

2002 Newspaper Clippings

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NEWSWATCH

The Telegram
St. John's, NF

POSITION

EXPRESSCLIP

DATE: January 5, 2002 PAGE:

DS

Utilities reject criticism from consumer advocate

Newfoundland and Labrador Hydro Corp. and Newfoundland Power have rejected criticism by Dennis Browne, consumer advocate, concerning discussions Browne had proposed to deal with the Rate Stabilization Plan (RSP).

The RSP, introduced with Public Utilities Board (PUB) approval in 1985, is the mechanism under which rates are automatically adjusted once a year, on July 1, to account for fuel price fluctuations.

The plan is one of the issues being addressed by a PUB hearing on Hydro's application for a variety of rate changes as well as for an increase in the RSP cap to \$100 million from \$50 million. The cap increase is being sought to address the increased cost of fuel since the cap was originally set 16 years ago.

Browne complained Friday that neither Hydro nor Newfoundland Power were willing to participate in discussions among expert witnesses to deal

BUSINESS WATCH

PAT DOYLE



with the "debt-ridden RSP in which consumers of electricity will owe more than \$92 million by the end of this year."

Expert witnesses who participated in the hearing on behalf of Browne

and of Hydro's industrial customers were prepared to take part in discussions with the two utilities to "develop a suitable replacement for the current rate stabilization plan," Browne said.

"The two companies appear determined to carry on business as usual, comfortable in the knowledge that the taxpayers will be required to pay for all debt in the RSP even as that debt approaches \$92 million," Browne said.

However, Don Barrett, manager, corporate affairs and risk management with Hydro, said Friday the plan has been working well but the cap needs to be increased because it was originally set when oil was \$12.50 a barrel and its now in the range of \$20 a barrel.

"The plan is working well and doing what it was intended to do — avoid fluctuations in electricity bills — and we are confident that if the board approves the cap increase, the balance will be down significantly in three years," Barrett said.

Therefore, he said, there was no need for the type of discussions suggested by Browne.

Pike said the negotiations suggested by Browne would not be appropriate.

"Mr. Browne wanted to deal with this issue outside the public hearing process and without the board being involved," Pike said. "Newfoundland Power would not, and could not, support that position."

He said the RSP is a key issue being addressed in the PUB hearing.

"If the board concludes that an alternate mechanism should be considered, Newfoundland Power will be a willing participant in that process."

Hearing continuing

Meanwhile, the lengthy public hearing into Hydro's application, which started Sept. 24 and was scheduled to conclude by mid-December, is not expected to finish until late this month.

In early December, Jan. 10 and Jan.

17 were set as the dates for final written arguments and final oral arguments, respectively.

However, the sessions will continue for three more days — Jan. 8-10 — with final written arguments due Jan. 18 and final oral arguments set for Jan. 28-29.

Dividend declared

The trustees of the Labrador Iron Ore Royalty Income Fund have reported that the \$0.375 distribution to unitholders of record Dec. 31, payable Jan. 25, for tax purposes should be included in 2001 income on the following basis:

- Dividend income: \$0.160 per unit.
- Interest income: \$0.215 per unit.

Let us know

If you have any business information of interest to Newfoundland and Labrador, call Pat Doyle at The Telegram, 364-2323. Fax: 364-3939. e-mail: pdoyle@thetelegram.com.

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| EXPRESSCLIP | DATE: January 23, 2001 PAGE: 4 1 | X |

Hydro's proposed rate increase should be rejected: Newfoundland Power

By PAT DOYLE
The Telegram

ST. JOHN'S - The rate increase being sought by Newfoundland and Labrador Hydro should be rejected because not even one dollar of it is justified, according to Newfoundland Power.

Newfoundland Power made the claim this week in its final written argument submitted to the Public Utilities Board (PUB), which has been conducting a public hearing into an application from Hydro since Sept. 24.

Dennis Browne, government-appointed consumer advocate for the hearing, also made it clear in his final written submission that he feels there are measures Hydro can take to avoid an increase as high as the 3.5 per cent requested.

Final oral arguments on the application will be heard Jan. 28-29.

Newfoundland Power's submission contained a series of recommendations and suggestions through which the utility maintains Hydro can realize the increased revenue it requires in 2002 without having to raise rates at all.

Hydro told the PUB it requires an additional \$17.4 million in revenue this year and it intends to obtain \$12.8 million of that from Newfoundland Power.

That would mean a 6.4 per cent increase in the rate it charges Newfoundland Power which, in turn, would mean an increase of 3.5 per cent for consumers.

In addition, consumers would see an additional 3.2 per cent increase as of July 1 from the Rate Stabilization Plan (RSP).

That plan is the mechanism under which electricity rates are automatically adjusted once a year to account for fuel price fluctuations.

"By adopting the submissions of Newfoundland Power, the board would limit the total 2002 increase in retail customer rates to the 3.2 per cent retail Rate Stabilization Plan adjustment on July 1, 2002, the utility said in its submission."

For example, Newfoundland Power said while Hydro's application is essentially based on fuel costs, over which Hydro has little control, it is also clear that Hydro's

controllable expenses have increased by \$16 million, or 19 per cent, between 1997 and the forecast for 2002.

"This is twice the rate of inflation and these expenses are not materially affected by the price of fuel," said the utility.

"This \$15 million amounts to 92 per cent of the \$17.4 million increase in base rates sought by Hydro in this proceeding."

Controllable costs include such things as salaries and benefits, equipment maintenance, professional services, travel, office supplies and transportation.

Newfoundland Power also said Hydro could save money by reducing the subsidy requirement, paid for by consumers, to cover the deficit incurred in providing service to rural areas.

That could be done by eliminating preferential rates charged to governments and allocating excess recoveries over costs to reduce that deficit.

That would reduce the rural deficit by \$5.8 million.

Adjustments to Hydro's 2002 forecast for hydraulic production and Holyrood fuel efficiency would reduce revenue requirements by another \$7.9 million a year, Newfoundland Power said.

Other savings identified by Newfoundland Power include: \$5.6 million by reducing controllable costs; and \$2.3 million by reducing interest expenses.

Browne told The Telegram Tuesday he believes Hydro can improve its operations so that it would not need the full 3.5 per cent increase that is being requested of consumers.

As for the Rate Stabilization Plan, Browne feels it should be eliminated and a plan worked out whereby consumers could pay for the current \$50-million deficit in the plan on a gradual basis over a 15-year period.

"Right now through the plan, consumers are paying millions of dollars in interest as well as paying for the fuel," he said.

"By the change we suggest, they will be paying for the fuel only, not the interest."

Browne's final written submission contained 33 recommendations.

He said if those were implemented by the PUB, it would "considerably reduce" the rate increase Hydro said it needs.

"We are also advocating new strong conservation measures to assist people to bring down the number of kilowatt hours they are burning," Browne said.

He also said he believes millions of dollars are "wasted" currently through a duplication of services between Hydro and Newfoundland Power.

He said that issue needs to be addressed by the PUB.

"We think we have shown ways in which millions of dollars can be saved if the board implemented some of these practices," Browne said.

For example, he noted that Hydro in its projections for hydraulic costs, used 50-year data.

"It appears the only consistent data is for a 30-year period and using that calculation would reduce Hydro's revenue requirement by more than \$6 million."

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The Telegram
St. John's, NF

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Hydro rate increase unjustified, Brownne, power company say

BY PAT DOYLE
The Telegram

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That would mean a 6.4 per cent in-

crease in the rate it charges Newfoundland Power, which in turn would mean an increase of 3.5 per cent for consumers.

In addition, consumers would see an additional 3.2 per cent increase as of July 1 from the rate stabilization plan (RSP). That plan is the mechanism under which electricity rates are automatically adjusted once a year to account for fuel price fluctuations.

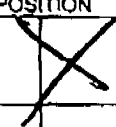

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ment maintenance, professional services, travel, office supplies and transportation.

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Eliminate preferential rates

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| NEWSWATCH | The Advertiser Exploits Valley, NF | POSITION |
| EXPRESSCLIP | DATE: January 28, 2002 PAGE: A10 | X |

Hydro rate hearing – cost savings a myth

Dear Editor:

Both the consumer advocate and industrial customer intervenors are wrong in their recommendations on suggesting that there is great cost savings by reducing duplication of services between the two utilities of Hydro and Nfld. Power.

In the July 29, 1996 Public Utilities Board (PUB) report, Hydro and Nfld. Power were directed to establish a joint task force to identify measures whereby cost savings could be achieved both in rural and interconnected rural Newfoundland and Labrador.

This committee comprising of Nfld. Power, Nfld. Hydro, in co-operation with respective Local's of the IBEW, was established in 1997 with a review being done on some 15 areas of possible joint collaboration. This review was conducted over two-and-a-half years with many sub-committees' involved. The majority of the areas reviewed, such as inventories of common spares, emergency spill response, sharing of specialized equipment etc., have already been implemented. The cost

of this lengthy review was picked up by the utilities.

It is common knowledge that Hydro is mainly a generation and transmission utility, which also has distribution systems in Labrador, Northern Peninsula, and the Connaigre Peninsula, where Nfld. Power has no facilities (although it did attempt to move into those Hydro areas on the failed joint pole purchase with NewTel a few months back).

Nfld. Power is mainly a distribution utility, which distributes power to the mainly larger customer base in St. John's, Avalon, Clarendville, central, western, where Hydro has no, or little, distribution facilities.

Recommendations on cost of duplication by both utility representatives are general and in this writer's view, without substantiation and would, in fact, place further costs on both utilities to repeat a review that was done from 1997-2000 which could be passed onto the utilities' customers.

One would have thought that the intervenor's direct their efforts in

asking Hydro to reduce its costs on minimizing contracting out, as well as consultant fees and to raise extra capital by bidding on jobs in its area of expertise. Hydro just recently bid off on doing Nfld. Power's meter calibration, although the contract has yet to be awarded. It is a step in the right direction!

Nfld. Power's attack on Hydro rate application is not unexpected, and one needs to take its recommendations into perspective. The private utility would love to get their fingers into Hydro's assets either partially or totally.

Let's hope the intervenor's recommendations on duplication of services are not intended to lead the PUB in that direction. I believe that would generate a backlash from the people of Newfoundland and Labrador.

Sincerely,
Bob Clarke,
business manager
IBEW Local 1615
Nfld./Labrador Hydro workers

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| EXPRESSCLIP | DATE: January 30, 2002 PAGE: A6 | X |

PUB interveners raising myths at hearings

BY BOB CLARKE

• TELEGRAM FORUM •

Both the consumer advocate and industrial customer interveners are wrong in their recommendations suggesting there would be great cost savings by reducing duplication of services between the two utilities of Newfoundland and Labrador Hydro and Newfoundland Power.

In a July 29, 1996 Public Utilities Board (PUB) report, Hydro and Newfoundland Power were directed to establish a joint task force to identify measures whereby cost savings could be achieved, both in rural and interconnected rural Newfoundland and Labrador.

This committee, comprising Newfoundland Power and Hydro, in co-operation with respective locals of the International Brotherhood of Electrical Workers (IBEW), was established in 1997, with a review being done on some 15 areas of possible joint collaboration.

This review was conducted over 2 1/2 years with many subcommittees involved. The majority of the areas reviewed, such as inventories of common spares, emergency spill response

and sharing of specialized equipment, etc., have already been implemented. The cost of this lengthy review was picked up by the utilities.

It is common knowledge that Hydro is mainly a generation and transmission utility that also has distribution systems in Labrador, and the Northern and Connaigre peninsulas, where Newfoundland Power has no facilities (although it did attempt to move into those Hydro areas on the failed joint pole purchase with NewTel a few months back).

Newfoundland Power is mainly a distribution utility, which distributes power mainly to the larger customer base in St. John's, the Avalon region, Clarenville, and central and western Newfoundland, where Hydro has no, or few, distribution facilities.

The recommendations on cost of duplication by both the consumer advocate and industrial customers are very general and, in this writer's view, without substantiation and would, in fact, place further costs on both utilities to repeat a review that was done

from 1997-2000, which could be passed on to the utilities' customers.

One would have thought that the interveners would direct their efforts toward asking Hydro to reduce its costs on minimizing contracting out, as well as consultant fees and to raise extra capital by bidding on jobs in its area of expertise. Hydro just recently bid on doing Newfoundland Power's meter calibration, although the contract has yet to be awarded. It is a step in the right direction.

Newfoundland Power's attack on Hydro's rate application is not unexpected, and one needs to put its recommendations into perspective. The private utility would love to get its fingers into Hydro's assets, either partially or totally. Let's hope the interveners' recommendations on duplication of services are not intended to lead the PUB in that direction.

That direction, I believe, would generate a backlash from the people of Newfoundland and Labrador.

Bob Clarke is business manager for IBEW Local 1615, which represents Newfoundland and Labrador Hydro workers.

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Newfoundland Power's earnings up from last year

Newfoundland Power's earnings applicable to common shares in 2001 amounted to \$28.9 million, an increase of \$2.4 million from the previous year, the utility reported Tuesday.

"The increase in earnings is attributed to operating efficiencies, increased pole rentals, higher energy sales and the favourable resolution of an income tax issue," said Phillip Hughes, president and chief executive officer.

In 2001, Newfoundland Power had a 2.5 per cent increase in overall energy sales.

"This increase in energy sales, the largest since 1990, is a reflection of general economic conditions and changes in the company's competitive position in the heating market," Hughes said.

The operating cost per customer for 2001 was maintained at \$237, the lowest level in 10 years, while continuing to of-

fer customers the lowest electrical rates in Atlantic Canada, Hughes said.

"Despite difficulties posed in the first quarter of the year by a record-breaking winter that brought with it more than 600 centimetres of snow, our employees set the pace for delivering an unprecedented level of service," he said.

Hughes said that last year, overall system reliability was 99.96 per cent.

"The number and duration of outages was reduced by 20 per cent and 37 per cent, respectively, compared to 2000."

Hughes also noted his company purchased approximately 70,000 joint-use distribution poles from Alliant Telecom in September 2001.

The rental of space on those poles to Alliant Telecom increased Newfoundland Power's revenues in 2001 by \$3.4 million, Hughes said.

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| EXPRESSCLIP | DATE: February 4, 2002 PAGE: 5 | |

Consumer advocate wrong on Hydro recommendations

Dear Editor:

Both the consumer advocate and industrial customer intervenors are wrong in their recommendations on suggesting that there is great

cost savings by reducing duplication of services between the two utilities of Newfoundland and Labrador Hydro and Newfoundland Power.

In a Public Utilities Board report dated July 29, 1996, Hydro and Newfoundland Power were directed to establish a joint task force to identify measures whereby cost savings could be achieved, both in rural and interconnected rural Newfoundland and Labrador. This committee, comprising of the utilities in co-operation with respective locals of the International Brotherhood of Electrical Workers (IBEW), was established in 1997. A review was done on 15 areas of possible joint collaboration. The review was conducted over two and one-half years with many sub-committees involved.

The majority of the areas reviewed, such as inventories of common spares, emergency spill response, sharing of specialized equipment etc., have already been implemented. The cost of this lengthy review was picked up by the utilities.

It is common knowledge that Hydro is mainly a generation and transmission utility, which also has distribution systems in Labrador, the Northern Peninsula and the Connaigre Peninsula. These are areas

where Newfoundland Power has no facilities, (although it did attempt to move into those areas on the failed joint pole purchase with NewTel a few months back). Newfoundland Power is mainly a distribution utility, which distributes power to the mainly larger customer base in St. John's, Avalon Region, Clarendville, Central and Western, where Hydro has no, or little, distribution facilities.

Recommendations on the cost of duplication by both the consumer advocate and industrial customers' intervenor were general and without substantiation. They would, in fact, place further costs on both utilities to repeat a review that was done from 1997-2000, which could be passed onto the customers of the utilities.

One would have thought that the intervenors would direct their efforts in asking Hydro to reduce its costs on minimizing contracting out and consultant fees. They could raise extra capital by bidding on jobs in their area of expertise. Hydro just recently bid off on doing Newfoundland Power's meter calibration, although the contract has yet to be awarded. It is a step in the right direction!

Newfoundland Power's attack on the Hydro rate application is not unexpected, and one needs to take its recommendations into perspective. The private utility would love to get their fingers into Hydro's assets, either partially or totally. Let's hope the intervenor's recommendations on duplication of services are not intended to lead the PUB in that direction. That direction, I believe, would generate a backlash from the people of Newfoundland and Labrador.

Bob Clarke
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IBEW Local 1615

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| EXPRESSCLIP | DATE: Feb. 5-11, 2002 PAGE: 4 | |

Hydro rate hearing – cost savings on duplication of services a myth

Dear Editor,

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It is common knowledge that Hydro is mainly a Generation and Transmission Utility which also has Distribution systems in Labrador, Northern Peninsula, & the Connaigre Peninsula, where Nfld. Power has no facilities, (although it did attempt to move into those Hydro areas on the failed joint pole purchase with Newtel a few months back). Nfld. Power is mainly a Distribution Utility, which distributes power to the mainly larger customer base in St. John's, Avalon Region, Clarendville, Central, Western, where Hydro has no, or little, distribution facilities.

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Intervenor's direct their efforts in asking Hydro to reduce its costs on minimizing Contracting Out, as well as Consultant fees and to raise extra capital by bidding on jobs in its area of expertise. Hydro just recently bid off on doing Nfld. Power's Meter Calibration, although the contract has yet to be awarded. It is a step in the right direction!

Nfld. Power's attack on Hydro rate application is not unexpected, and one needs to take its recommendations into perspective. The private Utility would love to get their fingers into Hydro's assets either partially or totally. Let's hope the intervenor's recommendations on duplication of services are not intended to lead the P.U.B. in that direction. That direction, I believe, would generate a backlash from the people of Newfoundland & Labrador.

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Soupy mix of snow and rain wreak havoc on region, motorists

CORNER BROOK

Western Newfoundland residents had to contend with a soupy mix of rain and snow Monday.

The Environment Canada forecast called for snow in northern areas and rain in most southern areas. But much of the west coast had been hit with both at various times throughout the day. Winds were expected to gust upwards of 100 kilometres an hour in some areas.

And the troublesome weather was a particularly distressing birthday gift for one elderly Benoit's Cove resident.

William Janes celebrated his 69th birthday Monday, amidst the blowing snow and rain that almost thwarted plans for a family celebration. His daughter, Loretta Hynes, said her elderly father was all but barricaded in his home atop Hillview Road in Benoit's Cove. Janes' family had to climb snow-banks to get into the house, she said.

Their trouble gaining access to the house brought fear that emergency personnel, should they be needed, wouldn't be able to gain entry to the snow-bound abode, either. So the family called the town's council office and asked that the snow be cleared from the Janes property.

But to no avail.

"He (Janes) don't even have a driveway," Hynes said. "We phoned council office and he was turned down. He can barely walk . . . and he's barricaded in his house because council won't give him snowclearing."

"We came over with our two kids and we had to carry them - climb banks to get here. To him it don't mean nothing because he don't get out of the house. But if somebody had to come and pick him up and bring him to the

hospital, they'd have some trouble doing it. The ambulance would never get here."

Humber Arm South Mayor Ron Delaney said only residents with physical disabilities are eligible for municipal snowclearing. Humber Arm South encompasses the communities of Benoit's Cove, John's Beach, Frenchman's Cove, and Halfway Point on the south shore of the Bay of Islands.

"Our policy is we provide snowclearing for people who are disabled," he said. "Basically, the disablement we are talking about is anybody who is in a wheelchair and needs to get out of their houses, driveways, whatever. We provide snowclearing for (them)."

The municipality has only one piece of snowclearing equipment and about 16 kilometres of roads to clear. And that would make it difficult for the town to go further out of its way to clear snow from private residences.

"So time constraints and financial constraints don't permit us to provide snowclearing for anybody else," said Mayor Delaney.

"We've had that policy in place for a number of years. I'm quite sure that everybody in the town is aware of it because it's come up time and time again in meeting after meeting. Every time those requests are made, this is the sort of thing we have to deal with."

The rain and blowing snow wreaked havoc throughout the region as well. All schools in the city and the Bay St. George area were closed. Regular classes and community education programs at Sir Wilfred Grenfell College were cancelled because of the weather and road conditions.

Deer Lake schools followed and students were sent home at about noon. Motorists endured sloppy conditions all

day long. Roads in the area were blanketed in wet snow early in the morning.

Deer Lake RCMP members didn't have any weather-related traffic accidents to report but they feared freezing conditions in the late evening would turn the roads into skating rinks.

Department of Works, Services, and Transportation snowclearing equipment operators based at the Deer Lake and Stephenville depot spent much of the day working to remove accumulated water from highway sections.

"When the wind changes around, that advisory will be lifted," said Wayne Diamond, Stephenville depot superintendent. "But, then again, blowing snow will be associated with it so the visibility will be down again."

The Bay St. George RCMP said slippery roads caused a tractor trailer to get stuck on the side of the Trans-Canada Highway.

Provincial Airlines in Stephenville reported that all their flights to St. John's ran on schedule. Air Labrador said their morning flights to and from St. John's flew on time. Air Nova's flight left for Halifax on time, but was diverted to another airport because of the weather.

A power outage at Newfoundland Hydro's Bottom Brook Power Plant left 14,500 of Newfoundland Power's customers without electricity for more than an hour. Stephenville and area customers were affected for an hour while customers in the Southwest Coast area were down for 25 minutes longer.

Roderick Duffy, manager of Newfoundland Power in Stephenville, said his understanding was that Newfoundland Hydro had to use a different transformer to carry the load and the power outage happened when the switch-over took place.

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Fortis declares dividends

ST. JOHN'S — A second-quarter dividend was declared Thursday by Fortis Inc., the parent company of Newfoundland Power.

During a meeting of the board of directors, the following dividends were declared:

— \$0.49 per share on the issued and outstanding fully paid common shares of the corporation payable on June 1, 2002 to the common shareholders of record at the close of business on May

3, 2002.

— \$0.371875 per share on the First Preference Shares, Series B, payable on June 1, 2002 to the shareholders of record at the close of business on May 3, 2002.

Fortis is also the parent company of or has interest in Maritime Electric Co., Belize Electricity Ltd., Canadian Niagara Power Co., FortisUS Energy Corp., Caribbean Utilities Co. and Fortis Properties Corp.

NEWSWATCH

The Telegram
St. John's, NF

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Fortis reports dividend

A second-quarter dividend was declared Thursday by Fortis Inc., the parent company of Newfoundland Power.

During a meeting of the board of directors, the following dividends were declared:

- \$0.49 per share on the issued and outstanding fully paid common shares of the corporation payable on June 1, 2002 to the common shareholders of record at the close of business on May 3, 2002.
- \$0.371875 per share on the First Preference Shares, Series B, payable on June 1, 2002 to the shareholders of record at the close of business on May 3, 2002.

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Power to the people

*Public will have say
on changes
to electricity policy*

The public will get a chance to comment on a new electricity policy paper just released by the province.

The policy paper poses four options for the restructuring of the electricity industry. Privatizing Newfoundland and Labrador Hydro is not one of them.

Former Hydro chief executive officer and Public Utilities Board commissioner Wallace Read will head the consultation. Submissions can be made throughout 60 days, either in writing or by arrangement with Read.

Read is to file his final report within 30 days of the end of the consultation period. Following his report, the Department of Mines and Energy will make recommendations to government.

Mines and Energy Minister Lloyd Matthews said there are no recommendations going into the consultation period.

But the report indicates the technical experts who researched it favour one of the four proposed models — the composite model. Under it, Newfoundland and Labrador Hydro would be split into two Crown corporations.

One would generate power, the other would oversee the transmission and sale of power.

That option is said to remove concerns about a conflict in Newfoundland Hydro's operations. Hydro reviews electricity proposals, but at the same time it submits its own proposals.

The option is said to have the most advantages over the others discussed in the policy paper, which was four years in the making.

Another model, called the single utility model, contemplates Newfoundland Hydro acquiring the privately owned Newfoundland Power. This is viewed as contentious and expensive. The two power companies are said to overlap — both distribute power.

Another option is the competitive generation model, in which Hydro's various generating stations would operate independently in competition with one another.

The final option is to maintain the status quo.

According to the policy paper, the island part of the province doesn't need a new source of power until 2007. The paper suggests, however, the province's moratorium on small-scale hydroelectric projects should be reviewed.

"It was concluded that ruling out any generation source, as a matter of policy, is not appropriate, because it limits future choice based on today's circumstances," the report said.

Matthews said a decision would not be made until after the consultation process.

The report also contemplates restructuring the way in which the power utility is regulated. For instance, consumers may pay more for their basic electricity fee, but the kilowatt charge may be lowered. The idea is that the utility would have more incentive to promote energy efficiency.

Taking too long: Tories

Tory mines and energy critic John Ottenheimer said government is taking too long with the report.

"Is it any wonder we're making no apparent headway in talks with either Hydro-Quebec or Alcoa on Churchill power development when, four years after initiating an electricity supply evaluation process in 1998, the provincial government is still at the review stage and only now about to begin seeking public consultation?" Ottenheimer said.

Matthews said Alcoa is interested in the Lower Churchill and talks are continuing. He said the report took as long as it did because circumstances kept changing — for instance, Ottawa decided it would not be a partner in the proposed transmission line from Labrador.

Ottenheimer also said he's concerned the report makes no mention of the role of oil and gas as sources of energy.

"With the decision on the Laurentian sub-basin boundary expected in a few days, our province will have access to further oil and gas reserves in addition to those off our east coast. A true energy policy would encompass the energy-generating potential of these resources, as well as other sources of power," he said.

Copies of the report are available on government's Web site. Printed copies will also be available from the department.

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Electric industry reform models proposed

ST. JOHN'S — The public will get a chance to comment on a new electricity policy paper just released by the province.

The policy paper poses four possible options for the restructuring of the electricity industry.

Privatizing Newfoundland and Labrador Hydro is not one of the options.

Former Hydro chief executive officer and Public Utilities Board commissioner Wallace Read will head up the consultation.

Submissions can be made over the course of 60 days, either in writing or by arrangement with Read.

Read is to file his final report within 30 days of the end of the consultation period.

Following his report, the Department of Mines and Energy will make recommendations to government.

Mines and Energy Minister Lloyd Matthews said there are no recommendations going into the consultation period. But a read of the report indicates the technical experts who researched it favour one of four proposed models — the composite model. Under this model, Newfoundland and Labrador Hydro would be split up into two Crown corporations.

One would be in charge of generating power, the other in charge of the transmission and sale of power.

This option is said to remove concerns about a conflict in Newfoundland Hydro's operations since it is in charge of reviewing electricity proposals while at the same time it submits proposals itself.

This option is said to have the most advantages over the others discussed in the policy paper, which was four years in the making.

One option is to maintain the status quo.

Another model, called the single utility model, contemplates the Crown corporation Newfoundland Hydro acquiring the private Newfoundland Power. This is viewed as contentious and expensive.

The two power companies are said to overlap — both are involved in distribution of power.

Another option considered is the competitive generation model, in which Hydro's various generating stations would operate independently in competi-

tion with one another.

According to the policy paper, the island portion of the province doesn't need a new source of power until 2007.

The paper does, however, suggest that the province's moratorium on small-scale hydroelectric projects should be reviewed.

"It was concluded that ruling out any generation source as a matter of policy is not appropriate, because it limits future choice, based on today's circumstances," the report said.

Matthews said a decision would not be made until after the consultation process.

Another point the report contemplates is restructuring the way in which the power utility is regulated. For instance, consumers might pay more for their basic electricity fee, but the kilowatt charge may be lowered. The idea is that the utility would have more incentive to promote energy efficiency. The Opposition accused government of taking too long with the report. Tory mines and energy critic John Ottenheimer said the report also fails to take into account the energy-generating potential of oil and gas.

"Is it any wonder we're making no apparent headway in talks with either Hydro-Quebec or Alcoa on Churchill power development when, four years after initiating an electricity supply evaluation process in 1998, the provincial government is still at the review stage and only now about to begin seeking public consultation?" Ottenheimer said.

Matthews said Alcoa is interested in the Lower Churchill and talks are continuing.

He said the report took as long as it has because circumstances kept changing — for instance, Ottawa decided it would not be a partner in the proposed transmission line from Labrador.

Ottenheimer also said he's concerned the report makes no mention of the roles of oil and gas as sources of energy.

"With the decision on the Laurentian Basin boundary expected in a few days, our province will have access to further oil and gas reserves in addition to those off our east coast," Ottenheimer said. "A true energy policy would encompass the energy-generating potential of these resources as well as other sources of power."

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Power goes off

Thousands of Newfoundland Power customers found themselves without power for about 12 minutes Wednesday night.

The blackout occurred when a main generator shut down in Holyrood and electricity had to be cut to give company personnel time to switch over to a backup generator, a Newfoundland Power technician said late Wednesday.

Several sections of the city were affected. The lights came back on at about 10:15 p.m.

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JA gives Pasadena Academy students food for thought

By PAUL HARRIS
Star Correspondent

PASADENA

Representatives of the area Junior Achievement (JA) committee recently spent a day with Grade 9 students at Pasadena Academy to discuss the importance of staying in school.

The day emphasized to the youth that staying in school makes good economic sense as was reflected by the presentations, entitled The Economics of staying in School.

"This year we decided we'd like to

give this presentation in Pasadena because we have some people who are on our area committee who are from Pasadena and we felt that we'd like to have that delivered in our community as well," said Anne Parsons, member of the area JA committee. "This program has students see the cost of independence, of not staying in school and the problems that could happen if you don't stay in school."

Thomas Cochrane, a participant, said he found the presentation to be a real eye opener.

Cochrane said he learned that if he

didn't stay in school he wouldn't be able to have the lifestyle he hopes for his future.

"I wouldn't be able to support myself or support a family if I had one," Cochrane said. "It made me think a lot about my future."

Cochrane hopes to pursue a career as an aerospace engineer after high school.

Event organizers expressed their sincere thanks to their sponsors which included Foodland, West Coast Electrical, Brookfield Group, Newfoundland Power, and the Pasadena Lions.

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Further upgrades to electrical system

Upgrades to the Burin Peninsula's electrical system continue this month as Newfoundland Power crews rebuild the transmission line between Grand Bank and Grand Beach.

About \$1 million is being spent on rebuilding a 19 kilometres stretch of the line. Newfoundland Power employees will spend two and a-half months making the upgrades. Changes include the installation of new poles and anchors. The length of the power line will be replaced and will be moved closer to the road.

"Rebuilding the transmission line between Grand Bank and Grand Beach will allow the system to better withstand harsh weather conditions, provide easier access for our crews and thus enable us to offer customers in the area improved reliability," said Earl Ludlow, Vice-President of Engineering Operations.

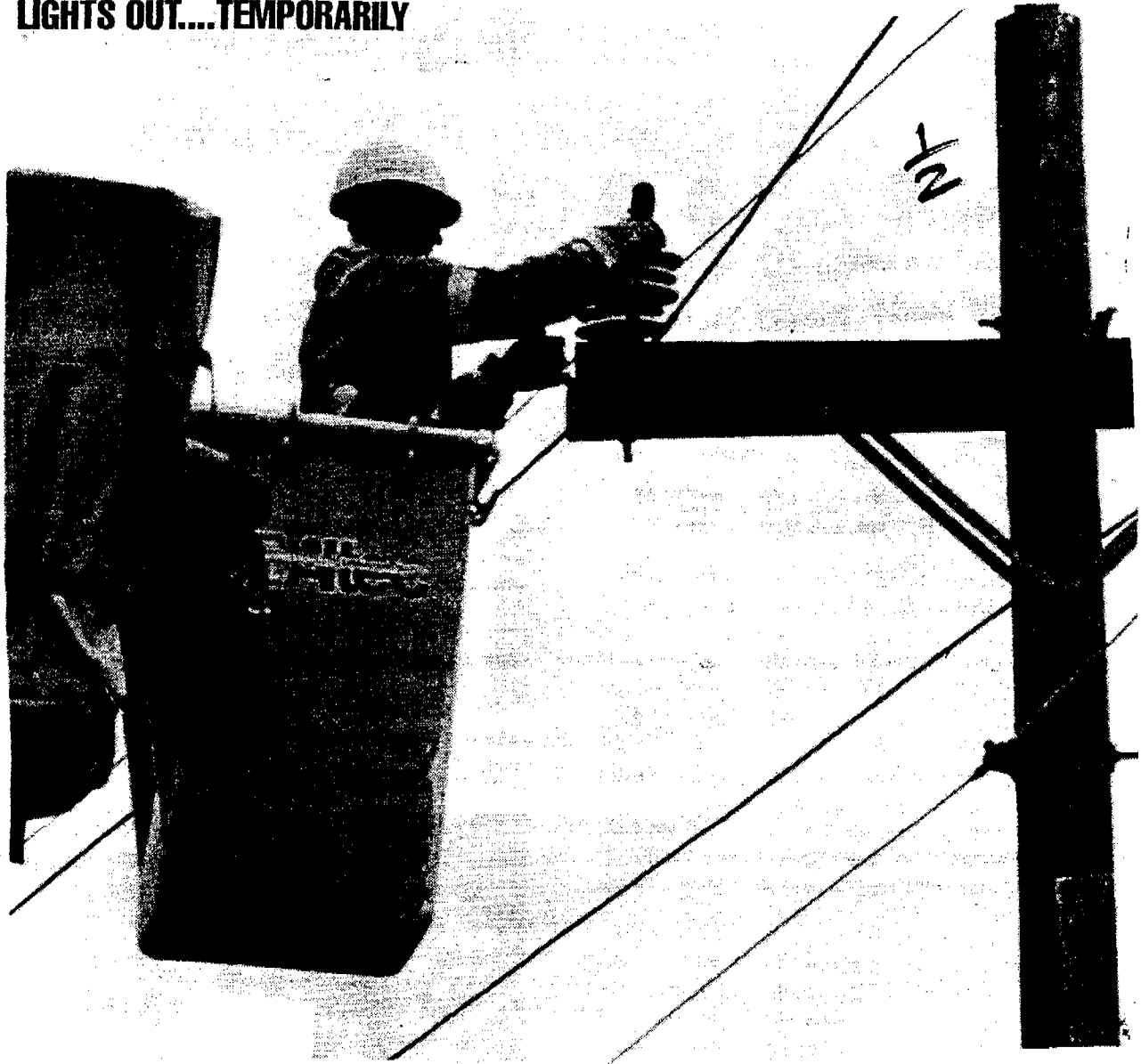
The company plans to invest about \$55 million in capital programs across the island this year. Maintaining and improving the safety and reliability of the service to customers, while investing in the province's growth is the focus of this endeavour.

"This rebuild is part of our commitment to continue our investment on the Burin Peninsula in a way that meets customer's expectations for improved reliability," said Mr. Ludlow.

"It also demonstrates our commitment to supporting our rural communities by making continual improvements to the service we provide to businesses and residents."

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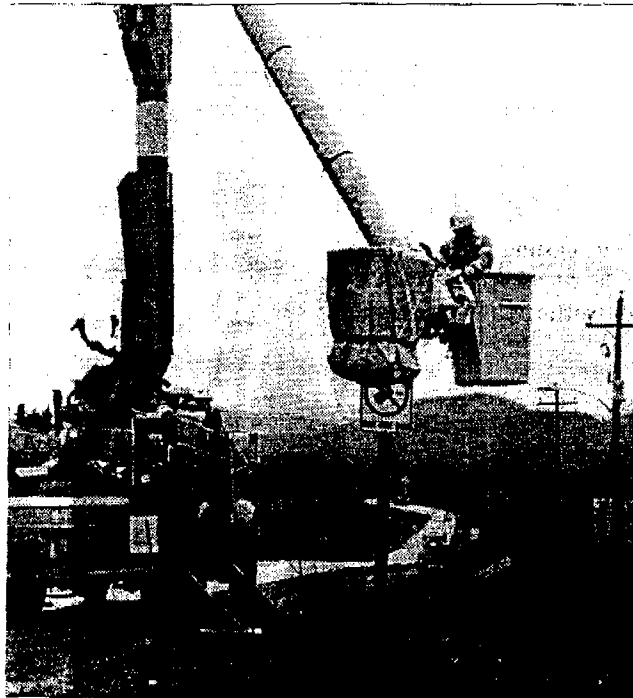
LIGHTS OUT....TEMPORARILY



The electricity was off in parts of Lewisporte Thursday morning and in Stanhope in the afternoon, as Newfoundland Power workers lined streets in the area replacing insulators on the poles.

* photo only (no accompanying article)

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LEFT: Many Newfoundland Power bucket trucks could be seen throughout the area as workers worked quickly to restore the power as soon as possible.

Dave Cooper photos

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Power company upgrading system in Codroy area

CORNER BROOK

Newfoundland Power will be carrying out a major upgrade to its electrical system in the Codroy Valley over the next five weeks.

The work, which will be carried out by crews from Port aux Basques and Grand Falls-Windsor, will entail the rebuilding of a 12-kilometre section of distribution line which runs from the Grand Codroy Bridge to Cape Anguille.

Phonse Delaney, the power company's western regional manager, said "rebuilding the distribution line between the Grand Codroy Bridge and Cape Anguille to better withstand harsh weather conditions will enable us to improve reliability and provide better service to our customers."

The upgrade will include the installation of new poles, replacing the line and relocating sections of the line closer to the road to improve accessibility. The project will cost about \$300,000 and is part of a two-year investment of nearly \$600,000 to improve reliability for customers in the area.

"Newfoundland Power is dedicated to meeting our customers' service expectations," added Delaney. "By ensuring a reliable system and keeping electrical rates the lowest in Atlantic Canada, we are able to demonstrate our commitment to customers."

In 2002, Newfoundland Power will invest about \$55 million in capital programs to further enhance its electrical system. This investment is focused on maintaining the safe, reliable delivery of electrical service to customers while investing in the province's growth.

With a customer base of about 220,000, Newfoundland Power is dedicated to providing the highest level of customer service and reliability of electrical supply while relentlessly pursuing employee and community safety.

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| EXPRESSCLIP | DATE: April 18, 2002 PAGE: 18 4 | |

Public still has time to have a say on electricity policy

By PAT DOYLE
The Telegram

ST. JOHN'S — Time is getting short for industries, businesses, organizations and individuals to make their views known on the electricity policy paper released in March by the provincial government.

The policy paper prepared for Mines and Energy Minister Lloyd Matthews presents four options for the restructuring of the electricity industry in the province.

Privatizing Newfoundland and Labrador Hydro Corp. is not one of the options.

Upon the public release of the policy paper, Matthews appointed Wallace Read, a former Hydro chief executive

officer and a former Public Utilities Board (PUB) commissioner, to receive submissions on the document and prepare a report.

There are no public hearings planned at this time, but Read said Wednesday interested parties and individuals are invited to submit comments and views to him at the Department of Mines and Energy in the Natural Resources Building, Elizabeth Avenue, St. John's.

Read said the intent is to have the consultation segment completed by the end of May when he will repair his report.

He said he will not be making recommendations to the department.

"I'm a listener at this stage and will try to put together their thoughts," he said. "I'll be giving the public response and the government will weigh that when the department puts together its recommendations for the cabinet."

The technical experts who prepared the policy paper favoured one of the four options — under which Hydro would be split into two Crown corporations: one which would generate power while the other would oversee its transmission and sale.

The paper, which took four years to develop suggests that option has most advantages over the other options.

The other three options are:

- * Hydro acquiring the privately-owned Newfoundland Power.

- * Competitive generation, with Hydro's various generating stations

operating independently in competition with one another.

- * Maintaining the status quo.

Read said copies of the policy paper are available from his office and can be picked up or mailed upon request. The paper is also on the Web site: www.gov.nf.ca/minesandenergy/policyreview.

Individuals can submit their comments and views in writing but "if they want an explanatory visit or something like that, we'll try to do it," Read said.

He said he can be contacted by telephone at 729-2661 or by e-mail at w.read@ieee.org.

He said he is prepared to do interviews — particularly with larger customers on the system, the public utilities, the PUB, and various organizations.

Matthews sent a copy of the policy paper to those companies and groups, including the consumer advocate and organizations in such sectors as the environment last month requesting their views and comments. Read said he sent a letter to those groups Wednesday reminding them of the timeframe for consultation and asking for their input and notice if they are intending to make a submission or seek a face-to-face meeting with him.

"Either can be accommodated with enough advance notice," the letter said. "We have heard from some but we expect there will be more coming later." Read said.

NEWSWATCH

Little time left for input on electricity policy paper

BY PAT DOYLE
The Telegram

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St. John's, NF

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Other options

The paper, which took four years to develop, suggests that option has the most advantages. The other three options are:

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Power co. reports drop in earnings

BY PAT DOYLE
The Telegram

Newfoundland Power showed a 16 per cent drop in earnings in the first quarter of 2002.

Earnings in the first three months of the year amounted to \$10.3 million, down \$1.9 million from the first quarter of 2001, Philip Hughes, company president and chief executive officer, said Friday.

There were two key reasons for the decline, Hughes said.

"Last year, we received a tax refund related to the successful resolution of a long-standing tax case that contributed significantly to our earnings in the first quarter of 2001," he explained.

Hughes said the second factor was the 0.6 per cent reduction in electrical rates that became effective Jan. 1, 2002.

That reduction resulted from an order of the Public Utilities Board (PUB) that the application of the automatic adjustment formula would reduce the utility's allowed return on rate base for 2002, he said.

"These decreases were partially mitigated through our continued focus on controlling expenses, lower financial costs, and increased pole rental revenues resulting from the acquisition of 70,000 joint-use poles from Aliant Telecom in September 2001," Hughes said.

He added Newfoundland Power continues to aggressively focus on operating efficiencies.

"Operating expenses for the first quarter expressed on a per customer basis are comparable to 2001 levels and remain at their lowest level in over a decade."

He said the utility continues to benefit from low, short-term interest costs.

"Short-term debt has grown to \$80 million resulting from the redemption of \$13.5 million of 11.5 per cent Series AB bonds, pole acquisitions from Aliant Telecom and the company's ongoing capital program."

He also said Newfoundland Power will invest \$55 million in capital projects this year to support reliability and customer service improvements, while at the same time lowering operating and maintenance costs over the long term.

"Due largely to interruptions originating with its energy supplied, Newfoundland Power's system reliability was below that of the first quarter of 2001," Hughes said.

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Nfld. Power's earnings drop

By PAT DOYLE
The telegraph

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"Due largely to interruptions originating with its energy supplied, Newfoundland Power's system reliability was below that of the first quarter of 2001," Hughes said. "However, the company remains on target for achieving its 2002 reliability goals."

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Nf. Power satisfied with 1st quarter

Newfoundland Power's earnings for the first-quarter were slightly lower than last year, but the company achieved its highest ever first-quarter customer satisfaction rating.

The earnings applicable to common shares for the first part of 2002 were \$10.3 million or 16 per cent less than the \$12.2 million recorded in the first-quarter last year. Earnings per common share were \$1 for this past quarter compared to the \$1.18 of last year.

The company's revenue for the first part of 2002 was recorded at \$115.4 million compared to the \$116.1 million for the same period last year.

Philip G. Hughes, President and CEO of Newfoundland Power Inc., explained the lower earnings were caused in part by the reduction in electrical rates. As of Jan. 1 of this year the rate was reduced by 0.6 per cent.

"Newfoundland Power is continually increasing its ability to better meet customer's demands for superior, cost-effective service," he said.

The company had a customer satisfaction rating of 90 per cent for the first-quarter even though the company's system reliability was below that of last year. This is due largely to interruptions originating with Newfoundland Power's energy supplier. However, the company states it is still on track to meeting its 2002 reliability goals.

"Through 2002 we will continue to position Newfoundland Power as a leading North American electric utility in terms of operation efficiency, customer service and reliability," said Mr. Hughes.

This year, the company will invest about \$55 million in capital projects across the province.

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Hold public hearings on power policy: O'Keefe

A consumer group and the union that represents Newfoundland Hydro employees are calling for public hearings on the province's electricity policy paper released last month.

Dennis O'Keefe, a consumer advocate and a St. John's city councillor, says asking for written submissions on the policy paper is no way to conduct a review of the province's electrical industry.



Dennis O'Keefe

"I call on the province to open the process and have public hearings throughout the province on this extremely important public issue. Consultation by submission is not enough."

Dennis O'Keefe

"I call on the province to open the process and have public hearings throughout the province on this extremely important public issue. Consultation by submission is not enough."

He says the review could change the generation, transmission and distribution of electricity in Newfoundland and Labrador, and the regulations that govern it.

The International Brotherhood of Electrical Workers Local 1615 says the review could mean a new pricing method for electricity in the province.

It suggests the provincial government send a pamphlet outlining the policy paper to all households so consumers understand what is going on.

"Everything is on the table on new generation, even nuclear power is to be looked at," said Bob Clarke, business manager for IBEW Local 1615.

"Consumers of electricity in this province should be told in very clear language what government is putting on the table."

The electricity policy paper outlines four ways to restructure the province's electrical industry:

- splitting the Crown corporation in two — one entity to generate power, the other to transmit and sell it;
- creating a single utility, a model that would see Newfoundland Hydro acquire the privately owned Newfoundland Power;
- creating a competitive model in which Hydro's various generating stations operate independently in competition with each other;
- and maintaining the status quo.

No public hearings are planned.

Instead, people may submit written comments to Wallace Read, a former CEO of Newfoundland Hydro and a former Public Utilities Board (PUB) commissioner.

The deadline for submission is May 31.

Murphy's Oil production up

Murphy Oil Corp.'s share of oil production on Newfoundland's Grand Banks more than doubled in the first three months of the year.

That increase was due to the start-up of the Terra Nova project Jan. 20.

The Arkansas-based oil company's share of the Hibernia and Terra Nova projects totalled 19,759 barrels of oil in the first quarter ending March 31. That's up from 8,953 barrels of oil during the same period last year.

The company says the average sale price of oil during the first three months of the year was \$21.95 US, or about \$30.73 Cdn. That suggests the value of the oil produced during that period was worth roughly \$607,000 Cdn.

In its quarterly report, Murphy Oil also reported both revenues and profits were down.

The company earned about \$3.5 million Cdn in profits on revenues of \$1.1 billion during the first quarter. First-

quarter profits last year were about \$136 million, while revenues were about \$1.6 billion.

Murphy Oil has a 6.5 per cent stake in Hibernia and a 12 per cent share of Terra Nova.

Q1 revenues down

Aur Resources Inc., the new owners of the Duck Pond copper-zinc deposit in central Newfoundland, reported its first-quarter revenues were down while profits were up.

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Revenues decreased 8.5 per cent to \$46.6 million, while profits increased 61 per cent to \$2.6 million.

The Ontario-based company attributes the increase to record copper production and the low cost of that production at its Quebec and Chilean mines.

Aur's \$3.7-million purchase of Duck Pond from fellow junior mining companies Thundermin Resources Inc. and Queenston Mining Inc. closed earlier this month.

In its 2001 annual report, Aur Resources said it expects Duck Pond's estimated 5.2 million tonnes of mineral reserves to replace the company's share in a northern Quebec mine set to close in 2005.

Aur Resources says production at Duck Pond will average about 32 million pounds of copper and 60 pounds of zinc.

Small business conference

Halifax-based Denex Group is organizing a marketing conference for Atlantic Canadian small businesses owners May 7-8.

Titled "Marketeast ... the Practical Marketing Conference," Denex says it is aimed at small business owners and marketing managers in both business and government.


Speakers include: small business marketing expert Eric Gilboord; demographer Dr. Richard Loreto; actor and creativity guru Bill Carr; and Paul Lavoie, president of Taxi Advertising and Design (Marketing Magazine's agency of the year in 2001).

Jon Denman, president of Denex Group, says the company has been a leading producer of special events in the Atlantic region for 25 years. Denex Group founded such consumer and trade shows as the Boston Seafood Show and Ideal Home Show.

Web site: www.marketeast.ca.

Compiled by Moira Baird

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Concerns raised by loss of power

BY STEPHANE ST-JEAN

The Southern Gazette

A recent power outage on the Burin Peninsula has increased concerns regarding the planned removal of the Salt Pond emergency generation station.

Dominic Lundrigan, a concerned citizen, has been opposed to the removal of the turbine since it first came to public attention. His objection has only increased since the outage that affected communities from Burin to St. Lawrence, Apr. 19.

"It took them four hours to get the power back on and when they got it back on they were drawing power from the emergency generator they are planning to remove," he said.

Michele Coughlan, Director of Communications for Newfoundland Power, explained the Salt Pond turbine only one small component of the available emergency generation on the peninsula. According to her the Green Hill emergency station can generate over twice as much power as the Salt Pond generator.

"The gas turbine at Green Hill could have handled the load in that area that evening," she stated

IT WAS THERE

The crew used the Salt Pond turbine because it was there. The company will use whatever means are available to ensure customers receive power as soon as possible.

"Once we identify what the problem is our crews respond immediately, identify and isolate the problem, then as quickly as possible, bring the power back community by community to maintain the balance of the electrical system," she explained.

Mr. Lundrigan believes the incident illustrates the importance of keeping the turbine here. He was told by Newfoundland Power representatives the turbine is not necessary.

The outage was caused by a

problem with a transformer at the Salt Pond substation. Mrs. Coughlan explained a third of the affected customers regained power within half an hour. Half of the customers had power within a few hours.

He does not believe power would have been restored in the same amount of time without the Salt Pond station.

"If the emergency generating station had already been moved we would have been without power for 24 hours," he said.

DECENT WEATHER

The workers were not faced with harsh conditions during the

outage. Mr. Lundrigan wonders how long it would have take to restore power if this situation took place in January, with harsh winds and a snow storm.

"This incident affected only part of the peninsula, what would happen if the power lines coming up over the highway were knocked down," he asked.

"It is not impossible for both wires to break at the same time. The whole peninsula would be without power then - the Green Hill turbine would not be able to power the whole area."

Mrs. Coughlan explained there are two lines feeding the peninsula, one to back up the other. It

would take extreme conditions to break power in both lines. Mr. Lundrigan sees this as another reason to keep the Salt Pond generator.

"If both lines went down it would probably mean Newfoundland Power crews would be faced with terrible conditions in which to work - it could take a long time for the problem to be fixed," he said.

"In the mean time the Burin Peninsula will have to share power from the Green Hill station. This means only certain communities will have power for a certain amount of time while everyone else is without light and heat."

NEWSWATCH

The Telegram
St. John's, NF

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Fortis earnings dip despite revenue growth

BY PAT DOYLE
The Telegram

Despite two per cent revenue growth, earnings applicable to common shares took a slight drop in the first quarter of 2002, Fortis Inc. reported Wednesday.

Revenue for the quarter amounted to \$182.7 million, up from \$179.4 million in the first quarter of 2001.

However, earnings applicable to common shares amounted to \$15 million, down from \$15.5 million last year.

Earnings per common share decreased to \$1 for the recent first quarter compared to \$1.04 for the same period last year.

"The decrease in quarterly earnings was primarily attributable to a \$1.9-million reduction from earnings of Newfoundland Power, partially offset by a reduction in corporate costs due to the implementation of new accounting rules associated with goodwill amortization," said Stan Marshall, president and chief executive officer.

Fortis Inc. is parent company of Newfoundland Power, Canadian Niagara Power, Maritime Electric, Belize Electric Co. Ltd. and Fortis Properties, it is the majority shareholder in Belize Electricity Ltd. and holds a 21.98 per cent interest in Caribbean Utilities Co. Ltd.

Marshall noted Newfoundland Power's earnings in 2001 were higher due to a tax refund related to the successful resolution of a longstanding tax case that contributed significantly to the utility's earnings in the first quarter of last year.

The utility's earnings contribution was \$10.3 million in the quarter, down from \$12.2 million last year.

Also, as a result of the application of the automatic adjustment formula used to determine the company's electricity rates, the Public Utilities Board ordered a 0.6 per cent reduction in rates effective Jan. 1, 2002.

"Fortis' earnings results for the first quarter of 2002 were in line with management's expectations," Marshall said.

"Solid performance by all operating companies positions Fortis for earnings growth in the second half of 2002."

He said while Canadian Niagara Power's first-quarter earnings were lower than for the same period last year, the utility's contribution to annual earnings is expected to be consistent with 2001.

In the first quarter of 2002, Canadian Niagara contributed earnings of \$1.1 million, down from \$1.4 million.

Marshall said revenue associated with acquisitions made by Fortis Properties and growth in energy sales at Belize Electricity, partially offset by the rate reduction at Newfoundland Power, "were the main factors contributing to the growth in revenue."

Fortis entered into an agreement to acquire the remaining 50 per cent interest in Canadian Niagara Power in March and the closing of the deal is expected in the second quarter of 2002, Marshall said.

"This acquisition is expected to be immediately accretive to the corporation's earnings."

Marshall said Fortis has delivered record earnings to shareholders for the last two consecutive years.

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"As a result, in the first quarter of 2002, we were extremely pleased to increase our dividend to \$1.96 from \$1.88 on an annualized basis."

Newfoundland Power's operating expenses, excluding purchased power costs, were \$13 million for the first quarter, which is comparable to the 2001 first quarter, Marshall said.

Maritime Electric's earnings for the quarter were \$1.7 million, consistent with restated earnings for the first quarter of 2001.

Belize Electricity contributed \$1.3 million in earnings in the first quarter, comparable to the same period last year.

The subsidiary's energy sales for the quarter were nine per cent higher than 2001.

Marshall said growth in the residential sector and completion of a comprehensive street light program contributed to the increase in energy sales.

Revenue for the quarter was \$18.2 million, a \$2.7-million increase.

Marshall said dividends of \$1.2 million from Caribbean Utilities were included in the earnings of Fortis in the first quarter of 2002

compared to \$1 million in 2001.

At Fortis Properties, earnings for the first quarter were \$900,000, up from \$800,000 in 2001. Revenue, at \$18.3 million, was up by nine per cent.

"Fortis Properties' occupancy level in its real estate division was 93.9 per cent at March 31, 2002, slightly lower than 94.8 per cent at March 31, 2001," he said.

In its hospitality division, revenue per available room for the first quarter was \$44.44 compared to \$46.29 for the same period last year.

"The primary reason for the decline was the timing of the opening of the new hotel in Halifax."

Marshall said corporate expenses for the first quarter were \$1.5 million compared to \$3 million in 2001.

"The \$1.5-million decrease in corporate expenses was primarily due to cessation of goodwill amortization in accordance with new accounting guidelines and lower corporate income tax expense," he said.

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Key to success is happy employees, says utility's CEO

By MELANIE CALLAHAN
Star Staff Writer

CORNER BROOK

The foundation to any successful company is content, motivated employees.

That was the message Philip Hughes, president and CEO of Newfoundland Power, delivered to members of the Corner Brook Rotary Club Thursday.

In the past few years, Newfoundland Power has made an commitment to invest in employees, he said.

"You need to recognize the wants and needs of the individual," Hughes said. "When you think about all of the jokes that we hear, they draw on the difference in personalities. That is what makes a group. We have to recognize what makes an individual."

The key to successful employee interaction is to empower them, he said.

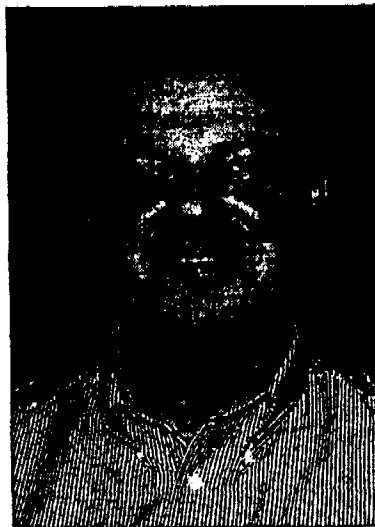
"When there is a truck on the side of the road, there are two guys who are working without supervision. We trust them. Both of these guys has to have leadership qualities or nothing will happen.

"If there is a storm, there is no handbook or manual. The employees have to be part construction worker, part electrician and part journey person. This takes teamwork and leadership."

It is crucial that employees be recognized for what they can contribute to a company, Hughes said.

"People have to start enjoying work, and the more they enjoy work the more ideas come forward. Is this working? I think so," he said. "Every quarter, Newfoundland Power does a survey of 1,000 customer. We ask 'How can we improve?'"

"We use that information to change the way we do business. A few years ago 70 per cent of customers were



PHILIP HUGHES

happy with the way we did business, today 90 per cent say that we are doing well. This is a result of having employees who like what they do."

Despite some hesitation from Human Resources, Hughes has established a program where employees are asked individually whether working with Newfoundland Power has made them a better person than they were a year ago. As Hughes sees it, if employees are not growing, a company will not grow.

You have to take thoughtful risk, he said.

"We have strategies but the way we approach it is individualistic," he said. "We do not take risks in certain things."

"Newfoundland Power is different from other companies because we package and work with a product that is lethal everyday. For certain things there is no discretion, we want to make sure that our employees and the public go home to their families every night."

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Millions paid to top executives

Continued from page A1

- Two Fishery Products International CEOs received a combined \$1.68 million, though a large chunk of that was severance pay to former CEO Vic Young. Between Jan. 1 and May 1, 2001, when a new board of directors was elected at FPI, Young earned \$1.39 million in partial salary and severance. Derrick Rowe, the company's CEO since May 1, earned \$287,410 last year.

- Two CEOs at Stratos Global Corp. earned \$1.27 million in salary and bonuses last year. Carmen Lloyd, president and CEO since Feb. 1, 2001, earned the bulk of it — \$1.21 million in salary and bonuses. Charles Bissegger, acting CEO for January 2001, earned \$55,000.

- Stanley Marshall, president and CEO of Fortis Inc., received \$1.03 million in salary and bonuses last year. He earned \$755,263 the previous year.

- Stephen Wetmore, former president and CEO of Aliant Inc., earned \$781,726 last year. Wetmore also cashed in stock options, earning \$1.11 million from the sale. He is now vice-chairman of Bell Canada, a majority owner of Aliant.

- Mark Dobbin, chairman and CEO of Vector Aerospace Corp., earned \$605,400 last year — down from \$703,670 in salary and bonuses in 2000.

- Gary Kain, chairman of Persona Inc., received \$716,553 in salary and bonuses. Brendan Paddick, the company's president and chief operating officer, received \$477,177 last year.

- Philip Hughes, president and CEO

of Newfoundland Power, earned \$471,593 in salary and bonuses.

- Harry Steele, who resigned as CEO of Newfoundland Capital Corp. May 1, earned \$297,528 in bonuses last year. That does not include a pension, which is 66 2/3 per cent of his best three consecutive years of earnings.

On May 1, Robert Steele took over as CEO. Last year, he earned \$560,196 in salary and bonuses as president of the company.

- Steve Millan, of Canadian Imperial Venture Corp., received no salary or bonuses in the past three years. For his role as president, chairman and chief executive officer of the St. John's-based energy company,

Millan holds 1.55 million shares in the company under a stock option plan.

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Peninsula's electrical needs will take priority

BY GEORGE MACVICAR

The Southern Gazette

Newfoundland Power has made a commitment to Burin Peninsula residents the backup diesel turbine at Burin will not be moved until current supply problems are corrected.

Some 6,000 residents, from Burin south around the boot to Garnish, were forced to endure a second weekend, May 11-13, without an adequate electrical supply in less than a month. After the permanent transformer failed in late April, a mobile transformer trucked

"Our engineers will investigate the problems over the next four weeks to try and put in place a reliable system. Until then, the Salt Pond turbine will remain."

- Keith Wellon

in from St. John's also failed.

Residents were without electricity from 2-6 hours but Garnish-Frenchman's Cove-Grand Beach

residents were forced to be without power for up to 12 hours during the second outage.

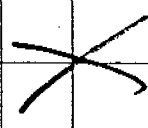
The reason - time required to

truck a second mobile transformer from Port aux Basques, up to 24 hours. A \$1-million upgrading project on the power line between Grand Bank and Grand Beach saw the supply there interrupted and the loop line between Burin and Garnish also failed.

Engineers from Siemens Canada Ltd. in St. John's were in Burin last week doing major repairs to the permanent transformer, costing upwards to \$100,000 and expected to have the unit on line again this week. This work was

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Weak spot to be corrected

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also expected to identify why the transformer failed the first time.

"These transformers very rarely fail, but it did this time. Fortunately, the repairs are able to be done on site," said Eastern Manager Keith Wellon.

The first mobile transformer will have to be sent away for repairs at a cost of up to \$1 million. The reason for its failure is also unknown.

To compound the difficulties experienced by Newfoundland Power, a second diesel turbine at Greenhill substation near Grand Bank failed to start when it was needed on the first power outage. This resulted despite a major \$2 million overhaul on the unit four years ago after it was damaged by fire. Another half a million dollars is being spent to try and correct the present problem.

When the Greenhill turbine failed to start, it meant the affected residents had to have power rationing at times from the Salt Pond turbine which, like the Greenhill station, is unable to supply all the electrical needs of peninsula residents.

WEAK SPOT

Mr. Wellon said "our engineers will investigate the problems over the next four weeks to try and put in place a reliable system. Until then, the Salt Pond turbine will remain.

"There's a weak spot in our generation system and that will be corrected first."

Newfoundland Power representatives have been meeting with area town councils and the Marystown-Burin and Area Chamber of Commerce explaining the situation facing their work crews.

Burin Mayor Kevin Lundrigan said his council met Wednesday

with Mike Jardine. Superintendent of Operations for Newfoundland Power, and was provided an update and reported a complete review of the electrical needs of the peninsula was being prepared.

"We've been assured when this is done they'll return to meet all stakeholders to offer their findings and recommendations.

"We also stressed to them the need to identify a reason for the outages. We can only take them at face value and come back with a favourable decision. If not favourable, we'll have to band together then," Mayor Lundrigan said.

TRANSFER ON HOLD

Work was scheduled to start on the removal of the Salt Pond turbine to Wesleyville in Bonavista Bay later this month but this has now been put on hold.

The reasoning behind removal of the backup turbine was the installation of a second power feed line down the Burin Peninsula 10 years ago and a looping of the power line around the 'toe' of the peninsula to allow for an electrical feed from two directions. The larger turbine at Greenhill was to serve as the main backup to the dual line

feed.

"Outside of the Northern Peninsula, this is the most isolated area on the island. In winter, we would never have been able to get our mobile transformer to the peninsula as quickly as we did this time of year," Mr. Wellon suggested. He added the priority now is to provide Burin Peninsula residents with a reliable electrical feed and make sure adequate backup systems are in place before any attempt is made to remove present equipment.

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Newfoundland CEOs make big money

By MOIRA BAIRD
The Telegram

ST. JOHN'S — Oh, what a pay stub. And that bonus isn't bad, either.

The chief executive officers of some of Newfoundland's largest publicly traded companies received an average salary of \$847,771 in 2001.

Those salaries included bonuses and other compensation paid to executives or, in some cases, severance payments.

Here's the list of compensation paid to 14 executives at 10 companies last year:

- Craig Dobbin, chairman and CEO of CHC Helicopter Corp., earned \$3.96 million in salary, annual bonuses and other compensation. In 2000, he earned \$2.6 million.

- Two Fishery Products International CEOs received a combined \$1.68 million, though a large chunk of that was severance pay to former CEO Vic Young.

Between Jan. 1 and May 1, 2001, when a new board of direc-

tors was elected at FPI, Young earned \$1.39 million in partial salary and severance. Derrick Rowe, the company's CEO since May 1, earned \$287,410 last year.

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- Stanley Marshall, president and CEO of Fortis Inc., received \$1.03 million in salary and bonuses last year. He earned \$755,263 the previous year.

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That does not include a pension, which is 66 2/3 per cent of his best three consecutive years of earnings.

On May 1, Robert Steele took over as CEO. Last year, he earned \$560,196 in salary and bonuses as president of the company.

- Steve Millan, of Canadian Imperial Venture Corp., received no salary or bonuses in the past three years.

For his role as president, chairman and chief executive officer of the St. John's-based energy company, Millan holds 1.55 million shares in the company under a stock option plan.

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**Man admits
stealing power,
pays back money**

A 46-year-old man was handed a suspended sentence and placed on probation for one year after he pleaded guilty to stealing electricity from Newfoundland Power.

David Squires, of 86 Pentanguishine Rd., St. John's, was charged this year with defrauding the company of more than \$5,000 by using electricity that he diverted from the company.

The offence occurred between May 1, 1997 and Feb. 28, 2002. Squires has since paid back \$13,000 for electricity he used, plus taxes and interest.

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Lightning kills lights

Power was knocked out for about two hours late Tuesday night in the west end of St. John's and in several Avalon Peninsula towns from Salmonier to Conception Bay South.

The outage came during a heavy electrical storm when lightning hit transformers servicing those areas.

Power was restored earlier than expected at about 12:30 a.m. to Newfoundland Power customers in the Anspach Street-Topsail Road-Canada Drive areas of St. John's.

There were no injuries reported during the storm, which also brought torrential rains.

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Rates may rise

*More info needed before
schedule set: board*

BY PAT DOYLE
The Telegram

The Public Utilities Board (PUB) has ruled on a general rate application by Newfoundland and Labrador Hydro (NLH) but consumers will have to wait a while longer to find out the effect on electricity rates.

The 218-page ruling, issued Friday, was prepared following a hearing which concluded at the end of January after 61 days.

The application was Hydro's first since becoming fully regulated in 1996 and represented the corporation's first request for a rate increase since 1991.

In its application, Hydro sought a 6.4 per cent increase in its rates to Newfoundland Power, which would translate into a 3.5 per cent increase in charges to Newfoundland Power's customers.

Increase likely

However, the PUB has ordered Hydro to file a new schedule of rates. Only when that is done will final rates be determined.

Nevertheless, both Newfoundland Power and Dennis Browne, consumer advocate for the hearing on Hydro's application, say they feel certain electricity rates will increase.

Bob Pike, Newfoundland Power's manager of corporate communications, and Browne both said the ruling is being reviewed.

"It does appear from an initial reading there will be a significant increase, perhaps in the double digits," Browne told The Telegram.

Newfoundland and Labrador Hydro said it is reviewing the ruling and will not comment before the middle of next week.

Three systems

The ruling noted there are three separate systems operated by Hydro.

They are the island interconnected system, which serves most of the island portion of the province; the Labrador interconnected system, which serves Labrador West and Happy Valley-Goose Bay; and the rural isolated system which serves communities on the island and coastal Labrador primarily through self-contained diesel generation plants.

"Because of the variety of decisions made by the board affecting costs in each of these systems, NLH will be required to file a revised schedule of rates incorporating the decision of the board before final rates can be set," the ruling said.

"It is expected that these rates will be set by Aug. 1, 2002."

When the PUB approves a revised schedule for the rates charged to Newfoundland Power, Newfoundland Power will then have to determine the effect to its customers and get PUB approval for any changes.

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Rate stabilization studied

Continued from page A1

Browne noted the board also dealt with problems that have developed over recent years with the rate stabilization plan (RSP), which he said needed to be addressed.

The RSP is the mechanism under which electricity rates are automatically adjusted each July 1 in order to account for fuel-price fluctuations.

In its application, Hydro said the major factor driving its proposed rate increase was the cost of bunker C fuel needed for the Holyrood thermal generating station which supplies approximately one-third of the electricity on the island.

Over the past 10 years, the price of fuel in base rates was set at \$12.50 per

barrel, while the actual price has been significantly higher, exceeding \$40 at times. Hydro has been recovering the difference in the RSP.

In its application, Hydro asked that the price used in base rates be increased to \$20 per barrel with the difference accumulating in the RSP.

"The board has decided that to reflect true cost-based rates connecting the price of fuel with the price of electricity, the price of No. 6 fuel in base rates will be set at the forecast price for 2002, on average \$25.91 per barrel," said the ruling.

"In order to mitigate the impact of this decision on rates, the board has ordered NLH to freeze the estimated balance of approximately \$84 million (as of Dec. 31, 2001) of the RSP."

The freeze means there will be no adjustment in rates in July of this year.

The PUB said that in its ruling it also sets out "a number of other directives aimed at addressing operational efficiencies, financial targets, improved regulatory reporting, customer service and conservation issues."

Browne said the ruling directs Hydro to deal with conservation measures "in a real and meaningful way."

The PUB ruling said, "In addressing this first application of NLH as a fully regulated utility, the board sees this as the first step in a staged process in the effective regulation of NLH which will benefit both consumers and the utility alike."

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Newfoundland and Labrador Hydro asked to file revised rates with board

By PAT DOYLE
The Telegram

ST. JOHN'S — The Public Utilities Board (PUB) has ruled on a general rate application by Newfoundland and Labrador Hydro, but consumers will have to wait a while longer to find out the effect on electricity rates.

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In its application, Hydro sought a 6.4 per cent increase in its rates to Newfoundland Power which would translate into a 3.5 per cent increase in charges to Newfoundland Power's customers. However, the PUB has ordered Hydro to file a new schedule of rates and only when that is done will final rates be determined.

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Bob Pike, Newfoundland Power's manager of corporate communications, and Browne both said the ruling is being reviewed.

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"Because of the variety of decisions made by the board affecting costs in each of these systems, NLH will be required to file a revised schedule of rates incorporating the decision of the board before final rates can be set," the ruling said. "It is expected that these rates will be set by Aug. 1, 2002."

When the PUB approves a revised rate schedule for the

rates charged to Newfoundland Power by Hydro, Newfoundland Power will then have to determine the effect on its rates to its customers and get PUB approval for any changes.

Browne noted that the board also dealt with problems that have developed over recent years with the Rate Stabilization Plan, which he said needed to be addressed.

The RSP is the mechanism under which electricity rates are automatically adjusted each July 1 in order to account for fuel price fluctuations.

In its application, Hydro said the major factor driving its proposed rate increase was the cost of Bunker C fuel needed for the Holyrood Thermal Generating Station which supplies approximately one-third of the electricity on the island.

Over the past 10 years, the price of fuel in base rates was set at \$12.50 per barrel while the actual price has been significantly higher, exceeding \$40 at times. Hydro has been recovering the difference in the RSP.

In its application, Hydro asked that the price used in base rates be increased to \$20 per barrel with the difference accumulating in the RSP.

"The board has decided that to reflect true cost-based rates connecting the price of fuel with the price of electricity, the price of No. 6 fuel in base rates will be set at the forecast price for 2002, on average \$25.91 per barrel," said the ruling. "In order to mitigate the impact of this decision on rates, the board has ordered NLH to freeze the estimated balance of approximately \$84 million (as of Dec. 31, 2001) of the RSP."

The freeze means there will be no adjustment in rates in July of this year. The PUB said the \$84 million deficit in the RSP will be recovered by Hydro over a five-year period beginning in 2003. The PUB said that in its ruling it also sets out "a number of other directives aimed at addressing operational efficiencies, financial targets, improved regulatory reporting, customer service and conservation issues."

Browne said the ruling directs Hydro to deal with conservation measures "in a real and meaningful way."

The PUB ruling said, "In addressing this first application of NLH as a fully-regulated utility, the board sees this as the first step in a staged process in the effective regulation of NLH which will benefit both consumers and the utility alike."

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PUB gives NHL small market return

By PAT DOYLE

The Telegram

ST. JOHN'S — The Public Utilities Board (PUB) has accepted Newfoundland and Labrador Hydro's (NLH) request for a return on equity (ROE) that is below normal market returns.

In its general rate application for which public hearings concluded in January, Hydro asked for a three per cent return on equity. The PUB issued its 218-page ruling Friday in which it addressed the broad range of issues that were examined during the 61-day hearing.

"The board acknowledges this level of ROE is below normal market returns because of NLH's position taken in this application to lessen the rate impact on its customers," the ruling stated. "Consideration of a more normal return will be subject to a future request by NLH."

The PUB ordered Hydro to submit a revised schedule of rates and said, when that is done, the final rates to be charged will be set, likely by Aug. 1.

Nevertheless, Dennis Browne, consumer advocate, said it appears there will be a "double digit" increase and Newfoundland Power also expects rates to rise.

Janet Henley Andrews, counsel for Hydro's island industrial customers, said Monday, "We're still trying to figure out what the financial implications are but it looks like quite a substantial increase for industrial customers."

The PUB also said in its ruling it accepts that a government guarantee for Hydro plays a fundamental role in the corporation's ability maintain a sound credit rating in the financial markets of the world.

"The board concurs that the guarantee fee of \$12.3 million in 2002 is

appropriate."

Although Browne wants to see Hydro's rate stabilization plan (RSP) eliminated the PUB said it is not convinced that the interests of the consumers of NLH would be served through the elimination of the plan. As a result, the board said other than specific adjustments and changes outlined in its ruling, it will not make any other change in the RSP or its operation at this time.

The RSP is the mechanism under which electricity rates are automatically adjusted each July 1 in order to account for fuel price fluctuations.

The board did say that the design and elements of the plan should be reviewed.

It intends to commission a study of the RSP which will include a review of the plan since its implementation, as well as operational issues raised by the interveners at the hearing.

"The board will decide, based on the results of that study, what action should be taken."

However, Browne said Monday he doesn't believe a study of the plan is warranted, adding, "I believe ultimately the RSP should be eliminated."

He said it is the only plan of its nature in Canada and there is nothing similar in the United States.

"None of the experts who testified at the hearing endorsed the plan and most advocated its elimination," Browne said.

He said people who heat their home with oil are on a monthly payment plan and there is no reason why people who use electricity could not do the same.

Browne said a huge problem with the RSP is what he called "cross-subsidization."

He said with the amount of out-migration from the province, people who remain here have to pick up the portion of the RSP not paid by those who leave.

"It is difficult enough for people limited means to pay their own electricity bills without having to contribute to pay someone else's."

Browne said he feels certain that after the study is done, the board will come to the conclusion that the RSP should be eliminated.

"The plan doesn't encourage conservation," he said. "Also it sends out a false signal as to what electricity really costs and on that basis alone it should be eliminated."

The board has ordered Hydro to file by Dec. 31, 2002 a statement of policies and procedures outlining a, "co-ordinated, integrated and strategic approach to fuel purchasing."

Hydro has also been directed to submit by the same date a detailed plan of projected maintenance expenditures over the next 10 years for the Holyrood Generating station.

The board ordered Hydro to exclude spousal travel costs, communication plan advertising and Bay d'Espoir street lighting from its regulated expenses for 2002.

"The board will request its financial consultants to work with NLH to recommend suitable regulatory performance standards which will be used to measure operating efficiencies at NLH and these will be incorporated as part of NLH's reporting to the board," the ruling stated.

Hydro has been ordered to end preferential rates for federal and provincial government departments and agencies operating in rural areas and to charge rates that will recover the full cost of providing such service. The preferential raters will be phased out and it is expected governments will face increases of up to 20 per cent in 2002.

Other orders contained in the board's ruling include:

— NLH must submit a final report, by Dec. 31, 2002, on the results of joint efforts to date to reduce duplication between Hydro and Newfoundland Power.

— The board believes NLH should focus attention on conservation and submit a multi-year plan directed to these kinds of initiatives.

— The board said it will order Hydro submit its next general rate application no later than Dec. 31, 2003.

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PUB approves Hydro request

BY PAT DOYLE
The Telegram

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In its general rate application, for which public hearings concluded in January, Newfoundland and Labrador Hydro (NLH) asked for a three per cent return on equity (ROE).

The PUB issued its 218-page ruling late Friday in which it addressed the broad range of issues that were examined during the 61-day hearing.

"The board acknowledges this level of ROE is below normal market returns because of NLH's position taken in this application to lessen the rate impact on its customers," the ruling stated.

"Consideration of a more normal return will be subject to a future request by NLH."

The PUB ordered Hydro to submit a revised schedule of rates, and has said when that is done the final rates to be charged will be set, likely by Aug. 1.

Expects big increase

Nevertheless, consumer advocate Dennis Browne said it appears there will be a "double-digit" increase, and Newfoundland Power also expects rates to rise.

"We're still trying to figure out what the financial implications are but it looks like quite a substantial increase for industrial customers." Janet Hen-

ley Andrews, counsel for Hydro's island industrial customers, said Monday.

The PUB also said in its ruling it accepts that a government guarantee for Hydro plays a fundamental role in the corporation's ability maintain a sound credit rating in the financial markets of the world.

"The board concurs that the guarantee fee of \$12.3 million in 2002 is appropriate," it stated.

Although Browne wants to see Hydro's rate-stabilization plan eliminated, the PUB said it is not convinced that the interests of Hydro consumers would be served through the elimination of the plan.

As a result, the board said other than specific adjustments and changes outlined in its ruling, it will not make any other change in the rate-stabilization plan or its operation at this time.

The rate-stabilization plan is the mechanism through which electricity rates are automatically adjusted each July 1 in order to adjust for fuel-price fluctuations.

The board did say the design and elements of the plan should be reviewed, however.

Will study issue

It intends to commission a study of the rate-stabilization plan which will include a review of the plan since its implementation, as well as operational issues raised by interveners at the hearing.

"The board will decide, based on the

results of that study, what action should be taken," it stated.

Scrap the plan

Browne said Monday he doesn't believe a study of the plan is warranted, adding, "I believe ultimately the (rate-stabilization plan) should be eliminated."

He said it is the only plan of its kind in Canada, and there is nothing similar in the United States.

"None of the experts who testified at the hearing endorsed the plan and most advocated its elimination," Browne said.

He said many people who heat their home with oil are on a monthly payment plan, and there's no reason why people who use electricity couldn't do the same.

Browne said one of the biggest problems with the rate-stabilization plan is that, due to the province's problems with out-migration, the people who remain are left to pick up the financial slack left by those who leave.

"It is difficult enough for people with limited means to pay their own electricity bills, without having to contribute to pay someone else's," he said.

Browne believes that after the study is done, the PUB will conclude that the rate-stabilization plan should be eliminated.

"The plan doesn't encourage conservation," he said.

"Also, it sends out a false signal as to what electricity really costs, and on that basis alone it should be eliminat-

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Hydro has been ordered to end preferential rates for federal and provincial government departments and agencies operating in rural areas, and to charge rates that will recover the full cost of providing such service.

Phase-out planned

The preferential rates will be phased out and it is expected governments will face increases of up to 20 per cent this year.

Other orders contained in the board's ruling include:

- NLH must submit a final report, by Dec. 31, on the results of joint efforts to date to reduce duplication between Hydro and Newfoundland Power.
- The board ordered Hydro to exclude spousal travel costs, communication-plan advertising and Bay d'Espoir street lighting from its regulated expenses for 2002..
- The board believes NLH should focus attention on conservation, and submit a multi-year plan directed to these kinds of initiatives.
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Facilities to get \$3-M upgrade ^{1/2}

Newfoundland Power has begun a major \$3-million upgrade to its hydroelectric generation facilities in the Seal Cove, Conception Bay, area.

Crews are rebuilding the penstock and replacing hydroelectric plant equipment, said Earl Ludlow, vice-president, engineering and operations.

"Projects such as this enhance the operation of our hydroelectric generation facilities in a safe, reliable and environmentally responsible manner," Ludlow said Friday.

"By replacing existing equipment with new, more energy-efficient materials, we are working to maintain our production of low cost, high quality electric service."

He said crews will complete the upgrade to the Seal Cove hydroelectric plant over the next five months.

The existing wooden penstock will be removed and replaced with a steel structure and various control and operational equipment will also be replaced within the plant.

Ludlow said maintaining the viability of the Seal Cove hydroelectric plant displaces approximately 16,000 barrels of fuel annually.

"Not only does this reduce costs for our customers and the company but it is also more environmentally-friendly than the use of fossil fuels," he said.

Meanwhile, Newfoundland Power was recently awarded the Atlantic Canada Human Resources Awards' first-ever Strategic Partnership Award.

The award is based on the company's People Strategy which aligns human resource objectives with business strategy to improve productivity and performance.

"At Newfoundland Power, human resources is viewed as an integral part of our corporate strategy," said Philip Hughes, president and chief executive officer.

"As a company, we recognize the many successes that have resulted from our commitment to creating an environment which focuses on our people," Hughes said.

"Having that commitment recognized by business and community leaders across Atlantic Canada is quite an honour."

Merger restructuring

On June 3, Coflexip Stenna Offshore Newfoundland Ltd. became known as Technip CSO Canada Ltd.

It's the result of a merger last October between Technip and Coflexip, and restructuring of the company into three branches — offshore, on-shore/downstream, and non-oil and gas industries.

It also means an expanded office for Technip CSO in downtown St. John's.

Sam Allen, president of Technip CSO, said the company also offers expanded capability future field developments in Eastern Canada.

The merger also included the deep-water division of Aker Maritime and the downstream division of Technip.

Waste transfer facility

Matrix Environmental Inc. of Dartmouth, N.S., has registered a project with the Environment Department to construct a waste transfer facility in Labrador City to better serve the liquid and solid industrial waste disposal needs of area clients at lower costs.

The proposed site, located at Lot 98-28 in the Labrador City Industrial Park, is surrounded by other undeveloped industrial lots.

The facility will require one inspector and two material handlers for the operation.

Environment Minister Kevin Aylward said public comments on the proposal must be into his department by July 17 and his decision is due July 26.

Board appointments

Sandra Kelly, minister of youth serv-

ices and post-secondary education, has announced appointments to the Provincial Apprenticeship and Certification Board, effective June 14.

One of the department's priorities in the upcoming year will be helping youth to plan their career and Kelly said she looks forward to working with the board to encourage young people to pursue skilled trades through apprenticeships.

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Barry Roberts has been appointed chairman of the board.

Employer representatives are Beverly Warfield, Doug Russell, Sadie Popovitch-Penny and Alphonsus Jessop. Employee representatives are Larry Slaney, Wayne Butler and Derm Cain. Representatives for groups at large are: Brenda Greenslade, Jan Foley, Jack Slaney and Ewen Wheeler.

Chamber board

Sharon Wells of Collision Clinic has succeeded Ian Murray of Mortgage Centre as president of the Mount Pearl Chamber of Commerce.

Other executive members are Paul Hefferman, Sobey's, first vice-president; Angela Pitcher, RB Direct, second vice-president; Darryl Winsor, Gardner and Coombs, treasurer; and Harry Bourden, Academy Canada, secretary.

Directors are Chris Blanchette, Neil Eady, Karen Earle, John Henderson, Dwayne Legge and Marilyn Leonard.

Delivering the goods

For the second year in a row, Sheridan Yetman of Harvey's Oil in St. John's has been recognized by the Canadian Oil Heat Association for exemplifying leadership and service expertise.

The association said the program was established to recognize "people who are committed to delivering the goods."

Yetman, who has been with Harvey's for 30 years, is vice-president and general manager.

John Butt, association president, said Yetman "exemplifies the best aspects of our industry both on personal and professional levels."

Let us know

If you have any business information of interest to Newfoundland and Labrador, call Pat Doyle at The Telegram, 364-2323, Ext. 318. Fax: 364-3939. e-mail: pdoyle@thetelegram.com.

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Electric Avenue

Newfoundland Power has begun a major upgrade to its hydroelectric generation facilities in Seal Cove, as crews are rebuilding the penstock and replacing hydroelectric plant equipment.

"Projects such as these enhance the operation of our hydroelectric generation facilities in a safe, reliable and environmentally responsible manner," says Earl Ludlow, vice-president, engineering and operations, Newfoundland Power. "By replacing existing equipment with new, more energy-efficient materials, we are working to maintain our production of low-cost, high-quality electric service."

Crews will complete the upgrades to the Seal Cove hydroelectric plant over the next five months. The existing wooden penstock will be removed and replaced with a steel structure, and various controls and operational equipment will also be replaced within the plant. Modernizing this equipment will increase efficiency by allowing remote monitoring and control of the plant. The total cost of the project is approximately \$3 million.

"We are committed to providing electrical service that increases reliability and offers added benefits for our customers," says Ludlow. "Maintaining the viability of the Seal Cove hydroelectric plant displaces approximately 16,000 barrels of fuel annually. Not only

does this reduce costs for our customers and the company, but it is also more environmentally-friendly than the use of fossil fuels."

In 2002, Newfoundland Power will invest

approximately \$55 million across the island in capital programs to further enhance its electrical system and improve delivery of electrical service to customers.

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Powerline cause of controversy in Eastport

By JENNIFER PICKETT
The Beacon

There is controversy going on in the Eastport area over where the power lines should be constructed.

A month ago Newfoundland Power approached the administration at Terra Nova National Park saying they wanted to improve the service in the Eastport area. According to Newfoundland power, when they did their yearly study of the service areas, this is one of the areas that need the most attention. Then Newfoundland Power presented a number of suggestions, it could replace the 45-year-old poles in the old road they are now on, or build new ones across the causeway.

Peter Deering, a public

relations officer from Terra Nova said that the park authorities told Newfoundland Power to get their engineering tools together and consider a lot of options and gave Newfoundland Power some guidelines to follow and sent the power employees off to do the work.

"We want to make sure all the environmental issues are considered, and that the landscape and view plan issues and the social issues are dealt with," said Mr. Deering.

The social issues are the source of the controversy. Some residents of the area don't want the lines on the causeway.

"The causeway is the gateway to the Eastport Peninsula; it's beautiful with lots of wildlife in the area," said George Innes of the

Eastport Heritage Society. "It's a totally unspoiled view."

Besides the Eastport Heritage Society, the councils of Sandy Cove and Happy Adventure are also up against it.

"We all look forward to getting upgraded power lines, but we don't look forward to this kind of visual pollution," said Mr. Innes. "It's very disturbing to see this kind of engineering, especially at a time when the government is trying to promote tourism as the fastest growing industry in the province."

Robert Pike, manager of corporate communications and customer service for Newfoundland Power, said that putting the new poles along the causeway will

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Powerline cause of controversy

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make it easier to access than on the old road. People will get their power back faster when there is a outage. This is an important factor, according to Mr. Pike, because the power in that area runs in radial lines, which means the power runs in a straight line and wherever the problem is located in the line, from that point down the rest of the line there's no power.

Mr. Innes said that if you put in new poles on the old road, then you wouldn't need to be in there to fix them. the cost to go both ways are

roughly the same according to Newfoundland Power. "If there was a real need for it, then people would just have to except it, but there's not," said Mr. Innes.

Newfoundland Power said it is in the decision-making process. The environmental impact study has been commissioned the decision will be made soon because the power company cannot order supplies until it knows where the line is going. Different materials are needed for the two sites.

As for the tourism point of view, Mr. Pike said, "What about the hikers' opinion?" He said that the poles go

through the trail, and that the area belongs to Terra Nova National Park and if the poles were taken out of there, then the old road would be allowed to return to it's natural state.

"We are still early in the game," said Mr. Deering. "We are looking at different options and there has been no decision made as to where the poles will go, and when it is made it will have to satisfy us that Newfoundland Power considered all issues, social and environmental before making the decision."

Mr. Innes said, "It amazed me that they even proposed it."

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Newfoundland Power, the eagle and the otter

Back near the beginning of recorded time, I studied architecture at the University of British Columbia. We spent a lot of time discussing the design process, all those factors that need to be considered before even starting to draw a building.

One professor left us with a pearl of wisdom that remains with me today. He said "remember that you are designing for the people who will use the building. You are not designing for the people who will construct or maintain the building, a process that takes weeks or months, but for the users who will live with what you have created for years to come."

A power line is not a building. But the same design principles I learned back then, apply equally to Newfoundland Power's project to update the 40-year-old line connecting the Eastport Peninsula with the province-wide electricity grid. And more importantly, a part of the line that cuts across a corner of Terra Nova National Park.

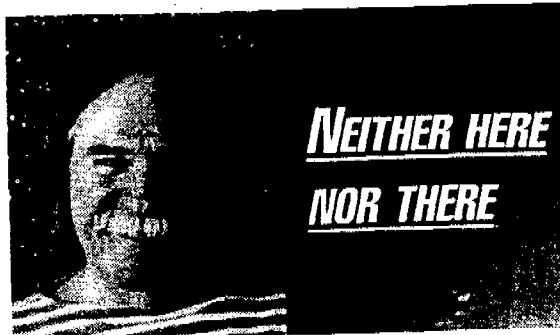
Anyone who has travelled Route 310 between Traytown and Eastport will remember the causeway crossing Broad Cove on Northeast Arm. Going either way, the traveller emerges from a corridor of trees to a vista of arresting majesty.

In the foreground, the causeway curves across the water connected, at low tide by an S-shaped sandbar to a treed island. Here, not long after the causeway was built, bystanders watched as a bald eagle dived out of a blue sky to attack an otter in the water below, inflicting mortal wounds.

An eagle cannot retract its talons once they are sunk into its prey. When the otter dived, they both died in the depths below. The bystanders retrieved the bodies. For years they could be seen, still locked in their

deadly embrace, stuffed and mounted in the park's visitors' centre.

Beyond the causeway, the saltwater narrows to a tickle separating Broad Cove



peter pickersgill

- from Southwest Arm and bridged by the old road, now a pedestrian trail leading down the slope from the campground that takes its name from Maladie Head to the south west. Here the muscular topography drops 668 feet vertically into the deep waters of the Arm.

The interconnection of the sea and the powerful landforms is an unforgettable entry to the Eastport Peninsula. A power line that Newfoundland Power now needs to update.

There are four choices: 1. Update the power line following the existing route along the old road. 2. Run an undersea cable alongside the causeway. 3. Bury a cable in the shoulder of the road on the

causeway. 4. String the wires across the causeway on poles.

When I phoned Robert Pike, spokesman for Newfoundland Power, he ruled out burying the cables under either ground or water as "not an option" for reasons of cost and technical complication. The price of updating the existing line along the old road is the same as bringing a line of poles across the causeway.

Mr. Pike told me the National Park was in favour of limiting the disturbance to habitat within the Park and therefore preferred putting the power line and the road together. This seems to favour stringing the wires across the causeway — across the face of one of Newfoundland's most beautiful land and seascapes.

It would be much easier to maintain, said Mr. Pike.

And so it is.

And if that was all we were considering, that would be the right choice. But I couldn't help think of my architecture professor's advice.

This design is for the long-term user — you, me, all the residents of the Eastport Peninsula and the large and growing numbers who visit each year. According to their bank accounts, Newfoundlanders and Labradorians are not a wealthy people, but we have in the environment that surrounds us, wealth beyond counting.

In order to protect and build on that wealth we need to avoid the short-term decision and the shortcut. Newfoundland Power, please update the power line, but leave it where it is.

Remember the eagle and the otter. Let's avoid a confrontation that will benefit no one. Maladie Head looks down on the causeway below.

Let's insure future generations don't believe it was named for the malady of shortsightedness.

Peter Pickersgill is a writer, painter and cartoonist, who divides his time between Salvage, Bonavista Bay and Gatineau, Québec. He can be reached at pic@sympatico.ca. These commentaries can be heard every second Monday on CBC Radio's The Fisheries Broadcast.

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Local Heroes program helps provide backstop

ST. GEORGE'S

Phonse Carroll, president of the Minor Baseball Association here, is very pleased with the support of the Molson Local Heroes program, as well as help provide by Newfoundland Power and Newfoundland and Labrador Hydro personnel at the baseball field in the town.

He said through the Local Heroes program, Molson provided them with \$1,000 for the materials needed for the backstop; while Jerry Stride, supervi-

sor with Newfoundland and Labrador Hydro; Jim Chaisson, a linseman with Newfoundland Power; and Roddie Duffy, manager of Newfoundland Power out of Stephenville; donated the trucks and labour to carry out the work. Carroll said Molson representatives Tom O'Brien, distributor; Ned Boland, Western representative; and Doug Grant, promotions manager; each played a role in seeing the contribution would be made. He said because of it they now have a top-notch facility for minor players, as well as adult players.

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Submitted photo

Personnel from Newfoundland and Labrador Hydro and Newfoundland Power recently assisted in refurbishing the backstop at the baseball park in St. George's. Their help is greatly appreciated, according to Phonse Carroll, president of Minor Baseball in the town. Here from left: Jerry Stride, supervisor with Hydro; Jim Chaisson, linseman with Newfoundland Power and Roddie Duffy, manager of Newfoundland Power out of the Stephenville office, are seen at the site when the work was carried out. A donation of \$1,000 from the Molson Local Heroes project, enabled the purchase of materials for the job.

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Matthews reviewing energy policy report

ST. JOHN'S — Mines and Energy Minister Lloyd Matthews is reviewing a report on the public consultation process dealing with a government white paper on energy policy.

Matthews issued the white paper in March and appointed Wallace Read, a former chief executive officer of Newfoundland and Labrador Hydro Corp., to receive submissions on it.

Read submitted his report to Matthews about a week ago and the minister is in the process of reviewing it, Darrell Mercer, director of communications for the Mines and Energy department, said Wednesday.

"The minister will comment on the report in the coming weeks after he has completed his review," Mercer said.

Although the white paper did not contain a specific recommendation, it did indicate that the experts who did the research favour one of four proposed models — the composite

model.

Under that approach, Hydro would be split into two Crown corporations. One corporation would generate power while the other would oversee the transmission and sale of power.

A "single utility" model would see Hydro acquiring the privately-owned Newfoundland Power.

Another of the options in the white paper is called the competitive generation model. That approach would involve Hydro's various generating stations operating independently in competition with one another.

The other option involves maintaining the status quo.

The policy paper said the island part of the province doesn't need a new source of power until 2007. However, the paper said that the province's moratorium on small-scale hydroelectric projects should be reviewed.

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Utility reports Q2 gains

Newfoundland Power Inc. reported second-quarter revenue and profits were up slightly.

The electric company generated \$91.4 million in revenue during the three months ending June 30 — up three per cent from the same quarter last year. Earnings were up one per cent to \$9.07 million.

"The company's continued focus on improving productivity and controlling operating costs contributed to an increase in earnings," said Philip Hughes, president and chief executive officer of Newfoundland Power, in a Friday release.

Year-to-date revenues were also up a percentage point to almost \$206.8 million compared with the first six months of 2001. Earnings were down nine per cent to \$19.3 million.

"In 2001, company earnings were higher due to a tax refund related to the resolution of a long-standing income tax issue," said the release.

Energy sales in the second quarter totalled 1,198 gigawatt hours, up almost three per cent over last year. Year-to-date energy sales were up about a percentage point to 2,773 gigawatt hours.

This year, the company says it is investing about \$57 million to improve its electrical system across the province, thereby increasing efficiency and reducing operating costs.

Part of this work includes a rebuilt transmission line on the Burin Peninsula. Major upgrades have begun at the Seal Cove hydroelectric plant and the substation servicing the Gander area.

In June, the Public Utilities Board issued a ruling on Newfoundland Hydro's rate increase application, and told the utility to file a revised schedule of rates which it did July 18.

The board is reviewing that schedule.

Newfoundland Power says it also is reviewing that revised schedule of rates to determine the impact in its customers.

Newfoundland Power is a wholly owned subsidiary of St. John's-based Fortis Inc., a utility holding company with assets of more than \$1.7 billion.

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Newfoundland Power Q2 revenue, profits rise

ST. JOHN'S — Newfoundland Power Inc. reported second-quarter revenue and profits were up slightly.

The electric company generated \$91.4 million in revenue during the three months ending June 30 — up three per cent from the same quarter last year.

Earnings were up one per cent to \$9.07 million.

"The company's continued focus on improving productivity and controlling operating costs contributed to an increase in earnings," said Philip Hughes, president and chief executive officer of Newfoundland Power, in a Friday release.

Year-to-date revenues were also up a percentage point to almost \$206.8 mil-

lion compared with the first six months of 2001. Earnings were down nine per cent to \$19.3 million.

"In 2001, company earnings were higher due to a tax refund related to the resolution of a long-standing income tax issue," said the release.

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Newfoundland Power, OZ FM make it two out of two

BY MIKE FLYNN

Telegram correspondent-Harbour Grace

There were no major surprises at the 140th annual Harbour Grace Regatta held at Lady Lake Saturday under sunny skies.

Early morning winds created rough water, but the breeze abated substantially for the evening championship races.

Newfoundland Power, with the fastest time of the day (10:14.56), managed to fend off a challenge from a young Academy Canada crew to claim the men's title, while OZ FM won the ladies' championship.

The two crews claimed the male and female titles last week at the Placentia Regatta and will look to complete their triple crowns in the Royal St. John's Regatta scheduled for Aug. 7.

Defending St. John's regatta men's champion NTV, first at the time trials at Quidi Vidi earlier this summer, did not compete at either the Placentia or Harbour Grace regattas.

The men's championship was a carbon copy of the Fisherman Labour race run in the morning and featuring the four crews with the fastest four times of the day.

Academy Canada finished the championship race in 10:19.87, followed by O'Dea Earle (10:26.85) and Shawmut (11:06.84).

The course record for the men's race is 9:54.03, set by Blue Ocean Products of Harbour Grace in 1991.

Members of the winning crew include cox Mike Summers, stroke Sean Budgell, John Handrigan, Chris Barton, Shane Harte, Perry Cahill, Steve

Ring, spare Chris Browne and coach Gerard Doran.

OZ FM, which set the fastest time of the day in the first race (5:43.13), easily took the women's title in 5:32.72.

Continued from page B14

They finished ahead of second-place Jungle Jims (6:11.18), RCMP Harbour Grace (6:19.34) and SERVCO (6:21.91).

The winning time was nearly 11 seconds slower than the record of 5:32.30 rowed by VOFM Hibernia in 1992.

The stroke for OZ FM is Siobhan Duff, with Jackie Handrigan, Sherri Whelan, Tracy Hogan, Nicole Hamlyn, Kristen Power on the other oars. Rich

Bailey is the cox, the spare is Claudette Power and the coach is Jim Hibbs.

This year's event was described as a complete success by spokeswoman Kathy Tetford.

"We had huge numbers of people here all day," she said.

"Everybody had a great time. We had a lot of new crews here from the local area and that will certainly ensure that this historic regatta will be around for a long time."

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Power rates going up

New rates effective
Sept 1

BY PAT DOYLE
The Telegram

Customers of Newfoundland Power can likely expect a rate increase of approximately 3.6 per cent as of Sept. 1.

Newfoundland and Labrador Hydro's (NLH) island industrial customers will face a 7.6 per cent increase, also effective Sept. 1.

The Public Utilities Board (PUB) has given Newfoundland and Labrador Hydro Corp. permission to increase its rates to Newfoundland Power by 6.5 per cent.

The PUB order, issued to the media late Thursday, said it was establishing the rate that NLH could charge customers effective Sept. 1.

Earlier in the day, NLH issued a news release concerning the PUB order in which it said the 6.5 per cent increase it was granted translates into a 3.6 per cent increase to consumers.

The rate increase is dependent on the PUB approving an application by Newfoundland Power to pass the new rates on to its customers.

Not so bad

Dennis Browne, a consumer advocate appointed by the province, said originally he anticipated the rate increase could be in the double digits, so 3.6 per cent isn't as bad as what could have been.

"No increase is helpful this time of year," said Browne. "People who heat their homes with electricity will be adversely affected."

When the PUB issued its release Thursday it stated it had already received an application from Newfoundland Power seeking approval of new rates to allow for recovery of the additional costs for purchased power payable to NLH resulting from the board's order.

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First general increase in rates since 1992, says Hydro president

Continued from page A1

The order establishes rates for certain NLH customers, including its island industrial customers, Labrador interconnected customers and wholesale rates for Newfoundland Power (NP).

"Rates for NLH's rural interconnected and isolated diesel customers, whose rates are based upon NP's retail rates, will be established in a further order of the board."

The board anticipates it will decide rates for all NP customers as well as for NLH customers whose rates are based upon the NP rates "before the end of August."

The PUB said these rates are also expected to be effective Sept. 1.

"This is the first general increase in electricity rates for Hydro since 1992," said Bill Wells, Hydro president and CEO.

"The most significant factor in the general rate application was the higher price of bunker C fuel required for the operation of the Holyrood thermal generating station, which supplies approximately one-third of the electricity consumed on the island," Wells said.

NLH also said the PUB ordered that the balance outstanding in the Rate Stabilization Plan (RSP) coincident with the introduction of the new rates Sept. 1 be held in a separate account to be collected from electrical consumers



Dennis Browne

over a period of five years beginning Jan. 1, 2003 for Hydro's industrial customers and July 1, 2003 for both NP's customers and Hydro's retail customers.

Rates will be automatically adjusted in each year during the five-year period, NLH said.

"The RSP will continue, starting at zero balance, when the new rates come into effect."

However, Browne said rates could drop if Hydro and Newfoundland Power decided to work together.

"Consumers will only see stability in the price of electricity when more co-operation is realized between Hydro and Newfoundland Power," said Browne. "If they shared resources, workforces and facilities, millions of dollars could be saved if these two companies got serious and would do a service to benefit the consumers of the province."

The PUB has ordered the price of fuel in Hydro's base rates to be set at \$25.91 instead of the previous amount of \$12.50 per barrel.

"As a result, it is not anticipated that the outstanding balance, either positive or negative, will increase substan-

tially during the two-year period that the PUB has ordered the new RSP calculations be effective," Hydro said.

It said any outstanding balance in the RSP at the end of the two-year period will be recovered/refunded by an automatic adjustment in the rates charged to electrical consumers during the following two-year period.

NLH said electricity rates on the Labrador interconnected system are also being revised as a result of the PUB decision.

"The current structure of 24 rate classes will be reduced to six to establish more equity among customers in the system receiving essentially the same service."

As a result, customers' bills will increase or decrease depending on their consumption and rate class.

For Labrador City and Wabush residential customers, rates will not increase by more than \$20 per month in any new rate class while many business customers will have a decrease in rates, Hydro said.

Happy Valley-Goose Bay customers will generally have decreases in their electricity rates.

"The previously noted changes are a first step in establishing a uniform set of rates on the Labrador interconnected system and Hydro, in its next rate application to the PUB, will file a five-year plan to continue the phasing in of uniform rates for customers on the Labrador interconnected system."

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Climate workshop in city Tuesday

CORNER BROOK

The Western Environment Centre will be hosting a workshop Tuesday in the city focusing on the impacts of climate change.

The session will be held at the centre located on the second floor of the Co-op building, starting at 7:30 p.m. The guest speaker for the event will be Kyle McKenzie, the Canadian Climate Impacts and Adaptation Research Network (C-CIARN) Atlantic's regional co-ordinator.

Everyone is invited to attend and listen to McKenzie speak about some of the possible impacts of climate



change on Atlantic Canada, funding opportunities from the federal government and C-CIARN Atlantic's upcoming free workshop in St. John's in mid-September.

The talk will address such issues as air quality in Atlantic Canadian cities and how this region could be hit particularly hard by rising sea levels, extreme weather events and coastal erosion as a result of climate change. Freshwater resources may become scarcer and agriculture may experience drought. Exotic pests may bring new diseases and traditional lifestyles could be threatened as resource-based economies such as that found in Atlantic Canada may suffer more hardship than more industrial-based economies.

Utility board allows power rate increase

ST. JOHN'S (CP) — The Public Utilities Board has given Newfoundland and Labrador Hydro permission to increase its rates to Newfoundland Power by 6.5 per cent.

Newfoundland Power said, pending its own approval by the utilities board, that will translate into a 3.6 per cent increase to consumers as of Sept. 1.

Newfoundland and Labrador Hydro's industrial customers will face a 7.6 per cent increase, also effective Sept. 1.

Dennis Browne, a consumer advocate appointed by the province, said the hikes are not too bad. He said he originally anticipated increases in the double digits.

Bill Wells, president of Newfoundland Hydro, said this is the first general increase in electricity rates since 1992.

Wells cites the higher price of bunker-C fuel as a factor.

Bunker-C is required for the Holyrood thermal generating station, which supplies one-third of the electricity consumed on the island.

Lightning will cost company \$1 million

ST. JOHN'S (CP) — Recent lightning storms will end up costing Newfoundland Power Corp. about \$1 million.

Earl Ludlow, vice-president of engineering and operations of the company, said there were about 10,000 lightning strikes in Newfoundland over two days.

He said nearly 300 transformers were destroyed during recent storms.

The hardest hit regions were Grand Falls-Windsor, Gander, New World Island and Bonavista.

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Price jump

Newfoundland Power gets OK for rate hike

By PAT DOYLE
The Telegram

ST. JOHN'S — Newfoundland Power has received regulatory approval to implement a 3.68 per cent increase in its electricity rates as of Sept. 1.

The Public Utilities Board (PUB) issued an order Wednesday approving the increase for residential and general service customers.

However, the PUB also ordered Newfoundland Power (NP) to file a general rate application no later than 4 p.m. on Oct. 11 for a full review of its 2003 costs, including cost of capital.

The board said it will convene a general rate hearing in the fall to examine NP's costs and set rates for 2003.

"NP's last general rate hearing before the board was in 1998, at which time the board implemented an automatic adjustment formula to set rates for NP's customers," the PUB said.

The 3.68 per cent increase approved Wednesday will be in effect until Dec. 31, 2002, the board said.

The increase to NP's customers stems from the 6.5 per cent increase granted by the PUB to Newfoundland and Labrador Hydro (NLH) Aug. 22 as a result of a lengthy public hearing which concluded in January. At that time, the board also allowed Hydro to implement a 7.6 per cent increase in rates to industrial customers — the province's three paper mills and the oil refinery.

"The increase approved today by the board allows NP to offset the increase in purchased power costs approved previously in the board's order on NLH's rates," the PUB said.

Barry Perry, Newfoundland Power's vice-president of finance and chief financial officer, said Wednesday his company purchases approximately 90 per cent of its energy requirements from Hydro.

"This represents approximately 65 per cent of Newfoundland Power's annual operating expenses, making purchased power its largest single expense," Perry said.

He also said the board's order to file a

general rate application to set 2003 rates was expected by the utility since the last rate order was issued by the PUB three years ago.

"The Sept. 1 rate change will only recover the increase in costs associated with our purchase of power from Hydro in 2002," Perry said. "After this rate change, residential rates will still remain the lowest in Atlantic Canada."

The PUB said the impact on Newfoundland Power's residential customers of the rate changes will depend on usage levels.

"Non-electric heat customers using 1,000 kilowatt hours (kWh) of electricity per month will see an increase of approximately \$2.90 in their monthly bills," the board said.

"Customers with electric heat using 2,000 kWh per month will see an increase of approximately \$5.20 in their monthly bills."

The PUB said Hydro's rural customers on isolated diesel systems and on the interconnected system will also see an increase of 3.68 per cent as of Sept. 1. The rates for these customers are based on the rates for Newfoundland Power's customers.

The board said that as a result of NLH's general rate application, residential and general service consumers were expected to see an increase in electricity rates of approximately seven per cent in 2002, including the recovery of deferred fuel costs in the rate stabilization plan (RSP).

"As a result of the board's decision to set fuel costs to be recovered in base rates at \$26 per barrel, and to minimize the rate increase to consumers in this year, the board ordered NLH to defer recovery of the outstanding balances in the RSP until 2003 and to recover the balance over a five-year period instead of the existing three-year recovery timeframe."

The board said its latest order brings to a conclusion the impact on customers of rates arising from the board's decision issued on June 7 as a result of public hearings on NLH's general rate application.

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PUB approves increase

BY PAT DOYLE
The Telegram

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However, the PUB also ordered Newfoundland Power (NP) to file a general rate application no later than 4 p.m. Oct. 11 for a full review of its 2003 costs, including capital cost.

The board said it will convene a general rate hearing in the fall to examine NP's costs and set rates for 2003.

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At that time, the board also allowed Hydro to implement a 7.6 per cent increase in rates to industrial customers — the province's three paper mills and

the Come By Chance oil refinery.

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Barry Perry, Newfoundland Power's vice-president of finance and chief financial officer, said Wednesday his company purchases approximately 90

per cent of its energy requirements from Hydro.

"This represents approximately 65 per cent of Newfoundland Power's annual operating expenses, making purchased power its largest single expense," Perry said.

He also said the board's order to file a general rate application to set 2003 rates was expected by the utility since the last rate order was issued by the PUB three years ago.

"The Sept. 1 rate change will only recover the increase in costs associated with our purchase of power from Hydro in 2002," Perry said.

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"After this rate change, residential rates will still remain the lowest in Atlantic Canada."

The PUB said the impact on NP's residential customers of the rate changes will depend on usage levels.

"Non-electric heat customers using 1,000 kilowatt hours (kWh) of electricity per month will see an increase of approximately \$2.90 in their monthly

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Barry Perry, Newfoundland Power's vice-president of finance and chief financial officer

bills," the board said.

"Customers with electric heat using 2,000 kWh per month will see an increase of approximately \$5.20 in their monthly bills."

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increase in electricity rates of approximately seven per cent in 2002, including the recovery of deferred fuel costs in the rate stabilization plan (RSP).

"As a result of the board's decision to set fuel costs to be recovered in base rates at \$26 per barrel, and to minimize the rate increase to consumers in this year, the board ordered NLH to defer recovery of the outstanding balances in the RSP until 2003 and to recover the balance over a five-year period instead of the existing three-year recovery time frame."

The board said its latest order brings to a conclusion the impact on customers of rates arising from the board's decision issued June 7 as a result of public hearings on NLH's general rate application.

Robert Noseworthy, chairman and CEO of the PUB said, "While attention has focused on the new rates, the public hearing represented the first application of NLH as a fully regulated public utility."

"The implementation of close to 100 decisions made by the board resulting from the hearing will ensure going forward the board's mandate is achieved in striking an equitable balance between fair and just electricity rates for consumers and reasonable financial return for the utility."

The board also noted that it has ordered NLH to file its next general rate application no later than Dec. 31, 2003.

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Power rates are going up

Newfoundland Power was given permission by the Public Utilities Board Wednesday to increase its rates by 3.68 per cent until the end of the year.

The hike is to make up for an earlier increase in the cost the private company incurred buying power from the provincially-owned Newfoundland Hydro.

The effect will be increases of \$6 or less a month for most but that may be only the start for hard-pressed consumers.

Newfoundland Power has been given until Oct. 11 by the PUB to make application for another rate hike for next year.

Newfoundland Power says it is pondering whether they will apply – but the chances of them passing up an opportunity to increase their profits or at least stabilize them are slim, if none.

This could be a double hit for many people in this province.

Oil prices are already climbing and some so-called experts are predicting a spike in the world price of oil this winter because of the continuing troubles in the Middle East, which produces much of the world's supplies.

A spokesman for Newfoundland Power says consumers in this province will still pay the lowest price for electricity in Atlantic Canada, even after this increase.

Consumers in this province would likely answer that with a quick 'Why wouldn't we?'

We get much of our power from a company owned by the people of Newfoundland and Labrador – a good deal of that from hydro power which is cheap to produce.

Comparing us to provinces that include Nova Scotia and tiny P.E.I., which have little if any hydro produced power, is little comfort.

People in this province should be paying among the lowest prices in North America – much less Atlantic Canada – and we are not.

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Many will feel effects of power rate hike

By JENNIFER VARDY
Star Staff Writer

CORNER BROOK

Last winter some seniors were forced to choose between heating their homes and eating, and seniors advocate Eileen Powell is worried that this year they'll have to choose between electricity and food.

This comes after Wednesday's announcement that Newfoundland Power has received regulatory approval to implement a 3.68 per cent increase in its electricity rates as of Sept. 1 for residential and general service customers. That means people who don't have electric heat and use 1,000 kilowatt hours (kWh) of electricity per month will see an increase of \$2.90 on their bill each month. And customers who do use electric heat and use 2,000 kWh each month will see an additional \$5.20 on their monthly bills.

But that's simply not acceptable, Powell said — particularly for senior citizens.

"That makes a big difference to somebody who's on a fixed income, and I know most of them are," Powell said.

"They don't have much money saved up after raising a family, and they don't have a lot of money. They're living on a modest income. There were a lot of seniors who had to choose between heating and eating, and I'm afraid it might happen again this winter."

Powell said she'd like to see Newfoundland Power offer some kind of discount to seniors living on fixed incomes.

"I think there should be something that can be done — some kind of discount — from those big companies, for seniors who are living alone," she said. "I don't want to see people uncomfortable in their own homes. Our health isn't always very good anymore, and we feel colder. Last winter, a lot of people switched to electric heat because of the increase in oil, and electricity's gone up. Now what are they going to do? I'm really disappointed in the

increase."

And so is Heather Davis, co-ordinator of the Women's Centre in Corner Brook.

"This is a significant increase, because while \$3 or \$5 may not seem like that much to some people, but for anyone on a budget, it's going to make a significant difference," Davis said. "From our perspective, people on a fixed income — including women who have single-parent families, who we know make up almost 90 per cent of people on fixed income, or seniors on a pension — are going to find it difficult to adjust to any rate hike."

Especially since the increase is for a basic service like electricity, she said, which everyone needs.

"If you're on a budget, every dollar is accounted for," Davis explained. "When, all of a sudden, your basic utilities are rising, then that money has to come from somewhere else. You're not getting more income coming in to cover that cost. It's going to have to come from somewhere, and it's going to make people get more creative with their budgets. I'm concerned that people are going to say, 'Am I going to spend \$5 less on food, when I already don't have enough money for food as it is?' It's going to be a difficulty for a lot of people."

Gerry Kennedy, executive director of programs for the Newfoundland and Labrador Housing Corporation, said they haven't had the opportunity to do a detailed assessment on the effects the price hike will have for their clients yet. But undoubtedly, he said, it's bound to have some effect.

"It's safe to say that our clients are going to be impacted the same as anybody else who purchases Hydro, because this is an increase that's going right across the board," Kennedy said.

"There's not going to be any particular impact on our clients, any more so than any other members of the public. But given that most of our clients fall in the lower income brackets, obviously a percentage increase will be more noticed."

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Rate hike worries seniors' advocate

BY JENNIFER VARDY
The Western Star—Corner Brook

Senior's representative Eileen Powell says that last winter, some older people were forced to choose between heating their homes with oil and eating.

This year, she worries some will have to choose between electricity and food.

She expressed her concern after Wednesday's announcement that Newfoundland Power has received regulatory approval to implement a 3.68 per cent increase in its electricity rates as of Sept. 1 for general service customers.

That means people who don't heat their homes with electricity but who use 1,000 kilowatt hours (kWh) of electricity per month will see an increase of \$2.90 on their monthly bill.

Customers who do heat their homes with electricity and who use 2,000 kWh each month will see \$5.20 added to their monthly bills.

Not acceptable

That's simply not acceptable, Powell said — particularly for senior citizens.

"That makes a big difference to somebody who's on a fixed income, and I know most of them are," she said.

"They don't have much money saved up after raising a family. ... They're living on a modest income."

"Last winter, a lot of people switched to electric heat because of the increase in oil, and electricity's gone up. Now what are they going to do?"

Seniors' representative
Eileen Powell

Powell said Newfoundland Power should offer some kind of discount to seniors living on fixed incomes.

"I think there should be something that can be done — some kind of discount — from those big companies, for seniors who are living alone," she said.

"I don't want to see people uncomfortable in their own homes. Our health isn't always very good anymore, and we feel colder. Last winter, a lot of people switched to electric heat because of the increase in oil, and electricity's gone up. Now what are they going to do? I'm really disappointed in the increase."

So is Heather Davis, co-ordinator of the Women's Centre in Corner Brook.

"This is a significant increase, because while \$3 or \$5 may not seem like that much to some people, but for anyone on a budget it's going to make a significant difference," she said.

From our perspective, people on a fixed income — including women who have single-parent families, who we know make up almost 90 per cent of people on fixed income, or seniors on a pension — are going to find it difficult to adjust to any rate hike.

This is particularly true when the increase is for a basic service like electricity, which everyone needs, she said.

"When all of a sudden your basic utilities are rising, then that money has to come from somewhere else. ... I'm concerned that people are going to say, 'Am I going to spend \$5 less on food, when I already don't have enough money for food as it is?' It's going to be a difficulty for a lot of people."

Gerry Kennedy, executive director of programs for the Newfoundland and Labrador Housing Corp., said the corporation hasn't had an opportunity to do a detailed assessment of the effects the price hike will have on their clients, but it's bound to have some effect.

"It's safe to say that our clients are going to be impacted the same as anybody else who purchases hydro, because this is an increase that's going right across the board," Kennedy said.

"Given that most of our clients fall in the lower income brackets, obviously a percentage increase will be more noticed."

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Power increase to cost City of St. John's extra

BY PAY DOYLE
The Telegram

The 3.68 per cent increase in Newfoundland Power's (NP) electricity rate which is effective Sunday would cost the City of St. John's \$190,000 for a full year, according to Coun. Dennis O'Keefe.

The increase, approved by the Public Utilities Board (PUB) Wednesday, is in effect until Dec. 31 of this year.

The board ordered NP to file a general rate application for a full review of its 2003 costs by Oct. 11 and said it will convene a public hearing this fall to set rates for 2003.

O'Keefe, chairman of the Consumer Group For Fair Gas Prices, told The Telegram Friday he was informed by director of finance Bob Bishop of the increased cost to the city.

The additional cost for street lighting alone for a full year would be \$114,000, the councillor said.

That cost would be even higher next year if NP applies for and is granted

an additional increase for 2003, he said.

"Consumers of electricity should be concerned about the recent increase and the possibility that Newfoundland Power may in the next six weeks apply for a further increase," O'Keefe said.

"This increase will affect heating and general electricity costs for consumers in St. John's and across the province," he said.

"As well, such increases will affect municipal electricity costs and thus their budgets for 2003."

O'Keefe also spoke of the fact the increase in NP's rates stems from a 6.5 per cent increase approved by the PUB for Newfoundland and Labrador Hydro (NLH), "which is an arm of the Government of Newfoundland and Labrador."

He said, "This begs the question as to whether this increase to consumers actually represents flow through revenue to the province and, as such, is in fact an indirect tax."

O'Keefe also said it raises the issue

of whether there is a continued need for both NLH and NP to exist instead of just one utility to generate and sell electricity.

"That would eliminate much of the costs of duplication that at the present time find their way into the pockets and wallets of consumers."

Close tabs

O'Keefe said the consumer group will watch closely and scrutinize any attempt by NP to receive a further increase in its rates.

"In this regard, we will work with the consumer advocate, Dennis Browne, to ensure that any further increase, if granted at all, will be kept to only that which can be justified under scrutiny."

He said electricity costs affect everyone in this province and in particular impact on low income groups as well as seniors and others on fixed incomes.

"Costs should be kept as low as they possibly can."

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| NEWSWATCH | Sunday Herald Halifax, NS | POSITION | |
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| | DATE: September 1, 2002 PAGE: 64 | | |

Newfoundland Power can hike rates

ST. JOHN'S, Nfld. (CP) — The cost of electricity in Newfoundland is going up.

The province's Public Utilities Board has given Newfoundland Power permission to raise its rates 3.68 per cent effective Sept. 1.

The company gets its electricity from Newfoundland and Labrador Hydro. The board has also given that company permission to increase its rates.

The effect on residential customers will vary according to the amount of electricity used.

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| NEWSWATCH | The Southern Gazette Marystown, NF | POSITION | |
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| DATE: Sept. 4, 2002 PAGE: | | A 1 | |

Newfoundland Power increases rates to recover costs

The Newfoundland and Labrador Board of Commissioners of Public Utilities approved an increase to Newfoundland Power's electrical rates of about 3.86 per cent, which took effect Sunday.

Newfoundland Power Inc. received approval, last Wednesday, to flow through the increase in purchased power costs from Newfoundland and Labrador Hydro.

Barry Perry, - Vice-president of Finance and Chief Financial Officer for Newfoundland Power - explained the increase in customer rates is a direct result of the PUB's recent approval of Hydro's increase of 6.5 percent it is charging his company for power since Sunday.

Newfoundland Power buys about 90 percent of its energy requirements from Hydro. This represents about 65 percent of the company's annual operating expenses - purchased power is therefore its largest single expense.

The PUB also ordered Newfoundland Power to file a general rate application by Oct. 11, to set 2003 electrical rates. Mr. Perry stated the order to set the 2003 rates was expected as Newfoundland Power's last general rate order was issued by the PUB in January 1999.

"The Sept. 1 rate change will only recover the increase in the costs associated with our purchase of power from Hydro in 2002," he explained.

"After this rate change, residential rates will still remain the lowest in Atlantic Canada."

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| NEWSWATCH | The Gulf News Port Aux Basques, NF | POSITION | |
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| | DATE: October 7, 2002 PAGE: | 4 | |

Power company upsets resident

Dear Editor:

Please print this letter in **The Gulf News** that I sent to Mr. Matthews.

I need to bring to your attention the grave nature in which Newfoundland Power treat the very customers they serve in Port aux Basques.

While they tell you they don't put power lines over houses and sheds they indeed do so because they have been policing them selves for years, and answer only to themselves! In fact, a visit out around the town would prove other wise.

To add to the problem, no one enforces the rules set by provincial and federal agen-

cies, at least not out in the field where the trouble lies like a ticking time bomb. Newfoundland Power will tell you that yes, your house will indeed burn down, but they often refer to it as a customer problem and that they have to pay the bill to remove it, in my case \$20,000.

My house has been sitting on the same property since 1951, and along with two sheds, which my Dad used to house his fishing gear etc. years later, the power company strung power lines directly over the sheds, which are only feet away from the house, because of lack of

space and available land.

I was present when this was done and at no time where we informed that the lines carried 10,000 volts posing a clear and present danger. Over a disputed permit from the town, because of the wires, only then did Newfoundland Power tell me about the danger. Needless to say I now fear for the safety of my family and home. Yet they continue to violate their own rules and they do not have any kind of permission to do so, either written or verbal.

Newfoundland Power must be held accountable and correct this violation of

taxpayers rights. I have since photographed many other homes in town and I am contacting owners to warn them of the danger.

To further make things worst, I was told that if for any reason they have to remove the meter, they would not hook me up since I started complaining about it. Sounds like blackmail to me!

I need you to help me and others living danger, some not knowing it, to insist that they remove the lines they put there. Thank you again sir.

Sincerely,
Stuart Pearce

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| NEWSWATCH | The Telegram St. John's, NF | POSITION | |
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| | DATE: October 10, 2002 | PAGE: D1 | X |

Downtown getting electrical upgrade

Newfoundland Power Inc. is upgrading part of its underground distribution system in downtown St. John's to the tune of \$360,000. That work has already begun in the Water Street and Baird's Cove area.

Downtown businesses are now served from a single source electrical feed, and the upgrade will provide a backup power supply in future.

"Through careful monitoring of our system and timely replacement of our equipment, we are able to offer our customers improved reliability and higher quality service," said Earl Ludlow, vice-president of engineering and operations for Newfoundland Power.

The utility says it will spend about \$57 million to improve its electrical system across the island.

Meanwhile, the downtown project experienced a minor delay Wednesday when a backhoe on the site broke the casing on a powerline at Baird's Cove, shorting electrical power to the area.

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| DATE: October 12, 2002 PAGE: A4 | | |

Newfoundland Power seeks rate increase

BY PAT DOYLE
The Telegram

Newfoundland Power is seeking a 1.39 per cent increase in its electrical rates, to be effective May 1, 2003.

The utility submitted an application to the Public Utilities Board (PUB) Friday afternoon in response to an earlier order by the board.

"For an average residential customer, this will mean an increase of less than \$1 per month for non-electric heat customers and less than \$2 per month for an electric heat customer," the company said.

"Newfoundland Power's electrical rates will remain the lowest in Atlantic Canada."

However, Dennis Browne, government-appointed consumer advocate, said Friday no further increase for Newfoundland Power is justified at this time and the request should be rejected by the PUB.

The proposed 2003 increase follows a 3.68 per cent increase granted to Newfoundland Power by the PUB in late August, after the board had granted a

6.5 per cent increase to Newfoundland and Labrador Hydro earlier that month. It became effective Sept. 1.

When the PUB granted Newfoundland Power the 3.68 per cent increase in August, it also ordered the utility to file a general rate application for 2003 no later than 4 p.m. Friday.

The proposed May 1 increase is "necessary for the company to continue to maintain and improve the electrical system, to preserve the company's financial integrity and to cover the costs associated with the regulatory process," said Philip Hughes, the utility's president and CEO.

Newfoundland Power is continuously working hard to keep electrical rates for its customers the lowest in Atlantic Canada, Hughes said.

"We have achieved this by significantly reducing costs, improving productivity and increasing the use of technology."

During the past five years, Newfoundland Power's electrical rates have decreased by about one per cent, excluding flow-through rate increases from Newfoundland and Labrador Hy-

dro, Hughes said.

"Including rate increases from Hydro to Newfoundland Power, electrical rates have increased a total of approximately three per cent during the last five years," he said.

"Our goal is to achieve a balance that ensures we provide our customers with safe, reliable electrical service while keeping the cost of that service as low as reasonably possible for our customers."

To accomplish that, it is important the company continues to maintain its creditworthiness and attracts the investment necessary to ensure the reliability of the provincial electrical system, he said.

Increase would mean millions

Browne said the rate increase, if granted, would be in the millions of dollars collectively.

"It's our position that the PUB should reject Newfoundland Power's application to increase electricity rates by millions of dollars collectively."

Browne said Newfoundland Power's customers owe about \$70 million in

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the Rate Stabilization Plan (RSP) due to the cost of burning Bunker C oil from 1992 to 2002. That is because the price per barrel used for the plan was \$12.50 a barrel, although the cost rose to over \$40 per barrel during that time.

He said the PUB has already booked rate increases in the RSP for consumers for the years 2003 and beyond to pay for that oil bill.

"So, if Newfoundland Power is seeking a rate increase in the millions of dollars, they'll have to stand in line because the PUB has already booked increases for 2003.

"So this will be the second increase in 2003."

In addition, Browne said he understands the price of oil has "gotten out of whack again, so we anticipate Hydro is going to be looking for more money in 2003 as well."

Browne added, "From the consumers' perspective, until the existing oil bill is paid, there should be no increase in electricity rates in the province."

The PUB has decided the \$70 million has to be paid and that should be the priority, he said.

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Newfoundland Power seeks electricity rate increase

ST. JOHN'S — Newfoundland Power is seeking a 1.39 per cent increase in its electrical rates, to be effective May 1, 2003.

The utility submitted an application to the Public Utilities Board (PUB) Friday afternoon in response to an earlier order by the board.

"For an average residential customer, this will mean an increase of less than \$1 per month for non-electric heat customers and less than \$2 per month for an electric heat customer," the company said. "Newfoundland Power's electrical rates will remain the lowest in Atlantic Canada."

However, Dennis Browne, government-appointed consumer advocate, said Friday that no further increase for Newfoundland Power is justified at this time and the request should be rejected by the PUB.

The proposed 2003 increase follows a 3.68 per cent increase granted to Newfoundland Power by the PUB in late August, after the board had granted a 6.5 per cent increase to Newfoundland and Labrador Hydro earlier that month. It became effective Sept. 1.

When the PUB granted Newfoundland Power the 3.68 per cent increase in August, it also ordered the utility to file a general rate application for 2003 no later than 4 p.m., Friday.

The proposed May 1 increase is "necessary for the company to continue to maintain and improve the electrical system, to preserve the company's financial integrity and to cover the costs associated with the regulatory process," said Philip Hughes, the utility's president and CEO.

Newfoundland Power is continuously working hard to keep electrical rates for our customers the lowest in Atlantic Canada, Hughes said.

"We have achieved this by significantly reducing costs, improving productivity and increasing the use of technology."

Over the past five years, Newfoundland Power's electrical rates have decreased by about one per cent, excluding flow-through rate increases from Newfoundland and Labrador Hydro, Hughes said.

"Including rate increases from Hydro to Newfoundland Power, electrical rates have increased a total of approximately three per cent during the last five years," he said. "Our goal is to achieve a balance that ensures we provide our customers with safe, reliable electrical service while keeping the cost of that service as low as reasonably possible for our customers."

To accomplish that, it is important the company continues to maintain its cred-

itworthiness and attracts the investment necessary to ensure the reliability of the provincial electrical system, he said.

Browne said the rate increase, if granted, would collectively be in the millions of dollars.

"It's our position that the PUB should reject Newfoundland Power's application to increase electricity rates by millions of dollars collectively."

Browne said Newfoundland Power's customers owe about \$70 million in the Rate Stabilization Plan (RSP) due to the cost of burning Bunker C oil from 1992 to 2002. That is because the price per barrel used for the plan was \$12.50 a barrel, although the cost rose to over \$40 per barrel during that time.

He said the PUB has already booked rate increases in the RSP for consumers for the years 2003 and beyond to pay for that oil bill.

"So if Newfoundland Power is seeking a rate increase in the millions of dollars, they'll have to stand in line because the PUB has already booked increases for 2003. So this will be the second increase in 2003."

In addition, Browne said he understands the price of oil has "gotten out of whack again, so we anticipate Hydro is going to be looking for more money in 2003 as well. From the consumers' perspective, until the existing oil bill is paid, there should be no increase in electricity rates in the province."

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The Telegram
St. John's, NF

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DATE: October 14, 2002

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Libraries have new resources on autism

The Autism Society of Newfoundland and Labrador held a resource launch at the A.C. Hunter Library in the St. John's Arts and Culture Centre recently to celebrate the donation of provincial resources on autism to 12 regional libraries. This initiative is supported financially by the RCMP through proceeds of the force's Klondike Night event, and by Newfoundland Power through donated computers. Pictured, left to right, are: Susan Tobin, executive director of the Autism Society; Nora Duke of Newfoundland Power; Joyce Churchill, president of the Autism Society; Michelle Walters of provincial libraries; Judy Foote, the province's education minister; Insp. Leigh DesRouches of the RCMP; and Dianne Dawson of the Bay Roberts chapter of the Autism Society.



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Utility has good Q3

Newfoundland Power Inc. released its 2002 third-quarter results Tuesday.

The company's year-to-date earnings were \$23.3 million, down \$1.3 million from \$24.6 million for the same period last year.

Earnings for the third quarter were \$3.9 million, an increase of \$500,000 from the same quarter last year.

Year-to-date energy sales were 3,603 gigawatt hours (GWh), up 1.5 per cent from the same period last year. Energy sales for the third quarter were 828 GWh, up 2.1 per cent from the same quarter last year.

The increase was primarily because of growth in residential sales.

Purchased power costs to the end of the third quarter were \$149.5 million, an increase of \$1.5 million or one per cent over the same period last year. That increase was primarily owing to higher energy sales and the increase in the purchased power rate from Newfoundland and Labrador Hydro.

In the past year, Newfoundland Power has invested about \$57 million to enhance its electrical system.

Recently, Hydro was approved by the Public Utilities Board (PUB) to increase the rate it charges Newfoundland Power for power by 6.5 per cent, effective Sept. 1 this year. The PUB also approved Newfoundland Power's application to flow through the increase in purchased power costs, and as a result, customers were hit with a 3.68 increase in electrical rates, also on Sept. 1.

On Friday, Newfoundland Power met PUB's deadline to file a general rate application for 2003. The company is seeking a rate increase of 1.39 per cent, which would take effect May 1 next year.

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Upgrade continues on Shore

A major upgrade to the electrical system on the Southern Shore to rebuild a section of the transmission line between Goulds and Mobile has been started by Newfoundland Power.

Earl Ludlow, vice-president of engineering and operations, said rebuilding the transmission line between Goulds and Mobile will allow the system to better withstand harsh weather conditions, provide easier access for Newfoundland Power crews and enable the utility to offer customers in the area improved reliability.

"Throughout the fall, Newfoundland Power crews from St. John's, Carbonear and Whitbourne will replace an 11-kilometre section and upgrade a 10-km section of the transmission line," Ludlow said.

"The project will include installing new poles, anchors, conductors and hardware to strengthen the line."

He said the project will cost approximately \$800,000.

The company will continue to upgrade the transmission line between Goulds and Mobile in 2003.

By the end of 2002, Ludlow said, the company will have invested approximately \$57 million in capital programs across the island to enhance its electrical system.

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Nfld. Power wins award

ST. JOHN'S — A commitment to human resources and its People Strategy helped Newfoundland Power Inc. win the Gold Star Agency Award recently from the International Personnel Management Association-Canada (IPMA).

"This is Newfoundland Power's first national award in human resources and we are very honoured to be recognized with such a prestigious award," said Philip G. Hughes, president and chief executive officer of Newfoundland Power.

"The company is committed to providing employees with the right tools, training and information to help them reach their highest potential. As a company, we have experienced many successes as a result of our focus on our employees."

Newfoundland Power's People Strategy focuses on employee strengths and potential and challenges employees to effectively utilize their talents to support personal and company success, he added.

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Fortis reports record Q3 earnings

BY PAT DOYLE
The Telegram

Fortis Inc., a diversified electric utility holding company, has reported record earnings of \$18 million for the third quarter of 2002.

The earnings for the three-month period ended Sept. 30 were \$6.3 million higher than earnings for the same period of 2001.

Earnings per common share for the recently completed quarter were \$1.05, a 35 per cent increase over the third quarter of last year.

"Our strategic investments in Ontario and Belize and the strong performance of Fortis Properties made significant contributions to current quarter results and year-to-year performances," said Stan Marshall, president and chief executive officer of the company.

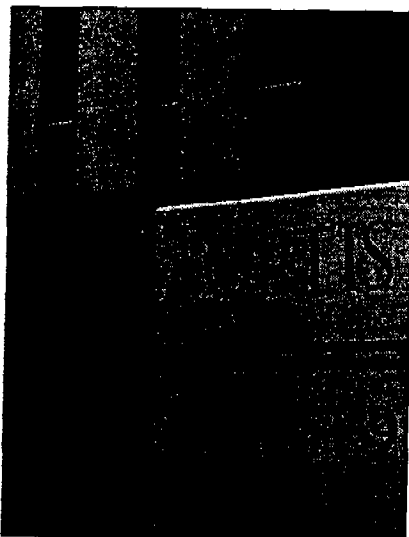
"All our operating companies produced very good results this quarter."

Fortis is the parent company of Newfoundland Power, Maritime Electric (which includes FortisUS Energy), Canadian Niagara Power and Cornwall Street Railway Light and Power Co. Ltd., Belize Electric Co. Ltd., and Fortis Properties, and has 67 per cent interest in Belize Electricity Ltd. (BECOL); and 22 per cent of the Caribbean Utilities Co., Cayman Islands.

Marshall said earnings for the year to date were \$49.5 million compared to recurring earnings of \$40.2 million and total earnings of \$43.7 million for the same period in 2001.

Earnings per common share, year to date, increased to \$3.10 from recurring earnings of \$2.70 and total earnings per common share of \$2.94 for the same period last year.

"The increase in earnings was primarily attributable to the acquisition in July of the remaining 50 per cent interest in Canadian Niagara Power; higher wholesale energy prices in Ontario; increased earnings from Fortis Properties; and a reduction in corporate expenses associated with the implementation of new accounting rules



GARY HEBBARD/THE TELEGRAM
Fortis reported a healthy third quarter Wednesday. Profits hit a record \$18 million.

regarding goodwill amortization," Marshall said.

He said Fortis' disciplined acquisition strategy continues to deliver strong earnings to shareholders.

"We have taken significant steps to grow our utility assets in Ontario and to expand our foothold in that province," Marshall said.

Fortis' revenue for the third quarter increased to \$169.9 million from \$137.6 million, while year to date revenue was \$519.2 million from \$473.9 million.

"In order to provide full disclosure and transparency in reporting results, Fortis has adopted the practice of expensing stock-based compensation and has recorded \$200,000 in compensation expense year to date," Marshall said, adding Fortis expects to achieve record earnings in 2002 for the third consecutive year.

"We will continue to pursue our strategy of profitable growth while delivering increased earnings to our shareholders and providing our customers with quality service at reasonable cost," he said.

Fortis reported that Newfoundland Power's third-quarter earnings were

\$3.9 million, an increase of \$500,000, while earnings to date were \$23.3 million, a decrease of \$1.3 million.

The year to date earnings were higher in 2001 due to a tax refund from Canada Customs and Revenue Agency related to the resolution of a long-standing income tax issue.

"The increase in earnings for the third quarter resulted from an increase in energy sales of 2.1 per cent and increased pole rental revenues, partially offset by a 0.6 per cent decrease in electricity rates effective Jan. 1, 2002," the company said.

Maritime Electric's earnings for the third quarter were \$1.6 million, which was comparable to last year's third quarter, Fortis said.

Earnings year to date were \$5.2 million, \$200,000 lower than in 2001.

The decrease was primarily attributable to an increase in purchased power expenses associated with higher energy prices, and an increase in purchased power expenses associated with outages of the New Brunswick Power's Point Lepreau Nuclear Generating Station.

Canadian Niagara Power contributed \$4.8 million to earnings in the third quarter and \$7.3 million to year to date earnings.

Belize Electricity contributed \$2.3 million to third-quarter earnings comparable to 2001, with an eight per cent increase in year to date earnings.

BECOL contributed \$3.1 million to earnings in the third quarter compared to \$3.4 million in 2001, despite a significant increase in financing costs. The year to date contribution was \$3.6 million up from \$3.1 million.

Marshall said dividends of \$1.3 million from Caribbean utilities were included in the earnings of Fortis in the third quarter, as compared to \$1 million in 2001.

For the year to date, dividends were \$3.7 million compared to \$3.1 million.

Fortis Properties' earnings for the third quarter were \$3.5 million, up from \$2.2 million in 2001. For the year to date, earnings were \$6.9 million, an increase of \$1.8 million.

NEWSWATCH

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Date set for rate hike hearing

BY PAT DUTLE
The Telegram

A public hearing on Newfoundland Power's application for a 1.39 per cent rate increase is scheduled to begin Feb. 5.

The date was set at a pre-hearing conference held by the Public Utilities Board (PUB) Wednesday.

Newfoundland Power's application, submitted Oct. 11, asks that the new rates take effect May 1, 2003.

The primary purposes of Wednesday's pre-hearing conference were to identify interveners for the public hearing and set its date, and establish the procedures to be followed.

Newfoundland Power was represented at the session by Gillian Butler, a litigation and mediation lawyer, and Peter Alteen, corporate counsel.

Two interveners

There are only two interveners: consumer advocate Dennis Browne and Newfoundland and Labrador Hydro. Browne was accompanied by his coun-

sel, Stephen Fitzgerald. Representing Hydro were lawyers Maureen Greene and Geoff Young.

The pre-hearing conference was conducted by a three-member panel: Robert Noseworthy, the PUB's chairman and CEO; Darlene Whalen, vice-chairwoman; and William Finn, part-time commissioner and a Carbonear lawyer.

Newfoundland Power said it needs the rate increase in order to continue to maintain and improve the provincial electrical system, preserve the company's financial integrity, and cover the substantial costs associated with the regulatory process.

Newfoundland Power has also asked the PUB to approve accounting treatments and policies to take effect Jan. 1, 2003 in order to:

- Amortize the recovery over a five-year period of an amount of \$5.6 million that has accumulated in the weather normalization reserve;
- Adopt on a prospective basis, the market-related method of valuing pension assets for the purposes of de-

termining pension expenses;

- Amortize over a three-year period the estimated board and consumer advocate's regulatory costs of \$1.2 million incurred with respect to the rate-increase application;

- Credit one-half the balance of \$944,000 in the excess revenue account to Newfoundland Power's revenues in each of 2003 and 2004 to reduce revenue requirements from rates that would otherwise be recovered from customers in those years.

The utility also proposes that the board approve a provision for customer recovery of the remaining balances of the 1992 and 1993 excess earnings by reducing revenue requirements to be recovered from rates by \$176,000 in 2003 and \$349,000 in 2004.

Newfoundland Power said the requested rate increase would mean an increase of less than \$1 a month for non-electric heat customers and less than \$2 a month for electric heat customers.

In a briefing document in its application, Newfoundland Power said that over the past five years — excluding flow-through rate increase from Hydro — Newfoundland Power's rates have decreased by approximately one per cent.

It said gross operating expenses have been reduced by three per cent in the past five years and by 22 per cent since 1992; the work force has been reduced by 14 per cent in five years and by a total of 33 per cent since 1992; and the number of customers has increased by three per cent in five years and by 10 per cent since 1992.

This year, the utility will spend \$57 million in its capital budget, with \$56 million proposed for the 2003 capital budget.

Over the past 10 years, the company has invested more than \$400 million in the provincial electrical system.

Newfoundland Power said it has 220,000 customers and 665 full-time regular employees.

It purchases 90 per cent of its power from Hydro, and owns 32 generating stations and 10,000 kilometres of power lines.

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Sick children will benefit from man's life-saving deed

By FRANK GALE
Star Staff Writer

STEPHENVILLE

The Bay St. George Sick Children's Foundation has benefited because of a life-saving act by an employee of Newfoundland Power earlier this year.

Ralph Payne, a native of Cow Head, saved an elderly man's life in a Chinese restaurant in Corner Brook during the spring of this year when he put training he received with the company into action.

He was working in Corner Brook at the time, but has since moved to Stephenville with the company and chose the Bay St. George Sick Children's Foundation as the charity to which he would donate the \$1,000 from the company he works for because of his life-saving deed.

Payne said he and his youngest son were at the restaurant and as he was passing the table of the only other two customers in the establishment at the time, he heard the lady ask the man if he wanted to go to the hospital.

He noticed that the man was having some trouble with his breathing, so he went to the phone and dialed 911. While he was at the phone the man stopped breathing and thinking that he has swallowed a bone or had some other blockage in his throat, Payne performed the Heimlich manoeuvre on him, but nothing happened.

Payne then proceeded to put the man down on the floor and performed mouth to mouth resuscitation. After just a short while the man started to breathe again and that's when the paramedics arrived and took over.

He later learned that the elderly man, who was to celebrate his 80th birthday the following day, had congested heart failure.

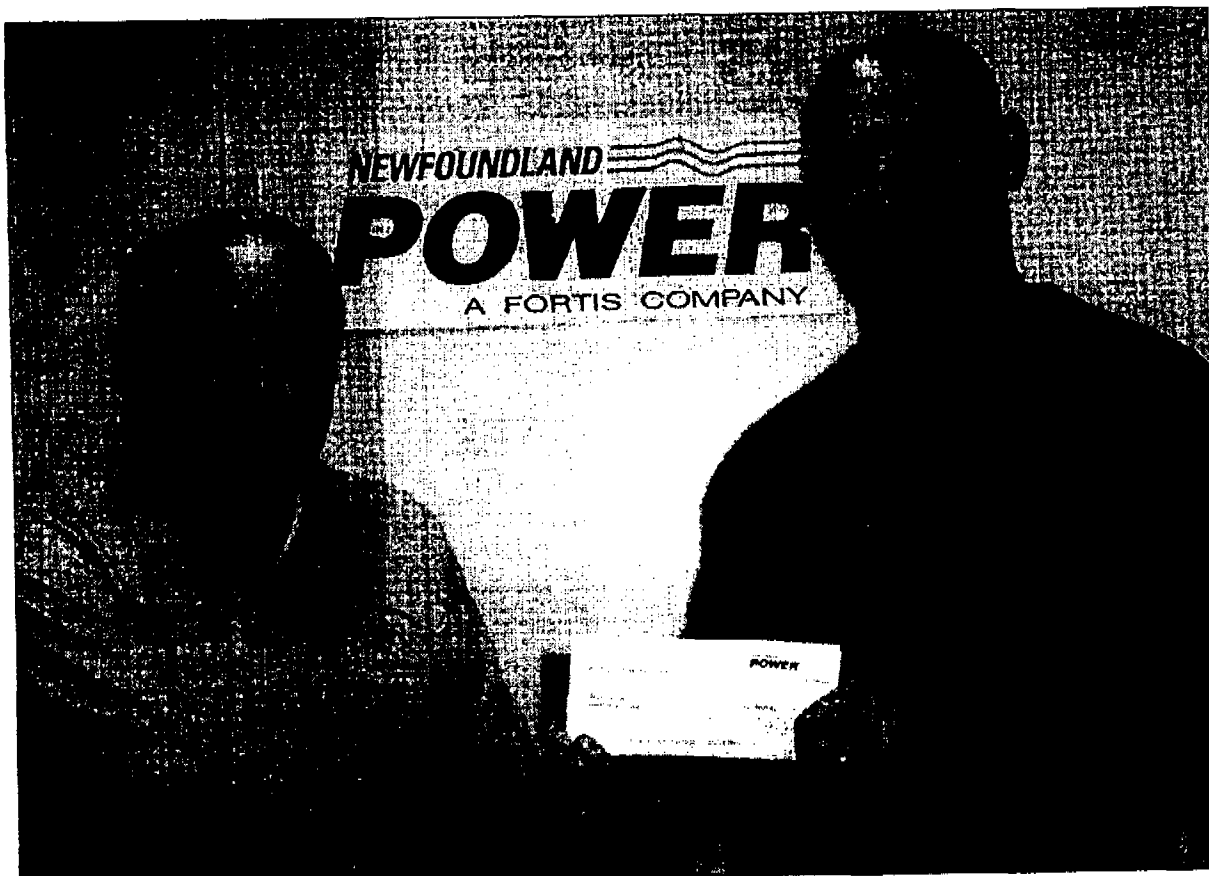
Payne said since that time, the man's lady friend has sent him a letter thanking him for his quick action and assuring him that he is doing okay.

Payne said employees with Newfoundland Power train in many areas of safety and that CPR and first aid are two components which they have to renew every couple of years.

In recognition of life-saving deeds, Newfoundland Power gives the employee a cheque for \$1,000 which is made out to a charity of that person's choice.

Jack Cook, treasurer for the Bay St. George Sick Children's Foundation, said he was very pleased that Payne chose their organization and felt that it was fitting since they help young people and their families in a time of need.

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Star photo by Frank Gale

Jack Cook, left, treasurer for the Bay St. George Sick Children's Foundation, accepts a \$1,000 cheque from Ralph Payne, an employee of Newfoundland Power

who performed a life-saving act and had the choice of donating the money, provided by his employer, to a charity of his choice.

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Newfoundland Power helping schools bloom

Research has proven that trees help reduce stress. Trees also connect us with nature and enhance the value of communities. In fact, hospital patients with a window view of trees recover significantly faster than comparable patients without access to such views.

Since 2000, Newfoundland Power has hosted 20 major tree planting and community beautification events across Newfoundland. During these events, Newfoundland Power employees work in partnership with community volunteers and the Tree Canada Foundation planting trees in communities and schoolyards.

To date, nearly 700 trees have been plant-

ed benefitting the environment and helping to beautify community green spaces across Newfoundland.

Last June, to celebrate Corner Brook being named as the Forestry Capital of Canada for 2002, Newfoundland Power and Tree Canada held tree-planting activities at three Corner Brook schools. Working to enhance each school's grounds, Company employees, retirees and family members along with teachers and students came together to plant a total of 45 trees at C. C. Loughlin Elementary School, Presentation Junior High and Regina High School.

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SUBMITTED PHOTO

Newfoundland Power is helping schools bloom by donating trees to the Forest Capital of Canada 2002 lasting legacy. Taking part in the ceremony (from left) are: Forest Capital committee member Dr. David Smallwood, Marti, the Pine Martin mascot, committee member Mike Parsons, Presentation Junior High student Julien Roger, Newfoundland Power western regional manager Phonse Delaney, Presentation teacher Lisa Thistle and the power company's environmental co-ordinator Harvey St. Croix.

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Newfoundland Power helping schools bloom

Continued from page 4

"When school playgrounds don't have trees, children are at risk of over-exposure to sun rays, because there aren't shaded areas to play in," said Denise MacDonald, C.C. Loughlin Elementary School vice-principal.

"With the help of Newfoundland Power, we're continuing to fill our grounds with trees that provide a safer, shaded playground."

Ms. MacDonald also believes these tree planting activities extend into the classroom.

"When children are expected to plant and care for the plants on school grounds, they learn to value plants and more importantly," she said. "They learn to respect our environment and these activities give students hands-on experience in planting trees."

"They also involve them within the community," she added.

Newfoundland Power's tree planting initiative is part of the company's Environment Commitment Program. Since implementation in 1997, employees have touched the lives of thousands of Newfoundlanders through their commitment of protecting and enhancing the environment.

The company, through its employees, has initiated more

than 250 environmental partnerships with local community groups and schools across the island.

"This was the company's second tree-planting project in Corner Brook," said Harvey St. Croix, Newfoundland Power's environmental co-ordinator and customer service specialist in Corner Brook.

"Last year we did a similar project at Herdman Collegiate. We also support other environmental projects, such as our annual EnviroFest, Fish Friends, Christmas tree mulching and leaf composting projects."

Newfoundland Power's environmental co-ordinators work with employees, schools and environmental organizations to identify opportunities to promote environmental awareness. From working with communities to develop nature trails to holding recycling events and environmental festivals, the company's environmental co-ordinators are well known in their communities for initiating positive environmental action.

"Our employees are enthusiastic about getting involved in community environmental projects," said Mr. St. Croix.

"We enjoy partnering with community groups to carry out projects that will benefit the communities in which we live and work."

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Newfoundland Power owes customers part of profits: advocate

ST. JOHN'S — The province's consumer advocate on the electricity industry says Newfoundland Power owes Newfoundlanders and Labradorians more than \$1 million.

Dennis Browne, who is also a St. John's lawyer, says the power company earned too much profits in recent years — and it should be rebated to consumers.

"Newfoundland Power has paid this money into the Public Utilities Board excess revenue account, but has made application to keep the money for their own revenue requirements rather than rebate the amounts to consumers."

Browne made that argument during the first day of Public Utilities Board (PUB) hearings on Newfoundland Power's capital budget Wednesday.

"It's our position that excessive earnings should always be returned to consumers," he said. "That's the only way the system can work."

Browne says the power company's rate of return is supposed to be 9.25 per cent annually. "They've

exceeded that in the last two years," he said.

The public hearings continue today.

Newfoundland Power has also requested a rate hike of 1.4 per cent, and PUB hearings on that request are scheduled for February.

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Utility owes \$1M to customers: advocate

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Power rates not the cause

Newfoundland Power says columnist's outmigration claim unsupported

The following is in response to a column by Brian Jones on Nov. 8.

Mr. Jones' claim that the cost of electricity is contributing to the province's out-migration is unfair and misleading — just one of the many misleading statements found in his editorial of Nov. 8. As a Newfoundland and Labrador company that has employed the people of this province for almost 120 years, we believe out-migration is a very serious and sensitive issue.

Low power cost

Mr. Jones is severely distorting this important issue by attempting to make a correlation between the cost of electricity — the lowest in Atlantic Canada — and out-migration in this province. In fact, nothing could be further from the truth as Newfoundland Power's electrical rates are lower than Toronto and

lower than Calgary.

Newfoundland Power is a proud contributor to our province's growing economy. We employ over 650 people across the island and are a major consumer of local goods and services. Our dedication to the people of this province is further demonstrated by our many community partnerships and the untiring community-spirit of our employees, families and retirees.

Over the past 10 years, Newfoundland Power has invested in excess of \$400 million in capital programs to enhance the provincial electrical system.

Our proposed capital budget for 2003 is approximately \$56 million. This investment is focused on maintaining the safe, reliable delivery of electrical service to customers at the lowest possible cost while investing in the province's growth and electrical infrastructure.

Newfoundland Power is helping to make our province an attractive place to do business. Every day, businesses across the island rely on us to provide a stable supply of electricity. We are also working hard to keep electrical rates the lowest in Atlantic Canada by aggressively focusing on operating efficiencies.

Simply put, we believe that the safe, reliable supply of electricity at competitive rates has and will continue to attract new investment to our province. It also contributes to the bottom line for business, which in turn actually encourages employment growth — the very opposite of what Mr. Jones is suggesting.

*Bob Pike
manager, corporate communications
and customer service
Newfoundland Power*

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Leaf composting participants learn an environmental lesson

By MELANIE CALLAHAN
Star Staff Writer

CORNER BROOK

Thanks to the annual leaf composting project, fallen leaves will become part of healthy soil instead of waste.

On Saturday, volunteers picked up leaves from houses in the community and then dropped them off at the leaf composting site near the Blow-Me-Down Cross-Country Ski Club. From here, the leaves will be mixed with manure to help accelerate the decomposition. The leaves will sit there throughout the winter where it will break down to provide nutrients for soil. In the spring, the mulch will be available for use in gardens.

The project's goal was two-fold, explained Edward Smith, project spokesperson. Firstly, composting leaves diverts organic waste from the Wild Cove dump site on the north shore of the Bay of Islands. This will help prolong the life of the landfill, he said. Secondly, this project helps bring awareness to important waste management issues. Smith hopes that people will learn to take responsibility for what they put in a garbage bag headed for the dump.

For those who missed the leaf composting day, it's not too late to properly dispose of your autumn leaves. The site is still open and people can drop off their leaves, being sure to take away their garbage bags, or they can compost them at home. Many gardeners know, Smith said, that mixing these leaves with green compost, such as plants, will create healthy soil in the spring.

"The leaves will mulch and this is good for the soil as it will help to boost



Star Photo by Melanie Callahan

College of the North Atlantic students Sheena Crocker and Andrew Clarke participated in the third annual leaf composting project Saturday.


nutrients."

Smith hopes to see this project continue into the future, leading ultimately to a city of Corner Brook waste management plan that would include composting.

Volunteers from Newfoundland Power, Conservation Corps, College of the North Atlantic, City of Corner Brook and the Community Recycling

and Waste Management Committee took part.

To compliment their curriculum, students from the Natural Resources Programs at the College of the North Atlantic, including the Forest Resources, Environmental Engineering and Fish and Wildlife programs, were on hand to contribute to the project.

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Newfoundland Power donates trees to beautify area schools

CORNER BROOK

Newfoundland Power is doing its part in helping local schools bloom.

Research has proven that trees help reduce stress. Trees also connect people with nature and enhance the value of communities. In fact, hospital patients with a window view of trees recover significantly faster than comparable patients without access to such views.

For these reasons, Newfoundland Power has hosted 20 major tree planting and community beautification events across Newfoundland since 2000. During these events, the company's employees work in partnership with community volunteers and the Tree Canada Foundation, planting trees in communities and schoolyards. To date, Newfoundland Power employees and community volunteers have planted nearly 700 trees, benefiting the environment and helping to beautify community green spaces across Newfoundland.

Last June, to celebrate Corner Brook's naming as the Forestry Capital of Canada for 2002, Newfoundland Power and Tree Canada held tree-planting activities at three Corner Brook schools. Working to enhance the schools' grounds, Newfoundland Power employees, retirees and family mem-

bers, along with teachers and students came together to plant a total of 45 trees at C.C. Loughlin Elementary School, Presentation Junior High and Regina High School.

"When school playgrounds don't have trees, children are at risk of over-exposure to sun rays because there aren't shaded areas to play in," said Denise MacDonald, C.C. Loughlin's vice-principal. "With the help of Newfoundland Power, we're continuing to fill our grounds with trees that provide a safer, shaded playground."

MacDonald believes these tree planting activities extend into the classroom.

"When children are expected to plant and care for the plants on school grounds, they learn to value plants and, more importantly, they learn to respect our environment," she said. "These activities give students hands-on experience in planting trees. They also involve them with the community."

Newfoundland Power's tree planting initiative is part of the company's Environmental Commitment Program. Since implementing this program in 1997, Newfoundland Power employees have touched the lives of thousands of Newfoundlanders through their commitment to protecting and enhancing

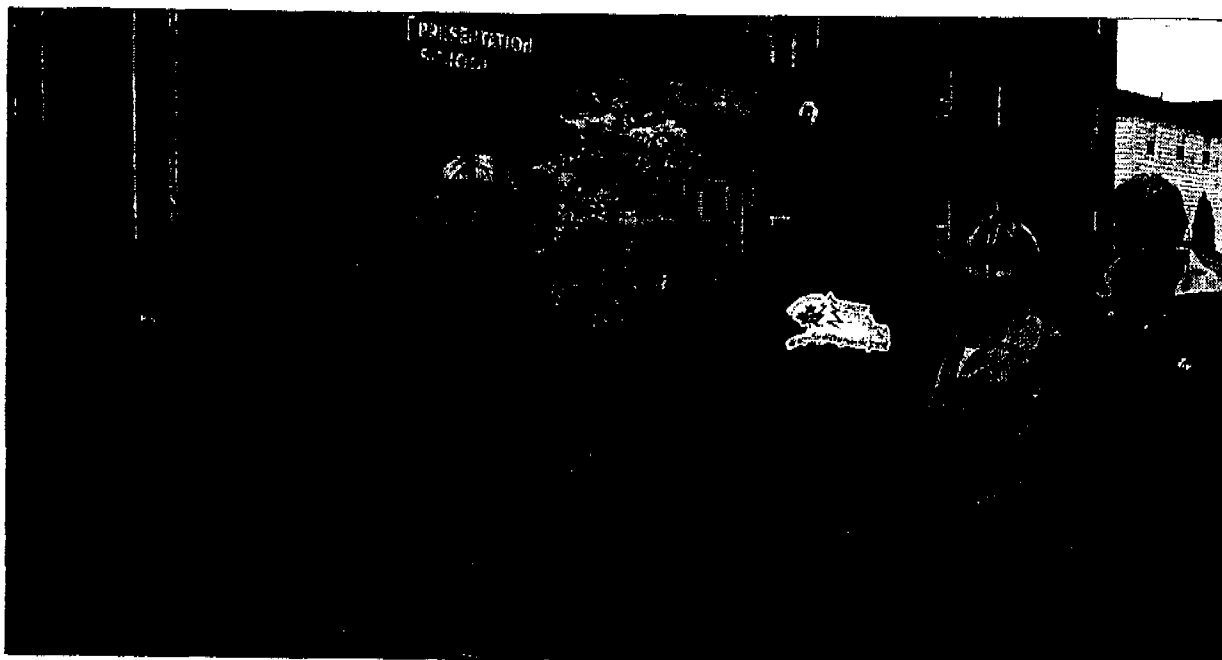
the environment. The company, through its employees, has initiated more than 250 environmental partnerships with local community groups and schools across the island.

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Star Photo by Gary Kean

To celebrate Corner Brook's designation as Forestry Capital of Canada 2002, Newfoundland Power recently hosted tree-planting activities at three city schools. Taking part in a tree-planting at Presentation Junior High School were, from left, Harvey St. Croix, Newfoundland Power's environmental co-ordinator and customer service specialist in Corner Brook; Phonse Delaney, Newfoundland

Power's western regional manager; Mike Parsons, Forest Capital of Canada committee member; Lisa Thistle, Presentation teacher; Julien Roger, a Grade 8 Presentation student; Marti the pine marten, Forest Capital of Canada mascot; Tracey Humphries, Forest Capital of Canada project co-ordinator and David Smallwood, Forest Capital of Canada committee chairperson.

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Advocate says he's accessible to all of province's youth

By CORY HURLEY
Star Staff Writer

ST. JOHN'S — Lloyd L. Wicks, child and youth advocate for Newfoundland and Labrador, promises his newly opened office will reach out to all of the province's young people.

Wicks has put together a staff which will focus on public programs and services that have an impact on children and youth under 19. The advocate will also review inquiries and complaints concerning individual children and youth, up until the age of 19, and from youth who are in care or custody until the age of 21.

Wicks, who was sworn in last Monday, said although his office and staff are located in St. John's, their short- and long-term goals are focused around the youth of the entire province.

"The office is a provincial office, for the whole of the province including Labrador. While the office is located in St. John's, it's a provincewide institution that will serve everybody that needs service," Wicks told **The Western Star**. "We fully intend to be available to all of the province, you have to be physically located somewhere and that just happens to be here."

While it's still a little early to discuss specific details of their plans and goals, Wicks believes they'll have no

problem spreading word of their operation.

"The overall plan is to make this office well known and we'll be doing that through a lot of public speaking, sending out brochures, pamphlets, posters, circulars and news media stuff," he explained. "We'll have on staff shortly an education officer for that very purpose, so there will be opportunities for groups like schools or organizations to meet some of us and have information sessions and the like."

"Our attempt will be to make this office very user friendly. It's not meant to be stuffy or difficult to get to and I think you'll see, as we move on, that my intention is to be open, transparent, available and confidential. Being new it's really difficult to be specific because we haven't had the time to be yet."

The advocate is already getting information out to the public. Newfoundland Power has agreed to place information on the child and youth advocate office with next month's bill. "That goes in every home, office, school and institution in the province, so everybody will have a card they can hold onto to have access to us," explained Wicks.

As well, a toll-free telephone number and e-mail address are now accessible and Web site will soon be available.



LLOYD L. WICKS

Wicks admits there may be times when dealing with matters straight out of the office won't be sufficient, and he is prepared for that as well.

"My staff and I will periodically visit different parts of the province and meet with people," he said. "There will be speaking engagements and seminars, we'll be having a fairly broad educational program about the office."

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"We plan to make it very pro-active as well as re-active, to the extent that we have the facilities and the staff to meet the need, and when we don't we'll just look for more staff.

"Who knows what down the road might happen, whether there be additional branch offices or not, this is new and we're starting from scratch. We have to build on that and assess the needs as the matters come before us. When we know what our load is, we'll try to keep up with it by utilizing all the facilities and staff we have, when that doesn't appear to be enough I'll be the first off the mark to request from the House of Assembly further staff."

Wicks said he will do everything he possibly can for the youth of this province, and that's why an advocate is there.

"The underlying mandate of all this is, this office deals with problems or complaints by, or on behalf of, children or youth who are entitled to, receiving, should be receiving a government service or service from a government agency and where somebody feels that a child or young person is not receiving that service," he said. "That is when they may come to this office and lodge a complaint. We'd review it, investigate it and make attempts to make sure that it's remedied."

Wicks recently met with the advocates of seven other provinces.

"I learned quite a bit from their experiences," he said. "People are people, so generally I wouldn't expect our needs or activities to be very different from theirs. I would expect they'd be similar.

"They showed a growth rate of 15-20 per cent a year in matters they had, I'd expect that to happen as the months and years roll on. A lot of things may come to us that may not be within our mandate, but we will always try to be helpful in giving people and advice ... we may not always be able to solve it, but we may be able to direct them."

Wicks said the advocate will be there for the youth of the province, in all circumstances.

"The general principle I'm telling staff here is, never say no to anybody who calls. Listen to them, because if you don't listen, you can't hear," he said.

"A lot of times the problem is people don't know where to turn, so we can be helpful in that way.

"Also the hallmark of this advocate will be - the best interest of the child."

People can contact the office of the child and youth advocate by calling (709) 753-3888, or toll-free 1-877-753-3888, by faxing (709) 753-3988, by writing or visiting the office at Suite 604, TD Place, 140 Water St., St. John's, NL, A1C 6H6 or by e-mailing office@childandyouthadvocate.nf.ca.

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Program unveiled

The City of St. John's and the St. John's Board of Trade unveiled a new program Thursday to attract business investment to the capital city.

Key features of the campaign include a 20-page brochure and multimedia compact disc, which promote St. John's as a centre of ocean excellence.

The materials highlight the wealth of ocean-related expertise available in St. John's in areas such as offshore energy, ocean technology, marine biotechnology and research and development.

"St. John's-based companies have become experts at using and surviving the North Atlantic and this expertise is being recognized around the world," Mayor Andy Wells said in jointly announcing the project with Board of Trade president Gary Reardon.

'Tremendous asset'

"It's a tremendous asset for this city and if we are to be competitive in the international arena we need to communicate that message loud and clear."

Reardon said the Board of Trade "has long recognized the significance of marine-related industries to our city. Our recent trade mission to Ireland explored potential linkages in several sectors including marine technology and communications."

Wells and Reardon expressed thanks to the corporate sponsors who have joined the campaign. They are Aliant Telecom, Avalon Convention and Visitors Bureau, Crosbie Group Ltd., Ernst and Young, Fishery Products International, LeGrow's Travel, Memorial University, Newfoundland Power, Patterson Palmer Law Office, Robinson Blackmore Printing and Publishing, RBC Financial Group, and Sebeys.

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Advocate pitches case to utilities board

The Public Utilities Board (PUB) has been asked to ensure its decision on Newfoundland Power's capital budget application results in power being delivered to consumers at the lowest possible cost.

Dennis Browne, consumer advocate, made the request at the recent public hearing on the utility's proposed \$55.8-million capital budget for 2003.

"Newfoundland Power's rate base, which determines the rate of return the company's shareholder, Fortis Inc., will receive, has increased dramatically over the last few years," Browne told the board.

In the period from 1993 to 1998, the rate base increased by only \$28 million, Browne said.

"However, in the period from 1998 to the forecast year of 2003, the rate base will have increased by in excess of \$100 million."

Browne said such an increase in rate base over that period of time is "completely favourable to Newfoundland Power's shareholder."

He asked the PUB to take note of the dramatic increase in rate base when considering Newfoundland Power's capital budget proposals.