications manager Robert Pike.

Asked what benefit it would be to the consumer advocate to extend the public hearing process, Pike said, "The benefit is you have two individuals down there (Dennis Browne and Mark Kennedy) who are paid \$305 an hour for every hour they put into this process. The more questions they ask, the larger the bill. The more responses they get, the more paper they have to go through. When they go on Open Line, when they do interviews, when they go on television like they were last week, that's \$305 an hour for the two of them. And

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"In many cases they're asking questions and not paying attention to it," Pike said. "The agenda is to mislead the public. In my view, he's playing games with the process."

BROWNE SHOTS BACK

However, Dennis Browne says it's Newfoundland Power that's trying to mislead the public.

He says the allegations that he is benefiting from the process, via the \$305 per hour fee, are incorrect.

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"And most law firms barely get more than 50 cents to the dollar to share in profits among partners once the overhead is taken out. So it's not paid to me personally."

Browne assures that he is not extending the public hearing process.

"It's the public utilities board that called the hearing."

"In fact we were ready to start the process on Monday. The hearing was supposed to have started this Monday past (Nov. 9) and Newfoundland Power requested a postponement until Friday morning, Nov. 13, to file new documents."

"We were ready to go on Monday and they weren't ready and now we just got a fax saying the chairman of the board is ill and now they won't be ready to go until this Monday (Nov. 16)."

Browne says the real issue in all this is that for the first time in its history Newfoundland Power is being held accountable by the consumers of the province.

In the first phase of the hearings last spring, Browne noted, Newfoundland Power resorted to rebate to consumers \$7.1 million collectively.

"That's the first rebate consumers have seen in recent memory from Newfoundland."

"So really it's cost the consumers nothing up to this point. Consumers have actually gotten a rebate because of the process. Only Newfoundland Power has paid as a result of our involvement," he said.

"Newfoundland Power and its subsidiary Fortis have \$7.1 million less than they would have had this time last year."

A BETTER WAY?

Newfoundland Power claims the cost of regulatory hearings this year will reach \$4 million.

"I think it's very costly," said president and CEO Philip Hughes. "To spend \$4 million in a year is a very high amount."

Asked whether there was a better way to regulate utility companies, Hughes pointed to systems used in other jurisdictions.

"What a lot of countries do is they take the rate and tie it to something else. So they say that the rate cannot go up by higher than CPI (consumer price index) minus one per cent."

"The reason they do minus one per cent is so that each year the utility has to be one per cent more efficient. So it's tied to something that ... the utility or anything else hasn't got control of."

He noted that in Prince Edward Island, electricity rates are tied to the rates in New Brunswick.

For example, in Prince Edward Island they tie it to New Brunswick rates because they want to be competitive with NB. So you can tie the rates to whatever you like and that's what you regulate ... the same as some people regulate gasoline prices. But you regulate it at the very top line which is what people pay.

If that process had been available in the case of Newfoundland Power this year, Pike added, it would have eliminated the entire cost of the public hearing process.

"If that was the case this year, then the cost of electricity would have been \$4 million lower than it actually was," he calculated. Dennis Browne begs to differ.

He said consumers haven't paid any cost this year because they have gotten a rebate. The only ones who have paid anything is Newfoundland Power, he pointed out, and that's because they were "over earning."

"They were earning 11.25 per cent on their equity when the board found they should have been earning 9.25 per cent on their equity. And that's where the \$7.1 million (rebate) came in."

"In terms of regulatory costs, Newfoundland Power's regulatory costs are themselves out of line."

Browne noted that the Consumer Advocate is assigned a budget of \$191,000.

"That budget includes our

own legal fees which are billed by our law firm, the fees for chartered accountant we have employed, an economist and a specialist on executive compensation because executive compensation is under scrutiny during this hearing."

All those people are paid from that \$191,000.

By comparison, Browne alleges, during the spring hearing Newfoundland Power paid to its solicitor \$175,000.

"They have two solicitors on staff but they went out and got outside solicitors."

The company also brought in two experts, he noted, to speak on the issue of rate of return "at a cost of \$100,000 each."

"Newfoundland Power also employed a chartered accounting firm Deloitte Touche at a cost of nearly \$40,000, despite the fact that they have chartered accountants on staff."

"They use their entire management team on these hearings, and despite that they go out and retain outside people."

"So it's Newfoundland Power that has in fact caused increased regulatory costs. Our regulatory costs are confined. Our (legal) rates are set by the Department of Justice and we can't set our own rates in terms of our own budgets."

Browne suggested that what the company, in attacking the consumer advocate, is trying to deflect from the real issues.

"The fact of the matter is Newfoundland Power is the

issue. In 1996 we uncovered that Newfoundland Power had over-earned in 1992 and 1993 \$3.5 million, for both years."

"And now, during this hearing, the board has to decide whether that \$3.5 million should be rebated to consumers or should be considered as part of Newfoundland Power's application for rate increase. They're looking for \$4.6 million this time around."

"These are the issues before the hearing," said Browne, adding, "I can see why they might want to distract consumers from these issues and attempt to personalize these matters."

"For our own part we have always stuck with the issues and I think consumers have benefited through the appointment of consumer advocate."

Browne agrees that the regulatory process could be changed, and he has already made a suggestion to the PUB.

"The only other way to regulate, said Browne, is through an incentive-based process ... If Newfoundland Power cuts its expenses and can still produce reliable service for the population, half of the operating costs that are cut should be rebated to consumers and the other half the shareholders could keep."

"We do need to look at the system that's in place, that's true, but at the same time since 1996 the hearings before the public utilities board have served consumers very very well."

ELECTRICITY

Power Corp. foresees slight customer hike

Province's population is declining

BY PAT DOYLE
The Telegram

Tuesday, Nov 17/98

Despite Newfoundland's continuing population decline, largely due to significant emigration, Newfoundland Power expects a slight increase in domestic customers both this year and next.

However, domestic energy sales are expected to remain flat this year and grow only slightly next year, Ronald Crane, the utility's director of forecasts, told the Public Utilities Board (PUB) Monday.

Small increases are expected in customers and sales in the general service category for both years, Crane said.

He was the company's first official to give evidence as the board got down to business in what is likely to be a lengthy public hearing on a wide range of significant issues affecting Newfoundland Power's rates, tolls and charges.

Issues to be addressed include the return on rate base, a requested 1.31 per cent (\$3.9 million) rate increase, 1998

and 1999 capital budgets, executive and management compensation, and review of possible excess earnings in 1992 and 1993.

Crane, under questioning by Ian Kelly, the utility's solicitor for the hearing, said the total number of customers is forecast to grow by 0.9 per cent in 1998 and one per cent in 1999. Energy sales are expected to increase by 0.2 per cent this year and 1.6 per cent in 1999.

Crane pointed out that domestic customer growth is primarily determined by changes in population and the number of new homes constructed to meet the associated demand.

He noted that with the significant levels of emigration, the province's population continues to decline from the 1996 census.

"However, the population of individuals 20 years of age and older is forecast to increase by approximately 0.1 per cent annually," he said.

In addition, the Conference Board of Canada's latest forecast indicates housing starts to be 1,373 units in 1998

and 1,498 units in 1999.

"Since housing starts account for the majority of all new domestic customers, the number of domestic customers is forecast to grow by 0.8 per cent in 1998 and 0.9 per cent in 1999."

Crane also discussed the average amount of energy consumed per customer, which he said is dependent on a number of factors, the majority of which are tied to changes in economic variables such as personal disposable incomes, market share of electric space heating and the prices of electricity and competing fuels.

"Based on the economic and price assumptions and actual results ending September 1998, average annual usage is forecast to be 14,710 kilowatt hours (kWh) per year in 1998 and 14,689 kWh per year in 1999," Crane said.

"Combining the forecasts of customers and average annual usage, domestic energy sales are forecast to remain at the 1997 level in 1998 and grow by 0.8 per cent in 1999."

In the general service category, which covers customers in the goods

and services producing sectors, the number of customers is forecast to grow by 0.8 per cent this year and 0.7 per cent in 1999 while energy sales are expected to grow by 0.5 per cent in 1998 and 2.8 per cent in 1999.

The PUB was told the number of street and area lighting customers is forecast to grow by 3.2 per cent in both this year and next.

"The company is still experiencing growth in the number of street and area lighting fixtures in service, although at a reduced rate," Crane said.

"However, while the number of fixtures continues to grow, street and area lighting energy sales are forecast to decline," he said.

"This reduction is largely a reflection of the company's replacement of mercury vapour fixtures with more energy-efficient high pressure sodium fixtures."

Consequently, he said, "street and area lighting energy sales are forecast to decline by 1.7 per cent in both 1998 and 1999."

The western star Nov 17/98

West coast hit by first winter storm

STEPHENVILLE

The first snowstorm of the year caused a few problems in the Bay St. George area Monday.

Schools had to be closed and there were some power outages.

However, up to mid-afternoon there were no reports of traffic accidents or road closures, according to Const. Mike Dawson of the Bay St. George District Detachment of the RCMP.

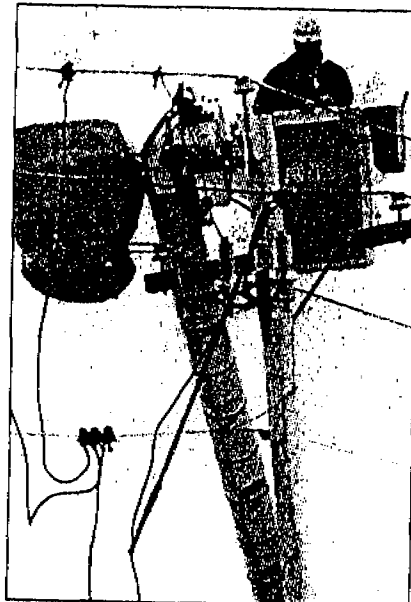
Const. Dawson said there were some minor motor-vehicle accidents during the weekend with the first snowfall. But he said by Monday motorists had probably figured out they should reduce their speed with slippery conditions on many of the roads.

The inclement weather resulted in the closure of a number of schools in the Bay St. George area. All schools on the Port au Port Peninsula and St. Thomas Aquinas in Port au Port were closed for the day and the two schools in St. George's closed in the early afternoon.

E.A. Butler School in McKays was also closed because of problems with its water system.

All schools in Stephenville and Stephenville Crossing remained open for the day.

There were some minor power outages, just minutes long, on the



Star Photo by Frank Gale

High winds and stormy conditions in Stephenville Monday resulted in some minor power outages on the Harmon Complex which were taken care of by Newfoundland Power employees in the early afternoon.

Harmon Complex in the morning. The outages appeared to be caused by slack wires slapping together in the area of the Kinsmen ParticiPark. Newfoundland Power employees were on the scene during the early

afternoon and took care of the problem.

Meanwhile, high winds wreaked havoc with the Gulf ferry service on Monday. The MV Joseph and Clara Smallwood was holding outside of Port aux Basques Monday night and the MV Atlantic Freighter was holding at the terminal in North Sydney, N.S.

Late Monday night, high winds, snowflurries and freezing conditions were reported in the Port aux Basques area.

The RCMP in Port aux Basques responded to one accident in the area Monday morning but there were no injuries reported.

There were no accidents reported to the Royal Newfoundland Constabulary in Corner Brook, or Royal Canadian Mounted Police highway patrols in western Newfoundland.

Poor weather conditions also caused some inconveniences at local airports.

Some flights at the Deer Lake airport were delayed either 30 minutes or an hour Monday, while an Inter-Canadien flight originating out of Halifax was slightly delayed arriving at the Stephenville airport.

The storm is expected to subside overnight with mainly cloudy skies and a 70 per cent chance of flurries in the forecast for today.

IND. Power critical of Dennis Browne

Consumer Advocate costing consumers by asking irrelevant questions, say company reps.

By BARBARA DEAN-SIMMONS and ROB ANTLE R-B News

As the public hearings get underway to deal with a proposed rate increase by Newfoundland Power, the company is going on the attack against Consumer Advocate Dennis Browne.

In two back-to-back press releases, the company accused Browne of wasting money on the process by filing evidence and discussing matters not relevant to the hearing, and of asking the company to provide information which breaks the law.

Bob Pike, manager of corporate communications with Newfoundland Power, said in a Nov. 10 press release that information Browne is "a violation of the Privacy Act, the Charter of Rights and the Canadian Constitution."

Browne is trying to discover the pay levels of executives at Maritime Electric, Canadian Niagara Power, Fortis Trust and Fortis Properties.

"In the opinion of our legal counsel, it would be illegal and totally irresponsible for Newfoundland Power to make this information public."

As for the questions that Browne is asking, in a Nov. 12 press release, Pike said many of the Consumer Advocate's questions are repetitious, while others are already public record as a result of audits initiated by the PUB.

In a conference call with RB reporters last week, initiated by Newfoundland Power, company officials estimated it costs \$1,000 per question to research and answer.

According to Pike, the three-week public hearing process this past spring, cost Newfoundland Power \$222,000. That's the bill sent to the company by the PUB.

The budget for the current hearing is \$250,000, he noted. "That's almost half a million dollars for the public hearing process this year," he said.

That cost gets passed on to the consumer, Pike said, noting that part of the rate increase Newfoundland Power is seeking for Jan. 1, 1999, is to cover the \$1.35 million in costs connected with the work being done by the Consumer Advocate and the PUB.

In the last round of hearings, Newfoundland Power processed 227 requests for information, according to corporate communications manager Robert Pike.

Asked what benefit it would be to the consumer advocate to extend the public hearing process, Pike said, "The benefit is you have two individuals down there (Dennis Browne and Mark Kennedy) who are paid \$305 an hour for every hour they put into this process. The more questions they ask, the larger the bill. The more responses they get, the more paper they have to go through. When they go on Open Line, when they do interviews, when they go on television like they were last week, that's \$305 an hour for the two of them. And very seldom do you see one without the other. It's almost like they're joined at the hip."

"In many cases they're asking questions and not paying attention to it," Pike said. "The agenda is to mislead the public. In my view, he's playing games with the process."

Browne shoots back

However, Dennis Browne says it's Newfoundland Power that's trying to mislead the public.

He says the allegations that he is benefiting from the process, via the \$305 per hour fee, are incorrect.

"I don't get paid \$305 an hour, that's incorrect. I don't get they money myself, it goes into our firm. Our firm's rate is set by the Lieutenant Governor in Council and the Department of Justice scales for retention of outside counsel."

Browne said he gets \$155 an hour, and he has the right to employ legal counsel. But



Philip Hughes, CEO and president of Newfoundland Power, defends his company's request for rate increases in 1999, on Nov. 12 in St. John's.

according to the Order in Council, the legal council has to be within the same firm.

"Mark Kennedy in our firm is paid \$150 an hour."

Although Browne's and Kennedy's wages total \$305 per hour, Browne said the total is paid to the firm. Out of the total, the firm's overhead has to be paid.

"And most law firms barely get more than 50 cents to the dollar to share in profits among partners once the overhead is taken out. So it's not paid to me personally."

Browne assures that he is not extending the public hearing process.

"It's the public utilities board that called the hearing."

"In fact we were ready to start the process on Monday. The hearing was supposed to have started this Monday past (Nov. 9) and Newfoundland Power requested a postponement until Friday morning, Nov. 13, to file new documents."

"We were ready to go on Monday and they weren't ready and now we just got a fax saying the chairman of the board is ill and now they won't be ready to go until this Monday (Nov. 16)."

Roger LeBlanc photo

Browne says the real issue in all this is that for the first time in its history Newfoundland Power is being held accountable by the consumers of the province.

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"That's the first rebate consumers have seen in recent memory from Newfoundland."

"So really it's cost the consumers nothing up to this point. Consumers have actually gotten a rebate because of the process. Only Newfoundland Power has paid as a result of our involvement," he said.

"Newfoundland Power and its subsidiary Fortis have \$7.1 million less than they would have had this time last year."

A better way?

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"I think it's very costly," said president and CEO Philip Hughes. "To spend \$4 million in a year is a very high amount."

Please see page 6

THE ISSUES

Power company see 1.43 rate increase, among other things

The current Public Utilities Board hearing is dealing with several issues. Those include:

- \$3.5 million in 1992 and 1993 earnings that were subject to a ruling in the Newfoundland Court of Appeal to a technicality caused by the slowing economy years, the company says, it earned \$3.5 million in allowable earnings.

At the time, according to Newfoundland Power, PUB said the company could retain those earnings.

Consumer Advocate Dennis Browne explains it differently, however.

He said the company argued at the time that the not excess earnings, and the PUB ordered the entire to the Newfoundland Court of Appeal for a resolution of Appeal, said Browne, in July of this year there were excess earnings in 1992 and '93.

"Now during these hearings the PUB has to consider whether that \$3.5 million should be rebated to consumer whether it should be considered as Newfoundland Power application for rate increase, or whether Newfoundland Power should keep the \$3.5 million."

- a 1.43 per cent rate increase (CHECK), effective 1, 1999. The company says it needs this increase to improve and expand the electrical system. It put \$4 million into the system in 1998, and plans \$37 million in next year.

"I think it's quite natural for anybody to (prefer) if of anything doesn't go up," Hughes said. "It's quite a reaction."

Hughes cites Newfoundland's high unemployment as one reason for public outcry against rate hikes.

"Money is probably tighter in this province than in others," he said.

But that aside, Hughes says the increase requested by the company in this round of hearings is necessary.

"We're no different than anybody else," he says. "We have to pay our bills."

Hughes points to the July decision by the PUB to raise the company's rate of return to 9.25 per cent from 1 per cent.

This rate, the company claims, is the lowest allowed of return for all regulated utilities in North America.

The company points to a report by the Bank of Montreal's investment arm, Nesbitt Burns, which claims the impact of the rate reduction as "very negative."

Nesbitt Burns lowered its rating for the Newfoundland Power's parent company, Fortis Inc., after the July change, claiming "this decision diminishes the attractiveness of investing in the utility and will increase the urge of investing outside the province and/or outside the industry."

And in early October, credit rating agency CBRS downgraded the company's bond ratings. That decision, it says, affects Newfoundland Power's ability to raise money on bond markets. It also means it will cost more to raise the funds, Hughes said.

Outmigration has also hurt the company's operations, it's "a difficult subject," Hughes allows. Newfoundland Power estimates that 15,000 customers have left the province in recent years.

UTILITY

Consumer advocate denied salary information

BY BRIAN CALLAHAN

The Telegram

Wednesday - Nov 18/98

Dennis Browne's challenge to Newfoundland Power's request for a rate increase hit a snag Tuesday when he was denied salary information from other Fortis companies.

In dismissing the consumer advocate's application, the Public Utilities Board (PUB) said information on executive salaries of other Fortis companies is not required for the hearing process.

"Information provided by Newfoundland Power and an affidavit and cross-examination of company president Philip Hughes provides sufficient information on executive compensation to deal with (the) issue," the PUB stated.

Power company spokesman Bob

Pike applauded the decision, noting hearings this year will cost customers \$4 million.

"We have a responsibility to our customers to ensure the hearing proceeds as efficiently as possible," said Pike.

"Now we hope to get back to the real issues relevant to the hearing process."

He added the company has filed all its executive salaries with the PUB.

"As far as we're concerned, we have filed adequate information to address the issue," said Pike.

"There's been a lot of requests for information but the majority were either irrelevant or repetitive."

He said as well there are many other salaries and pertinent information already on the public record that the consumer advocate has access to.



Bob Pike

UTILITY

Executives' pay raise questioned at hearing

BY PAT DOYLE

Thursday - Nov 19/98
The Telegram

The Public Utilities Board (PUB) should not allow Newfoundland Power's current levels of compensation for executives and management, says the consumer advocate.

"At a time when Newfoundland Power is seeking a 1.31 per cent rate increase, it has raised the salaries of its top four executives by more than 25 per cent," Dennis Browne said Wednesday.

He made the comment as the current PUB public hearing into a range of issues affecting the utility's rates, tolls and charges began to deal with the compensation issue.

The board was told by a senior official of a management consulting group that it is necessary for Newfoundland Power to pay its senior executives at the median level of compensation for Canadian industrial companies in order to attract and retain qualified people and sustain a high level of performance.

Ronald Goldthorpe, director, executive compensation and surveys, Hay Management Consultants of Toronto, presented the report on a review of executive compensation the firm undertook for Newfoundland Power.

Cross-examination of Goldthorpe by Browne, and his legal counsel, Mark Kennedy, is taking place today.

In its review, Hay Management compared the compensation paid to Newfoundland Power's senior executives with that given to senior personnel in a group of other Canadian companies.

The actual base salary paid by New-

foundland Power is four per cent below the median of compensation given to those in the industrial group, Goldthorpe told the board.

He said the actual bonus paid to the local utility's senior people is 10 per cent below the median.

However, in a statement outside the hearing Wednesday, Browne said the presentation of the Hay report was "an attempt by Newfoundland Power to justify" the salary increases.

He said Philip Hughes, president and chief executive officer, earned \$262,000 in 1996 and

that was increased to \$330,000 in 1997.

"Under the current plan, he would

"Hospitals, school boards and people of modest means should not be asked for more money from Newfoundland Power at a time when Newfoundland Power's priority has been to dramatically increase executive and management compensation."

Dennis Browne,
consumer advocate

earn in excess of \$350,000 in 1998."

Browne said he will be calling on the PUB to reject the company's current levels of compensation for executives and management.

"Hospitals, school boards and people of modest means should not be asked for more money from Newfoundland Power at a time when Newfoundland Power's priority has been to dramatically increase executive and management compensation," Browne said.

However, Newfoundland Power has previously stated its executive compensation policies are in line with the industry and slightly below that of other large Newfoundland-based businesses.

Bob Pike, manager of corporation communications, said 1997 represented the first time company executive salaries changed since 1992.

"By attracting experienced and qualified executives, we are able to ensure that Newfoundland Power is able to maximize its performance and contribute to the local economy," Pike said.

☐ BUSINESS

Nfld. Power fires back

The consumer advocate's co-counsel has admitted to requesting information irrelevant to the public hearing currently underway, says Newfoundland Power.

"Mark Kennedy has readily admitted on the public record that he and Dennis Browne are asking questions on matters not relevant to this hearing," says Bob Pike, manager of corporate communications. "Their approach causes Newfoundland Power tremendous concern as time and money are potentially wasted filing evidence and discussing matters not relevant to the hearing."

To date, the company has filed responses to 227 requests for information. Many of the requests are repetitious and others are already public record, the corporation charges.

Pike says Newfoundland Power's goal is to ensure the hearing proceeds as efficiently as possible as customers ultimately pay for all hearing costs. Hearings held in 1998 will cost consumers approximately \$4 million.

The Express - Thursday - Nov 19/98

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Pike says Newfoundland Power's goal is to ensure the hearing proceeds as efficiently as possible as customers ultimately pay for all hearing costs. Hearings held in 1998 will cost consumers approximately \$4 million.

The Express - Thursday - Nov 19/98

NFLD Power says rate increase justified

By SUE HICKEY
Advertiser

This advertisement has occupied prime space in Newfoundland newspapers during the past week: "some people think electric rate increases are shocking!"

But the ad goes on to say that these increases are much lower than in other parts of Canada.

"The fact is, even with the proposed rate increase of 1.48 per cent, increases in electric rates in Newfoundland are far less than those experienced in other provinces," it states.

Since 1991, the rates will have risen only 5.68 per cent over an eight-year period. However, previous attempts by the company to raise its rates have been met by fierce opposition, as well as criticism from consumer advocate Dennis Browne.

Now the company is once again asking the Public Utilities Board (PUB) for a 1.3 per cent rate increase.

In a conference with Robinson-Blackmore reporters Nov. 12, company president Philip Hughes reiterated Newfoundland Power's desire for a rate increase, and explained that the company is seeking that increase to meet its expenses, not to simply make more profits.

There are two main reasons why Newfoundland Power is seeking a rate increase, effective Jan. 1, 1999.

"The first reason pertains to the costs of improvements and



Newfoundland Power executives Karl Smith, vice-president and chief officer of finance, left, and Philip Hughes, CEO and president, say rate increases are needed to compensate for the millions of dollars invested in capital

expansions to the electrical system," he stated. "Preventive maintenance and repairs are expensive, but essential, to protect insulators, transformers and power lines from the sleet, winds and harsh weather to which Newfoundland's electrical system is exposed...It's not an increase in profit."

In 1998, the company will invest \$43 million in the electrical system, and another \$37 million in 1999.

"If we put in a pole today, it takes us over 30 years to pay for that pole," said Mr. Hughes. "Over those 30 years, there are

interest, costs and other costs incurred in paying for that pole."

Hearing costs

The second reason pertains to the cost of the PUB hearings.

"Newfoundland Power has a responsibility to customers to ensure that hearings are conducted in an effective manner," said Mr. Hughes. "Customers ultimately pay all hearing costs."

Hearings held in 1998 will cost customers about \$4 million. Of that amount, about \$1.4 million pertains to costs

projects. The two also charge the lawyers for the Public Utilities Board are dragging-out the process for the high legal fees.

Roger LeBlanc photo

associated with the PUB and Dennis Browne.

"His agenda is to mislead the public," said Bob Pike, manager of corporate communications. "You might have heard a lot of him in the news recently about Newfoundland Power spending \$75,000 to change its corporate logo on its signs from 'Newfoundland Power' to 'Newfoundland Power - a Fortis Company.' He asked his questions about that, and we responded in writing weeks ago, but he continues to say we're spending

Please see page 11

NFLD Power

Continued from page 8
\$25,000...of that, \$67,000 was for new signs that weren't in existence before at all. And those signs are put in place for safety reasons on all our hydro plants and substations."

Mr. Hughes said he understands why people question rate increases, calling it a natural reaction, especially in a province where unemployment is high and money is tight.

"Unfortunately, we have to pay our bills the same as everyone else, and also we have to have an electrical system to enable us to be more efficient," he said.

Newfoundland Power had originally requested an increase of 1.48 per cent, but this week, filed new evidence with the PUB that reduces the company's required 1999 rate increase to 1.3 per cent.

The filing in September was based on the second quarter forecast results of the Conference Board of Canada, explained Mr. Pike.

"Based on the Conference Board of Canada's third quarter results, the company has reduced its sales forecast for 1999," he said. "As a result, Newfoundland Power's capital budget has been reduced, which in turn, reduces the company's revenue requirement for 1999."

Newfoundland Power's original rate increase request of 1.48 per cent was based on the most accurate information pertaining to economic indicators available at that time, he added. The company recognized the rate increase required would likely change in subsequent weeks as a result of changes in market conditions.

The Advertiser Nov 19/98

POWER CORP.

Salary hikes reasonable, consultant says

BY PAT DOYLE
The Telegram

The basic salary increase for Philip Hughes, president of Newfoundland Power, to \$240,000 from approximately \$207,000 in January 1997, is not unreasonable when put in the proper context, according to a management consultant official.



Philip Hughes

That was the opinion of Ronald Goldthorpe, director of executive compensation and surveys for the Toronto-based Hay Management Consultants, during his appearance before the Public Utilities Board (PUB).

Goldthorpe's firm carried out a review of Newfoundland Power's executive compensation at the request of the utility which had been directed by the PUB to have such a review done.

The Hay Management official discussed the report during the board's public hearing Wednesday and responded to questioning Thursday by

Mark Kennedy, legal counsel for Denis Browne, consumer advocate, and Randy Earle, counsel for the board.

Hughes, a former senior executive of Fortis-owned Maritime Electric, was appointed president and chief operating officer of Newfoundland Power, also a Fortis subsidiary, in January 1997. Five months later, upon the retirement of Aiden Ryan, Hughes became president and chief executive officer.

At that time, he received a 13 per cent basic salary increase to \$233,000. Since then, his base salary was increased to \$240,000.

Goldthorpe told the board, "So I think looking at this increase, though it looks like a lot of money, indeed it is a lot of money and a fairly high percentage, I think you have to put that in the context of he has been promoted from chief operating officer to chief executive officer and the resulting \$240,000 is still at about the median of industrial organizations in Canada."

He added, "So, I think within the context of a promotion this level of increase that Mr. Hughes received is not unreasonable."

Goldthorpe also discussed an increase for John Evans, a professional engineer and vice-president of engi-

neering and energy supply, whose salary rose from \$115,000 on Jan. 1, 1997 to \$150,000 on Jan. 1, 1998.

"On total basic remuneration, the sum of salary, bonus and the value assigned to non-cash compensation, Newfoundland Power falls at the median of this reference community."

Ronald Goldthorpe,
consultant

That has to be put into context that Evans' salary was subject to a five-year freeze from 1992, Goldthorpe said. That represents an annual average increase of 4.5 per cent over a six-year period, he said.

"In that context, while the 4.5 per cent per year is a little higher than average, it isn't too out of line either."

Goldthorpe also told the board the compensation in 1998 of Newfound-

land Power's four top executives "still falls below the median of Canadian industries at both the policy and at the actual levels and we would say that the results still fall below the median and are reasonable."

Meanwhile, Goldthorpe filed a revised chart with the PUB Thursday, showing a comparison between Newfoundland Power and 14 Canadian utility companies.

"On total basic remuneration, the sum of salary, bonus and the value assigned to non-cash compensation, Newfoundland Power falls at the median of this reference community," he said.

Meanwhile, the PUB has set aside time today for presentations by any groups or organizations or individuals who wish to make known their concerns about Newfoundland Power's application for a 1.31 per cent rate increase.

Four presentations are scheduled to be heard today, from: Myrle Vokey, executive director of the Newfoundland and Labrador School Boards Association; Anita Finn of Goulds, representing the Retired Teachers' Association; Coun. Dennis O'Keefe of St. John's; and John Callahan, a private citizen.

E. Telegram - Friday - Nov 20/98

PUB HEARINGS

Consumers plead for break

BY PAT DOYLE

The Telegram

Saturday - NOV 21/98

Health care and school board organizations, retired teachers, a city councillor and a private citizen all warned Friday of dire consequences if Newfoundland Power is given the rate increase it's seeking.

Appearing before the Public Utilities Board (PUB) at a public hearing, five people pleaded with the five-member board not to approve the 1.31 per cent average increase the utility wants.

John Peddle, executive director of the Newfoundland and Labrador Health and Community Services Association, said it's clear from a financial review now under way that unless there are major changes in the way services are delivered or an infusion of money from the provincial government, "there will be a need to make major reductions in the delivery of services to the population of the province."

The projected deficits are the direct result of increased levels of care required for an aging population, as well as other uncontrollable costs such as increases in technology, Peddle said.

"Our health organizations are not in a position to generate new money and their revenues are mainly received from the provincial government," he told the commissioners.

"This means that any increase approved by the Public Utilities Board

will increase the deficits that are already in place for member organizations, or it would mean that the provincial government will have to come up with additional dollars to cover off this increase."

Myrle Vokey, executive director of the Newfoundland and Labrador School Boards Association, spoke of the financial crisis the system is currently going through and the impact a rate increase would have.

He said the boards' operations funding has to cover a number of areas which include classroom instruction as well as things like heat, light and maintenance.

Vokey said the 1.31 per cent rate increase would cost school boards more than \$153,000 in total.

"We feel the rate should remain constant as any increase will be harmful to the school system," Vokey said. "So



John Peddle

we are pleading the case that the rate increase be rejected."

Anita Finn, of Goulds, made a strong plea on behalf of the Retired Teachers' Association members, many of whom she said are on low, fixed incomes, with little if any pension and no medical insurance.

"If they have to pay this increase, a choice will have to be made, either food or medications will have to be cut back, because the light (bill) has to be paid," said Finn, association president.

St. John's Coun. Dennis O'Keefe said the rate increase will hurt people on social assistance; people whose wages have been frozen or restricted since 1990; people affected by the collapse of the fishery; senior citizens on fixed and marginal incomes; hospitals, school boards and municipalities.

O'Keefe said all consumers will "feel the pain of yet another needless increase in electrical rates."

He said the PUB reduced the "very profitable" company's rate of return by two per cent earlier this year and the criteria which prompted that decision have not changed.

"Therefore, the rate should remain as set at that time," he said. "For the board to do otherwise would be illogical."

You need not

*It is very emotional
losing a loved one who has
been ill.*

ELECTRICITY RATES

Economist disputes Power Corp. ads

BY BRIAN CALLAHAN

The Telegram

Wednesday - Nov 25/98

An economics expert says ads that describe Newfoundland's electricity rates as the lowest in Atlantic Canada are misleading and untrue.

Newfoundland Power has been running the ads in the midst of its push for a 1.61 per cent rate increase. The company compares its rates with those in Halifax, Charlottetown, P.E.I., and Fredericton, N.B., claiming its are lower.

Therein lies the problem, says James Feehan, a professor of economics at Memorial University who was asked by consumer advocate Dennis Browne to review the matter.

Feehan says Newfoundland Power only looked at one case that was conveniently in its favour. Also, the numbers only work when discount schemes are included and proposed rate increases are not, he said.

Newfoundland Power's statistics are based on the average monthly usage per customer, which it says is 1,663 kilowatt hours.

"However, when the level of consumption moves to 1,718 kilowatt hours or more, Fredericton would have the lowest electricity rates in residential Canada," said Feehan, who obtained figures from regulatory commissions in the other three provinces.

Newfoundland only has the lowest electricity costs when the power com-

pany's 1.5 per cent discount plan kicks in. "Many consumers are not in a financial position to pay their bills early and therefore do not take advantage of that discount," added Feehan.

Further, for non-electric heat users who use 333 kilowatt hours a month or less, Halifax had lower rates than St. John's. Nova Scotia's basic customer charge is \$10.50 per month compared to about \$16.19 in Newfoundland, Feehan noted.

visual presentation of the ads, noting stacks of coins associated with the cities were exaggerated for every city except St. John's.

Browne was not surprised by the findings.

"Feehan's conclusions suggest that consumers should be wary of Newfoundland Power's advertising campaign which does not appear to have any factual basis," he said.

Related story, page 45

**"Feehan's conclusions
suggest that consumers
should be wary of
Newfoundland Power's
advertising campaign
which does not appear
to have any factual
basis."**

*Consumer advocate
Dennis Browne*

"(But) far more serious is the failure of the advertisement to consider any other level of (electricity) consumption," he said.

Feehan also slammed the deceptive

Shrinking trust in public utility

As a consumer of electricity — and who isn't these days — I have been paying sporadic attention to the Public Utilities Board hearings into the rate hike request from Newfoundland Power.

As a communicator, I could see why Newfoundland Power had launched an advertising campaign to make its pitch to the consumer. (Although, for me anyway, the message isn't working.) My interest in the hearings reached a new level when I read the headline "Salary hikes reasonable, consultant says" (The Telegram, Nov. 20).

Isn't it wonderful that our electrical utility, Newfoundland Power, has seen fit to hire a consultant to tell it that the salary increases given to its own senior management team were reasonable. As my teenage son might say, duh!

Ronald Goldthrope gave evidence at a PUB hearing into Newfoundland Power's rate hike hearing to the effect that a senior manager's salary of \$207,000 increased to \$240,000 in one year was "not unreasonable." I think it's time Newfoundland Power took some time out for a reality check. The messages are not working, guys.

Why doesn't the PUB hire an independent consultant to do such an assessment — instead of accepting this "testimony" from this consultant paid by Newfoundland Power. Or maybe this is a brilliant stroke of legal genius by the legal counsel for the consumer advocate. Because the effect of this kind of testimony at the rate hearing is the further erosion of the people's trust in our public utility. It's time Newfoundland Power woke up and realized this.

E. Telegram Doug Scott
Wednesday - Nov 25/98 St. John's

PUB HEARINGS

Power Corp. looks to the long-term

Upgrade program will reduce outages, extend life of assets

BY PAT DOYLE
The Telegram

A new four-year distribution transformer upgrade and maintenance program, while increasing costs in the short-term, will over time reduce unscheduled outages, extend asset lives, improve employee safety and reduce oil spills, says Newfoundland Power.

"This initiative will ensure the integrity of the electrical grounding of transformers and will identify and remove heavily corroded transformers," Earl Ludlow, vice-president, operations, told the Public Utilities Board (PUB).

Ludlow, a professional engineer, is one of the senior executives of the utility providing evidence to the PUB during the ongoing public hearing which began Nov. 9 to address a range of issues affecting the company's

rates, tolls and charges, rate of return and other matters.

He presented evidence on the company's operating expenses and labour costs.

A number of efficiency initiatives already under way or planned for implementation in the immediate term are focused on improving reliability of service, Ludlow told the board.

"While tending to increase operating expenses in the short-term, these initiatives will achieve longer-term savings by reducing unscheduled outages."

Ludlow said the distribution transformer initiative, which cost \$312,000 in 1997, will cost \$500,000 this year and is projected to cost \$850,000 in 1999.

Expenses

The board was told by Ludlow that operating expenses represent approximately 16 per cent of the utility's 1999

forecast cost of service.

He said the forecasted total operating expense for 1998 is \$56.2 million while the forecast for 1999 is \$56.7 million. That compares with \$59.9 million in 1996 and \$61.5 million last year.

Ludlow also subdivided operating expenses into two categories — labour and non-labour.

He said such a subdivision is justified because of the prominence of labour costs, which represent 58 per cent of total forecast operating expenses in 1999.

Labour costs reduced

The total labour costs, which were \$33.7 million last year and are expected to be \$32.8 million this year, are forecast to be \$33.1 million in 1999. The 1996 cost was \$34.1 million.

Non-labour costs were \$27.7 million in 1997 and are expected to be \$23.3 million in 1998 with a forecast of \$23.6

million for 1999. The 1996 cost was \$25.7 million.

"The cost of supplying electricity has increased by about \$500,000 over 1996, while customer service costs have decreased by about \$750,000," Ludlow told the PUB.

"The most significant decline is the reduction in general corporate expenses of \$2.9 million from actual 1996 to forecast 1999," he said.

"As the company concentrates on improving the quality of energy delivery and customer service, it has also focused on reducing, to the extent possible, expenses of a general nature to permit reallocation of resources to the core functions."

Costs at lowest level

Ludlow said the company must modify operating procedures and find efficiencies so the cost to customers is managed at the lowest level consistent with

reliable, quality service.

One example is the initiatives undertaken with regard to management of vehicle fleet maintenance, he said.

"By contracting out fuel and maintenance services, vehicle expenditure reporting and fleet invoice processing, the company has achieved cost savings through more effective vehicle maintenance and reduced administration costs."

He said vehicle operating expenses, which were \$2.4 million in 1997, are expected to be \$2.037 million in 1998 and \$2.046 million in 1999.

"In some cases, the company may need to increase expenditures in certain areas in the short-term to achieve more efficient operations over the longer-term," Ludlow said.

"Expenditures will also increase from time to time to make necessary improvements in the quality of service."

Stop begging for rate hikes

Instead of buying newspaper ads, as well as radio, and television airtime to tell everyone what a great service Newfoundland Power doing for the community, why not save this money and forget about the rate increase?

You people think that if you spread enough public relations everyone will forget about the millions in profit Newfoundland Power made last year. You're wrong. Dead wrong.

The average consumer is fed up, and disgusted with the greed of large corporations like Fortis.

What's wrong with just making a profit? Why do you have to make more money this year than last year?

In your ads you state how you've "worked hard to keep electricity costs down" and are "committed to Newfoundland" yet you go begging to the public utilities board at every opportunity, and try to nail the individual consumer every chance you get.

Why don't you cut everyone a break and quit crying for an increase. I don't feel like making wealthy shareholders and Fortis fat cats richer when I've already got enough trouble paying my household expenses.

*E. Telegram - Paul Humber
Thursday - Nov 20/98 Corner Brook*

ELECTRICITY RATES

Power Co. downplays criticism

Newfoundland Power defends its ad campaign information

BY PAT DOYLE

The Telegram

Thursday - NOV 26/98

Newfoundland Power says despite the criticism of a Memorial University economist and consumer advocate Dennis Browne, it stands by its claim of having the lowest electricity costs in Atlantic Canada.

Bob Pike, the utility's manager of corporate communications, said Wednesday a review report done for Browne by MUN economics professor James Feehan, and Browne's comments about it, represent "a low attempt to discredit Newfoundland Power and mislead the public of Newfoundland."

Feehan reviewed the current advertising campaign in which the utility presents figures showing electricity costs are lower in St. John's than in Fredericton, Charlottetown, P.E.I. or Halifax.

Feehan said Tuesday the utility only looked at one case that was conve-

niently in its favour. He also said the numbers presented in the advertisements only work when discount schemes are included and a requested rate increase is not.

During the current Public Utilities Board (PUB) hearing, Newfoundland Power will make its case for a requested average rate increase of 1.31 per cent.

The utility's advertisement states the electricity cost — based on 1,663 kilowatt hours per month, including the basic customer charge, energy charge, discount and taxes — is lowest in St. John's, at \$143.50.

It says the costs are \$144.13 in Fredericton, \$147.45 in Charlottetown, and \$171.76 in Halifax.

However, Feehan said when the level of consumption rises to 1,718 kilowatt hours per month or higher, Fredericton has the lowest cost. He said when non-electric heat customers use 333 kilowatt hours or less, Halifax has the lowest cost.

Browne said Feehan's conclusions suggest customers should be wary of the advertising campaign "which does not appear to have any factual basis."

Pike said what Feehan has done is "look at the information to see where he could find a hole where we weren't the lowest."

He said the professor is also accusing the utility of "picking a particular number that was to our credit and only using that number."

Pike said in advertisements published in April, the utility based its numbers on the use of 1,000 kilowatt hours per month because the information was provided by Natural Resources Canada.

"So we have used other numbers."

He said the recent ads use the figure 1,663 kilowatt hours per month "because that is the actual number of the average monthly usage of Newfoundland Power customers with electric heat."

PUB HEARINGS

Presentation termed 'wake-up call'

*Newfoundland Power warned
it's pricing itself out of market*

BY PAT DOYLE
The Telegram

Newfoundland Power is pricing itself out of the competitive market through its rate increase applications, says the consumer advocate.

Dennis Browne's comment Wednesday was based on information provided to the Public Utilities Board (PUB) by John Peddle, executive director of the Newfoundland and Labrador Health and Community Services Association.

Browne said Peddle's presentation was a "wake-up call" for Newfoundland Power, which is seeking an average 1.31 per cent rate increase to be effective Jan. 1, 1999.

Peddle, in a presentation at the PUB's current public hearing last week and in followup information provided this week, told the board that many health facilities in the province, seeking to reduce costs as much as possible, are considering converting from electricity to oil heat.

He told the board approximately 22 of the 52 larger health facilities in the province have electric heat.

"Under the energy retrofit programs, many of these 22 facilities are converting to oil-fired systems," Peddle said.

For example, he said, "many nursing homes are converting domestic hot water systems from all-electric to oil heat systems, not only to save costs but to improve recovery rates. A typical payback time period would be two to four years."

Browne said that in particular, Peddle told the PUB that new facilities under construction, including hospitals and nursing homes, are looking at other methods of generating heat other than electricity "which is expensive

to Mr. Peddle, a fraction of the cost of electricity."

The board was told by Peddle that the current cost for light oil, dependent on the region, is between 18 cents and 23 cents per litre — less than three cents per kilowatt hour, assuming an efficiency rate of 80 per cent.

He said electric costs are five cents per kilowatt hour, excluding demand costs.



Dennis Browne

"When you consider the demand cost of \$6 to \$8 per KVA per month, the average cost per kilowatt hour can reach as high as 10 cents," Peddle said.

"Any increases in electrical rates without incentives from Newfoundland Power will only increase the rate at which the number of conversions take place."

Peddle said it is expected that the new facilities in Harbour Breton, Fogo, Bonne Bay and Grand Falls-Windsor "will use oil for heating and domestic hot water because of reduced operating costs."

Peddle also said that some of the larger electrical users receive the benefit of a curtailable rate option.

"If the curtailable rate option is reduced or eliminated, this will also increase the rate of conversion from oil to electricity."

Browne said Newfoundland Power should take the advice of its own bond rating agency.

"The Canadian Bond Rating Service informed Newfoundland Power on Oct. 16, 1994, that electricity costs in this province are among the highest in the country, forcing Newfoundland Power to contain its consumer rates," he said.

"Newfoundland Power's electricity rates should actually be lowered to put the company on a competitive edge

E. Telegram - Sunday - Nov 29 198

Anti-business attitudes

When is this campaign against Newfoundland Power going to end? Now. The Telegram is joining in this anti-business kangaroo court ("Economist disputes Power Corp. ads," Nov. 25).

Prof. James Feehan was reported to have said various things, with reports from "Our Father Protector" Dennis Browne stating that "Feehan's conclusions suggest that consumers should be wary of Newfoundland Power's advertising campaign which does not appear to have any factual basis." Dr. Feehan's comments were far from implying "does not appear to have any factual basis." It would be nice to have Dr. Feehan confirm or deny this comment by Mr. Browne.

On CBC Radio, on Wednesday morning, the reporter asked straight out — Did Newfoundland Power lie? The straight answer was no — their figures are correct. Dr. Feehan was only making the point that "cheapest" depends on what your level of consumption is. Newfoundland Power chose a level of consumption equal to their average billing. What else were they supposed to do?

Newfoundland Power is an excellent company, a Newfoundland company with a great future. Newfoundland

Power provides electricity that is cheaper than in Ontario. You don't see gasoline, groceries or provincial taxes below Ontario price levels. The province should be singing the praises of Newfoundland Power. That's what would happen in places that appreciate success. But we don't.

When is this province going to stop acting like hyenas, dogging and nipping at the heels of anything or anyone connected with a local, profitable and efficient private business? This is serious stuff. This kind of foolishness has killed businesses before and will do so again.

Do people really want some government department delivering their electricity? What a nightmare that would be.

Claude Daley
St. John's

Power rates don't pay for ads

In response to Mr. Humber's letter of Nov. 26, "Stop begging for rate hikes," I offer the following comments to ensure customers understand the issues pertaining to the hearing currently before the Public Utilities Board (PUB).

Although it is a common misconception that Newfoundland Power earns more profit each year, the reality is the company's profits have decreased by approximately 25 per cent since 1995.

The proposed 1.31 per cent rate increase, effective Jan. 1, 1999, will not increase Newfoundland Power's profit level, nor will it benefit shareholders of the company. In fact, Newfoundland Power has suspended dividends to its shareholders until late next year.

There are two reasons the company is requesting a rate increase in 1999. First, a portion of the revenue will be used to finance improvements to the electrical system. Newfoundland Power will spend \$43 million in 1998, and \$37 million in 1999, on capital projects to improve the level of reliability of electrical service provided to our 172,000 customers.

Secondly, a portion of the revenue will be used to recover the cost of hearings called by the PUB in 1998. Hearings held this year are estimated to cost customers approximately \$4 million. The company has a responsibility to customers to ensure hearings are conducted in as efficient a manner as possible.

As a point of clarification, customers do not pay for corporate advertising which provides information on electrical rates and our commitment

to serving customers. Newfoundland Power's shareholders pay for such advertising.

The employees of Newfoundland Power are committed to providing our 172,000 customers with safe, reliable electrical service in the most cost-efficient manner possible. As we move forward, we will continue to control costs, enhance system reliability, and improve customer service.

*Robert Pike
manager, corporate communications
Newfoundland Power*

*E. Telegram - Tuesday
December 1/98*

PUBLIC UTILITIES BOARD

Power corp. overboard on computer costs?

Consumer advocate says \$8 million on computer gear 'excessive'

BY PAT DOYLE

The Telegram

Wednesday - Dec 2/98

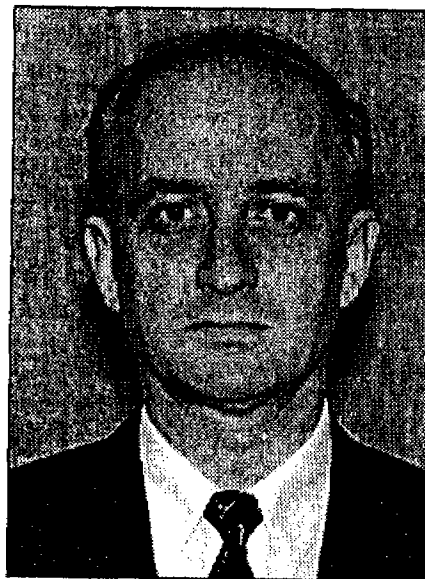
Dennis Browne, consumer advocate, said Tuesday he stands by his contention that Newfoundland Power's expenditures for computer equipment are "excessive."

Browne noted the utility's proposed capital budget for 1999 includes more than \$8 million for computer-related equipment, which represents some 12 per cent of its total capital budget.

"Newfoundland Power has chosen to purchase top-of-the-line equipment when less expensive equipment is available and consumers should not have to bear the cost of that," Browne told The Telegram.

He suggested the company can afford to do that because the ratepayers are paying, but if the utility had to pay for it, it would not buy such expensive equipment.

Browne made his comments in response to a press release issued Tuesday by Paragon Information Systems, a NewTel company, which said it had expressed concern to the Public Utilities Board (PUB) about information submitted at the board's ongoing pub-



Dennis Browne

lic hearing.

The information in question related to the pricing of computer services obtained from Paragon.

"We are concerned that the methodology used to obtain the information failed to give an accurate rendering of

the systems and equipment required by Newfoundland Power," Paragon said.

"As a consequence, the information placed into evidence may be misleading and sensitive information of suppliers is placed on the public record without the appropriate analysis and context."

Apples to oranges

Paragon said the specifications given as a basis for price quotations, as requested by D. A. Hood Computer Consultants Inc., "did not correspond with Newfoundland Power's actual computing requirements, their applications and the integration of new systems in a complex workplace."

In essence, the company said, to rely on these quotations would be to compare apples to oranges, "especially as they were obtained without the appropriate context of a large organization operating in a dynamic environment."

Browne said since Paragon is one of the larger suppliers of the computer-related equipment to Newfoundland Power, "no one should be surprised it chose to come to the utility's aid on this issue."

The consumer advocate said Newfoundland Power had provided specifications on its computer equipment in response to his request and D. A. Hood Computer Consultants assisted him in checking out the information provided.

However, Browne said, when Newfoundland Power officials presented their evidence at the public hearing they said they had upgraded the specifications and provided a different set of figures.

"The new evidence does not change the situation because they are still seeking top-of-the-line equipment," he said.

Meanwhile, in its news release, Paragon said it believes the unit prices for desktops and laptops as submitted in Newfoundland Power's 1999 capital budget "appear reasonable."

Paragon said it is concerned it "has been made an unwitting party to these hearings."

It also said the information submitted to the board by the consumer advocate "has the potential to cause harm to the suppliers without advancing the quality of the information before the board."

CEO defends Newfoundland Power

BY PAT DOYLE

The Telegram

Saturday - Dec 5/98

Newfoundland Power has not been given much room to manage its affairs in the best interest of its customers and its shareholders, according to Philip Hughes, president and chief executive officer.

The restraints placed on the utility by an order of the Public Utilities Board (PUB) following a two-week hearing last summer "practically mean that a single adverse event, such as a minor economic downturn, in 1999, could have severe financial consequences for the company and, in turn, its customers and shareholders," Hughes told the board Friday.

The board's earlier order required the utility to reduce rates by two per cent to 9.25 per cent.

With the current public hearing, which started Nov. 9, now in its final stages, Hughes gave evidence Friday to summarize the utility's position on various issues such as a requested 1.31 per cent average rate increase, capital spending, the issue of whether there were excess earnings in 1992 and 1993 and senior management compensation.

It appears the hearing will wrap up with final arguments by all parties on Tuesday.

Hughes said Friday current rates for the average electric heat customer are the lowest in Atlantic Canada and the company is improving reliability and customer service at the same time.

"To continue on this path, it requires a small rate increase in 1999."

Hughes said the board's earlier order has "ensured that Newfoundland Power's earnings and financial position will not materially improve in 1999."

The requested increase "is about ensuring that the electrical system continues to provide what this province's economy needs."

Hughes said the effects of the PUB order last summer have been recognized by the national financial community.



Philip Hughes

"The market reaction has included a downgrade in the company's credit rating and widespread criticism of the order itself."

On the issue of possible excess earnings in 1992 and 1993 of a total of \$3.5 million, Hughes said the issue threatens to impair management's ability to manage into the future.

"There was no compelling evidence put forward to suggest the requested rate increase should be granted."

*Dennis Browne,
consumer advocate*

"The reality is there are no excess earnings," he said.

"It is little more than technically that the earnings were required to have been stated as a range of return on rate base as opposed to a range of return on common equity."

Hughes said the difference between the forecast and actual returns on rate base were caused by reductions in capital spending "which were made with

the approval of the Public Utilities Board at that time due to the downturn in the economy."

He said the right course now is for the board to affirm the 1992 and 1993 decisions of the PUB.

"The amounts involved here are not excess earnings, they are the equity of the company which has been invested in the province's electrical system."

If the company was forced to rebate those earnings, it would not be able to meet the minimum financial requirements set out in the summer order and provide reliable service as it is required to do, he said.

"To punish a company for making a decision that benefited its customers and was previously approved by the board would be reprehensible."

As for management compensation, Hughes said the utility's board of directors, in good faith, determined levels of compensation which they believe are necessary to attract and retain the management personnel required to improve service while controlling costs.

"The evidence proves management has done this."

Meanwhile, Dennis Browne, consumer advocate, told The Telegram Friday that no evidence has been put forward by Hughes.

"His purpose in coming forward late in the proceeding was an attempt to justify the excessive executive compensation paid to the president and three vice-presidents whose total compensation in 1998 is approaching \$1 million," Browne said.

The consumer advocate said the company wants to retain the \$3.5 million "excess earnings" in 1992 and 1993. "Our position is that it belongs to the consumers of this province."

Browne said he believes the utility's officials have been having a hard time convincing the PUB commissioners they were doing everything possible to cut costs prior to seeking a rate increase.

"There was no compelling evidence put forward to suggest the requested rate increase should be granted," he said.

cling items we drop off, as the money we get back now is too little. For example, for one pound of computer paper we get back two cents. Therefore, we would have to bring in 50 pounds of paper to get \$1 back. This is not worth our effort. Most people would spend more in gas than they would get back for the recycling. No wonder many people are not recycling.

I am sure if we make these changes, our program would be a lot better and more people would begin to recycle.

Nick Ryan
St. John's

Just say no to rate hike

Newfoundland Power has gone out of its way in recent issues of daily regional newspapers and local radio stations across the province to apparently explain its reasons for a rate hike. The Western Star carried an ad showing actual rate increases across the country, with Northern British Columbia being the highest.

What they are showing is the per cent increase in each region and not the actual amount that people pay in the rest of the country. I've done some research through travel and have lived in some of these provinces, and I can tell you that even with what appears to be a high increase they don't pay as much for electricity as Newfoundlanders. All Newfoundlanders should be voicing their concerns over these rate increases and the way Newfoundland Power is trying to pull the wool over our eyes.

Make yourself heard and known through the various media outlets. Nothing can be accomplished if we as consumers keep silent.

Let the Public Utilities Board know how you feel, or at least make Newfoundland Power come straight and let us know what the rates are across the country rather than blind-siding us with percentages.

Maybe then we can make a comparison and support an increase on the basis that we need it to provide adequate service.

Al Ferrie
Corner Brook

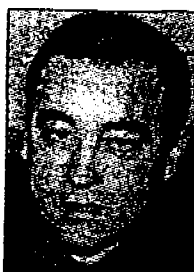
E. Telegram - Saturday - Dec 5/98

MONDAY

NEWS IN BRIEF

LOCAL

Two rewards for hero



Ralph Martin

Ralph Martin was given the Canadian Electricity Association's Life Saving Award in Corner Brook Saturday for resuscitating an 11-year-old girl last summer.

But the Newfoundland Power lineman received a gift from the girl's family in New Brunswick he finds equally overwhelming.

It's a watch with the inscription: "For my guardian angel, love Kristen."

Kristen is the St. Stephen's, N.B., girl Martin pulled out of a swimming pool in Cavendish, P.E.I., in August. "I wasn't expecting anything from them, but when the box came in the mail, I saw the watch and read the inscription, I sort of started to fill up," he said.

E. Telegram - Monday - Dec 7/98

Real hero

Newfoundland Power worker honored for saving girl's life

CORNER BROOK

Ralph Martin was given the Canadian Electricity Association's Life Saving Award here Saturday for resuscitating an 11-year-old girl last summer.

But the Newfoundland Power lineman received a gift from the girl's family in New Brunswick that he finds equally overwhelming.

It's a watch with the inscription: "For my guardian angel love Kristen."

Kristen is the St. Stephen's, N.B., girl that Martin pulled out of a swimming pool in Cavendish, Prince Edward Island, in August.

"I wasn't expecting anything from them, but when the box came in the mail, I saw the watch and read the inscription, I sort of started to fill up," he said.

After he managed to get the young girl out of the pool, Martin began to perform artificial resuscitation.

But after several unsuccessful attempts he tried the Heimlich manoeuvre, and Kristen began breathing again.

Martin's work brought him to P.E.I. as part of an exchange with Maritime Electric workers.

Since then Martin's talked by telephone to the girl's family on several occasions.

He is also being considered for an award in Prince Edward Island and if he receives it Martin and the girl's family plan on visiting each



Star photo by Paul Northcott

Ralph Martin, right, a lineman with Newfoundland Power, was given Canadian Electricity Association's Life Saving Award by Phillip Hughes, the company's chief executive officer, on Saturday. Martin was working in Prince Edward Island in August when he saved the life of an 11-year-old girl by using the Heimlich manoeuvre.

other.

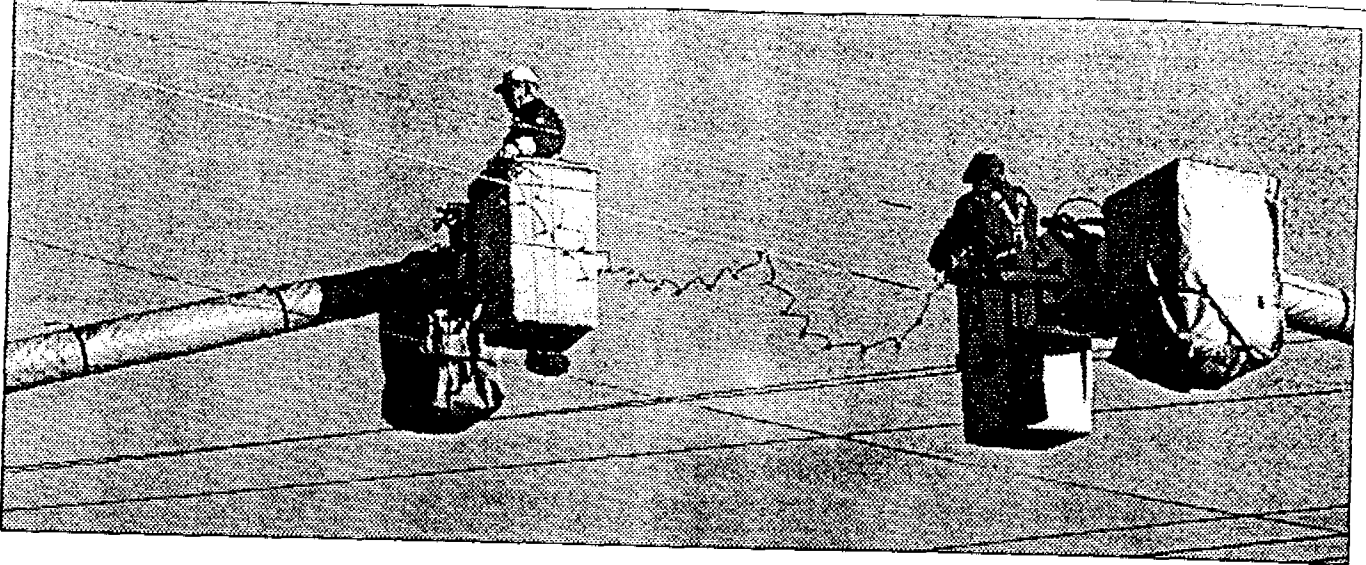
In the more than three months since the near-tragedy, Martin said he's had time to reflect on the incident and his life-saving role.

"It took a while to sink in that being in that situation probably

made the difference," he said.

The association's Life Saving Award was implemented in 1922 and is granted to any member utility employee whose actions save the life of another employee or that of a member of the general public.

The Western Star Dec 7/98.



Lillian Simmons/The Compass

FESTIVAL OF LIGHTS - A Newfoundland Power crew got in the Christmas spirit last week in Bay Roberts. No doubt uplifted by the season, they were seen around town unravelling sets of Christmas lights and stringing them pole to pole across the highway. The "skylights" are a part of the first-ever Bay Roberts Festival of Lights, being celebrated until Jan. 6. At right, workers install lights at a sign marking the occasion at the Water Street-Conception Bay Highway intersection. Festival events this week include a community breakfast at the Lions Club Wednesday morning and a senior citizen's party at Kelly's Landing on Sunday afternoon.





GARY HEBBARD/THE TELEGRAM

PUB hearings to consider a rate hike requested by Newfoundland Power wound up Tuesday in St. John's. Among the participants were (from left) public advocates Dennis Browne and Mark Kennedy and, for Newfoundland Power, Ian F. Kelly and Peter Alteen.

ENERGY

PUB settles in to mull over decision

Arguments clew up in power corp.'s hearing

BY PAT DOYLE

The Telegram

Wednesday - Dec 9/98

The consumer advocate and his legal counsel say they have demonstrated to the Public Utilities Board (PUB) that Newfoundland Power has the latitude to manage the company's operations in an appropriate manner without a requested rate increase.

The utility contends it has demonstrated its requested 1.31 per cent rate increase is needed to finance improvements in the electrical system and to recover the cost of PUB hearings in 1998.

The company said the increase — approximately \$1.41 per month for average residential customers — will not increase Newfoundland Power's profit of 9.25 per cent return on common equity.

The two sides summarized their positions Tuesday as the fall public hearing by the board, which started Nov. 9, concluded after 18 sitting days, including one session of presentations from individuals and organizations.

Now, the board must decide how it should rule.

David Vardy, PUB chairman, said the process of reviewing the evidence and preparing a ruling will begin immediately and be concluded "as expeditiously as possible."

As the hearing ended, Philip Hughes,

president and chief executive officer of Newfoundland Power, said the company's presentation to the board was "well prepared, credible and conclusive."

"Our evidence clearly demonstrated the company's ongoing commitment to improve customer service and reliability to the electrical system," Hughes said.

Utility did well

Newfoundland Power argued the earlier decision made by the PUB that the utility should retain earnings in 1992 and 1993 should be reaffirmed by the current PUB.

Ian Kelly, lawyer for the utility, detailed reasons why the board should reaffirm the earlier decision and why the requested 1.31 per cent increase should be approved.

Consumer advocate Dennis Browne, and his legal counsel Mark Kennedy, argued the utility has done well in recent years.

Browne said the company recently raised \$50 million in the bond market which he said was "the largest amount ever raised in the company's history, at one of the lowest rates ever."

Kennedy said the company had excess earnings in 1992 and 1993 which should be returned to rate payers.

Kelly contended there were no excess earnings and the money is part of shareholders' equity.

However, Randy Earle, counsel for the board, in his summarization of the evidence and submissions put forward during the hearing, said there were excess earnings and it is up to the board to determine what should be done with them.

No evidence

Hughes said Browne "has failed to provide any evidence or call witnesses or refute the company's position."

"Any decision by the board must be decided on evidence, not on unsubstantiated claims," he said.

"It is important that the ruling made by the PUB ensure the financial integrity of Newfoundland Power remains intact and allows us to continue to provide our customers with safe, reliable electrical service in the most cost-efficient manner possible."

Jack Harris, MHA-Signal Hill-Quidi Vidi, said there should be an independent study done on the cost efficiency of Newfoundland Power's credit policies, especially with regard to its policies and practices concerning disconnections for unpaid accounts.

He said the firm should have an individual, outside the billing department, to whom customers can go to discuss and negotiate a plan to repay overdue bills and the public generally should be made aware of just what options are open to them when they get into difficulty with overdue accounts.

Control costs, don't hike rates

Consumer advocate has advice for power corporation

BY PAT DOYLE

The Telegram

Thursday - Dec 10/1988

Newfoundland Power's attempt to "claw back" the money it lost as a result of a Public Utilities Board (PUB) ruling last summer should not succeed, says the consumer advocate.

"Newfoundland Power was unable to make its case for a 1.31 per cent, \$3.9-million rate increase," Dennis Browne said Wednesday.

Browne was referring to the 18-day public hearing by the PUB, concluded Tuesday, which addressed the rate increase request and a variety of other issues, such as the 1999 capital budget, executive compensation and what to do with excess earnings in 1992 and 1993.

Quick ruling promised

The board has promised to hand down a ruling as expeditiously as possible.

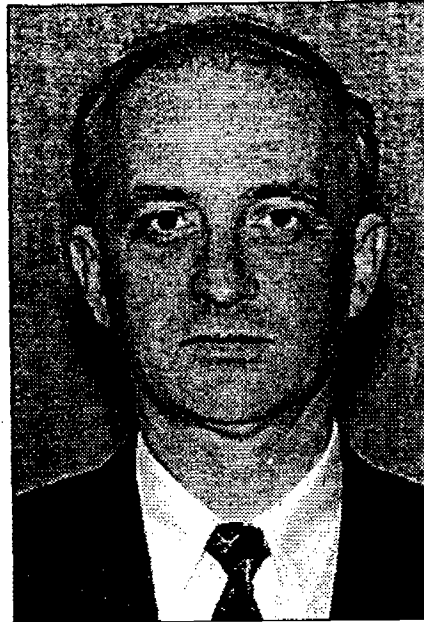
Following a two-week hearing in May and June, the board ordered the utility to reduce its rates by two per cent, retroactive to Jan. 1, 1998, and to give customers a rebate for the period January through August. The amount of the rebate was \$7.6 million.

"That decision was the correct one," Browne said.

Travel costs of \$1 million, executive compensation approaching \$1 million for the president and three vice-presidents, and an \$8 million expenditure in 1999 for information technology are "just some of the expenses which are driving Newfoundland Power's application for a \$3.9-million increase," he said.

Browne also said he has discovered that the utility, since 1988, has spent \$1 million in acquiring and retaining land on Duffy Place, O'Leary Industrial Park, which the company does not intend to use.

"The company acquired the land in 1988 with ratepayers' money and for every year the company keeps the



"It is especially necessary to control costs given the fact that electricity prices here, according to the Canadian Rating Services, are among the highest in the country."

Dennis Browne,
consumer advocate

land, ratepayers pay the company \$50,000," Browne said.

During the hearing, Browne asked the PUB to direct the utility to dispose of the land within six months.

At that time, Ian Kelly, the lawyer who presented Newfoundland Power's case, said attempts have been made to

sell the land but an appropriate price cannot be obtained. He suggested there would be an outcry from customers if the land was sold under value.

"When it can be sold, it will be disposed of," Kelly said.

Cost controls

Browne also said Wednesday that after reviewing all of the evidence, it is clear Newfoundland Power should have first looked at controlling costs prior to seeking a \$3.9 million increase from consumers.

"It is especially necessary to control costs given the fact that electricity prices here, according to the Canadian Bond Rating Services, are among the highest in the country."

As for the 1992, 1993 excess earnings, Browne said they should be given back to customers either directly or over a period of time.

Disconnection policy questioned

Meanwhile, Jack Harris (MHA-Signal Hill-Quidi Vidi) who participated in the hearing to challenge Newfoundland Power's approach to collection and disconnection of customers who get behind in their bill, said Wednesday, "Disconnection should be an ultimate last resort, not a method of collection."

Harris said about 1,900 customers per year are cut off for failure to pay arrears fast enough.

"Many of these cut-offs could be avoided if Newfoundland Power had a more reasonable collection policy."

Harris called on the PUB to order the utility to give all customers who get behind the same option it gives to social assistance recipients so they can pay their arrears over 12 months if necessary and not be cut off.

"There are lots of people who are not on social assistance and get into financial trouble who need flexibility," he said.

weekend at no cost to the family. We can never thank them enough for this.

Many people came out to help and stopped at nothing to make the registration work. Newtel Communications, my employer, and especially Paul Walsh and Randy Tucker. They went the extra mile for us.

*Glen Cuff and family
Mount Pearl*

Power company cost effective

In response to Al Ferrie's letter of Dec. 5, "Just say no to rate hike," I offer the following comments to clarify certain issues currently before the Public Utilities Board (PUB).

Recent advertisements comparing electrical rates in Atlantic Canada are based on an average usage of 1,663 kilowatt hours (kwh) per month — the average monthly usage of Newfoundland Power's all-electric customers. At this level of consumption, Newfoundland has the lowest residential electrical rates in Atlantic Canada.

Compared to all Canadian provinces, Newfoundland's electrical rates are mid-range. For example, Regina and Toronto have much higher electric rates than St. John's; Winnipeg and Montreal have lower electric rates than St. John's. Whereas some customers in other parts of Canada have experienced rate increases of more than 40 per cent, Newfoundland customers have experienced a 4.2 per cent in-

crease in rates since 1991.

Not only have we succeeded in keeping costs and electrical rates down, but we have also improved reliability and significantly increased customer satisfaction despite many challenges, the greatest of which is our geographic location. Situated on an island in the North Atlantic, we must contend with harsh weather and resulting damage to our electrical system. In April and August alone, damages caused by two storms cost Newfoundland Power more than \$1.5 million.

Newfoundland Power has proposed a 1.31 per cent rate increase, effective Jan. 1, 1999 for two reasons: to finance improvements to the electrical system and recover the cost of hearings called by the PUB in 1998. This increase will amount to approximately \$1.41 per month for the average residential customer.

Newfoundland Power will invest \$43 million in 1998 and a further \$37 million in 1999 to continue to improve the level of reliability of our electrical system. These investments are necessary to ensure the highest level of service for our 172,000 customers and to contribute to the local economy by attracting new investors and high technology businesses to our province.

In respect to the cost of hearings called by the PUB, 1998 hearings will cost customers approximately \$4 million.

*Robert Pike
manager, corporate communications
Newfoundland Power*

E. Telegram - Monday - Dec 14/98

PUB HEARINGS

Advocate ignoring facts?

Power Corp. argues costs are down, satisfaction levels are up

BY PAT DOYLE

The Telegram

Friday - Dec 11/98

The consumer advocate, Dennis Browne, has taken things too far with "unsubstantiated claims and misleading allegations," according to Newfoundland Power.

"Our operating costs have been reduced by \$3 million in three years; our customer satisfaction level has increased from 70 per cent to 85 per cent, total compensation for the management group has decreased by about 15 per cent since 1996 and the size of our workforce has decreased by approximately 300 since 1991," Bob Pike, the

utility's manager of corporate communications, said Thursday.

"For Mr. Browne to ignore these achievements is wrong."

Pike said that throughout the course of the Public Utilities Board hearing which concluded Tuesday, the company provided strong, credible evidence pertaining to the utility's operations.

Evidence supported

"The company's evidence was supported by an independent engineering consultants' report, ordered by the board."

Pike said the utility had called seven witnesses, including one independent

financial expert, during the hearing.

"Mr. Browne did not call one witness to substantiate his allegation throughout the course of the hearing," Pike said.

"Our witnesses, on the other hand, demonstrated the company's successes in controlling costs, improving the reliability of the electrical system and improving customer service."

Pike said the board must base its ruling on the evidence presented before it and not rhetoric or unsubstantiated claims.

Browne, in a statement issued Wednesday, said Newfoundland Power was "unable to make its case" for a re-

quested 1.31 per cent average rate increase, which would amount to \$3.9 million.

Expense driven

The consumer advocate also said the application is being driven by such expenses as travel costs of \$1 million, total executive compensation for four senior officials approaching \$1 million, and an \$8-million expenditure in 1999 for information technology.

Browne said after reviewing all the evidence, "it is clear Newfoundland Power should have first looked at controlling costs prior to seeking a \$3.9-million increase from consumers."

PUB

Power Corp. negotiating staff raises throughout rate-hike hearing

BY BRIAN CALLAHAN

The Telegram

Friday - Dec 11/98

Newfoundland Power negotiated a generous five-year, 15 per cent raise for unionized staff while simultaneously arguing it needs a rate increase to cover escalating costs, The Telegram has learned.

A tentative deal was reached about two weeks ago while Public Utilities Board hearings were ongoing, company spokesman Bob Pike confirmed Thursday, just two days after rate hearings concluded.

Consumer advocate Dennis Browne suspects the timing. Browne, who has steadfastly fought Newfoundland Power's applications for rate increases, said there's obviously more money in the company's coffers than they'll admit.

"This appears to be a very generous raise and it tells us there is certainly no shortage of cash at Newfoundland

Power," he said, pointing to a recent 29 per cent raise for top executives.

"I'm sure other management will be looking for (a raise) soon, too," he said. There's also something very curious about the timing and secrecy surrounding the contract talks, he said.

"We were aware that collective bargaining was in place, but if there was a tentative agreement before closing of the hearings (Tuesday), then it would seem coincidental to me that it's only coming out now," said Browne.

Negotiating for months

According to Pike, the company and union had been negotiating since September. The roughly 350 employees, who include craft workers such as outside line staff and meter readers plus indoor clerical workers across the province, are now voting on the deal — by mail.

Results, therefore, may not be known until mid-January.

Pike would not reveal details of the package.

"While it's at this critical stage I'd prefer not to comment on it," he said. "It's not a straightforward package, so I'd be very reluctant here to comment further ... taking into account the sensitivity with the union and so on."

Union president Gerard O'Reilly was even less forthcoming.

"Yes, there is a tentative deal," said O'Reilly, who represents Local 1620 of the International Brotherhood of Electrical Workers. "But I'm not giving you any more information now, OK?"

Browne insists the company's priorities are skewed.

"They can find the money to give themselves raises but still go out looking for \$3.9-million rate increases," he said.

"The priority for the executive has been to increase their own take first."

Related story, page 33

No to 'paltry' power increase

Re: "Power company cost effective" letter of Dec. 14. I found it strange that Mr. Pike would decide to bring up the cost of the PUB hearings as a reason for the the "paltry" 1.31 per cent rate hike, not to mention the statistic which showed that Newfoundlanders paid the least for electricity in all of Atlantic Canada.

The fact that the PUB needed to call these hearings at all is because of Newfoundland Power's attempt to raise prices, and \$4 million to hold hearings on the subject should be enough to show the absurdity of the proposal.

What Mr. Pike failed to mention is that this 1.31 per cent increase means that Newfoundlanders will no longer have the cheapest rates in Atlantic Canada, which was brought to public attention by the consumer advocate. Mr. Pike also quoted many figures about the planned increases in service and the cost to the consumer, which is his way of justifying the increase. It strikes me as odd, even though I am only 17 and do not pay taxes, that he would find it necessary to raise rates by 5.3 per cent in seven years.

Let's look at this objectively. I don't consider the service to be that bad, and I sure haven't seen any reason to think that Newfoundland Power would require even more of our province's hard-earned money to "attract new investors and high technology businesses." Frankly, if my family's extra \$1.41 per month (assuming we are "the aver-

age residential customer") is what it takes to draw in new business, then we'd be better off on our own.

Mr. Pike, I realize that you are a representative of your company, and that you are responsible to uphold their best interests, but that is what they are, your best interests.

*Joey Thorne
St. John's*

*E. Telegram - Thursday
Dec 17/98*

Unwelcome present

*Fox Harbour has second
annual power loss*

BY BRIAN CALLAHAN

The Telegram

Wednesday - Dec 30/98

Doesn't seem like Christmas with power in Fox Harbour.

So, for the second year in a row — and fourth time in recent memory — much of the town experienced what some have dubbed the annual outage in the Placentia Bay community last week.

Fortunately, candles at Christmas are commonplace.

"Last year I was in the shower when we lost it (power) — the last place I wanted to be," said Fox Harbour resident John Bruce with a laugh.

So when the power went again this year — coincidentally at almost the exact same time — he assumed it was another power surge. He said he lost two TVs and a VCR this time around.

"I was hooking up lights at the time so I didn't actually see the TVs and that go," he said, noting neighbours also lost appliances. "But I could smell the burning and when I tried to turn them on it was no use."

Bruce said he contacted Newfoundland Power who, after a quick investigation, took full responsibility for the interruption in service and damage caused. He said the power company has promised to reimburse affected customers.

"I called the 1-800 number and they took care of it right away," said Bruce.

He said it's the third outage in as many years during the Christmas season that he can recall. His mother insists it's the fourth, including one caused by a lightning strike.

Newfoundland Power acknowledges an outage, but not a power surge.

"A surge would be a change in voltage and we have no record of that," said spokeswoman Karen Hancock.

She said this year's outage in Fox Harbour hit about 5:30 p.m. Christmas Day and lasted about 45 minutes.

Hancock said it was caused by the arcing of power lines, the result of high winds which coated lines with salt. A substantial snowfall on top of that caused the lines to bend. A neutral wire let go and grounded out.

"We have two feeders down there so only about half of the town was affected," she said. "It's not a big population so there weren't many affected."

While Bruce was happy with the prompt service, Hancock said there's no record of anyone calling for help.

"It could be that whoever responded from the Avalon office hasn't put in the report yet, I'm not sure," she said. "But I can tell you no customers called about damage and the system didn't show any change in voltage."

As for the seemingly annual frequency of outages in the town, she simply chalked it up to the weather.

"You have to look at the area and the how bad it can get there this time of year," said Hancock.