

**ACTIVITY PLAN**  
**2008-2011**

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## **MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER**

I am pleased to present the activity plan of the Board of Commissioners of Public Utilities for the period 2008-2011. This plan was prepared in accordance with the *Transparency and Accountability Act* under which the Board has been designated a Category 3 Government Entity.

The Board is an economic regulator with a diverse mandate, which includes the regulation of electrical utilities, supervision of automobile insurance rates and underwriting guidelines, and petroleum products pricing. The Board recognizes the significant role it plays in the lives of the people of the Province and strives to operate to the highest standards of excellence and accountability within an open and transparent regulatory framework. The Board welcomes the reporting structure mandated by this new *Transparency and Accountability Act* and believes these additional requirements will complement the existing transparency and accountability framework, which has played an integral role in our operating standards over the years.

I am signing on behalf of the governing body which is accountable for the preparation of this plan and for the achievement of the goals and objectives. I look forward to working with my Commissioner colleagues and staff at the Board to deliver on our regulatory mandate in a way that sustains the trust and confidence of the people of Newfoundland and Labrador.



Andy Wells  
Chair and Chief Executive Officer

## **INTRODUCTION**

The Board of Commissioners of Public Utilities (the “Board”) is an independent regulatory entity with Board members appointed by the Lieutenant Governor in Council. As a public body the Board is committed to ensuring the public trust and confidence. The Board is open, transparent and accountable to regulated industries, their customers and the people of the Province.

The Board has numerous processes in support of accountability including the submission of annual reports. These reports highlight the Board’s regulated activities, financial statements and Board orders, as well as other notable regulatory initiatives for the reporting period. In addition the Board strives to be open and transparent through the use of its website, published notices, press releases, transcripts of public hearings, and comprehensive written decisions with reasons. Indeed the ultimate accountability of the Board is reflected in its orders which are legally binding and can be appealed to the Supreme Court of Newfoundland and Labrador.

The *Transparency and Accountability Act* details the reporting requirements of public entities in accordance with the classifications assigned. As a Category 3 entity the Board is required to complete multi-year performance based activity plans and annual performance reports that will be presented in the House of Assembly. These activity plans have a three-year planning cycle.

This 2008-2011 activity plan has been prepared in compliance with the *Transparency and Accountability Act*. The plan reflects strategic directions of Government and is consistent with the directions provided in the Guidebook for Improved Accountability for Government Entities. As required the Board will report annually on success in achieving its goals and realizing its performance targets or indicators as outlined in this activity plan.

In this planning cycle the Board supports the strategic directions of **Public Trust and Confidence** and **Innovation and Efficiencies** as communicated to the Board by the Minister of Justice.

## **PLAN AT A GLANCE**

### **VISION**

The vision of the Board of Commissioners of Public Utilities is of regulation which balances the interests of consumers, industry and the public in a fair and reasoned way, and which maintains the trust and confidence of the people of Newfoundland and Labrador.

### **MISSION**

By 2011 the Board will have enhanced its capacity to deliver effective and efficient regulation in the Province.

### **Priority Goals for period 2008-2011**

**Goal 1      By March 31, 2011 the Board will have achieved continued improvement in regulatory efficiency and effectiveness.**

**Goal 2      By March 31, 2011 the Board will have initiated a human resource strategy to ensure that the organization maintains the skills and competencies necessary to deliver its mandate.**

**Goal 3      By March 31, 2011 the Board will have strengthened its information management capacity.**

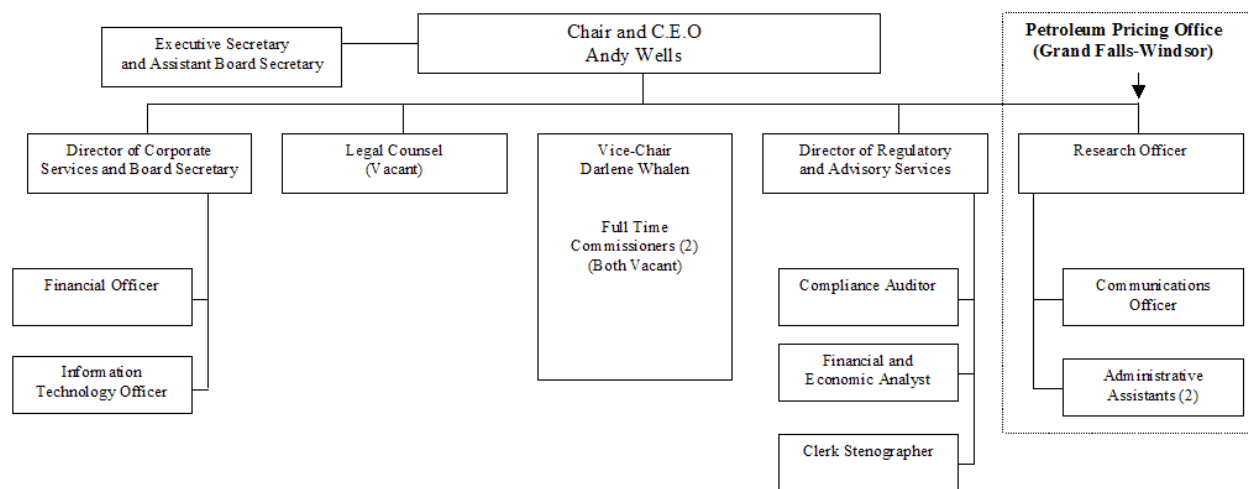
## OVERVIEW

Created by statute in 1949 the Board is comprised of four full-time members appointed by the Lieutenant Governor in Council, including the Chair and Chief Executive Officer and the Vice-Chair.

The Board has 13 full-time staff in its St. John's and Grand Falls-Windsor offices. The Board's operations are broadly organized in two separate functions - Regulatory and Advisory Services and Corporate Services.

Regulatory and Advisory Services is responsible for managing the Board's regulatory mandate with responsibilities including coordination and management of applications, research, investigations, analyses, advisory support, compliance monitoring, financial/technical reviews, and customer complaints.

Corporate Services is responsible for management of internal administrative functions of the Board including finance, communications, information technology and human resource services.



**Board Organizational Chart at April 1, 2008**

## **MANDATE**

The Board operates as an independent, quasi-judicial tribunal constituted under *The Public Utilities Act*. The Board's single line of business is regulation.

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

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

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

The *Electrical Power Control Act* sets out the power policy of the Province and provides the Lieutenant Governor in Council with the authority to refer electrical power matters to the Board.

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

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

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

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

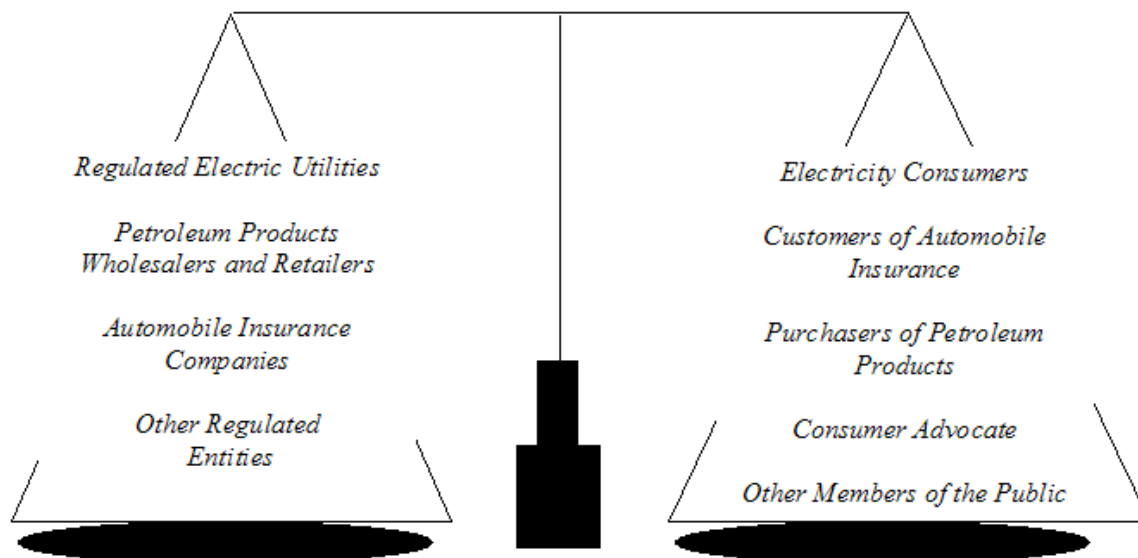
The Board performs its regulatory functions through formal proceedings which may include public hearings, less formal processes/meetings, and on-going regulatory oversight through compliance monitoring, audits, detailed technical/financial reviews, and investigations.

The Board exercises its authority in accordance with principles of natural justice and procedural fairness. Board orders are legally binding and may be appealed to the Supreme Court of Newfoundland and Labrador. The Board is accountable administratively through the Minister of Justice who presents the Board's annual budget for approval by the Lieutenant Governor in Council and tables its annual report in the legislature.

The Board's annual operating budget of approximately \$2.2 million is funded by assessments upon regulated industries/companies. The Board receives no funding from Government's Consolidated Revenue Fund. The Board may also recover certain costs from the applicant(s) and/or parties involved in specific proceedings and/or investigations.

## **PRIMARY CLIENTS**

In fulfilling its mandate the Board strives to achieve an equitable balance between the interests of consumers and service providers in the regulated industries as well as other stakeholders. The Board defines its primary clients as those individuals, groups and organizations who are served through the realization of its mandate. These clients include the following:





## **VALUES**

The Board takes significant pride in the regulatory work it performs on behalf of the people of the Province. The Board believes it must not only be open, transparent and accountable but must carry out its mandate in a way that reflects a standard of excellence and demonstrates a competence and responsiveness that will engender public trust and confidence.

### **Excellence**

The Board strives for excellence in the performance of its duties. It endeavors to write reports, decisions and orders that are of the highest quality, well reasoned and understandable.

### **Integrity**

The Board is committed to adhering to the highest ethical and professional standards in the performance of its duties and responsibilities.

### **Objectivity and Fairness**

Openness and transparency are essential elements in regulation. The Board strives to ensure that its activities are conducted in compliance with the legislation and regulations by applying legal and regulatory standards objectively and fairly.

### **Public Trust and Confidence**

The Board takes ownership and responsibility for all of its actions and decisions. The organization is managed responsibly in order to maintain the confidence, respect and trust of the public, stakeholders and Government.

### **Teamwork**

The Board believes that teamwork and a spirit of cooperation are essential to its success.

## **MISSION**

The mission statement identifies the Board's priority focus for the next three years. It represents long-term results towards which the Board will direct its efforts in achieving its legislative mandate in keeping with the strategic directions of Government. The Board's strategic priorities are focused on improving the efficiency of its regulatory tools and streamlining its regulatory framework while ensuring appropriate resources are available to effectively deliver its mandated responsibilities.

**MISSION:** By March 31, 2011 the Board will have enhanced its capacity to deliver effective and efficient regulation in the Province

**MEASURE:** Improved capacity to support sound regulation.

**INDICATORS:**

- Improved regulatory efficiency and effectiveness.
- Enhanced Human Resource capacity
- Strengthened information management capacity

## **STRATEGIC ISSUES**

The Board has identified the following strategic issues as key priorities for the next three years:

1. Regulatory Efficiency and Effectiveness.
2. Human Resource Capacity.
3. Management of Records/Information.

The goals established are intended to position the Board to proactively address these issues. The objectives identified reflect the results expected during the planning period. Measures and indicators are provided to assist the Board and the public in monitoring and evaluating success.

**ISSUE 1**

**Regulatory Efficiency and Effectiveness**

In light of the diverse nature of the Board's mandate and the relative size of the regulated markets, it is critical for the Board to continue to strive for regulatory excellence. In recent years the Board has made significant gains and achieved substantial savings through enhanced communication and the implementation of responsive processes. The Board will continue to focus on the management and administration of its processes and practices to promote regulatory efficiency and effectiveness and to respond to emerging issues in regulation.

**GOAL:** By March 31, 2011 the Board will have achieved continued improvement in regulatory efficiency and effectiveness.

**Measure:** Continued improved regulatory efficiency and effectiveness.

**Indicators:**

- Standards, schedules and timelines implemented.
- Additional regulatory initiatives identified.
- Policies and procedures implemented

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**Objective (2009):**

By March 31, 2009 the Board will have adopted standards, schedules and timelines which enhance efficiency and effectiveness.

**Measure:** Improved regulatory efficiency and effectiveness.

**Indicators:**

- Regulatory savings.
- Improved regulatory response.
- Simplified and streamlined processes.

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**Objective (2010):**

By March 31, 2010 the Board will have identified additional regulatory initiatives which strengthen its regulatory framework.

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**Objective (2011):**

By March 31, 2011 the Board will have implemented policies and procedures to ensure continued regulatory efficiency and effectiveness.

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<p><b>ISSUE 2</b> <b>Human Resource Capacity</b></p>
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In recent years there have been a number of legislative changes impacting the Board's mandate and operations. These changes have increased the Board's workload and to some extent changed the skills required to fulfill its regulatory mandate. In addition the demographics of its workforce is an emerging issue for the Board. The Board will focus on updating and expanding its human resource strategy to ensure that it has the capacity to deliver its regulatory mandate and meet client needs.

**GOAL:** By March 31, 2011 the Board will have initiated a human resources strategy to ensure that the organization maintains the skills and competencies necessary to deliver its mandate.

**Measure:** Enhanced organizational and operational capacity.

**Indicators:**

- Organizational review completed.
- Efficiencies gained through streamlining its human resource capacity.
- Enhanced responsiveness to emerging technical issues and client/stakeholders needs.

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**Objective (2009):**

By March 31, 2009 the Board will have conducted an organizational review matching available skills with human resources requirements and implemented necessary programs to ensure that the Board has the capacity to meet its regulatory obligations.

**Measure:** Enhanced organizational and operational capacity.

**Indicators:**

- Human resource needs and capabilities are identified.
- Succession planning issues are identified.
- Human resources are properly aligned to functional requirements.

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**Objective (2010):**

By March 31, 2010 the Board will have developed a strategy to identify training and educational needs for each employee.

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**Objective (2011):**

By March 31, 2011 the Board will have initiated its training and educational strategy for its employees.

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**ISSUE 3**

**Management of Records/Information**

Efficient and proper information management ensures records accuracy, provides for legal protection, satisfies provincial statutory requirements and achieves economy and efficiency in the creation, use, maintenance, and disposal of Board records. To meet legal, financial and accountability issues in relation to information management the Board will establish a records management program to ensure integrity of its records.

**GOAL:** By March 31, 2011 the Board will have strengthened its information management capacity.

**Measures:** Strengthened Information Management Strategy

**Indicators:**

- Records/Information Management issues identified.
- Implementation of Records/Information Management Strategy
- Improved access to information by staff and the public.

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**Objective (2009):**

By March 31, 2009 the Board will have reviewed and identified issues regarding its Records/Information Management program.

**Measures:** Improved Records/Information Management Strategy

**Indicators:**

- Completed records/information inventory.
- Evaluation/analysis mechanisms identified.
- Action plan in place, including timetable/schedule and resource requirements.

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**Objective (2010):**

By March 31, 2010 the Board will have commenced implementation of its Records/Information Management Strategy.

**Objective (2011):**

By March 31, 2011 the Board will have completed its Records/Information Management Strategy.

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**Appendix A**

## **STRATEGIC DIRECTIONS**

*The Transparency and Accountability Act* requires departments and public bodies to take into account Government's strategic directions in preparation of their activity-based plans.

The Board's strategic priorities are derived from its mandated regulatory responsibilities. The Board contributes to the overall strategic directions of Government by conducting its business in an open, transparent, effective and efficient manner and through the issuance of clear and well-reasoned decisions. Improved capacity to deliver effective and efficient regulation in the Province contributes to the overall strategic directions that define the priorities of Government, particularly in terms of accountability and transparency.

In compliance with the *Transparency and Accountability Act* the Board may also consider the Strategic Directions of the Department of Justice in the preparation of its Activity Plan. In developing this Activity Plan the Board remains cognizant of supporting Strategic Directions of Government communicated to the Board by the Minister of Justice. Of those communicated, **Public Trust and Confidence** and **Innovation and Efficiencies** were identified as strategic directions supported by the Board in the development and achievement of the goals identified for its three strategic issues: **Regulatory Efficiency and Effectiveness**; **Human Resource Management** and **Information/ Records Management**.