

2001 Newspaper Clippings

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NEWSWATCH	The Telegram St. John's, NF	POSITION
EXPRESSCLIP	DATE: January 12, 2001 PAGE: 4	X

CORNER BROOK

Vandals hit light pole

Vandalism to a Newfoundland Power pole in the community of Ship Cove on the Port au Port Peninsula earlier this month could have easily ended in tragedy.

"Vandals put themselves and the public at risk of death by attempting to cut down a power line pole," said Verbin Hewlin, manager of Newfoundland Power's western region.

"The vandals cut through the pole to the point that it was teetering — then they left the pole in that condition."

As a result of the vandalism, Newfoundland Power was forced to disconnect power to customers from Ship Cove to Cape St. George in order to replace the damaged pole.

The company is currently working with the RCMP in the investigation of the offence and are offering \$1,000 for information leading to the arrest and conviction of those responsible for the crime.

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NEWSWATCH	The Telegram St. John's, NF	55523 55419 X
EXPRESSCLIP	DATE: January 30, 2001 PAGE: 3	

ENVIRONMENT

Winter tough on delivery drivers

BY BARB SWEET
The Telegram

It's not easy being an oil man this winter. Or any kind of delivery person, for that matter.

With the Avalon Peninsula getting whopped with snow every few days, delivery people must watch out for slippery and snow-covered steps and falling icicles.

But worse is the plight of the oil-truck driver who must drag his weighty hose through towering snow-banks, into side and backyards to fill home-heating fuel tanks.

"It's very hard work pulling the hose and slugging through worse than waist-high snow. It's over their heads in some cases," says Sheridan Yetman, vice-president and general manager of Harvey's Oil Ltd.

"The last few years, it wasn't an issue. This year, of course, the tide has sure changed. We do encounter quite a lot of problems on the delivery."

Yetman said oil-truck drivers have a problem finding a spot to park on snow-clogged and narrowed streets.

He said city council "has its hands full" to keep the streets open. Oil-truck drivers are handling the situation as best they can.

"They are seasoned drivers. ... They do their best to make deliveries. We keep at it — it just makes for longer hours."

Ensure access

Yetman advises people to keep a path clear to their oil tanks, if they can, and keep the tanks and lines free of ice and snow.

"Quite a few people do provide a method for the drivers to get to the tanks," he said.

"It's not always possible."

And for homeowners' own comfort, Yetman suggests they never let their tanks fall below quarter full.

That's so they won't be caught with an empty tank. A quarter of a tank equals about a week's supply. He advises customers to place orders for oil when their tanks are half full.

Meantime, the lousy winter weather

has actually increased business for one local grocery store.

Belbin's Grocery has seen its deliveries increase by 20 per cent, said co-owner Robert Belbin.

Likely, it's because people can't get out to the grocery store this winter, or they want to leave the chore to someone else.

The grocery store has equipped its delivery truck with chains, "like the old fire trucks," Belbin said.

"As far as driving is concerned, we take a precaution, you can hear us coming."

Belbin's delivery driver John Fitzpatrick has 12 years of experience and has learned to cope with icy conditions underfoot.

"I'd say he's got good, strong leg muscles," Belbin said.

But he joked he might buy his employee some snowshoes.

Up against Mother Nature

The grocery store delivers Tuesday to Saturday, but sometimes, on stormy days, it just can't beat Mother Nature.

"When we see that point approaching, we just tell people if they call in, 'We can't guarantee any more deliveries today.' They understand," he said.

Other businesses have joined together to promote public awareness about the dangers of ice and snow to delivery people and workmen.

The program, called Slips, Trips and Falls, involves five companies — The Telegram, Canada Post, Cable Atlantic, Newfoundland Power and Puroator Courier.

The companies are advising their customers to help prevent workers from having slip-and-fall accidents.

They suggest taking the following precautions:

- Shovel your walkway and driveway;
- Shovel access to your mailbox, water metre, power metre and oil tank;
- Use traction sand or road salt on ice;
- Tie up your family pet during delivery hours;
- Provide lighting for employees making early morning deliveries.

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NEWSWATCH	The Beacon - Gander	POSITION
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Power break



Mandy Ryan/The Beacon

Newfoundland Power worker Ernie Noseworthy helps his co-workers prepare a new electrical pole to replace one that broke on Airport Boulevard Thursday at around 1 a.m. It is believed the pole snapped after the power lines that were

attached to it were pulled by the elevated box of a dump truck. Power was disconnected for over six hours from the airport to just west of the Cooper and Airport Boulevards intersection while the damaged pole was being replaced.

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ENERGY

Giving something back

Newfoundland Power requests permission to give customers rebate

BY PAT DOYLE
The Telegram

Newfoundland Power customers may be in for a little surprise from the utility later this year. The company has reported strong financial results for 2000, including higher earnings, improved opera-

tional performance and a proposed rebate for customers.

Two per cent back

The utility is proposing to issue a rebate to all customers of "pretty close to two per cent," based on their energy use in 2000, according to Philip Hughes, president and chief executive offi-

cer.

"The positive outcome of a long-standing income tax issue relating to the deductibility of certain expenditures created a surplus in the company's 2000 revenues," Hughes said Wednesday.

"As a result, Newfoundland Power has proposed a \$6.6-million, or approx-

imately two per cent, rebate to its customers."

The utility has a customer base of approximately 215,000 accounts.

For the average, all-electric yearly residential bill, which generally involves approximately 2,000 kilowatt hours, the rebate would be \$34.

See COSTS, page 2

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Costs low, profits high

Continued from page 1

Hughes said the utility will ask the Public Utilities Board (PUB) for approval to rebate that amount to customers "as early as April 2001."

Barry Perry, vice-president of finance, and chief financial officer, explained the company was successful in reducing its potential tax liability to \$14 million from \$40 million.

Fight continues

"We will continue to defend our company's position on the remaining tax issue related to Newfoundland Power's treatment of unbilled revenue," Perry said.

In a report to shareholders on financial results, Hughes said: "In 2000, the company achieved its lowest operating cost per customer in 10 years, attained its highest annual customer satisfaction rating to date and kept electrical rates stable for 2001 based on the application of its automatic adjustment formula."

He said the company's earnings increased to \$26.5 million, up \$3.6 million — or 16 per cent — over 1999 earnings of \$22.9 million.

Earnings per common share were \$2.57 compared with \$2.21. All common shares of Newfoundland Power are owned by its parent company, Fortis Inc.

Revenue for the year amounted to

"In 2000, the company achieved its lowest operating cost per customer in 10 years, attained its highest annual customer satisfaction rating to date and kept electrical rates stable for 2001 based on the application of its automatic adjustment formula."

Philip Hughes, Newfoundland Power president and chief executive officer

\$348.4 million, up from \$342 million.

"This improvement is the result of increased electricity sales, lower operating costs and the successful resolution to the outstanding income tax issue."

Newfoundland Power experienced a 1.2 per cent increase in energy sales last year. Residential sales were up by 1.3 per cent while commercial sales increased by 1.1 per cent.

Lower expenses

Hughes said operating expenses decreased by 5.7 per cent, or \$2.9 million, compared with 1999.

"This reduction was due to lower labour costs resulting from the 1999 early retirement program and reduced pension expense related to a change in accounting rules," he said.

Operating cost per customer in 2000 was \$237, the company's best result in the last 10 years, Hughes said.

He also said, "Newfoundland Power's system reliability improved sig-

nificantly over 1999 levels despite record snowfalls and severe windstorms in December 2000."

Interruptions down

Hughes said the number of outages and length-of-service interruptions were reduced by 25 per cent and 39 per cent, respectively.

He said the utility will pursue further reliability improvement in 2001.

Hughes noted that the company has a \$39-million capital budget in place for 2001. Last year the capital budget was \$44 million.

Newfoundland Power's customer satisfaction rating last year increased to 89 per cent, up one per cent from the previous year.

Newfoundland Power's earnings are regulated on a rate of return base that is subject to an annually reviewed maximum.

Hughes noted the maximum return on rate base for 2000 was set by the PUB at 10.46 per cent.

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NEWSWATCH

The Telegram
St. John's, NF

POSITION

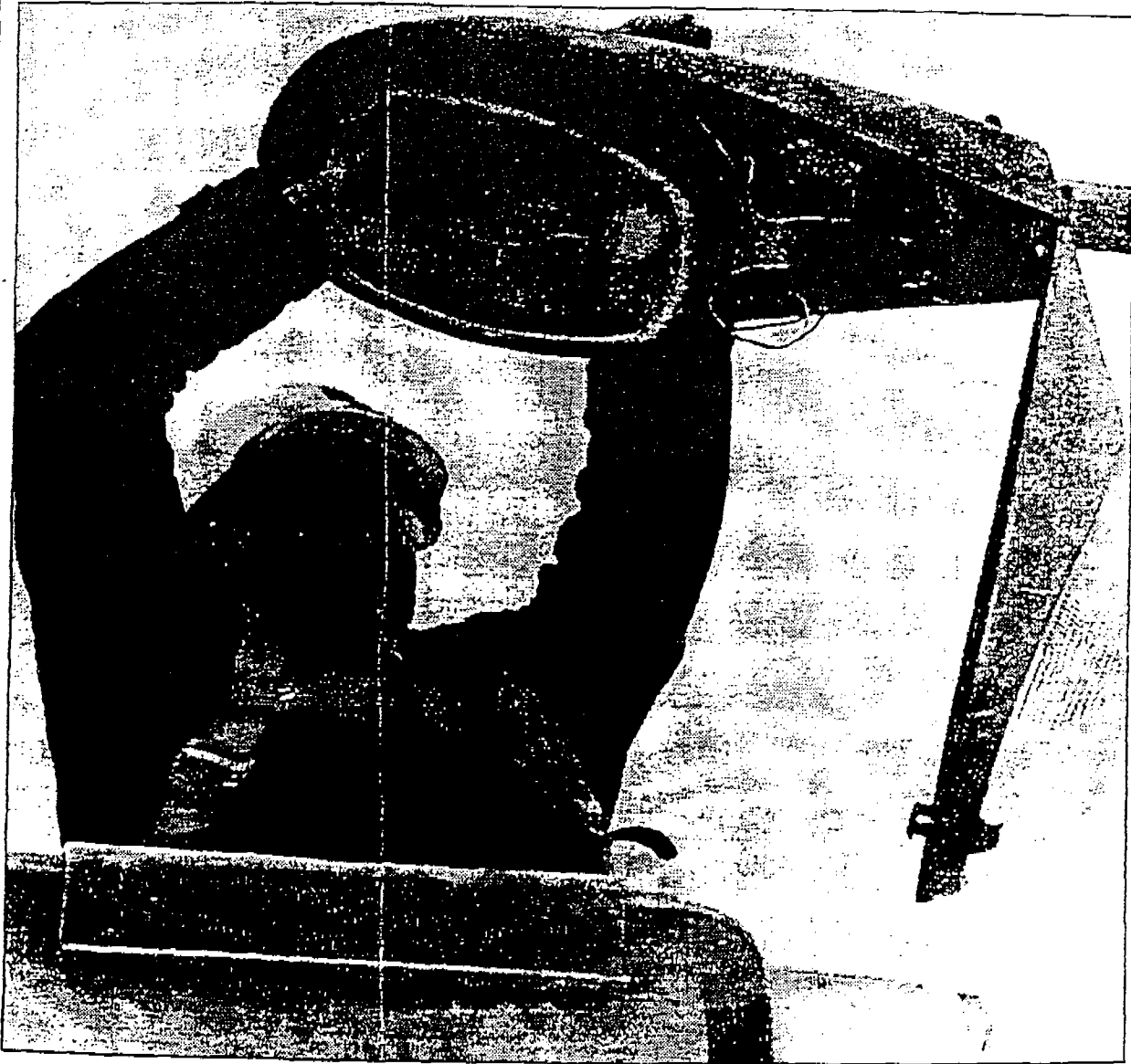
EXPRESSCLIP

DATE: February 9, 2001

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HIGHER POWER



SEIZE THE LIGHT: Newfoundland Power lineman Adrian Whelan battles the winter elements as he replaces a

burnt-out street light on Cornwall Avenue in St. John's Thursday afternoon.


JOE GIBBONS/THE TELEGRAM

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Cheers and Jeers


 Cheers: To cancer survivor Peter Armitage and his trek across the Avalon. And we mean just this past weekend, with all that snow on the ground and in the air. Armitage is a 44-year-old St. John's man who decided to celebrate the second anniversary of his diagnosis with tongue cancer by cross-country skiing from Riverhead to Cape Broyle on the Southern Shore. Along with two companions, Armitage planned to complete the 60-kilometre trip in three days. It's meant as both a celebration of continued life, and as a means to ed-

ucate people about the importance of eating and living healthily, while being vigilant about cancer's warning signs. During the ski trip he plans to put mementos from his fight with cancer, including his hospital bracelet, inside a stone cairn. He'll retrieve them when he repeats the trip in three years, on the fifth anniversary of his diagnosis.

 Huh? To Newfoundland Power. Things are going so well that the power utility is proposing a rebate to customers. Given higher earnings and improved operational performance, along with

what CEO Philip Hughes describes as "the positive outcome of a long-standing income tax issue relating to the deductibility of certain expenditures." Newfoundland Power is in the position to offer customers a rebate of about two per cent, which would amount to some \$34 per residential customer. The Public Utilities Board must approve the rebate, which could come as early as this April. Now, don't get us wrong. We appreciate the thought, and are hesitant to look a gift horse in its electrical teeth ... but if you've got too much money on your hands, how

about a rate reduction? Just asking.

 Jeers: To those missing fire hydrants, covered in all that snow. The City of St. John's has come in for criticism that it should be sending out crews to uncover the missing fire plugs. It's so bad in some areas that citizens are shovelling out the hydrants themselves. That's commendable, but it shouldn't be necessary. These are not doggy toilets we're talking about, they're potentially life-saving pieces of infrastructure required by insurance and fire codes. Uncovering them shouldn't be optional.

The mayor's right — it's a formidable task now that some of them are literally dozens of feet beneath snow and ice. But if they were shovelled out on a continual basis, the job would never reach these proportions. City hall suggests we can't expect plowed sidewalks in the city in a storm-filled winter. Fair enough. But you have to draw a line in the snow somewhere, and there's not much arguing that fire hydrants are a key part of vital fire-fighting equipment. The city should prepare a plan on how to keep them uncovered — for the next winter from heck, at the very least.

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APPLAUSE

Power of song raises funds for cancer society

Newfoundland Power employees organized a successful benefit concert earlier this month at O'Reilly's Pub on George Street in aid of the Canadian Cancer Society. The Masterless Men, whose lead singer John Curran is a Newfoundland Power employee, played to a full house.

"Through the support of Newfoundland

Power, its employees and patrons at O'Reilly's Pub, we raised \$3,300 for the Canadian Cancer Society," said Gerard Locke, one of the volunteers who helped organize the event.

"We wanted to do something special to support the company's corporate charity," said Locke. "But even more than that, cancer is a

disease that affects everyone, and we wanted to do our part to show that we care about making a difference in the fight against cancer."

As well as thanking all those who came out in support of the event, Locke also acknowledged The Masterless Men and pub owner Brenda O'Reilly for their generosity.

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Newfoundland Power soon to give rebate

Newfoundland Power Inc. reports strong results for 2000 including higher earnings, improved operational performance and a rebate to customers.

In 2000, the company achieved its lowest operating cost per customer in 10 years, attained its highest annual customer satisfaction rating to-date and kept electrical rates stable for 2001 based on the application of its automatic adjustment formula.

"Newfoundland Power's earnings increased to \$26.5 million, up \$3.6 million or 16 per cent over 1999 earnings of \$22.9 mil-

lion," said Philip G. Hughes, president and chief executive officer. "This improvement is the result of increased electricity sales, lower operating costs and the successful resolution to an outstanding income tax issue."

That issue relating to the deductibility of certain expenditures, created a surplus in the company's 2000 revenues. As a result, Newfoundland Power has proposed a \$6.6 million, or approximately two per cent, rebate to its customers. The company will ask the Newfoundland and Labrador Board of Commissioners of Public

Utilities (PUB) for approval to rebate this amount to customers as early as April 2001.

"As a result of Newfoundland Power's diligence, the company has successfully reduced its potential tax liability from \$40 million to \$14 million," said Barry V. Perry, vice president of finance and chief financial officer.

"We will continue to defend our company's position on the remaining tax issue related to Newfoundland Power's treatment of unbilled revenue," explained Mr. Perry.

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NEWFOUNDLAND POWER REPORTS STRONG **Possible power rebate**

By DAVE COOPER
The Pilot

PROVINCIAL

Newfoundland Power Inc. has reported strong results for 2000 including higher earnings, improved operational performance and a rebate to customers.

In 2000, the company achieved its lowest operating cost per customer in 10 years, attained its highest annual customer satisfaction rating to-date and kept electrical rates stable for 2001 based on the application of its automatic adjustment formula.

Philip Hughes, President and Chief Executive Officer of

Newfoundland Power explained the results for 2000.

"Newfoundland Power's earnings increased to \$26.5 million, up \$3.6 million or 16 per cent over 1999 earnings of \$22.9 million," said Mr. Hughes. "This improvement is the result of increased electricity sales, lower operating costs and the successful resolution to an outstanding income tax issue."

The positive outcome of a long-standing income tax issue relating to the deductibility of certain expenditures created a surplus in the company's 2000 revenues. As a result, Newfoundland Power has proposed a \$6.6 million, or approximately two per cent, rebate to

its customers. According to Mr. Hughes the company will ask the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) for approval to rebate this amount to customers as early as April 2001.

"As a result of Newfoundland Power's diligence, the company has successfully reduced its potential tax liability from \$40 million to \$14 million," says Barry Perry, Vice President, Finance and Chief Financial Officer. "We will continue to defend our company's position on the remaining tax issue related to Newfoundland Power's treatment of unbilled revenue."

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NEWSWATCH	Gulf News -- Port Aux Basques	POSITION
EXPRESSCLIP	DATE: February 19, 2001 PAGE: 2A	X

Newfoundland Power may give customers rebate

By JANICE HENSTRIDGE
The Gulf News

Newfoundland Power Inc. customers may be in for a surprise.

The company is asking the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) to give consumers a rebate because of strong results including higher earnings and improved operational performance in 2000.

Last year, the company achieved its lowest operating cost per customer in 10 years. In 2000, operating costs per customer was \$237.

"Newfoundland Power's earnings increased to \$26.5 million, up \$3.6 million or 16 per cent over 1999 earnings of \$22.9 million," says Philip G.

Hughes, President and Chief Executive Officer. "This improvement is the result of increased electricity sales, lower operating costs and the successful resolution to an outstanding income tax issue."

The outcome of the income tax issue, which relates to the deductibility of certain expenditures, created a surplus for the company. Therefore, they have proposed a \$6.6 million, or approximately two per cent, rebate for its' customer base of around 215,000 accounts.

The PUB, which annually regulates Newfoundland Power's earnings on a rate of return, has to approve the rebate that may be available to customers by April.

The companies operating costs decreased by 5.7 per cent

or \$2.9 million in 2000 compared to 1999. The reduction was due to lower labour costs because of early retirements, and reduced pension expenses.

"As a result of Newfoundland Power's diligence, the company has successfully reduced its potential tax liability from \$40 million to \$14 million," says Barry Perry, Vice President of Finance and Chief Financial Officer. "We will continue to defend our company's position on the remaining tax issue related to Newfoundland Power's treatment of unbilled revenue."

Newfoundland Power will focus on further improving its electrical system and enhancing customer service in 2001 with an approved capital budget of \$39 million.

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NEWS BRIEFS

Newfoundland Power to rebate customers

Newfoundland Power Inc. reports strong results for 2000 including higher earnings, improved operational performance and a rebate to customers.

In 2000, the company achieved its lowest operating cost per customer in 10 years, attained its highest annual customer satisfaction rating to-date and kept electrical rates stable for 2001 based on the application of its automatic adjustment formula.

"Newfoundland Power's earnings increased to \$26.5 million, up \$3.6 million or 16 per cent over 1999 earnings of \$22.9 million," said Philip G. Hughes, president and chief executive officer. "This improvement is the result of increased electricity sales, lower operating costs and the successful resolution to an outstanding income tax issue."

That issue relating to the deductibility of certain expenditures, created a surplus in the company's 2000 revenues. As a result, Newfoundland Power has proposed a \$6.6 million, or approximately two per cent, rebate to its customers. The company will ask the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) for approval to rebate this amount to customers as early as April 2001.

"As a result of Newfoundland Power's diligence, the company has successfully reduced its potential tax liability from \$40 million to \$14 million," said Barry V. Perry, vice president of finance and chief financial officer.

"We will continue to defend our company's position on the remaining tax issue related to Newfoundland Power's treatment of unbilled revenue," explained Perry.

Ottenheimer suspicious about Grimes' Ombudsman promise

St. John's East PC MHA John Ottenheimer is suspicious that Roger Grimes - a Liberal who, a decade ago, supported the disbanding of the Ombudsman's office - is now serious about re-establishing that office with similar authority, independence and credibility.

Premier Wells eliminated the office of the Parliamentary Commissioner (Ombudsman) in the 1990 budget at a time when Roger Grimes was in the government caucus serving as the Premier's parliamentary assistant, defending the Premier's actions.

The PC caucus opposed the move at the time, saying the province was the only jurisdiction in the world to disband a functioning Ombudsman's office. The Tories have made re-establishing that office a campaign commitment in all subsequent elections - 1993, 1996 and 1999.

"The only thing worse than the Liberals' decision to disband the Ombudsman's office would be a move to set up a power-

less non-independent or partisan office merely for show," said Mr. Ottenheimer.

"The original Parliamentary Commissioner legislation made the Ombudsman an officer of the House of Assembly similar to the Auditor General, who reported to the House of Assembly directly, not through any Minister. The Ombudsman was appointed for a 10-year term and not subject to dismissal for partisan reasons, allowing the office independence from political considerations. The Ombudsman had the power to subpoena and question witnesses under oath, to demand and examine all manner of documents, and to issue regular reports with criticisms of government policy and recommendations for remedial action for citizens who had been wronged by the system. As a quasi-judicial body, it was a unique check and balance on the actions of government, and it has been sorely missed."

He believes establishing an office with any less power, independence and credibility than the original Ombudsman's office held would be a sham.

Ottenheimer said his suspicions about Roger Grimes' desire for greater accountability were raised when Mr. Grimes, in the fall sitting of the legislature, reneged on a leadership campaign promise to be more open with public information. When asked to table the action reports of all the province's health boards, Health Minister Grimes refused. Ottenheimer said it was apparent the Minister's promise of greater openness was merely for show.

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NEWSWATCH

The Telegram
St. John's, NF

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POSITION

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EXPRESSCLIP

DATE: March 3, 2001
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PUB hearing to examine rebate proposal

The Public Utilities Board (PUB) has scheduled a hearing for later this month to examine an application from Newfoundland Power for approval of a rebate to its customers.

In a recent public notice, the PUB said the utility is proposing to make a one-time credit to its customers on their April 2001 electric service bills, based on 1.90 per cent of customers' total billing amounts on electric service bills issued between January and December 2000.

The amount to be rebated is \$6.7 million in excess revenue plus \$1.01 million in harmonized sales tax (HST) for a total of \$7.7 million.

The utility has a customer base of approximately 215,000 accounts.

The PUB hearing is set to begin at 9:30 a.m., March 12, in the board's hearing room on the second floor of The Prince Charles Building, Torbay Road.

Philip Hughes, Newfoundland Power president, announced last month that the positive outcome of a long-standing income tax issue relating to the deductibility of certain expenditures had created a surplus in the utility's 2000 revenues.

A company official said for the average, all-electric yearly residential bill, which generally involves approximately 20,000 kilowatt hours, the rebate would be \$34.

Barry Perry, Newfoundland Power's vice-president of finance and chief financial officer, said the company was successful in reducing its potential tax liability to \$14 million from \$40 million.

"We will continue to defend our company's position on the remaining tax issue related to Newfoundland Power's treatment of unbilled revenue," Perry said.

BUSINESS WATCH

PAT DOYLE



Prospecting results

Buchans River Ltd. of St. John's has reported anomalous palladium, platinum and gold values have been obtained from grab samples collected during a brief reconnaissance prospecting program completed late last fall on its Ossok Mountain property in Western Labrador.

Palladium is a white-silver metallic element of the platinum group that is used especially in electrical contacts as a catalyst or in alloys.

One sample returned values of 826 parts per billion (ppb) palladium; 227 ppb platinum; and 84 ppb gold, along with 0.3 per cent copper, and 0.15 per

cent nickel, the company said.

Several other anomalous samples with lower values were collected over a distance of 1.2 kilometres to the south of the other sample.

Another sample returned values of 794 ppb palladium; 357 ppb platinum; and 232 ppb gold (total 1.38 grams per tonne combined), with 0.4 per cent copper and 0.06 per cent nickel.

Buchans River said assay results and other studies confirm the potential of the Ossok Mountain property to contain significant platinum group element or nickel-copper sulphide deposits.

NewCap president

Robert Steele has been appointed president and chief operating officer of Dartmouth-based Newfoundland Capital Corp. Ltd.

Harry Steele continues as chairman and chief executive officer of Newfoundland Capital.

The company's board of directors said Steele has been very involved in the operation of the company for some time and has been a director since 1997.

Steele is the founder of the Steele Auto Group, which owns and operates 12 automobile dealerships in Nova Scotia, nine of which are located within the metropolitan Halifax area.

NOIA seminar

The Newfoundland Ocean Industries Association (NOIA) will present a one-day seminar on offshore worker health at the Holiday Inn, St. John's, March 21.

The association said the session is being provided so that NOIA members can become familiar with the issues involving injury and illness management offshore, be aware of the regulations and support for return to work, and hear from health-care and legal experts about substance abuse, case law and employee assistance programs.

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UTILITIES

'Working together to work smarter'

Power corp. to buy NewTel poles, related infrastructure

BY PAT DOYLE
The Telegram

Newfoundland Power will pay \$50 million over a five-year period for NewTel Communications' poles and related infrastructure on the island.

The utility and Aliant Telecom Inc., operating as NewTel in this province, announced Friday they have signed a support structure agreement for the transaction, which involves the acquisition of more than 110,000 poles.

Newfoundland Power already owns the majority of poles on the island.

The agreement, signed in St. John's Friday, provides that Newfoundland Power will acquire NewTel's support structures including poles, anchors and related equipment.

The deal represents approximately a 10 per cent increase in Newfoundland Power's rate base, meaning an increase in the value of the company.

The acquisition will be financed through a combination of internal cash flow and borrowings.

Customers not affected

A company official said the deal will "not in any way" affect customers' electricity rates.

Newfoundland Power will assume responsibility for the construction, operation and maintenance of NewTel's future support structure requirements on the island.

In turn, NewTel will have full access to Newfoundland Power's support structures under a 10-year renewable agreement.

"This is an exciting and positive opportunity for both companies," said Frank Fagan, president of NewTel and senior vice-president, customer services, Aliant Telecom.

NewTel and Aliant Telecom are members of the Aliant Inc. group of companies. Aliant Inc. was formed in 1999 from the merger of the four Atlantic province telecommunications companies.

Fagan said Newfoundland Power already provides NewTel with much of the design, engineering and maintenance to its support structures.

"This agreement is a natural extension to our existing relationship and allows us to more efficiently utilize our resources."

Philip Hughes, Newfoundland Power's president and chief executive officer,

said the agreement will create opportunities for more efficient, productive operations through a single owner and single engineering.

"This relationship is a great example of Newfoundland companies working together to work smarter," Hughes said.

Approved by boards

The proposed transaction has been approved by the board of directors of both Aliant Telecom and Newfoundland Power but is subject to various other approvals, including that of the appropriate regulators.

Newfoundland Power said it has talked to all major cable operators in the province and they have indicated their satisfaction with the new arrangement.

NEWSWATCH

The Advertiser – Exploits Valley Nfld

POSITION

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DATE: March 5, 2001

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Newfoundland Power to buy NewTel poles

Newfoundland Power Inc. and Aliant Telecom Inc. operating as NewTel in Newfoundland and Labrador, have signed a support structure agreement that will see Newfoundland Power acquire NewTel's poles and related infrastructure on the island of Newfoundland.

Newfoundland Power already owns the majority of poles on the island.

The arrangements, which were settled in St. John's Friday, provide that Newfoundland Power will acquire NewTel's support structures, including poles, anchors and related equipment on the island, over a five-year period at a price of approximately \$50 million, which represents a 10 per cent increase in Newfoundland Power's rate base.


Newfoundland Power will assume responsibility for the construction, operation and maintenance of NewTel's future support structure requirements on the island and in turn, NewTel will have full access to Newfoundland Power support structures under a 10-year renewable agreement.

"This is an exciting and positive opportunity for both companies," said Frank Fagan, president of NewTel and senior vice-president of customer services for Aliant Telecom. "Newfoundland Power already provides our company with much of the design, engineering and maintenance to our support structures. This agreement is a natural extension of our existing relationship and allows us to more efficiently utilize our resources."

Philip G. Hughes, president and chief executive officer of Newfoundland Power said the new agreement will create opportunities for more efficient, productive operations through a single owner and single engineering.

"This relationship is a great example of Newfoundland companies working together to work smarter," he said. "By working together to combine a service, we are able to do more for our customers in an increasingly productive manner and focus more closely on our respective core services."

The proposed transaction has been approved by the boards of directors of both Aliant Telecom and Newfoundland Power and is subject to various other approvals, including that of the appropriate regulators.

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Newfoundland Power to buy NewTel poles

Newfoundland Power Inc. and Aliant Telecom Inc. operating as NewTel in Newfoundland and Labrador, have signed a support structure agreement that will see Newfoundland Power acquire NewTel's poles and related infrastructure on the island of Newfoundland.

Newfoundland Power already owns the majority of poles on the island.

The arrangements, which

were settled in St. John's Friday, provide that Newfoundland Power will acquire NewTel's support structures, including poles, anchors and related equipment on the island, over a five-year period at a price of approximately \$50 million, which represents a 10 per cent increase in Newfoundland Power's rate base.

Newfoundland Power will assume responsibility for the

construction, operation and maintenance of NewTel's future support structure requirements on the island and in turn, NewTel will have full access to Newfoundland Power support structures under a 10-year renewable agreement.

"This is an exciting and positive opportunity for both companies," said Frank Fagan, president of NewTel and senior vice-president of customer services

for Aliant Telecom. "Newfoundland Power already provides our company with much of the design, engineering and maintenance to our support structures. This agreement is a natural extension of our existing relationship and allows us to more efficiently utilize our resources."

Philip G. Hughes, president

see Newfoundland page 3C

Newfoundland Power to buy NewTel poles

from page 1C

and chief executive officer of Newfoundland Power said the new agreement will create opportunities for more efficient, productive operations through a single owner and single engineering.

"This relationship is a great example of Newfoundland companies working together to work smarter," he said. "By working

together to combine a service, we are able to do more for our customers in an increasingly productive manner and focus more closely on our respective core services."

The proposed transaction has been approved by the boards of directors of both Aliant Telecom and Newfoundland Power and is subject to various other approvals, including that of the appropriate regulators.

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NEWSWATCH	The Telegram St. John's, NF	POSITION
EXPRESSCLIP	DATE: March 5, 2001 PAGE: 2	X

Theft in Avondale

Crime Stoppers requests assistance in solving a theft which occurred in Avondale.

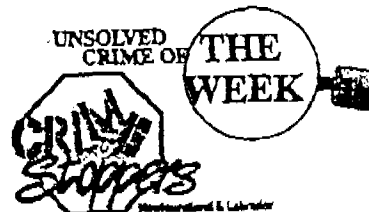
Between Sept. 22 and Sept. 27, 2000, culprits went to a power transmission corridor about 400 metres east of the Avondale overpass on the Trans-Canada Highway.

They stole approximately 60 galvanized steel tower sections belonging to Newfoundland Power, ranging in length from three to six feet.

It is believed that a four-wheel-drive was involved, possibly a late model black Chevrolet pickup.

The sections could be used for building a shed, utility trailer or some other structure.

Anyone with information on those responsible for these offences or on the whereabouts of the stolen property is asked to call Crime Stop-



pers.

Newfoundland and Labrador Crime Stoppers will pay up to \$2,000 for information that leads to the arrest and criminal charge of persons responsible for any crime.

To find out how to receive a cash award without giving a name or meeting a police officer, call Crime Stoppers toll free, 1-800-363-TIPS (8477).

Calls are anonymous and Crime Stoppers does not subscribe to call display.

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NEWSWATCH	The Telegram St. John's, NF	POSITION	
EXPRESSCLIP	DATE: March 6, 2001 PAGE: 4	X	

Students sent home due to power outage

Macdonald Drive junior high school students got an unexpected half-day off Monday thanks to a power outage.

Homes in the immediate area also lost electricity shortly after 11 a.m. Power was restored around 12:30 p.m.

School officials contacted Newfoundland Power when the outage occurred but the private utility couldn't say when power would be restored. The company told school officials it had to first find the source of the trouble.

A decision was made to close the school at 11:50 a.m.

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NEWSWATCH	The Telegram St. John's, NF	POSITION X
EXPRESSCLIP	DATE: March 13, 2001 PAGE: 25	

FINANCE/NEWFOUNDLAND POWER

Skepticism of rebate plan

Public Utilities Board commissioner questions timing of refund for customers

BY PAT DOYLE
The Telegram

A Public Utilities Board (PUB) commissioner Monday questioned the appropriateness of Newfoundland Power's proposal to refund excess revenue to customers.

"As a consumer, I'm looking forward to a rebate, but as a regulator, I wonder why you are giving something back at this time?" Don Powell said during a public hearing on the issue.

Powell, a Stephenville chartered accountant who is a part-time commissioner with the PUB, wondered if it would not be more appropriate to hold onto the excess funds until an outstanding tax issue has been resolved.

Robert Noseworthy, newly-appointed chairman and chief executive officer of the board, heads a three-member panel which held a 90-minute public hearing Monday on Newfoundland Power's request for approval to refund \$7.7 million in excess revenue.

The other member of the panel examining the request is Darlene Whalen, vice-chairwoman of the PUB.

The utility made the request because the resolution in the company's favour of a long-standing income tax issue with the Canada Customs and Revenue Agency (CCRA) relating to the deductibility of certain capitalized general expenditures created a surplus in revenue for 2000.

Barry Perry, Newfoundland Power's

"People will be very cynical if you give them something now and take away more later."

Don Powell,
Public Utilities Board commissioner

vice-president of finance and chief financial officer, told the PUB that without an adjustment for the surplus revenue, the utility's rate of return on rate base for 2000 would have been 11.19 per cent.

"The unadjusted return exceeds the 10.46 per cent upper limit of the company's allowed rate of return on rate base for 2000" as approved earlier by the PUB, Perry said.

The excess revenue came from the successful resolution of one of two outstanding income tax issues which reduced its tax liability to \$14 million from \$40 million.

The money the utility got back from the CCRA included interest of \$6.7 million, which, together with \$1.01 million in harmonized sales tax (HST), brought the total excess revenue to \$7.7 million.

The approximately \$14 million involved in the still-unresolved tax issue is related to the CCRA's questioning of the method used by Newfoundland Power to record revenue from billings.

Being negotiated

Perry told the board the issue is under negotiation and the utility feels its po-

sition on the matter is correct.

"We feel we have a strong case and are very optimistic about it," he said.

With regard to the proposal to rebate the \$7.7 million to customers, on the basis of 1.9 per cent of 2000 billings, Perry told the board the company had reviewed the matter in detail and examined possible alternatives to a rebate and concluded a rebate "is reasonable and the most appropriate use of these funds at this time."

'No pressing reason'

He said the company feels there is "no pressing reason" to withhold the excess funds.

"A rebate to customers of the amount of excess revenue based on customers' 2000 billings will not affect the normal course financing requirements of the company and is an appropriate balance of the interests of the company and those of the customer," Perry said.

William Brushett, a resident partner with Grant Thornton chartered accountants and management consultants, also made a brief appearance at the hearing Monday to answer questions on a report he prepared for the

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NEWSWATCH	The Telegram St. John's, NF	POSITION
		X
EXPRESSCLIP	DATE: March 17, 2001 PAGE: 3	

ENERGY

Power rebate coming next month

BY WILL HILLIARD
The Telegram

Newfoundland Power customers will share in a one-time rebate of more than \$7.7 million in April, but with some 210,000 eligible customers in the province, the payouts probably won't seem more than a token to anyone who felt the pinch every time they got their light bill in the mail last year.

"Our customers will get back approximately two per cent of their total electrical charges for the year 2000," company spokesman Bob Pike said Friday, after learning the Public Utilities Board (PUB) had allowed the rebate which the company had requested to off-load a revenue surplus.

"For the average household, that will

be approximately a one-time \$34 credit. The larger the bill, the more the amount and the same bodes for residential and commercial."

PUB ruled this week the balance in Newfoundland Power's excess revenue account — \$6,733,000 as at Dec. 31, 2000 — be rebated to customers along with HST of \$1,010,000.

On the April electric service bills, each customer will receive a 1.90 per cent credit of their total billing amounts on electric service bills issued during the period January to December 2000.

Pike said the amount to be rebated was the interest that had accumulated on a \$15-million deposit that Newfoundland Power was ordered to put in trust during an income tax dispute with the Canada Customs and Revenue Agency

(CCRA) relating to the deductibility of certain capitalized general expenditures which had created a surplus in revenue for 2000.

The money the utility got back from the CCRA included interest of \$6.7 million, which, together with \$1.01 million in HST, brought the total excess revenue to \$7.7 million.

"That money actually put us in an over-earning situation, so what we felt the most appropriate thing for us to do was to rebate it to our customers," said Pike.

He said, in 2000, the utility achieved its lowest operating costs per customer in 10 years, attained its highest annual customer satisfaction rating to date and kept electrical rates stable for 2001 based on the application of its automatic adjustment formula.

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NEWSWATCH	The Telegram St. John's, NF	POSITION	
			X
EXPRESSCLIP	DATE: March 17, 2001 PAGE: 5		

ACQUISITION

Hydro could stall telephone pole agreement

Corporation's presence complicates \$50-M deal between Aliant Telecom, Newfoundland Power

BY CRAIG JACKSON
The Telegram

Newfoundland and Labrador Hydro has thrown a curve at a \$50-million deal between Aliant Telecom and Newfoundland Power.

Aliant Telecom entered into a multimillion-dollar contract — announced March 2 — which would see the telephone company pass over its poles and related infrastructure on the island to Newfoundland Power.

The problem is the deal went ahead even though Hydro has first right of refusal to purchase thousands of Aliant Telecom poles.

Hydro chief executive officer and president Bill Wells maintains Newfoundland Power president Philip Hughes notified him of the deal just one hour before the March 2 joint press release was issued by the private utilities.

Moments prior to a Friday news conference held by the International Brotherhood of Electrical Workers (IBEW), Local 1615, which represents Hydro workers, Wells informed employees in a statement that

Hydro had no prior knowledge the private companies were working on a purchase/sale agreement on poles.

Bob Clarke, business manager of IBEW, Local 1615, disagrees, charging the union's executive board informed Wells and Hydro management of the deal between Newfoundland Power and Aliant Feb. 26.

The union isn't convinced Hydro would have taken action if IBEW officials hadn't notified the Crown corporation of the pending deal between Newfoundland Power and Aliant Telecom.

"Again, if it is a sound business decision, Hydro will review, with Aliant Telecom, the purchase of its interests in poles in Labrador."

Bill Wells,
Newfoundland Hydro
CEO, president

Wells said the telephone company has agreed to enter into discussions with respect to the poles.

The joint-use agreement covers about 2,894 poles where Hydro has attachments to Aliant Telecom poles. Hydro claims it also has rights to an additional 4,782 poles where there are currently no attachments.

Wells said he can't say Hydro would be interested in all the poles that rest

within its service area, particularly along the Northern Peninsula. He said if it makes economic sense to purchase the poles, Hydro will exercise that right.

Hydro already owns 26,605 poles on the island.

The public utility will review the pole situation in Labrador.

Hydro owns 8,064 poles in Labrador while Aliant Telecom owns 4,138 poles. Of Aliant's poles, Hydro has attachments on 3,560.

"Again, if it is a sound business decision, Hydro will review, with Aliant Telecom, the purchase of its interests in poles in Labrador," Wells stated in the letter to employees.

There's now a question as to what happens to the \$50-million agreement between Aliant Telecom and Newfoundland Power.

1/2

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NEWSWATCH	The Telegram St. John's, NF	POSITION
		X
EXPRESSCLIP	DATE: March 17, 2001 PAGE: 5	X

2
2

particularly since Hydro is exercising its first right of refusal on Aliant poles.

Bob Pike, Newfoundland Power's manager of corporate communications, said the deal can still go ahead. The initial agreement involved Newfoundland Power purchasing 110,000

to 115,000 of Aliant's poles and infrastructure. It's estimated that Hydro has jurisdiction over 7,000 of those poles on the island.

Pike said if Hydro exercises its right to purchase those poles, it'll mean Newfoundland Power and Aliant Telecom will modify the original deal.

The IBEW, meanwhile, plans to keep a close eye on Hydro and the acquisition of the Aliant poles.

The IBEW has expressed numerous concerns about the recent layoff of Hydro workers on the Northern Peninsula.

Now that Hydro is talking about purchasing poles, it will mean more manpower will be needed to service the poles, Clarke said.

"We'll be asking Newfoundland and Labrador Hydro, and government, to reverse its decision on layoffs and review the jobs required in rural Newfoundland, and we do expect to get a positive answer back from that," he said.

NEWSWATCH

The Gulf News
Port Aux Basques

POSITION

EXPRESSCLIP

DATE: March 26, 2001 PAGE: 1

Power rebate

It looks as though power bills will be a little lighter in April.

Newfoundland Power Inc. was granted approval by the Newfoundland and Labrador board of Commissioners of Public Utilities to rebate customers \$7.7 million.

"The resolution of a long-standing tax case has put us in a fortunate position that we are able to provide our customers with a credit of approximately two per cent on their 2000 electrical usage," said Phillip Hughes, president and CEO of the power company, adding that the rebate will be credited to customer's April electrical bills.

The total amount being rebated to customers translates to a credit of about \$34 on an average all-electric residential bill.

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NEWSWATCH	The Advertiser Windsor-Grand Falls, NF	POSITION	
EXPRESSCLIP	DATE: April 2, 2001 PAGE: 8		

Nfld. Power's rebate approved

The Newfoundland and Labrador Board of Commissioners of Public Utilities have granted approval for Newfoundland Power Inc. to rebate customers \$7.7 million, including HST.

Philip Hughes, president and

chief executive officer for Newfoundland Power said, "the resolution of a long-standing tax case has put us in a fortunate position that we are able to provide our customers with a credit of approximately two per cent on their 2000 electrical

usage." He also said that the rebate will be credited to the customers' April electrical bills.

The total amount being rebated to customers, translates to a credit of about \$34 on an average all-electric residential bill.

NEWSWATCH

**The Coaster
Harbour Breton, NF**

POSITION

EXPRESSCLIP

DATE: April 2, 2001 PAGE: 3

Newfoundland Power's rebate approved

The Newfoundland and Labrador Board of Commissioners of Public Utilities have granted approval for Newfoundland Power Inc. to rebate customers \$7.7 million, including HST.

Philip Hughes, president and chief executive officer for Newfoundland Power said, "the resolution of a long-standing tax case has put us in a fortunate posi-

tion that we are able to provide our customers with a credit of approximately two per cent on their 2000 electrical usage." He also said that the rebate will be credited to the customers' April electrical bills.

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NEWSWATCH	The Beacon - Gander	POSITION
		X
EXPRESSCLIP	DATE: April 9, 2001 PAGE: 8A	

Outages in Eastport

By **ANGELA KELLY**
The Beacon

As road conditions turned from bad to worst, homes on the Eastport Peninsula remained cold and dark, as Newfoundland Power repair crews struggled to repair damage caused during last week's storm.

While the damage was repaired quickly, getting around the region took much longer than usual, said superindendant of area operations Jeremy Decker.

"The roads weren't cleared properly and that made it much more difficult to get back and forth," said Mr. Decker, explaining the roads were passable, but poor visibility added to poor driving conditons.

Newfoundland Power expected trouble in the New-Wes-Valley, an area which often suffers power outages during storms, and stationed several crews in the region to watch and wait.

Instead, Mr. Decker said, the trouble hit Eastport.

Most of the region's power trouble is caused by wind. When wind blows power lines together, it causes power trips. The power will return if it's tripped off unless the trips occur continuously. During the storm, the wires hit so much the power turned itself off, said Mr. Decker.

"We got the first calls around 3 p.m., but because we already had a crew in Glovertown, we couldn't fix the Eastport problem right away," he said. "It's easier to tell where lines are touching at night, because there's sparks, so daylight actually impeded them."

"The crew walked up over a hill to fix the wires," he said. "It's not a fun job when the weather gets like that."

People on the Eastport Peninsula were without power for almost seven hours.

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NEWSWATCH	The Telegram St. John's, NF	POSITION	
		X	
EXPRESSCLIP	DATE: April 20, 2001 PAGE: 4		

CORNER BROOK

Severe-shock victim In critical condition

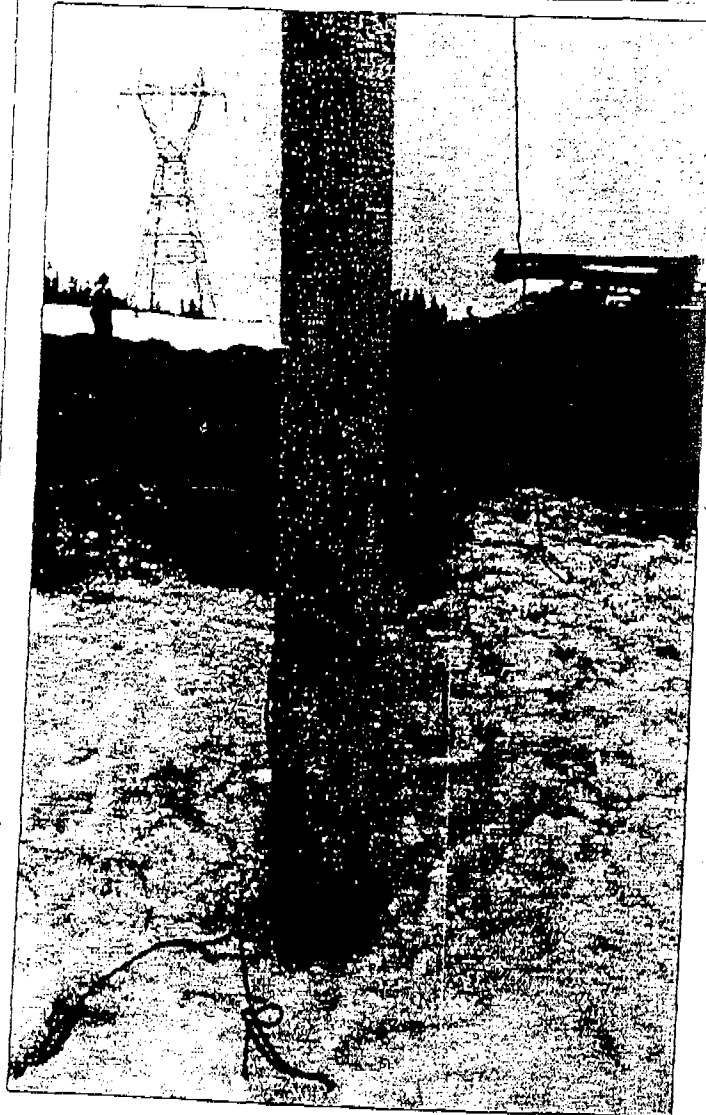
The Newfoundland Power employee injured in an industrial accident Wednesday has been listed in critical but stable condition at hospital, said Robert Pike, Newfoundland Power's corporate communications director.

The employee, whose name has yet to be released, was working in the area of the weigh scales west of the city when he came into contact with a live wire.

Pike said the Occupational Health and Safety Board of the provincial Department of Labour is investigating the incident. The power company is also pursuing an internal investigation.

"Everyone involved is fairly shaken up emotionally," he said. "It would take some time to complete investigations of this extent."

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NEWSWATCH	The Humber Log Humber Valley Area	POSITION
		X
EXPRESSCLIP	DATE: April 25 - May 1, 2001 PAGE: 15	



JEFF DUCHARME, LOG

ELECTROCUTION - A Newfoundland Power employee was seriously injured when he was electrocuted and fell from the pole he was working on. The accident occurred at the old weight scales just west of the city on the TCH.

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NEWSWATCH	The Telegram St. John's, NF	55496 55523	
		POSITION	
EXPRESSCLIP	DATE: April 27, 2001 PAGE: 33	X	

ST. JOHN'S

Newfoundland Power beats harsh winter

Despite battling the worst winter on record, Newfoundland Power continued to improve its financial and operational performance in the first quarter of 2001, the utility said Thursday.

"Our employees repeatedly rose to the challenges presented by more than 600 centimetres of snow and delivered outstanding service to our customers," said Philip Hughes, president and chief executive officer.

The utility's earnings for the first quarter were \$12.2 million, or \$1.18 per share, compared to \$9.7 million, or 94 cents per share for the same period last year. All common shares of Newfoundland Power are held by parent company Fortis Inc.

"The increase in earnings is attributable to higher energy sales, productivity improvements and a tax refund from Canada Customs and Revenue Agency," said Hughes.

Despite a record snowfall, 2001 system reliability has been consistent with levels achieved during the mild winter of 2000, he added.

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NEWSWATCH	The Advertiser – Exploits Valley Nfld	POSITION
EXPRESSCLIP	DATE: April 30, 2001 PAGE: 6B	X

Newfoundland Power improves performance despite record snowfalls

Despite battling the worst winter on record, Newfoundland Power Inc. continued to improve its financial and operational performance in the first quarter of 2001.

"Our employees repeatedly rose to the challenges presented by more than 600 centimetres of snow and delivered outstanding service to our customers," said Philip G. Hughes, president and chief executive officer, Newfoundland Power Inc. "In true Newfoundland spirit, they helped their neighbours and communities through this harsh winter. Likewise, we take heart that so many customers have lent us a helping hand and encouraging words during recent storms."

Earnings for the first quar-

ter of 2001 were \$12.2 million, up \$2.5 million from the same quarter last year. The increase in earnings is attributed to higher energy sales, productivity improvements and a tax refund from Canada Customs and Revenue Agency in the first quarter of 2001.

"Although extreme weather increased trouble calls and delayed progress on our 2001 capital program, we were able to overcome these challenges and improve earnings and reliability," says Hughes.

Despite record snowfalls, 2001 system reliability has been consistent with levels achieved during the mild winter of 2000. In the first quarter last year, the number of outages and length of service interruptions were

reduced 12 per cent and 27 per cent, respectively, compared to the same period of 1999.

"The resolution of a long-standing tax case in 2000, combined with improvements in productivity and cost control, has enabled Newfoundland Power to keep its electrical rates the lowest in Atlantic Canada while providing the extra benefit of a rebate to our customers," said Mr. Hughes.

Newfoundland Power initiated a \$7.7 million rebate to customers in February. The rebate was approved by the Newfoundland and Labrador Board of Commissioners of Public Utilities in March and is being issued on April electrical bills. The rebate, which is equivalent to 1.9 per cent

of each customer's 2000 electrical bill, will provide a credit of approximately \$34.00 to the average residential electrical customer.

In March, Newfoundland Power entered into an agreement with Aliant Telecom Inc. (operating as NewTel Communications in Newfoundland and Labrador) to acquire NewTel's poles and related infrastructure on the island of Newfoundland over a five-year period at a price of approximately \$50 million. The purchase price represents an increase of approximately 10 per cent in Newfoundland Power's fixed assets. The transaction is subject to regulatory approval and is expected to close before July 31, 2001.

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NEWSWATCH	The Beacon - Gander	POSITION X
EXPRESSCLIP	DATE: April 30, 2001 PAGE: 11C	

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NEWSWATCH	The Shoreline Paradise, NF	POSITION	
EXPRESSCLIP	DATE: May 6, 2001	PAGE:	17

\$10,000 rebate for CBS

Newfoundland Power's successful challenge of a federal interpretation of the tax laws means a few extra bucks for Conception Bay South. The rebate on its electric bill this month amounts to about \$10,500.

- IN OTHER COUNCIL NEWS:

- The town approved Doug Allen's application to construct three residential lots on Monument Road in Topsail.

- Hunter Rowe will operate a part-time golf club re-

pair business from a residence on Dominion Place, Kelligrews depending on public opinion.

- An application by Kometik Sea Kayaking to operate a sea kayaking rental and tour business from an existing residence on Stanley's Road in Long Pond has been deferred for the same reason.

- The next meeting of council takes place on Tuesday, May 1st at 5:30 p.m.

NEWSWATCH

The Compass
Carbonear, NF

POSITION

EXPRESSCLIP

DATE: May 8, 2001 PAGE: 17

~~SEWER TRUNK~~

The Town received a reply to correspondence to Newfoundland Power regarding the proposed trunk sewer line going through a portion of the company's property on the Old Track. Apparently a 66,000-volt transmission line is located on the property.

The company requested a detailed plan of the proposed undertaking for review.

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NEWSWATCH	The Telegram St. John's, NF	POSITION
EXPRESSCLIP	DATE: May 14, 2001 PAGE: 6	X

Keep it clean: Power company does it part

I am responding to Dennis O'Keefe's statement that appeared in The Telegram Tuesday, May 9 ("O'Keefe on cleanup crusade"). While Newfoundland Power understands Coun. O'Keefe's frustration with debris left by a long winter, it is another thing to publicly point fingers.

Newfoundland Power is an environmentally responsible company. Every year our employees, with community groups, collect hundreds of bags of garbage during roadside and community cleanups.

Environmental partners

We also partner with community members to plant hundreds of trees and host EnviroFest celebrations, bringing thousands of community members to-

gether to learn about the environment.

Newfoundland Power takes great pride in its company properties and has received much praise for its efforts. Just six months ago, Newfoundland Power received the 2000 St. John's Clean and Beautiful Mayor's Award for our clean-up and beautification initiatives.

Unfortunately, the more than 600 centimetres of snow that fell during our record-breaking winter has left many properties in St. John's unbelievably dirty. Cars have been discovered in shopping center parking lots, crushed under the weight of snow. Christmas trees long forgotten are once again appearing.

There is no question that between rotted leaves and miscellaneous debris,

the city needs a good spring-cleaning. However, let's be realistic and show a little patience.

Give us a chance

Last week, snow still covered many lawns in the city. It seems a little premature for Coun. O'Keefe to be berating our company, or any other, for spring's discovery of the rubbish left by winter.

Spring is still young — rest assured that Newfoundland Power employees will again be outside working towards a cleaner environment, not only for our company properties, but also for the communities in which we live.

*Bob Pike
manager, corporate communications
Newfoundland Power*

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NEWSWATCH	The Telegram St. John's, NF	POSITION
		X
EXPRESSCLIP	DATE: May 29, 2001 PAGE: 4	

ST. JOHN'S

Power corp. offers reward

Newfoundland Power will pay \$1,000 for information leading to an arrest in connection with a theft at its Clarke's Pond substation in the Freshwater/Placentia area.

The RCMP is investigating the theft of electrical equipment stolen from a storage shed during the May 24th weekend.

The thief cut a hole in the fence surrounding the high-voltage substation.

Company spokeswoman Michele Coughlan says because of this criminal activity, someone could have been injured or killed entering the substation through the hole in the fence.

"This is very unacceptable and very disturbing," she said.

Newfoundland Power must ensure reasonable rates: CEO

By PAT DOYLE
The Telegram

ST. JOHN'S -It is Newfoundland Power's responsibility to ensure the cost of the power it purchases from Newfoundland and Labrador Hydro Corp. remains fair and reasonable, says the company's president and chief executive officer.

Newfoundland Power is concerned about the impact Hydro's requested rate increases will have on customers, said Philip Hughes.

Hydro filed an application with the Public Utilities Board (PUB) Thursday requesting a direct rate increase of 6.7 per cent for the power it supplies to Newfoundland Power, effective Jan. 1, 2002.

It is also seeking an increase in the rate stabilization plan (RSP) under which rates are automatically adjusted once a year to account for fuel price fluctuations.

The RSP change would result in an estimated 5.9 per cent increase in the rate to Newfoundland Power, effective July 1.

According to Bill Wells, Hydro's president and CEO, those two percentage increases to Newfoundland Power would translate into an increase of approximately 3.7 percent as of Jan. 1 and another 3.4 per cent as of July 1.

"Purchased power from Hydro is Newfoundland Power's largest single

expense, representing approximately 60 per cent of the cost of delivering power to our customers," Hughes said.

He said Hydro has proposed two increases in 2002 to the rate charged Newfoundland Power, totalling approximately 13 per cent.

"These increases will directly affect operating costs and electrical rates for customers."

Bob Pike, manager of corporate communications and customer services with Newfoundland Power, was a little stronger in his reaction to Hydro's application.

"I personally think that type of increase is ludicrous in today's economy," Pike told The Telegram.

Hughes said his company will examine the details of Hydro's rate application "to determine the total impact these increases will have on customers."

The electrical utility has focused on keeping rates the lowest in Atlantic Canada, he said.

"Newfoundland Power has achieved this by significantly reducing operating expenses, streamlining business processes to improve efficiencies and increasing the use of technology."

In announced details of Hydro's application Thursday, Wells said the main reason behind it is the cost of Bunker C fuel needed for the Holyrood thermal generating station.

He said in 1992, the PUB had provided for a cost of \$12.50 a barrel in Hydro's rate base but the price has been significantly higher, reaching as high as \$40 a barrel in the last 12 months. Inventory at Holyrood cost Hydro \$31 a barrel, he said.

The application to PUB is seeking a cost of \$20 a barrel in the rate base with the difference between that and the current price being applied to the RSP.

The PUB said Friday a panel of commissioners has been set up to consider Hydro's application.

"Over the next several weeks, the panel will be reviewing the application and will engage experts to complete a full examination of its contents," the board said. "This work will form part of the process leading to a full scale public hearing which is expected to take place in 'early fall."

The planning for such a hearing will include a pre-hearing conference, likely in July, to identify interveners and other interested parties; provide focus to the issues; set specific dates and locations for public hearings; and establish the procedure to be followed for and during the hearing.

After the PUB sets the rate changes for Hydro, if any, Newfoundland Power will then have to seek the board's approval to pass any increases on to its customers.

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Price of power may increase

By JANICE HENSTRIDGE
R-B News

Customers of Newfoundland Power may notice a rate increase in the coming year.

Newfoundland Hydro filed a general rate increase application with the Board of Commissioners of Public Utilities late last month, requesting a 6.7 per cent rate increase to Newfoundland Power.

"This is the first general rate application Hydro has filed since 1991," said Bill Wells, president and CEO of Newfoundland Hydro. "The major factor driving the rate increase is the cost of bunker C fuel needed for the Holyrood Thermal Generating Station, which supplies approximately one-third of the electricity consumed on the island."

If the request is granted,

consumers will see an approximate 3.7 per cent increase by Jan. 1, 2002. Another 3.4 per cent increase will be implemented by July 2002 if Hydro's proposed increase to the Rate Stabilization Plan cap to Newfoundland Power is extended from \$50 million to \$100 million.

Industrial customers could see an even bigger increase.

Newfoundland Power said its concerned with the impact the rate increase will have on customers.

"Purchased power from Hydro is Newfoundland Power's largest single expense, representing approximately 60 per cent of the cost of delivering power to our customers," said Philip G. Hughes, president and chief executive officer. "It is our responsibility to represent our customers' interests and ensure that this cost remains fair and reasonable."

Hearings on the proposed rate increases are scheduled to begin in September.

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NEWSWATCH	The Compass Carbonear, NF	POSITION
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Electricity rates decrease

Newfoundland Power customers will see an average rate decrease of approximately two per cent effective July 1.

For a residential customer with a monthly light bill of \$100, the decrease will mean a reduction of approximately 20 cents per month.

The decrease is a result of the annual review of the Rate Stabilization Account and Municipal Tax Adjustment.

During the 1980s the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) approved the establishment of the Rate Stabilization Account and Municipal Tax Adjustment. The rate Stabilization Account helps reduce large swings in electrical rates as a result of fluctuations in the cost of oil used in Newfoundland and Labrador Hydro's (hydro) thermal generating plants, as well as the impact of annual precipitation on hydroelectric generation. The Municipal Tax Adjustment was established to collect and pay municipal taxes.

"The price of oil in 2000 put upward pressure on the Rate Stabilization Account," according to Bob Pike, Newfoundland Power's manager of corporate communications. "However, Hydro's hydroelectric production was higher than normal during 2000, which had a positive affect on the Rate Stabilization Account and helped offset the cost of oil." Mr. Pike said in a news release.

Because this rate adjustment is based only on the balance in the Rate Stabilization Account and the Municipal Tax Adjustment, as of December 31, 2000, it does not reflect the impact of changes in the price of oil that have occurred in 2001.

Consumers have seen a total of nine increases and six decreases in their electrical bills since the inception of these accounts in 1987. The net affect over the past 15 years has been an overall increase of 1.6 per cent.

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NEWSWATCH	The Advertiser Exploits Valley, NF	POSITION
EXPRESSCLIP	DATE: July 5, 2001 PAGE: 1	X

Power transformers to stay at rear of buildings – for now

By KELLY FOSS
Advertiser

Grand Falls-Windsor town council has decided to delay Newfoundland Power's request to put transformers at the front of homes in new subdivisions.

The subject first arose at the last council meeting and was revisited by council Tuesday.

Council had previously allowed developers and Newfoundland Power decide where poles should exist in new subdivisions.

The utility company had stated it was concerned about future access and maintenance of these lines which would be eliminated if servicing were at the front.

Referring to correspon-

dence from Ridgewood Developers, the company stated it would accept the proposal. However, at Tuesday's council meeting Deputy Mayor Robert King said it doesn't seem to be the company's practice elsewhere.

"I've asked other towns, and it seems we're the only town which has ever had this brought up by Newfoundland

Power," he said. "They've told us to go with back servicing instead or the extra cost would have to be paid by the developer. All other communities are proceeding with back servicing as usual and it's strange they would do this to us and not have a policy to do it right across the province."

Councillor Rex Barnes said
Please see page 4

Power transformers to stay at rear of buildings

Continued from page 1

he received seven phone calls in opposition to the proposal since the last council meeting.

"The want us to continue with back servicing and to not even entertain the idea to do it in the front," he said. "They want us to have a policy that it can't be done – period – with no exceptions."

Mayor Walwin Blackmore said his discussions with Newfoundland Power have revealed it would cost a considerable amount more to have back servicing.

"I think nothing should be done until we know what's going on," said Councillor Barry Oake. "We don't want to be the guinea pigs for Newfoundland Power. If it's not happening anywhere else it shouldn't happen here."

Council will write the power company for clarification on the issue.

NEWSWATCH

The Telegram

52187

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DATE: July 7, 2001

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B9

PUB rejects pole swap

Newfoundland Power president disappointed with ruling

BY PAT DOYLE
The Telegram

Newfoundland Power is disappointed the Public Utilities Board (PUB) has rejected its plan to acquire 100,000 poles in the province from Aliant Telecom.

"We are disappointed with the ruling," Philip Hughes, president and CEO of Newfoundland Power, said Friday.

"This decision has a negative impact on both our customers and our shareholders."

\$50-million deal

Newfoundland Power and Aliant announced March 2 they had reached a deal whereby Newfoundland Power would pay Aliant \$50 million over a five-year period for poles and related infrastructure located in Newfoundland Power's service territory.

At the time, Newfoundland Power said the deal represented approximately a 10 per cent increase in its rate

base, meaning an increase in the value of the company.

The acquisition was to be financed through a combination of internal cash flow and borrowing but the utility said the deal would not in any way effect customer's electricity rates.

Newfoundland Power filed an application for approval of the deal with PUB May 8 and the board held a public hearing on the matter June 7. The board handed down its ruling Friday.

The hearing was conducted by Darlene Whalen, PUB vice-chairwoman and commissioners William Crosbie and Gerard Martin.

In its ruling, the board acknowledge the benefits of Newfoundland Power owning the 70,000 joint-use poles out-



Philip Hughes

lined in its proposal.

"Although PUB agreed financial benefits from the 30,000 non-joint-use poles would flow to Newfoundland Power's customers, it concluded that based on its interpretation of legislation these poles should not be included in the Newfoundland Power's regulated assets," Hughes said.

"Our proposal to acquire poles in Newfoundland Power's service territory focused on improving efficiency and stabilizing rates over the long term," he said.

A report by the board's financial consultants, Grant Thornton, confirmed "the analyses submitted in support of the application appeared reasonable and appropriate," the PUB said in the order.

During the hearing, Newfoundland and Labrador Hydro argued against non-joint-use poles being included in Newfoundland Power's rate base.

In its ruling, the PUB said it had decided the non-joint-use poles will not be allowed as part of the rate base, and

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so "the additional capital expenditures requested for the non-joint-use property will not be approved as part of the capital budget for 2001.

The board also said it considered whether it should approve the capital expenditure for the 69,848 joint use poles in the light of its decision on the non-joint-use poles.

Given the uncertainty raised during the hearing, the PUB said, "the board is not prepared at this time to approve the application as submitted."

Consider another application

The board added, however, it would consider a subsequent application which would have to address the uncertainties raised during the hearing.

The PUB also ordered Newfoundland Power to pay all the costs associated with the hearing.

"Over the next few days we will be reviewing our options which include applying for only the 70,000 joint-use poles or appealing the PUB ruling," Hughes said.

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NEWSWATCH	The Gulf News	POSITION
EXPRESSCLIP	DATE: July 9, 2001 PAGE: B4	X

Nfld. Power rates drop

Newfoundland Power customers will see an average rate decrease of about 0.2 per cent starting July 1. For customers with an average monthly residential electric bill of \$100, the decrease means they will save about \$0.20 each month, said the company.

This is the result of an annual review of the rate stabilization account, which reduces large swings in electrical rates because of changes in the cost of producing electricity, and the municipal tax adjustment, which collects and pays municipal taxes.

The rate decrease is based on the rate stabilization account and the municipal tax adjustment up to Dec. 31, and doesn't reflect the changes in the cost of oil this year.

Bob Pike, manager of corporate communications for Newfoundland Power, said in a release that the rising price of oil last year was evened out by the higher than normal production of hydroelectric plants, which is why customers are getting a decrease.

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NEWSWATCH	Corner Brook, NF - The Western Star A/C	POSITION	
EXPRESSCLIP	DATE: July <u>20</u> , 2001 PAGE: <u>15 1/2</u>	XX	

Newfoundland Power's earnings are on track

ST. JOHN'S — Newfoundland Power Inc. reported second quarter earnings of \$9 million on revenues of \$88.7 million Thursday -- virtually the same as last year's second quarter.

The company's revenues were up three per cent from the second quarter 2000 results of \$85.8 million.

Year to date revenue was also up from \$197.8 million to \$204.8 million.

The power company attributes this to \$5.3 million in higher energy sales and a \$1.7 million in interest as part of an income tax refund.

The company says it also improved productivity and continued to control operating costs.

During the first six months of the year, Newfoundland Power's earnings were up 13 per cent from \$18.7 million to \$21.2 million.

Year-to-date revenues were also up -- from \$197.8 million to \$204.8 million.

Newfoundland Power says it also achieved a 91 per cent customer satisfaction rating thanks to its "significantly improved system reliability."

The company says the number of power outages was down 36 per cent during the second quarter this year compared with the same period last year.

The length of those service interruptions was also down -- 21 per cent compared with the second quarter 2000.

The company says it plans to take part in upcoming public hearings on Newfoundland and Labrador Hydro's application for a rate increase.

"Newfoundland Power is concerned about the impact Hydro's proposed electrical rate increase will have on our customers and the provincial economy," said Philip Hughes, president and chief executive officer of Newfoundland Power, in a news release issued Thursday.

On May 31, Hydro applied to the Public Utilities Board for a 13 per cent rate increase on the price it charges Newfoundland Power.

NEWSWATCH	The Telegram St. John's, NF	POSITION X
EXPRESSCLIP	DATE: July 20, 2001 PAGE: D4	

Utility posts increased revenues

Newfoundland Power Inc. reported second quarter earnings of \$9 million on revenues of \$38.7 million Thursday — virtually the same as last year's second quarter.

The company's revenues were up three per cent from the second quarter 2000 results of \$35.8 million.

Year to date revenue was also up, from \$197.8 million to \$204.8 million.

The power company attributes this to \$5.3 million in higher energy sales and \$1.7 million in interest as part of an income tax refund.

Productivity up

The company says it has also continued to improve productivity and control operating costs.

During the first six months of the year, Newfoundland Power's earnings were up 13 per cent, rising from \$18.7 million to \$21.2 million.

Year-to-date revenues were also up — climbing from \$197.8 million to \$204.8 million.

Newfoundland Power says it also achieved a 91 per cent customer satisfaction rating thanks to its "significantly improved system reliability."

Fewer blackouts

The company says the number of power outages was down 45 per cent during the second quarter this year compared with the same period last year.

The length of those service interruptions was also down — 21 per cent compared with the second quarter 2000.

The company says it also intends to appear as an intervenor in upcoming public hearings this fall on Newfoundland and Labrador Hydro's application for a rate increase.

"Newfoundland Power is concerned about the impact Hydro's proposed electrical rate increase will have on our customers and the provincial economy," Phillip Hughes, president and chief executive officer of Newfoundland Power, said in a news release Thursday.

On May 31, Hydro applied to the Public Utilities Board seeking a 13 per cent rate increase on the price it charges Newfoundland Power.

Hearings are expected to start later this year.

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NEWSWATCH	Corner Brook, NF - The Western Star A/C	POSITION	
		XX	
EXPRESSCLIP	DATE: July <u>23</u> , 2001 PAGE: <u>2 1/1</u>		

Newfoundland Power environmentally sensitive

ST. JOHN'S - Newfoundland Power recently achieved ISO 14001 environmental registration for its generation facilities across the island.

Philip Hughes, president and chief executive officer, said he is pleased with the registration by the International Organization for Standardization which sets quality standards worldwide that represent

best practices in environmental management.

"What this means is that Newfoundland Power is as good as or better than comparable utilities around the world in respect to carrying out its operations, in an environmentally sensitive manner," Hughes said.

To achieve ISO 14001 registration, a company must demonstrate over time its unwavering commitment to meet standards such as continuous improvement, prevention of pollution, and meeting legislative requirements.

"Newfoundland Power is committed to striving for continual improvements in environmental management while at the same time enhancing reliability of service, keeping electrical rates the lowest in Atlantic Canada and providing superior service to our customers," he said.

In addition to achieving ISO 14001 registration for its generation section, the company has also received three environmental awards over the past year including the Newfoundland and Labrador Environmental Award, the St. John's Clean and Beautiful Mayor's Award and the Association of Professional Engineers and Geoscientists of Newfoundland Environmental Award.

Central paper mill shuts down

GRAND FALLS-WINDSOR (CP) — A temporary shutdown closed a newsprint mill in central Newfoundland over the weekend.

The closure of the mill, located in Grand Falls-Windsor, is part of efforts by owner Abitibi-Consolidated Inc., to remove about 50,000 tonnes of newsprint from the marketplace.

The shutdown was announced by the company in late June.

The company, the world's largest producer of newsprint, hasn't said whether there will be a shut down at its mill in Stephenville.

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NEWSWATCH

The Beacon
Gander, NF

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DATE: July 23, 2001 PAGE: A1

reliance on generators. Transmission lines and substations have also been improved.

After some study, it was determined that the gas generator would be most efficient in the Wesleyville area.

"It's not unlike what the Burin Peninsula used to be like. Down there we have an area which is serviced by a long transmission line," Mr. Pike said. "Also down there, we've been experiencing a fair number of outages."

After the environmental assessment, Newfoundland Power will then have to apply to the public utilities board to make the move and incur the expenses involved in the project.

The new unit would be installed at the current site of the substation, which distributes electricity from the main transmission line. Mr. Pike said the additional building that will be required will be about the length of a tractor-trailer and approximately two or three times wider.

The generator would be run on occasion to test its operation. But its main function will be to reduce power interruptions for the area, especially during maintenance work and unforeseen outages such as with weather or accidents.

There will be no new jobs for the area with the relocated unit, and Mr. Pike said the company believes it will be of low impact to the environment.

Carl Strong, an environmental biologist with the government's environmental assessment division, said no major concerns "jumped out" at the department and it does not expect much feedback on it.

Any project involving a power-generating facility auto-

matically triggers an environmental assessment.

"I had my impressions when I read that document that there doesn't seem to be any sensitivities out Wesleyville way," said Mr. Strong. "Maybe the public knows about something in the area that we don't."

New-Wes-Valley Mayor Judy Stagg's reaction was more of surprise that the town didn't know about the plans before the assessment was announced last week.

"I hadn't heard anything about it. My father asked me what was going on in Pound Cove. He heard about it on the radio," she said. "My goodness, I can't believe something this big is taking place without us being contacted. I'm totally surprised."

In addition to the two gen-

erator units currently located on the Burin Peninsula, Newfoundland Power also has one in St. John's and a portable unit based out of Port aux Basques.

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NEWSWATCH	Southern Gazette Marystown, NF	POSITION	
EXPRESSCLIP	DATE: July 24, 2001 PAGE:	A1	

Newfoundland Power relocating Salt Pond turbine

Provincial Environment Minister Ralph Wiseman has announced Newfoundland Power's plans to relocate the Salt Pond-Burin Gas Turbine to Wesleyville.

Newfoundland Power intends to move the 13.4 megawatt gas turbine now at Salt Pond to an existing company substation property on a gravel roadway (old Highway) 300 metres south of Highway 320, three kilometres southwest of Pound Cove, Bonavista Bay.

Modifications to the Wesleyville site include an expanded gravel fenced work area; construction of a gas turbine building - control room and battery room; and installation of two double-walled 75,000-litre fuel storage tanks, associated fuel lines, forwarders, filters and coolers.

Newfoundland Power intends to do design work in September, start site work in October, dismantle at Salt Pond in June 2002, and commission at the new site in October 2002.

Two thousand person days of contracted and Newfoundland Power staff will be required with 12-15 working on the project at the peak of construction. The project was registered July 16; public comments are due Aug. 21; and the minister's decision is due Aug. 30.

Newfoundland Power has operated the Salt Pond and Greenhill-Grand Bank substations gas turbines as service back-ups for the dual transmission lines, put in place on the Burin Peninsula in the late eighties, supplying electricity from the Bay d'Espoir hydroelectric site. At one time these substations were relied on heavily for servicing the peninsula's electric needs.

The minister encourages interested parties to make comments known. Further information may be obtained by contacting the Director of Environmental Assessment at (709) 729-2562 or toll-free: 1-800-563-6181 or by mail to: Director, Environmental Assessment Division Department of Environment, West Block, Confederation Building Box 8700, St. John's, A1B 4J6.

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NEWSWATCH

The Express
St. John's, NF

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Giving Newfoundland a boost

Philip Hughes fell in love with the province and wants to share it with the world

BY DANETTE DODLEY

For The Express

Energy leaders from as far away as Switzerland gathered in St. John's last week.

They were here to attend the 2001 National Energy Forum.

And, generally, they came due to the efforts of one man, Philip Hughes.

Bringing top players in the electrical, gas, oil, nuclear and coal sectors to the capital city was the Newfoundland Power president and CEO's way of showcasing what the province and its people have to offer.

The English-born Hughes, an admitted 'come from away,' says enticing world leaders here through business was his method for getting their feet planted on the rock.

Offering a work hard and play hard itinerary during the three-day conference is his way of ensuring they'll return.

"The thing about Newfoundland and Labrador is that, although a lot of people are intrigued and interested, unless it's a forum or conference, they probably won't come here," said Hughes, who happens to chair the Energy Council of Canada.

"For somebody planning a vacation and they live in Central Canada, they're more likely to go to Florida than they are to come to Newfoundland."

Hughes hoped to change that by showing them a good time.

When the group wasn't discussing challenges facing the energy industry, a number of Newfoundland activities were planned.

They listened to local entertainers.

Delegates went on a tour of Signal Hill, Bowring Park, and Cape Spear.

They attended a dinner theatre, and visited the botanical gardens and the Fluvium and Quidi Vidi.

And to top it off, the movers and shakers of the energy world went on a Bird Island adventure at Bay Bulls and took part in a Newfoundland kitchen party complete with a three course meal.

Hughes was successful in bringing the forum to this province by focusing his pitch around the offshore industry — an industry eyed by world energy leaders as a place to do business.

Bringing close to 160 financially secure people to this province is drawing a magnitude of spending power.

Hughes is determined to make sure some of that money stays here.

"We're going to do a lot of work but we're going to show them

good time as well. Then maybe when they're deciding next year where to go on vacation, maybe they will decide to come back here. And these people have billions in investment dollars. Don't we want some of it?"

During last week's meetings, the cream of the energy crop discussed challenges facing the industry and technologies required to move the industry into the future.

Things like technology the public doesn't realize exists.

"People might see us hauling a bit of equipment like a light or a camera, but what they probably don't know is that the camera is infrared."

Hughes uses the 1999 East Coast Music Awards at the Memorial Stadium as an example of how high-tech equipment like infrared cameras can detect electrical malfunctions.

Energy employees scanned the stadium and picked up a fault using this new technology.

"If we hadn't picked it up, it could have gone down during the music awards. Can you imagine the embarrassment to Newfoundland that would have caused?"

A key topic of the forum was the importance of developing an energy strategy for all of North America.

As the delegates at the forum discuss all things energy, bringing the forum to this province

music awards. Can you imagine the embarrassment to Newfoundland that would have caused?"

A key topic of the forum was the importance of developing an energy strategy for all of North America.

As the delegates at the forum discuss all things energy, bringing the forum to this province also provided university and government officials a chance to show world energy leaders that this province is ready and eager to do business.

"I don't think people realize just what the capability is here on the high tech side. They will know that by the time they leave though."

But Hughes is not only a huge promoter of Newfoundland.

He appears to be a big backer in its people.

Having lived in the province for four years, Hughes describes Newfoundlanders as "decent, capable, caring people who like to have a bit of fun."

It didn't take him long after taking over Newfoundland Power to realize that people here need to be encouraged to believe in themselves and their abilities.

"The people that run our call centre for all of Newfoundland — and we know this because we're benchmarked against others in North America — ours are in the top 10 per cent of all call centres in North America."

"But I sometimes think that Newfoundlanders believe that people living on the mainland are perhaps better. That's just not the case."

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Energy leaders worked, and played, hard

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As head of a company that provides electricity to 800 communities, Hughes is well aware that this province's people are as dependent on energy as anyone else.

"We can't communicate without it," he says.

"Therefore, not only do we have to have an incredibly high level of reliability, but also the quality of our product is crucial. We all know what it's like being on the computer, there's a slight blip and we've lost it. We know how irritating that is."

Hughes furthers his point by illustrating how dependent Newfoundland's most popular industry, the fishery, is on power.

"Look, the fish is coming down the line," Hughes says quickly, moving his arms in unison as invisible fillets pass through his hands on a conveyor belt.

"If you get a blip, you lose not only all the fish on the line, you also have to do a clean up of the equipment and then you have to start all over again."

Having more front-line

skilled workers is the only way companies such as Hughes' can reduce such complication and irritation.

He notes that these employees must wear many hats, although the public doesn't realize it.

"Let's take a car accident where a pole has been knocked down," Hughes says.

"It's a mess and you want to get it out as fast as possible. They've got to be part lineman, part electrician and part carpenter because what they'll probably do is a temporary repair to get the power back in

20 minutes rather than two hours."

And Hughes adds with pride that his front-line staff face some of the worst weather conditions in North America.

"People see them in the terrible conditions trying to help them and they often have them in for a cup or tea," he says.

"And if you've been working in the cold for a long period of time, a thank-you and a cup of tea goes a long way. And in the smaller communities, this is not some faceless person. It's their buddy."

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EXPRESSCLIP

The Telegram

St. John's, NF

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DATE: August 1, 2001 PAGE:

POSITION

D1

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Fortis earnings up in Q2

BY MICHAEL CONNORS
The Telegram

Fortis Inc. of St. John's has reported a 17 per cent increase in its second-quarter earnings this year over its earnings for the same quarter last year.

Earnings for the second quarter 2001 were \$12.6 million, compared to \$10.8 million earned for the second quarter 2000, the company announced Tuesday.

On a per share basis, earnings this year were 85 cents, compared to 83 cents, on a restated basis, for the same period last year. On a year-to-date basis, earnings per common share were \$1.67, compared to \$1.64 last year.

Year-to-date earnings for the first half of 2001 grew 16 per cent, to \$24.8 million from \$21.4 million for the first half of 2000.

"We are extremely pleased with the performance of all operating companies this quarter," Stan Marshall, Fortis' president and chief executive officer, said in the company's report.

Revenue for the second quarter increased 11 per cent, to \$167.8 million from \$142.6 million for the second quarter of 2000. Revenue on a year-to-date basis was \$338 million, compared to \$308.4 million for the first half of 2000.

New agreements

Marshall noted some new agreements Fortis made during the second quarter. On June 22, Scotiabank agreed to acquire the deposits and loans of Fortis Trust Corp.

"This sale presented an opportunity for Fortis Inc. to divest of a non-strategic asset and return value to our shareholders," Marshall said. "We were pleased to realize an after-tax



Stan Marshall

gain of \$0.5 million on this transaction."

And on June 18, Fortis entered an agreement with Abitibi-Consolidated Inc. to develop additional capacity at Abitibi's hydroelectric plant in Grand Falls-Windor.

Fortis will also redevelop the forestry company's hydroelectric plant in Bishop's Falls.

"The project will cost \$65 million and increase annual energy production from the two hydroelectric plants by approximately 30 per cent."

"The project is in keeping with the strategy and expertise of Fortis with respect to small hydroelectric plants," Marshall said.

"It will provide Newfoundland with additional energy supply from existing resources."

Of local note among Fortis' utility operations, Newfoundland Power's earnings remained level at \$9 million for the second quarter, both this year and last year. Year-to-date earnings were \$21.2 million, a 13 per cent increase over earnings of \$18.7 million for the first half of 2000.

The report said higher energy sales and a tax refund from the Canada Customs and Revenue Agency contributed to the increase in first-half earnings.

Energy sales higher

Energy sales for the second quarter were four per cent higher than the same period last year, while year-to-date energy sales grew by three per

cent.

Newfoundland Power's revenue for the second quarter was \$88.8 million, compared to \$85.8 million for the same quarter last year. Year-to-date revenue was \$204.9 million, \$7 million higher than last year.

Report covered Belize Electricity

The report also contained earnings information on Fortis' central American companies, Belize Electricity (BEL) and Belize Electric Company (BECOL).

These companies made news in Newfoundland last May when Belizean and Canadian environmentalists protested Fortis' plans to build a new hydroelectric dam on Belize's Macal River. They believe the dam will threaten several endangered species in the area.

BEL earned \$1.4 million for the second quarter of 2001, compared to \$1.6 million for the same period last year. The decline resulted from the purchase of new transmission assets. BEL's year-to-date earnings were \$2.5 million, up from \$2.4 million for the same period last year.

Fortis acquired a 96 per cent interest in BECOL last January. BECOL owns and operates the country's only commercial hydroelectric facility and sells all its energy to BEL under a 50-year power purchase agreement.

In the second quarter, BECOL lost \$100,000, which was consistent with management's expectations.

"A significant amount of seasonality is associated with production at the facility," Fortis' report read, with the majority of production taking place in the second half of the year. So, Fortis expects BECOL will make a profit for the second half.

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NEWSWATCH	Corner Brook, NF - The Western Star A/C	POSITION	
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EXPRESSCLIP	DATE: Aug <u>2</u> , 2001 PAGE: <u>94</u>		

Fortis reports 17 per cent increase in Q2 earnings

By MICHAEL CONNORS
The Telegram

ST. JOHN'S — Fortis Inc. of St. John's has reported a 17-per-cent increase in its second-quarter earnings this year over its earnings for the same quarter last year.

Earnings for the second quarter 2001 were \$12.6 million, compared to \$10.8 million earned for the second quarter 2000, the company announced Tuesday.

On a per share basis, earnings this year were 85 cents, compared to 83 cents, on a restated basis, for the same period last year. On a year-to-date basis, earnings per common share were \$1.67, compared to \$1.64 last year.

Year-to-date earnings for the first half of 2001 grew 16 per cent, to \$24.8 million from \$21.4 million for the first half of 2000.

"We are extremely pleased with the performance of all operating companies this quarter," Stan Marshall, Fortis' president and chief executive officer, said in the company's report.

Revenue for the second quarter increased 11 per cent, to \$157.8 million from \$142.6 million for the second quarter of 2000. Revenue on a year-to-date bases was \$338 million, compared to \$308.4 million for the first half of 2000.

Marshall noted some new agreements

Fortis made during the second quarter.

On June 22, Scotiabank agreed to acquire the deposits and loans of Fortis Trust Corp.

"This sale presented an opportunity for Fortis Inc. to divest of a non-strategic asset and return value to our shareholders," Marshall said.

"We were pleased to realize an after-tax gain of \$0.5 million on this transaction."

And on June 13, Fortis entered an agreement with Abitibi-Consolidated Inc. to develop additional capacity at Abitibi's hydroelectric plant in Grand Falls-Windsor. Fortis will also redevelop the forestry company's hydroelectric

plant in Bishop's Falls. The project will cost \$65 million and increase annual energy production from the two hydroelectric plants by approximately 30 per cent.

"The project is in keeping with the strategy and expertise of Fortis with respect to small hydroelectric plants," Marshall said. "It will provide Newfoundland with additional energy supply from existing resources."

Of local note among Fortis' utility operations, Newfoundland Power's earnings remained level at \$9 million for the second quarter, both this year and last year. Year-to-date earnings were \$21.2 million, a 13-per-cent

increase over earnings of \$18.7 million for the first half of 2000.

The report said higher energy sales and a tax refund from the Canada Customs and Revenue Agency contributed to the increase in first-half earnings.

Energy sales for the second quarter were four per cent higher than the same period last year, while year-to-date energy sales grew by three per cent.

Newfoundland Power's revenue for the second quarter was \$88.8 million, compared to \$85.8 million for the same quarter last year. Year-to-date revenue was \$204.9 million, \$7 million higher than last year.

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Newfoundland Power meeting in city

CORNER BROOK

Newfoundland Power Inc.'s board of directors is meeting in the city today and tomorrow.

While in Corner Brook, the company's directors will have an opportunity to speak with many customers to gain an appreciation for customer service needs, reliability of supply issues and general economic conditions of the area, said Philip G. Hughes, Newfoundland Power's president and CEO.

Newfoundland Power's board of directors meets quarterly to provide strategic direction for the company's development.

Each summer the company rotates its board of directors' meetings to a different area of the province "to expose our directors to local issues, capital projects and commercial customers," said Hughes.

Newfoundland Power is the main distributor of electricity in Newfoundland, providing service to approximately 215,000 customers in more than 600 communities.

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Newfoundland Power gets national honours

...

On Thursday, Newfoundland Power was given an award of excellence for customer care by the Canadian Information Productivity Awards (CIPA).

The winners, said CIPA chair Paul Jones, are "outstanding" case studies that show executives the benefits that the strategic application of information technology can bring.

"Newfoundland Power has made truly innovative use of information technology and employee development to produce excellent results in the customer area," said Jones, senior vice-president, News and Business Group, Rogers Media, and publisher of *Maclean's*.

The power company earned the recognition because of its utilization of technology and training to develop a call centre and service solution that enabled interactive customer communication.

"We are delighted to be named a winner of this prestigious national award," said Philip Hughes, the utility's president and CEO.

"This award is a testament to our on-going focus to leverage technology and invest in employee training in a way that meets our customer's changing expectations while keeping costs down."

CIPA was formed in 1992 to recognize the outstanding use of information technology.

PUBLIC UTILITIES BOARD

Power corp. files capital works budget

Newfoundland Power has filed its proposed 2002 capital budget with the Public Utilities Board (PUB) early with a view to beginning the work as soon as possible in the new year if weather conditions are suitable.

The \$45-million budget for next year's capital projects was filed with the PUB Wednesday.

"By seeking approval now, we hope to be ready to begin capital work without delay, should the weather be mild," said Philip Hughes, president and chief executive officer.

"That will enable Newfoundland Power to better allocate resources, increase productivity and keep costs down for customers."

Hughes said the majority of the expenditures in the 2002 capital budget are directly related to improving reliability, enhancing customer service and ensuring the safety of the public and company employees.

The capital budget responds to customers' expectations for reliable service by maintaining and improving the provincial electrical system, he said.

"Our proposed budget will enable Newfoundland Power to continue the focus of improving reliability while minimizing costs over the long term."

Hughes said the company "has achieved the lowest operating cost per customer in 10 years while keeping electrical rates the lowest in Atlantic Canada, and lower than Calgary or Toronto."

Meanwhile, Hughes noted the PUB recently approved an application for a net increase of \$1.8 million to the company's existing 2001 capital budget, bringing the total to approximately \$41 million.

The additional capital expenditures are for improvements to the Cape Broyle hydro plant and the Burin Peninsula reliability project.

The Telegram
Thursday, Aug. 16/01 p. B6

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NEWSWATCH	Corner Brook, NF – The Western Star A/C	POSITION	
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Newfoundland Power files 2002 budget with PUB

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Newfoundland Power wins award

ST. JOHN'S - The Canadian Information Productivity Awards committee has named Newfoundland Power an Award of Excellence winner in Customer Care.

It is the first award of excellence of its kind ever given to a Newfoundland company.

The company received the honour in recognition of its utilization of leading-edge technology and employee training to develop an integrated call centre and customer service solution, enabling interactive customer communication.

Over the past two years, Newfoundland Power's call centre performance has been benchmarked among the leading call centres in North America.

The company received a 91 per cent customer satisfaction rating during the second quarter of 2001, while achieving the lowest operating cost per customer in 10 years.

Social assistance numbers low

ST. JOHN'S (CP) - The number of people receiving social assistance in Newfoundland and Labrador dropped in July to its lowest level in nine years.

About 53,000 people were receiving income support last month, said Human Resources and Employment Minister Gerald Smith on Thursday.

Various programs, including the province's child benefit, and an increased number of people finding jobs have helped lower the numbers, he said.

Labrador communities receive funding

ST. JOHN'S - A total of \$15,480 has been approved for a dozen communities in Cartwright-L'Anse au Clair MHA Yvonne Jones' district.

Groups receiving funding include St. Lewis Town Council, West St. Modeste Recreation Committee, Red Bay Recreation Commission, Port Hope Simpson Recreation Committee, Pinware Recreation Committee, Mary's Harbour Recreation Committee, L'Anse au Clair Recreation Committee, L'Anse au Loup Recreation Commission, Forteau Athletic Association, Charlottetown Recreation Committee, Cartwright Town Council, and Capstan Island Recreation Committee.

Funding announced for Coaker Foundation

PORT UNION - A \$1.5-million restoration fund for the Fisherman's Advocate Building in Port Union will help the community preserve its unique designation as a historic district, says federal industry minister Brian Tobin.

The funding package given to the Sir William Coaker Heritage Foundation will go towards interior finishing and repair, utilities, new offices and restoring artifacts and displays in the historic Fisherman's Building.

The estimated completion date is June 2003.

Sir William Coaker, who was declared a person of national historic significance by the federal government, founded the Fisherman's Union Trading Co. He came to Port Union in 1917 to establish Canada's only community to be built by a union.

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NEWSWATCH	The Telegram 52187 St. John's, NF	
EXPRESSCLIP	DATE: August 31, 2001 PAGE: 01	

Power corp. can buy Aliant poles after all

BY PAT DOYLE
The Telegram

Newfoundland Power's second application for permission to purchase joint-use poles in the province from Aliant Telecom has been successful.

The utility had originally filed an application with the Public Utilities Board (PUB) to purchase 100,000 poles, including 30,000 non-joint-use poles, in May.

However, following a public hearing on the matter, the PUB rejected the application July 6.

At the time, the board ruled the non-joint-use poles should not be included in the company's regulated assets and it would not approve the application as submitted.

However, the board also said it would consider another application that addressed uncertainties raised during the public hearing.

Approved Tuesday

Newfoundland Power said Thursday it filed a new application with the PUB July 26, for the 70,000 joint-use poles, and it was approved by the board Tuesday.

"The \$40-million deal will see Newfoundland Power purchase the 70,000 joint-use poles and related infrastructure owned by Aliant (operating through its subsidiary NewTel Communications in this province) over a five-year period," said Philip Hughes, the power corporation's president and chief executive officer.

"This deal is beneficial to our customers and our shareholders and will assist Newfoundland Power in stabilizing rates to customers over the long term," Hughes said.

"The approval of this acquisition contributes to Newfoundland Power's goal of achieving continual efficiency gains, as it enables our company to more effectively manage our support structures through economies of scale in the design, construction and maintenance of our electrical distribution system," he said.

It is expected the transaction will close in the next two weeks, at which time Newfoundland Power will own approximately 80 per cent of all the distribution poles on the island of Newfoundland, Hughes said.

The \$40-million transaction will be completed over a five-year period, with 70 per cent being finished by Jan. 1, 2002, he added.

"The transaction represents approximately an eight per cent growth in Newfoundland Power's rate base."

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NEWSWATCH	The Telegram St. John's, NF	POSITION
EXPRESSCLIP	DATE: September 7, 2001 PAGE:	D X

Newfoundland Power unveils capital works budget

BY PAT DOYLE
The Telegram

Approximately half of Newfoundland Power's \$54.6-million 2002 capital budget will be used to refurbish its electrical system, the company told the Public Utilities Board (PUB) Thursday.

Approximately \$4.3 million has been allocated for the rehabilitation of up to 11 of the utility's 23 hydro plants, the company said during a public hearing into its request for approval of next year's proposed capital budget.

There were no interveners at the hearing and the board indicated it would likely hand down its ruling in about two weeks.

Newfoundland Power emphasized Thursday the matter deals specifically with the capital works program proposed for 2002.

"Electrical rates for 2002 will be determined by the application of the automatic adjustment formula in November and will be effective Jan. 1, 2002," the company said.

The automatic adjustment formula, put in place about three years ago, takes into account such factors as Canadian bond rates for the last five days of October and the first five days of November. If there is any change in those rates beyond a certain range established by the PUB, electrical rates will increase or decrease accordingly.

Newfoundland Power said that by submitting its capital budget early for the next year, the company can begin detailed construction planning earlier, order materials well in advance and begin 2002 capital work without delay.

"This will assist in further increasing productivity and lowering overall cost to customers."

Major categories

The major categories in the 2002 budget include: distribution, \$27.1 million; energy supply, \$7.1 million; substations, \$4.4 million; and transmission, \$2.8 million.

The utility told the PUB that of the \$27.1 million for distribution, \$12 million is directly related to providing extensions and services for new customers.

"The balance of the distribution budget is marked for projects such as trunk feeder rebuilds (in areas ranging from Fox Harbour and Lewisporte to Noggin Cove and St. John's), the company's distribution reliability initiative (which will see improvements to lines serving customers in Victoria, Trepassay, Glovertown and Doyles), and the purchase of transformers."

This category also includes capital associated with the 2002 instalment of the Alliant Support Structure Agreement.

Under that agreement, approved last week by the PUB, Newfoundland Pow-

er will purchase 70,000 joint-use poles and related infrastructure from Alliant for \$40 million over a five-year period.

The utility told the PUB the hydro plant rehabilitation projects, which are in the energy supply category of the budget, will provide enhanced public safety and increase generating efficiency of the plants.

"For example, the 49-year-old, 1,220-metre-long Seal Cove penstock will be replaced at a cost of \$2.6 million," the company said.

"Although, individually, Newfoundland Power's hydro plants are relatively small, together they displace over 700,000 barrels of oil a year. This equals about \$20 million in avoided fuel costs each year."

Noting customers see reliability and price as the two main concerns, Newfoundland Power said it is meeting those expectations by keeping electrical rates the lowest in Atlantic Canada and making improvements in reliability.

For example, the company said, "year-to-date, Newfoundland Power has seen a significant reduction in the number and length of outages, compared to last year. As of the second quarter, the number and length of outages have been reduced by 48 per cent and 22 per cent, respectively."

The company also said its operating cost per customer is at "its lowest level in a decade."

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Newfoundland Power acquires infrastructure from Aliant

ST. JOHN'S • Newfoundland Power Inc. has closed a \$40-million deal to acquire 70,000 joint-use poles and related infrastructure from Aliant Telecom Inc. in Newfoundland Power's service territory. The \$40-million transaction will be completed in five years and represents about 8% growth in Newfoundland Power's rate base.

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NEWSWATCH	The Telegram 61474 St. John's, NF	POSITION
EXPRESSCLIP	DATE: September 15, 2001 PAGE: B9	X

Fortis gets its poles

Buys Aliant poles through two subsidiary deals

BY PAT DOYLE
The Telegram

A non-regulated subsidiary of Fortis Inc. has closed a \$6-million transaction to purchase 32,000 poles and related infrastructure from Aliant Telecom Inc.

The telecom poles, which will continue to be used solely by Aliant, were purchased by a newly-established Fortis subsidiary, known as 11003 Newfoundland Inc.

The new company will maintain the poles and lease their use to Aliant.

Additional deal

This arrangement, announced Friday by Fortis, is in addition to a separate deal under which another of its subsidiaries, Newfoundland Power, purchased 70,000 joint-use poles and related infrastructure from Aliant Telecom for \$40 million.

Newfoundland Power announced Friday it had closed the deal with Aliant for the 70,000 poles which both companies use.

Newfoundland Power had originally applied to the Public Utilities Board (PUB) for permission to purchase all

102,000 poles but the board rejected the request.

The utility then went back to the PUB with an application to buy only the 70,000 joint-use poles which was approved by the board.

"The Aliant pole acquisition fits well with the development strategy and expertise of Fortis."

Stan Marshall,
president and CEO of Fortis

Both the Newfoundland Power-Aliant transaction and the 11003 Newfoundland-Aliant deal are to be completed over five years with 70 per cent of the acquisition occurring by Jan. 1, 2002.

Philip Hughes, president and CEO of Newfoundland Power, said Friday the \$40-million acquisition represents eight per cent growth in the company's rate base.

Hughes said Newfoundland Power now owns approximately 80 per cent of all distribution poles on the island.

Stan Marshall, president and CEO of Fortis, said Friday, "The Aliant pole acquisition fits well with the development strategy and expertise of Fortis."

He also said the poles Newfoundland Power acquired from Aliant will enable the company to "achieve continual efficiency gains and more effectively manage its electrical distribution system."

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NEWSWATCH	The Advertiser Grand Falls-Windsor, Newfoundland	POSITION
EXPRESSCLIP	DATE: September 17, 2001	PAGE: A8

Fortis Inc. subsidiaries buy Aliant poles for \$46 million

Fortis Inc. announced that two of its subsidiaries have closed a \$46 million transaction to purchase 102,000 poles and related infrastructure from Aliant Telecom Inc. in Newfoundland.

Under the acquisition, Fortis subsidiary Newfoundland Power Inc. purchased 70,000 joint use poles and related infrastructure from Aliant in the electrical utility's service territory. The remain-

ing 32,000 non-joint use poles and related infrastructure were purchased by a non-regulated Fortis subsidiary, 11003 Newfoundland Inc.

"The Aliant pole acquisition fits well with the development strategy and expertise of Fortis," says Stan Marshall, president and chief executive officer, Fortis Inc. "The purchase of Aliant's poles and related infrastructure in Newfoundland will

enable Newfoundland Power to achieve continual efficiency gains and more effectively manage its electrical distribution system."

The \$46 million transaction will be completed over a five-year period with 70 per cent of the acquisition occurring by Jan. 1, 2002. The acquisition represents approximately eight per cent growth in Newfoundland Power's rate base.

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NEWSWATCH	The Telegram St. John's, NF	5760 53496
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Consumer advocate wants PUB to scrap rate stabilization plan

BY MOIRA BAIRD
The Telegram

The province's consumer advocate, Dennis Browne, says Newfoundland and Labrador Hydro's rate stabilization plan has outlived its usefulness and ought to be scrapped.

Browne advocates consumers pay as they go for electricity fuelled by bunker C crude at the Holyrood generating station.

Hydro says the result would be a public outcry over wildly fluctuating electric bills — just like the one that led to the creation of the rate stabilization plan during the mid-1980s.

That rate stabilization plan will be the subject of Public Utility Board hearings starting Monday. If approved, Hydro's rate increase request would mean a 7.1 per cent increase for the average consumer.

"Consumers who heat their homes with electricity pay their monthly bill — but few realize that they have further bills to come relating to the debt-ridden rate stabilization plan," Browne said Friday.

Budget plan better

He figures consumers would be better off paying their electric bills on a monthly budget basis rather thanacking up huge deficits under the rate stabilization plan.

"It hasn't worked in recent years ... because the price of oil has skyrocketed, and the plan is effectively bank-

rupt," said Browne.

He says the plan's deficit is approaching \$50 million, and by December 2002 it will reach \$98 million.

"It is approaching a crisis situation," he said.

Browne says Newfoundland Power's budget plan provides the same month-to-month certainty for its consumers that the rate stabilization plan was intended to provide for Hydro customers.

"Consumers now have other options," he said.

"Hydro's consumers do not have that option as of yet."

But Newfoundland Hydro says without the rate stabilization plan there would be no monthly budget plan for any consumers.

"We believe it's working," said Don Barrett, Newfoundland Hydro's manager of corporate affairs and risk management.

"For example, Mr. Browne talks about the equalization plan that Newfoundland Power has. If we did not have the rate stabilization plan, they wouldn't be able to have the monthly payment plan because they wouldn't know what to charge people."

But couldn't the monthly plan be based on the previous year's electric bills?

"Let's say you did, and the previous year was a very cold winter and we had very little water in our reservoirs, so therefore he's going to over-pay."



said Barrett.

"Or, conversely, ... if we had a good winter and lots of water, then that would be way under estimate, and at the end of the year we'd have to charge them for the difference."

"So, it's as broad as it's long."

Browne wants the rate stabilization plan phased out as soon as possible.

His suggestion to the PUB will be to freeze the plan's current debt, amortize it and pay it off over time.

The rate stabilization plan is a fund that prevents electric bills from jumping wildly with each change in the price of crude oil.

A portion of all electric bills go into that fund, and right now that portion

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is based on crude oil prices of \$12.50 per barrel.

Newfoundland Hydro wants to see it based on \$20 per barrel crude.

The corporation also wants to increase the deficit cap on the rate stabilization plan to \$100 million from the current \$50 million.

"What we're saying to the board is, we believe the price of oil is actually going down over the next couple of years and we're prepared to take it at \$20 (per barrel), and hoping that they, in fact, will," said Barrett.

But he also says anything could happen to the price of oil in future — given the terrorist attack that killed thousands of people in the United States and destroyed the World Trade Center in New York and damaged the Pentagon in Arlington, Va., Sept. 11.

Browne doesn't like the idea of relying Hydro's best guess on future oil prices.

"They shouldn't be allowed to gamble with people's money," he said.

He says forecasts place the future oil prices closer to \$28 per barrel.

The rate stabilization plan went into effect Jan. 1, 1986, following a public outcry over the way high oil prices were driving up electric bills.

At the time, any oil price increase hit consumers in their electric bill the very next month.

Newfoundland Hydro is looking for an increase in the rate it charges customers, such as Newfoundland Power.

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NEWSWATCH	The Telegram St. John's, NF	5760 55486
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Utility's budget gets approval

The Public Utilities Board (PUB) has approved Newfoundland Power's capital budget for 2002.

The \$55-million capital budget was approved in a ruling handed down Friday by the board.

Philip Hughes, the utility's president and chief executive officer, said the 2002 capital budget is intended to further enhance customer service, reliability and safety by making continual improvements to the electrical system.

Newfoundland Power submitted its 2002 capital budget in September in order to gain regulatory approval earlier in the year, Hughes said.

"Earlier approval allows the company to begin construction planning sooner, order materials well in advance and begin 2002 capital works without delay should the weather be mild," he said.

"These efforts enable Newfoundland Power to better allocate resources, increase productivity and keep costs down for customers."

Approximately \$4.3 million of the capital budget has been allocated for the rehabilitation of up to 11 of the company's 23 hydro plants.

The other major categories include: distribution, \$27.1 million; energy supply, \$7.1 million; and transmission, \$2.8 million.

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Fuel prices high, water levels low, Wells tells PUB

By PAT DOYLE
The Telegram

ST. JOHN'S - The 119 millimetres of rain that caused so much damage, difficulty and heartache for residents of St. John's and area would have been warmly welcomed if it had fallen several hundred kilometres to the south.

"If we had had that rain at Bay d'Espoir, it would have saved millions of dollars," the president and chief executive officer of Newfoundland and Labrador Hydro told a public hearing Tuesday.

Bill Wells was responding to cross-examination by Gillian Butler, counsel for Newfoundland Power, during a Public Utilities Board (PUB) hearing on Hydro's application for rate increases and other changes.

Wells is the first Hydro witness to be called at the hearings, which began Monday and will continue almost daily for three months.

Discussing the current high price for fuel - which is the main factor in

Hydro's need to seek higher rates - Wells said the price "seems to be staying up there" this time.

"This comes at a very inappropriate time for us because water levels at the Bay d'Espoir generating plant appear to be lower than usual," he said.

Lower levels for hydro generation mean a requirement for more fuel to feed thermal generation.

Wells said with lower water levels and higher fuel prices "the pendulum now is swinging the other way - against us."

During the questioning by Butler, Wells reiterated his earlier comments about the rate stabilization plan (RSP), the mechanism under which rates are automatically adjusted on July 1 of each year to account for fuel price fluctuations.

Hydro is asking the PUB to increase the plan's deficit cap from the current \$50 million to \$100 million. Wells said the \$50-million deficit will almost certainly be exceeded before the end of

this year.

Newfoundland Power believes the plan benefits consumers but wants modifications to it, while Dennis Browne, the consumer advocate, wants the plan scrapped.

Butler said there are forecasts showing the RSP deficit cap will decrease under \$50 million over the next few years, but Wells said that depends on the fuel price and exchange rate, adding a higher cap is needed.

Wells also responded to extensive questioning by Butler on details for Hydro's proposed \$48-million capital budget for 2002.

When Butler was finished, Joseph Hutchings, one of two lawyers representing Hydro's island industrial customers, began his cross-examination of Wells. He was scheduled to continue his questioning at today's session of the hearing.

The island industrial customers include Abitibi-Consolidated paper mills in Grand Falls-Windsor and Stephenville, the Kruger paper mill in Corner Brook and the North Atlantic's Come By Chance oil refinery.

Once Hutchings has finished, which is expected by late morning, Browne will begin his cross-examination of Wells.

Hutchings asked questions Tuesday about the higher rates being charged industrial customers compared to other rates, but Wells assured him, "there is no plot to get the industrial customers."

Hutchings said industrial customers are only asking that "they be asked to pay only their fair share of the costs which are incurred overall in the production of electricity in this province."

With regard to the rate stabilization plan, Hutchings said the board will have to consider whether the current form of the plan is appropriate, whether there should be separate plans for industrial customers and retail customers, and whether all variances in the fuel price, hydraulic production and loan should be components of the plan.

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NEWSWATCH	The Gulf News Newfoundland	POSITION
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Table Mountain to get power

By **NATALIE MUSSEAU**
The Gulf News

Power will soon be supplied to the top of Table Mountain just across from the Cape Ray turn-off.

Curtis Powerworks has started work installing the 115 polls that will span the 6.7 kilometer distance up the side of the mountain. Newfoundland Power awarded the Deer Lake company the tender. The installation of the hardware and power cable began last Wednesday and will be finished by the end of October.

The Canadian Coast Guard requested the installation to provide power to their VHF radio transceiver on Table Mountain. Currently a diesel generator supplies power to the transceivers that were moved to the mountain top about two years ago to provide better reception.

However, the generator is not environmentally friendly and very costly to operate. Fuel for the site had to be flown in by helicopter from Stephenville. Both of these

factors encouraged the change to electric power.

The project will cost an estimated \$160,000 and will

be paid for almost completely by the Coast Guard. Newfoundland Power is paying \$6,000 towards the job.

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NEWSWATCH	The Telegram St. John's, NF	PCS CN
EXPRESSCLIP	DATE: October 11, 2001	PAGE: 01 X

Power company boosts profits

BY MOIRA BAIRD
The Telegram

Third-quarter profits are up at Newfoundland Power.

According to the company, that increase is thanks to improved operating efficiencies, increased revenue from pole rentals, an additional 108 megawatts in year-to-date energy sales and a \$6.6-million tax refund from Revenue Canada.

During the three months ending Sept. 30, the electric company earned \$3.4 million on revenues of \$66.6 million — up about 18 per cent over third-quarter 2000 earnings of \$2.8 million.

For the year to date, the company has earned \$24.6 million on revenues of \$271.7 million. That's up 14 per cent over the first nine months of 2000 when the company earned \$21.5 million.

Company revenues during the first nine months of this year were 3.5 per cent higher than the \$262.5 million in revenues during the same period last year.

Newfoundland Power says it has "aggressively" focused on improving operating efficiencies. The result is year-to-date operating expenses that totalled \$179 per customer, which the company says is "consistent" with last year's expenses.

"Operating cost per customer remains at its lowest level in a decade," said the company's quarterly report.

In September, Newfoundland Power bought about 70,000 distribution poles from Alliant Telecom Inc. That five-year, \$40-million deal was approved by the Public Utilities Board earlier in the third quarter. It takes effect Jan. 1, 2002.

The company's year-to-date energy sales were also up three per cent over last year — something the company attributes to the province's economic growth. In all, Newfoundland Power sold 3,553 megawatts of electricity to a growing number of customers.

The company also says the number of electricity outages has been reduced by 11 per cent over the previous year, and that the duration of those outages is down 16 per cent.

Newfoundland Power is owned by Fortis Inc., a publicly traded utility holding company whose assets exceed \$1.5 billion.

NEWSWATCH

The Northern Pen

POSITION

St. Anthony, NF

EXPRESSCLIP

DATE: October 22, 2001 PAGE:

N 16 E

PUB asked to deny request for electricity rate increase

By ALLAN BOCK, editor

The Public Utilities Board has been asked to turn down a request for a rate increase from Newfoundland and Labrador Hydro.

That was the consensus of opinion from three presenters who appeared before board members at a public participation day in St. Anthony last Monday.

Representatives of several coastal Labrador communities, led by Cartwright-L'Anse au Clair MHA Yvonne Jones, also condemned the proposal during a hearing at Goose Bay on Friday.

"These proposals are unacceptable," stated St. Anthony Mayor Ernest Simms. "We can't afford a rate increase at this time."

Echoing that view were Trevor Taylor, MHA for The Straits and White Bay North, and Dennis

Coates, general manager of St. Anthony Seafoods.

The PUB is hearing an application from Hydro during a series of province-wide meetings this month. Hydro wants to increase by 6.6 per cent the rate it charges Newfoundland Power, its largest customer. That will result in a 3.6 per cent increase in consumer rates and a 10.4 per cent increase in industrial rates.

Mayor Simms says the rate increase will be particularly hard on senior citizens and others who depend on a fixed income. He notes that last winter, when heating fuel costs increased, some seniors had to choose between buying fuel and putting food on the table.

The mayor took issue with decisions by Hydro earlier this year to reduce line workers on the peninsula. He added that higher electricity rates would make it difficult for towns like St. Anthony to attract new industry.

Mr. Taylor said increasing electricity rates, especially for industrial customers like shrimp and particleboard plants, would hinder the peninsula's economy.

"Our economy is pretty feeble at best here, just as it is in all of rural Newfoundland," he noted. "My suggestion to the PUB is that it proceed with extreme caution."

The Conservative MHA said a rate increase wouldn't help an area of the province that is dealing with outmigration and the effects of a three-month shutdown in shrimp harvesting and processing.

Mr. Coates stated that a shrimp processing operation depends heavily on an uninterrupted supply of electricity to run its equipment. He said the service provided by Hydro was "reasonably good," but noted he had some concerns about the reliability of the electrical service.

St. Anthony Seafoods incurs a variety of costs in processing shrimp and Mr. Coates said he

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wouldn't favour an increase in the cost of electricity.

"Every increase we're burdened with makes it that much more difficult to be viable," he commented.

Mr. Coates suggested the company spends some \$40,000 annually to meet its needs for electricity. He asked the PUB to consider endorsing a move towards an industrial rate for seasonal factories, like shrimp plants, which operate primarily during the summer and fall.

Officials of Hydro, Newfoundland Power and consumer advocate Dennis Browne were on hand for the public participation day, but they didn't make any presentations.

Meanwhile, Ms. Jones said a rate increase would have devastating effects in her district. She presented a petition signed by more than 1,100 people from her district who opposed the proposal.

■ Continued on page 6A

(Continued from page 1A)

"I am confident the PUB will make the only decision that is fair to the people of my district and that is to deny the proposed increase," she stated.

The Liberal MHA was ac-

companied by Nath Moores of L'Anse au Clair, Ford Rumbolt of Mary's Harbour, Annie Rumbolt of St. Lewis, Betty Sampson of Port Hope Simpson, Melita Paul of Charlottetown and Roxanne Notley of the Southeastern Aurora

Development Corporation.

They told the PUB that coastal residents are already paying the highest rates in the province and that Hydro costs are a deterrent to economic and business development in the region.

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Sparks fly as main-line pole snaps

By STEVE SMITH
the nor'wester

BAIE VERTE -A Newfoundland Power main-line pole next to Highway 410 snapped off during high winds last Tuesday morning in Baie Verte.

Newfoundland Power worker Gerald Acreman said the wind may not have had anything to do with the break.

Mr. Acreman noted there was a wire from that pole stretching across the road and it's likely a high truck got caught up in the wire and snapped the pole.

He said the guide wire, which was installed last year, was at the standard height, so if a truck got caught it was because the truck was too high.

Nevertheless, he added, they have no way to know for sure what really happened.

"If this power line came down in the road, several people could have been killed."

**- Newfoundland Power worker
Gerald Acreman**

"This is the first time in years we've had trouble like this," he said. "And it happened in one of the worse places in town because there's so much traffic."

Mr. Acreman said the incident caused much disruption because many businesses were shut down for the evening for a power outage while crews worked to replace the broken pole.

"There wasn't much we could do about the situation because the work had to be done," he said.

"The good thing is we had nice weather..."

Replacing the pole will cost upwards of \$5,000 by the time in the cost of the pole is factored in and overtime pay for the Newfoundland Power workers who had to travel from Grand Falls-Windsor to do the job.

But, he said, Newfoundland Power is concerned as much about the safety aspect of what happened as they are about the cost.

"If this power line came down in the road, several people could have been killed," said Mr. Acreman.

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EXPRESSCLIP	DATE: November 2, 2001	PAGE: A4

Hydro again reduces amount from Newfoundland Power $\frac{1}{2}$ it seeks

BY PAT DOYLE
The Telegram

For the second time since it filed its original rate change application in May, Newfoundland and Labrador Hydro Corp. has slightly reduced the increase it is seeking from Newfoundland Power.

That, in turn, means a lesser increase in the rate consumers would have to pay Newfoundland Power, if Hydro's application is approved by the Public Utilities Board (PUB).

The board is in the middle of public hearings on Hydro's application, which also includes changes in rates charged to the company's island industrial customers and changes for various areas of Labrador.

PUB informed

Bill Wells, president and CEO of Hydro, informed the PUB late Wednesday the corporation is seeking a 6.4 per cent increase in the rate it charges Newfoundland Power.

That translates into an increase of 3.5 per cent for Newfoundland Pow-

er's customers.

The original application in May sought an increase of 6.7 per cent from Newfoundland Power, meaning a 3.7 per cent increase for Newfoundland Power's customers.

In early October, Hydro revised the original request to 6.6 per cent for

had sought an increase of 10.4 per cent but that was changed to 8.5 per cent last month.

The latest revision in the application indicates Hydro wants to increase those rates by 10 per cent.

The island industrial customers are the three paper mills and the Come

"The current change reflects more recent actual costs of providing service to our customers. To reflect the changes in the cost of providing service, Hydro's rate proposals have been adjusted."

Newfoundland Hydro CEO Bill Wells

Newfoundland Power, meaning an increase of 3.6 per cent for consumers.

The new request involves a rate increase for Newfoundland Power that is 0.3 per cent lower than it was in May and an increase for consumers that is 0.2 per cent lower.

The rate increase sought from Hydro's island industrial customers has also been revised, but upward.

In the original application, Hydro

By Chance oil refinery.

The revised application also means a proposed decrease in the overall rates for customers serviced by the Labrador Interconnected System will be higher than Hydro announced in early October but still less than the amount contained in the original application.

Wells said the overall rates for interconnected system customers

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would be decreased by 11.6 per cent.
The original application contained a decrease for those customers of 13.1 per cent but that was changed to 4.9 per cent last month.

Domestic rates in Labrador West will not change from Hydro's original proposal, Wells said.

Domestic rates in Happy Valley-Goose Bay under the latest revision would decrease by 6.6 per cent instead of the 7.2 per cent proposed in May and 5.5 per cent proposed last month.

There is no change in the situation regarding a \$2.9-million surplus for Wabush customers who will get refunds, based on each customer's share of 2001 revenues, of up to \$3,000.

Wells said the latest revision of Hydro's application is based on more up-to-date information.

"The current change reflects more recent actual costs of providing service to our customers," he said. "To reflect the changes in the cost of providing service, Hydro's rate proposals have been adjusted."

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EXPRESSCLIP	DATE: November 10, 2001	PAGE: A4

Power rates to decrease in 2002

But utility's price drop to consumers could be offset by increases at Newfoundland Hydro

BY PAT DOYLE
The Telegram

Newfoundland Power's electrical rates to customers will decrease by about 0.6 per cent in 2002, the utility announced Friday.

However, the Public Utilities Board (PUB) is examining an application from Newfoundland and Labrador Hydro Corp. for an increase in its rates to Newfoundland Power which, in turn, would mean an increase to consumers.

Hydro wants a 6.4 per cent increase in rates to Newfoundland Power, effective Jan. 1, 2002, which would translate into an increase of 3.5 per cent to consumers.

If the application is approved in full by the PUB, the 3.5 per cent increase would be reduced by the 0.6 per cent decrease initiated by the utility.

Cut could be void

That would result in an increase of 2.9 per cent for consumers.

However, as the public hearing on Hydro's request is not expected to conclude before the first week of December, it is not known how much of an increase, if any, Hydro might get or when it would be effective.

Meanwhile, Barry Perry, vice-president finance and chief financial officer with Newfoundland Power, said Friday the 0.6 per cent decrease in its rates for next year is due to the application of the automatic adjustment formula which was established in 1998 by the PUB.

The formula is tied to the long-term Canada bond yields and Newfoundland Power's invested capital and regulated assets.

Adapts to market

"The automatic adjustment formula was adapted to reflect the impact of current market conditions on electrical rates without the expense of associated hearings," Perry said.

The formula is applied on an annual basis, in November.

"This year's application of the formula will reduce Newfoundland Power's annual revenue in 2002 by \$1.9

million and reduce the company's mid-point for its rate of return on rate base from 10.28 per cent to 10.06 per cent," Perry said.

Under the formula, in 2000 Newfoundland Power's rates increased by 0.7 per cent, while this year they remained stable.

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NEWSWATCH	Corner Brook Western Star	POSITION	
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EXPRESSCLIP	DATE: November 10, 2001	PAGE: 17	4

Newfoundland Power rates will drop, but Nfld. and Lab. Hydro wants an increase

By PAT DOYLE
The Telegram

ST. JOHN'S — Newfoundland Power's electrical rates to customers will decrease by approximately 0.6 per cent in 2002, the utility announced Friday.

However, the Public Utilities Board (PUB) is currently examining an application from Newfoundland and Labrador Hydro Corp. for an increase in its rates to Newfoundland Power which, in turn, would mean an increase to consumers.

Hydro wants a 6.4 per cent increase in rates to Newfoundland Power, effective Jan. 1, 2002, which would translate into an increase of 3.5 per cent to consumers.

If the application is approved in full by the PUB, the 3.5 per cent increase would be reduced by the 0.6 per cent decrease initiated by the utility itself.

That would result in an increase of only 2.9 per cent for consumers.

However, as the public hearing on Hydro's request is not expected to conclude before the first week of December, it is not yet known how much of an increase, if any, Hydro

might get or just when it would become effective.

Barry Perry, vice-president, finance and chief financial officer with Newfoundland Power said Friday the 0.6 per cent decrease in its rates for next year is due to the application of the automatic adjustment formula which was established in 1998 by the PUB.

The formula is tied to the long-term Canada bond yields and Newfoundland Power's invested capital and regulated assets.

"The automatic adjustment formula was adapted to reflect the impact of current market conditions on electrical rates without the expense of associated hearings," Perry said.

The formula is applied on an annual basis, in November.

"This year's application of the formula will reduce Newfoundland Power's annual revenue in 2002 by \$1.9 million and reduce the company's mid-point for its rate of return on rate base from 10.28 per cent to 10.06 per cent," Perry said.

Under the formula, in 2000, Newfoundland Power's rates increased by 0.7 per cent, while for this year, they remained stable.

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NEWSWATCH	The Advertiser Exploits Valley, NF	POSITION
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Newfoundland Power rates will decrease in the new year

Newfoundland Power reported Friday that its electrical rates to customers will decrease in 2002.

"The application of the automatic adjustment formula in 2001 will result in an electrical rate decrease of approximately 0.6 per cent in 2002," said Barry Perry, vice president, finance and chief financial officer.

The automatic adjustment formula, which was adopted in 1998 by the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB), is tied to long-term Canada beyond

yields and Newfoundland Power's invested capital and regulated assets. The formula is applied on an annual basis in November to determine Newfoundland Power's electrical rates for the coming year.

Newfoundland Power submitted the results of the operation of the automatic adjustment formula for 2002 to the PUB yesterday for its review. This year's application of the formula will reduce Newfoundland Power's annual revenue in 2002 by \$1.9 million and reduce the company's mid-point for its rate

of return on rate base from 10.28 per cent to 10.06 per cent.

"The automatic adjustment formula was adopted to reflect the impact of current market conditions on electrical rates without the expense of associated hearings," explained Mr. Perry.

Over the three years of the formula's operation, Newfoundland Power's electrical rates have remained stable and the company's rate of return on rate base has been adjusted in accordance with the requirements of the formula.

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EXPRESSCLIP	DATE: November 24, 2001	PAGE: C1	X

Newfoundland Power wins national awards

Newfoundland Power has received two national awards at the Canadian Information Productivity Awards in Toronto.

The utility received the Best of Category Award signifying its leadership in information technology best practices and customer care, and an Award of Excellence for Customer Care.

"Four years ago, we created a vision of marrying technology and employee development to deliver an unprecedented level of service to our customers," said Philip Hughes, president and CEO.

"We are achieving this vision thanks to our employees' commitment and creativity."

For the year to date, Newfoundland Power's customer satisfaction rate is at 90 per cent, a 27 per cent increase since 1996, Hughes said.

He also said the company's operating cost per customer is at its lowest level in a decade.

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NEWSWATCH	Sunday Herald Halifax, NS	POSITION
EXPRESSCLIP	DATE: November 25, 2001 PAGE: A6	

Firm to develop wind energy

By Gordon Delaney
Valley Bureau

Windsor

A Windsor company wants to develop up to 100 megawatts of wind energy in Nova Scotia by 2005.

Renewable Energy Services Ltd. announced Friday a partnership with worldwide engineering firm AMEC to present a plan for the initial 50 megawatts to Nova Scotia Power early next year.

Renewable Energy has been shortlisted in NSP's wind power development request.

Fifty megawatts is enough power for about 15,000 homes per year.

The provincial utility announced last spring that besides natural gas, coal and oil, it wants to generate two per cent of its capacity from wind.

Renewable Energy has been

saying for a year that wind power could be Nova Scotia's future energy source, eventually playing a greater role than oil or gas.

Wind is the fastest growing source of power generation in the world, increasing by 26 per cent since 1990.

Renewable Energy hopes as many as seven wind farms costing about \$25 million each can be built in the province.

Based on the company's financial plan, Nova Scotians would invest more than \$50 million in the project through community development investment grants, which provide a tax credit to investors.

Two such initiatives now allow Nova Scotia investors to participate in the "greening" of the province. The Evangeline Wind Field fund has just successfully closed its first share offering. The Bay Wind Field fund, focusing on

the western Annapolis Valley, is accepting investment until Jan. 31, 2002.

Meanwhile, Renewable Energy is collecting wind data with installation of a test tower in Canso. The structure measures wind speed and direction to assess the suitability of wind in the area.

Wind power is becoming more feasible, experts say, because the technology has improved and there's a growing movement for sustainable energy sources.

Wind power cost about \$1 per kw/hour in the 1980s, but new technology has brought the cost down to about three to five cents per kw/h.

The federal government wants to buy 20 per cent of its power from sustainable sources.

The Canadian Wind Energy Association's target is 10,000 megawatts of wind power by 2010.

NEWSWATCH

The Telegram
St. John's, NF

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EXPRESSCLIP

DATE: December 6, 2001 PAGE: 04

Newfoundland Power a double winner

BY PAT DOYLE
The Telegram

Awards are won not only by people at the executive level, but by each of our employees every day doing their best for our customers," the president and CEO of Newfoundland Power said Wednesday.

Philip Hughes made the comment as he accepted two awards for his company at the ninth annual presentation of Business Achievement Awards and Business Excellence Award.

The awards were presented by the St. John's Board of Trade Wednesday in St. John's. Newfoundland Power was named winner of the Achievement Award for Productivity and Quality Improvement, and the overall Business Excellence Award.

Business Achievement Awards are presented in six areas each year, including the category of Business Person Volunteer of the Year. The winner of the Business Excellence Award is selected from among the Achievement Award winners.

The Business Person Volunteer of the Year Award this year went to Paul Johnson of the Johnson Family Foundation.

Hughes, in accepting the Achievement Award, commented, "It is very gratifying for us, as employees of Newfoundland Power, to be given an award by you, our customers."

When he accepted the Business Excellence Award, Hughes said, "Although I am very proud of what we do in a business sense, I am equally proud of what our employees do in the community."

Gary Reardon, the Board of Trade's senior vice-president, said the Business Person Volunteer of the Year Award recognizes a commitment by an individual member of the board to volunteer with charities or non-profit organizations.

"It can be truly said of Paul Johnson that he is a man who enriched the collective life of the City of St. John's," Reardon said.

"Paul Johnson goes about his work quietly and without fanfare with a clear objective and focus to make this community a better place in which to live and make a living."

He referred to Johnson's volunteer work with such organizations as the St. John's Heritage Foundation, St. John's Rotary club, Salvation Army and the J.R. Smallwood Heritage Foundation, as well as the Johnson Family Foundation.

Johnson said the recognition is "very much appreciated."

"In a real sense, this is an award to business itself because everything I've been able to do in the volunteer field has been very much influenced by the things I learned in 30 years in the insurance business."

He paid tribute to the 200 people working for the Johnson Family foundation at peak periods, the 20 management and full-time professional people and 40 people who serve on various boards.

Johnson said funding has come partially from the Johnson Family Foundation but also from the provincial government, Atlantic Canada Opportunities Agency and Human Resources Development Canada.

"So far, we haven't raised any funds from the public, but we may have to start thinking about that soon."

He noted that by 2003, "we will have completed \$30 million worth of projects."

The other four Business Achievement Awards presented included:

- Growth in domestic/export markets: College of the North Atlantic.
- Contribution to community and community services: Irving Oil Ltd.
- Marketing and promotional achievement: St. John's Maple Leafs.
- Customer service and reliability: PF Collins Customs Broker Ltd.

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NEWSWATCH	The Telegram St. John's, NF	773 POSITION
EXPRESSCLIP	DATE: December 7, 2001 PAGE:	D1 X

Newfoundland Power, Hydro must reduce duplication: Browne

Consumer advocate Dennis Browne says no more capital funds should be approved for Newfoundland and Labrador Hydro until both Hydro and Newfoundland Power reduce duplication of services, equipment and personnel.

Hydro has asked the Public Utilities Board (PUB) for an increase in the rate it charges customers, such as Newfoundland Power.

One request before the PUB is approval of an \$8-million VHF radio system.

Browne says Newfoundland Power already has a similar radio system, and last year the two utilities discussed the possibility of having one VHF radio system between them.

"This \$8-million item in Newfound-

land Hydro's capital budget should not be approved by the board until the issue of duplication is addressed," Browne stated in a news release.

"There are millions of dollars in savings for consumers if the two utilities could work together to root out duplication in the system.

"There is duplication in vehicle purchases, in facilities, and administrative services — ranging from the printing of bills to the purchase of supplies."

In October, Browne pointed out that a joint Newfoundland Hydro-Newfoundland Power committee struck in 1999 was supposed to find ways to reduce duplication.

No final report of the committee's findings was produced.

The committee examined everything from sharing facilities to testing rubber safety gloves in the disposal of PCB contaminants.

In the case of testing rubber gloves worn by utility linemen, both companies continue to test them in-house and separately.

In the case of PCB-contaminated materials, each utility notifies the other when trucking the dangerous material out of the province for disposal, and the cost savings is estimated at about \$1,000 per drum.

Public hearings, which began Sept. 24, are continuing on Newfoundland Hydro's rate increase request.

If approved, it could mean a 7.1 per cent increase for the average consumer.

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EXPRESSCLIP	DATE: December 15, 2001 PAGE:	A4

Powerstation theft was dangerous

The Royal Newfoundland Constabulary is investigating an act of vandalism and theft at a Newfoundland Power substation.

On the evening of Dec. 11, someone broke into the Pulpit Rock Substation in Torbay by cutting through a safety fence and breaking into a storage shed. Equipment and materials were stolen.

Newfoundland Power eastern region manager Keith Wellon said Thursday whoever committed the crime could have been seriously injured or killed. The company is offering a reward of \$1,000 for information leading to the arrest and conviction of the culprits.