

**Transcript:
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1996 General Rate Proceeding**

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1 say, we were anticipating that as part of the
 2 strategic planning process that the Board was
 3 undertaking, we were assuming that we would make
 4 some sort of submission at that time and prior to
 5 making that submission, we had sort of looked
 6 forward to sitting down and giving this a little
 7 more thought. So let's put it this way, I don't
 8 think we're at that stage yet, but we are certainly
 9 interested in pursuing it and we'd like to see it
 10 move fairly quickly if we could.

11 Q. Thank you.

12 COMMISSIONER MACDONALD:

13 Q. Could I ask one point of clarification. You
 14 mentioned there's 50 percent of your complaints were
 15 about the bimonthly readings, or 50 percent of your
 16 customers?

17 A. I said, Commissioner MacDonald, that we have done
 18 surveys with reference to bimonthly meter reading,
 19 and if you ask the consumers what they think about
 20 bimonthly meter reading, about half of them will say
 21 they don't like it.

22 Q. Thank you.

23 VICE-CHAIR GALWAY:

24 Q. I guess even though we didn't discuss this, I was

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1 going to have a follow-up request and I was leading
 2 to asking for an undertaking that you provide the
 3 outcome of that survey to the Board because you're
 4 using your best recollection. It'd be better to put
 5 the facts in. So I'd like to formally request that
 6 that be provided.

7 A. Maybe I might put another point on the record seeing
 8 we're back to that subject, and that is that if the
 9 Board decides that they agree with us that we should
 10 think about doing away with bimonthly, perhaps the
 11 most appropriate time to do it would be when we move
 12 to optimize the meter routes, try to do both at the
 13 same time. So that--in our thinking, that'd be the
 14 best way to do it. Anyway, I just put that on the
 15 record also.

16 Q. Thank you.

17 CHAIRMAN:

18 Q. Mr. Browne, did you have any matters arising?

19 MR. AIDAN RYAN RE-CROSS-EXAMINATION BY MR. DENNIS BROWNE

20 MR. BROWNE:

21 Q. Yes, we just have three matters. Yesterday when I
 22 was examining Mr. Ryan, I asked Mr. Ryan concerning
 23 time tickets for various members of the executive of
 24 Fortis, and at the time there was a promise from the

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1 Board of the two letters that Mr. Ryan had, an
 2 exchange of correspondence. Mr. Vardy wrote Mr.
 3 Ryan concerning the matter of compensation for
 4 executives and other matters and Mr. Ryan wrote
 5 back. And I've just had the opportunity to look at
 6 Mr. Ryan's response, so I think I would be entitled
 7 to put a question to him concerning it, and I think
 8 it's in DMB-200.

9 A. Yes.

10 Q. I think you gave the number DMB-200 on it, Mr.
 11 Hanrahan.

12 MR. HANRAHAN:

13 Q. Yes, that's right.

14 A. That's the letter dated June 1st, 1995.

15 MR. BROWNE:

16 Q. Received by the Board June 1, 1995, and addressed to
 17 the Chairperson of the Board, and it says in
 18 paragraph two, "Commencing January 1, 1995, all
 19 charges for salary and benefits to be charged by
 20 Fortis Inc. and treated as regulated expenses by the
 21 Company will be documented by time reports
 22 indicating the nature of the duties or the project
 23 concerned." How come you did not do such
 24 documentation as pertains to the compensation paid

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1 Doctor Angus Bruneau, the Chairman?

2 A. I think we're suggesting that the--it is anticipated
 3 that the charges that will be presented after
 4 January 1st, 1995, will be with respect to the
 5 activities of Mr. Gosine and Mr. O'Neil and they are
 6 not in the same level of executive position as the
 7 other people we discussed.

8 Q. Because then you go on to say, paragraph three,
 9 "Commencing January 1, '95, the Company will pay
 10 Fortis Inc. a monthly charge of 10,000, or 120,000
 11 per annum, for the services of Doctor A.A. Bruneau
 12 as Chairman. This charges is intended to be a
 13 stipend and not be supported by time reports." Can
 14 you tell me what you describe as a stipend? What is
 15 a stipend? You use that language. What's a stipend
 16 of \$120,000.00?

17 A. Well, we continue to recognize the value of Doctor
 18 Bruneau to the organization. He was going to
 19 continue as an Executive Chair of Newfoundland Power
 20 and he was going to continue to contribute to the
 21 Power Company. He--in all these years when he was
 22 with Fortis, he continued to maintain his offices in
 23 the Power Company and was available both to me and
 24 to the other members of the executive and to