
Newfoundland & Labrador

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

2010-2011 ANNUAL REPORT

WHO WE SERVE

In serving its clients the Board strives to achieve an equitable balance between the interests of consumers and service providers in the electric utility, automobile insurance, petroleum product and motor carrier industries. These clients include the following:

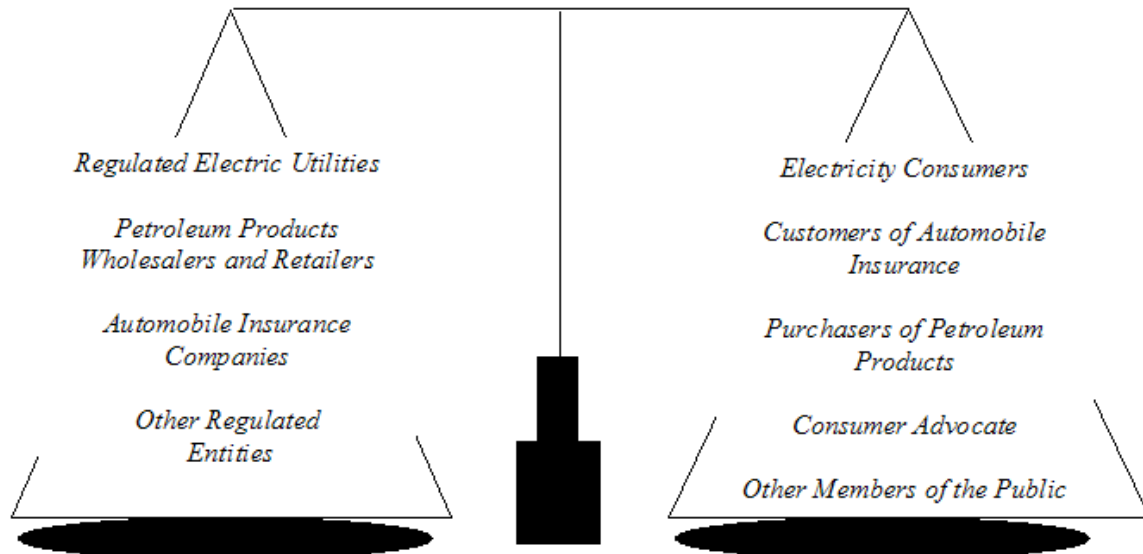


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MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

I am pleased to present the annual performance report of the Board of Commissioners of Public Utilities (the "Board") for the fiscal year ending March 31, 2011. This report was prepared under my direction and in accordance with the *Transparency and Accountability Act*. This report provides a summary of the Board's achievements in meeting the goals and objectives as outlined in the final year of the 2008-2011 Activity Plan. As Chair and CEO I am accountable for the results as outlined in the report.

The regulatory mandate of the Board includes regulation and oversight of the electric utilities, regulation of automobile insurance rates, setting maximum prices for petroleum products in the Province, as well as limited responsibilities in the areas of motor carrier operations and expropriations.

Since March 31, 2011 marks the end of the last two planning cycles, the progress of the Mission, the achievement for the results of the Goals set out for the 2008-2011 planning cycle and the Objectives for 2010-2011 are included for each of the strategic issues.

I wish to express my sincere gratitude to the Board staff and my Commissioner colleagues for their dedicated work and continued support throughout the year.



Andy Wells
Chair and Chief Executive Officer

OVERVIEW

MANDATE AND LINES OF BUSINESS

The Board operates as an independent, quasi-judicial tribunal constituted under the *Public Utilities Act*.

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 Board also has responsibility under this Act with respect to the establishment and oversight of water management agreements between power suppliers on rivers.

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 regulated 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 or the City of St. John's.

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.

These Acts fall under the responsibility of various departments of Government, including the Department of Justice (*Public Utilities Act*), the Department of Government Services (*Automobile Insurance Act*, *Insurance Companies Act*, and *Petroleum Products Act*) and the Department of Natural Resources (*Electrical Power Control Act*).

To deliver its regulatory mandate the Board conducts public hearings, technical conferences, stakeholder meetings, compliance monitoring, audits, detailed technical/financial reviews, and investigations.

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 is also subject to the requirements of the *Transparency and Accountability Act* which requires the Board to prepare and submit activity plans and performance reports annually.

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.

KEY STATISTICS

The work of the Board is diverse and has broad implications for most residents of Newfoundland and Labrador.

- The Board is responsible for the regulation of Newfoundland and Labrador Hydro and Newfoundland Power Inc., with a combined customer base of approximately 280,000 residential and general service customers, as well as four industrial customers on the island.
- The Board regulates automobile insurance rates and underwriting guidelines for insurance companies operating in the province. These 53 companies write total premiums of approximately \$318,128,000, insuring approximately 296,000 private passenger and commercial vehicles in the province. The automobile insurance market in the province continues to show a high level of concentration, with 13 insurers writing 88% of all the automobile insurance business.
- The Board sets maximum prices for regulated petroleum products sold in the province through a network of 14 suppliers, 39 wholesalers and 421 retailers of gasoline, automotive diesel and heating fuels.
- The Board currently has 59 active ambulance certificates and 55 active bus service certificates.

ORGANIZATION

Created by statute in 1949 the Board is comprised of four full-time commissioners, appointed by the Lieutenant Governor in Council, including the Chair and Chief Executive Officer and the Vice Chair. The *Public Utilities Act* gives the Chair and Chief Executive Officer the full authority for the overall operation, management and financial administration of the Board.

The Board has 13 permanent and five contractual full-time staff located in offices in St. John's and Grand Falls-Windsor.

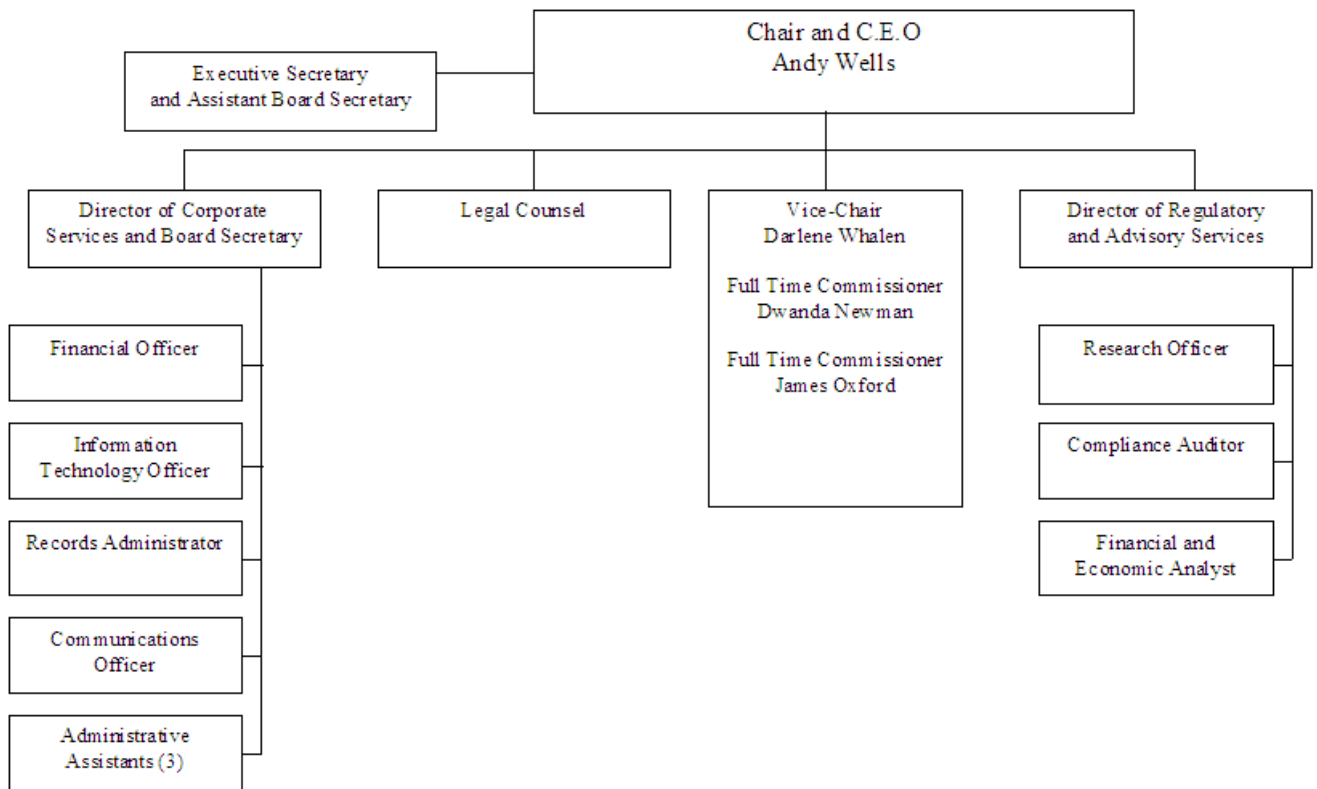
Board of Commissioners of Public Utilities

The Board's functional organizational structure, shown in the Board's Organizational Chart (Figure 1), consists of **regulatory and advisory services** and **corporate services**. Regulatory and Advisory Services oversees the Board's regulatory mandate with responsibility for coordination and management of applications, research, investigations, compliance monitoring, financial/technical reviews and customer complaints.

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

Figure 1

Board of Commissioners of Public Utilities
Organizational Chart
At March 31, 2011



FINANCIAL

The Board’s annual operating expenses for 2010-2011 were \$2,328,779. The comparative expenditures for the previous five-year period are shown below:

Board of Commissioners of Public Utilities						
Expenditures						
Years Ended- March 31						
	2006	2007	2008	2009	2010	2011
Operating - SJ Office	\$1,998,677	\$1,330,576	\$1,730,320	\$1,568,949	\$1,722,233	\$1,775,102
Operating - GF-W	\$467,668	\$470,530	\$407,025	\$447,395	\$427,729	\$553,676
Operating - Total	\$2,466,345	\$1,801,106	\$2,137,345	\$2,016,344	\$2,149,962	\$2,328,778
Hearings - Board	\$468,383	\$437,856	\$371,963	\$171,533	\$508,801	\$465,146
Hearings - Consumer Advocate	\$62,891	\$328,901	\$570,240	\$76,176	\$529,450	\$281,689
Hearing - Total	\$531,274	\$766,757	\$942,203	\$247,706	\$1,038,251	\$746,835
Total Expenditures	\$2,997,619	\$2,567,863	\$3,079,548	\$2,264,050	\$3,188,213	\$3,075,614

The Board is funded through assessments charged to regulated industries/companies and cost recoveries in specific hearings and certain other matters. Assessments to each industry vary depending on the actual allocation of work performed by the Board in a given year. During 2010-2011 the Board assessed 52% (\$1,295,533) of its annual revenue requirement to electrical utilities, 22% (\$536,041) to automobile insurance companies, and 26% (\$646,502) to the petroleum products industry.

Public hearings and certain other matters are funded outside of normal budgeted activities on a cost recovery basis in accordance with applicable legislation. During 2010-2011 the Board’s accumulated hearing costs totaled \$746,835, with \$132,975 related to automobile insurance rate filing reviews, \$36,236 related to Newfoundland Power’s 2009 general rate application, \$236,728 related to Newfoundland and Labrador Hydro’s application to finalize rates for its industrial customers, \$182,981 related to the utilities’ capital budget applications and annual financial reviews, and \$65,516 related to several other applications by Newfoundland Power. In addition \$92,399 is related to an application by Nalcor Energy to establish the terms of a water management agreement. Further details regarding the Board’s recoverable costs can be found in Note 5 to the Board’s Financial Statements included with this Annual Report.

HIGHLIGHTS AND ACCOMPLISHMENTS

The Board's focus on strategic planning guides its overall operations and ensures that, to the extent possible, the Board can effectively and efficiently respond to those matters which often arise unexpectedly in the context of economic regulation. Compliance monitoring and general regulatory oversight constitute a significant portion of the Board's ongoing regulatory activities, especially in the areas of public utility and automobile insurance rate regulation.

During 2010-2011 the Board issued 57 Orders under the *Public Utilities Act*, the *Automobile Insurance Act* and the *Motor Carrier Act*, as detailed in Appendix I. In addition the Board ordered 35 adjustments to the maximum price of regulated petroleum products under the *Petroleum Products Act*. Maximum pricing adjustments for each of the regulated refined petroleum products for 2010-2011 can be found in Appendix II of this report.

The Board's highlights for 2010-2011 are outlined as follows:

1) ***Utility Regulation***

Thirty-eight orders were issued under the Board's public utilities mandate. On June 18, 2010 the Board approved, in Order No. P.U. 19(2010), an average increase of 1.7% in Newfoundland Power customers' electricity rates as of July 1, 2010 in accordance with the annual operation of the municipal tax adjustment and rate stabilization adjustment. In December 2010 the Board issued Order No. P.U. 32(2010) approving an overall average rate decrease of 0.63% resulting from the operation of Newfoundland Power Inc.'s automatic adjustment formula, effective January 1, 2011.

On November 15, 2010 the Board issued Order No. P.U. 28(2010) approving Newfoundland Power's 2011 Capital Budget totaling \$72,969,000, and fixing and determining the average rate base for 2009 at \$848,493,000. The Board issued Order No. P.U. 38(2010) on December 23, 2010 approving a 2011 Capital Budget for Newfoundland and Labrador Hydro of \$55,046,000, and fixing and determining the average rate base for 2009 at \$1,473,477,000. The Board also issued orders arising from applications for supplementary approval of 2010 and 2011 capital spending, contributions in aid of construction, and various other financial matters.

On July 21, 2010 and on October 12, 2010 the Board issued Order Nos. P.U. 24(2010) and P.U. 27(2010) to Nalcor Energy dealing with costs awarded to intervenors in the application by Nalcor to establish the terms of a water management agreement with Churchill Falls (Labrador) Corporation Limited with respect to the Churchill River, previously dealt with in Order No. P.U.8(2010).

On August 26, 2010 the Board issued Order No. P.U. 25(2010) which dealt with an application by Newfoundland and Labrador Hydro to finalize rates for Industrial Customers which had been interim since January 1, 2008. The Board found that it would not, at this time, make a determination concerning the disposition of the balance in the Rate Stabilization Plan as of December 31, 2007, as was requested by the parties to the proceeding, and that other matters raised could be dealt with in the context of a setting final rates for the Industrial Customers to become effective January 1, 2008. This decision was appealed by both Newfoundland and Labrador Hydro and the Consumer Advocate to the Supreme Court of Newfoundland and Labrador, Court of Appeal, and the appeal was heard on December 9 and 10, 2010. The decision of the court is pending.

2) ***Automobile Insurance Regulation***

During 2010-2011 the Board issued 17 orders in relation to applications for increases in various automobile insurance rates and other changes by insurers, and processed 40 rate filings proposing no change or reductions in rates.

3) ***Petroleum Products Pricing Regulation***

During the year, 53 scheduled weekly adjustments were made to the maximum price of regulated petroleum products.

No unscheduled pricing adjustments were required during this period, a first since the Board became responsible for setting maximum petroleum prices.

On April 8, 2010 the Board rescinded a temporary order allowing Irving Energy Distribution and Marketing to charge an additional 5.2 cents per litre over and above the listed maximum price of propane heating fuel, resulting from a temporary shutdown at North Atlantic Petroleum Refinery in Come By Chance.

4) ***Motor Carrier Regulation***

Fourteen orders were issued under the Board's Motor Carrier mandate. Thirteen of these orders related to ambulance services and one related to a regularly scheduled trans-island bus passenger service.

REPORT ON PLANNED ACTIVITIES

The *Report on Planned Activities* covers the 2007-2008 and 2008-2011 planning cycles, therefore the Board has included the progress of its Mission for the last two planning cycles, the achievement of the Goals established for the 2008-2011 planning cycle, and the results of the Objectives for 2011.

STRATEGIC ISSUES/DIRECTIONS AND PROGRESS ON MISSION

The *Transparency and Accountability Act* requires public entities to take into account Government's strategic directions, which are communicated by the responsible Minister, in the preparation of their activity based plans. In the last two planning cycles ending 2008 and 2011 there were no specific strategic directions established respecting the work of the Board.

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, issuing clear and well-reasoned decisions and by providing leadership in the establishment of innovative and efficient regulatory processes.

The role of the regulator is to provide a transparent and open regulatory framework which balances the interests of consumers and the regulated entities/companies. The Board strives for regulatory excellence in the delivery of its mandate and it is this underlying principle that motivates the Board to review and update its methodologies, practices and processes to ensure an efficient, effective and responsible regulatory system.

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.

The mission statement established the Board's priority focus for the two planning cycles ending in 2011. The results achieved in the last two planning cycles ending 2008 and 2011 reflect the measure for improved capacity to support sound regulation.

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.
<i>Indicator: Improved regulatory efficiency and effectiveness</i>	
The Board continues to build on the successes achieved in the 2007-2008 planning horizon to deliver effective and efficient regulation in the Province. In the 2008-2011 planning cycle the Board aimed to further simplify and streamline its regulatory processes and practices to sustain regulatory savings, improve communications, provide a quicker regulatory response and reduce regulatory burden.	

Results:

The Board established capital budget review guidelines for utilities detailing the minimum information requirements necessary to streamline and improve submissions. The Board also implemented processes such as mediation settlements, alternative dispute resolution conferences and counsel meetings to streamline the hearing process. The introduction of these initiatives has resulted in significant time and cost savings for the utilities, estimated at approximately \$200,000 per year, for both the capital budget applications and general rate reviews primarily due to reduced costs for legal and expert witnesses, travel and transcriptions.

Refinements to the Category 2 filing guidelines provided insurance companies with more clarity and consistent directions in the application process. The Board established a streamlined review process for routine applications resulting in faster and efficient turnaround times in the review of these applications. The process for issuing petroleum product maximum price change notices to stakeholders was efficiently streamlined from three days to one day and moving to weekly maximum price setting of regulated petroleum products has provided more pricing stability to the marketplace.

Indicator: Enhanced Human Resource capacity

The Board has a relatively small staff with a specialized skill set in economic regulation. In recent years the Board's human resource capacity has been impacted by changes in the Board's legislative mandate and operational structure, as well as by succession planning issues. Enhancing its human resource capabilities and capacity was identified as being essential in ensuring that the Board is equipped to deliver effective and efficient regulation and meet its current and future regulatory responsibilities and challenges.

Results:

The Board has successfully enhanced its human resource capacity. An organizational review of the existing positions was completed, which matched the available skills with human resource requirements, and identified further human resources needs and capabilities.

Key issues in succession planning requirements were identified and a human resource strategy was initiated to address organizational continuity. This included cross-training, mentoring and participation in specifically identified educational and training programs. Commissioners and staff continue to participate in training and educational requirements to meet functional needs, succession planning and individual professional requirements.

Indicator: Strengthened information capacity

Efficient information management entails organizing, retrieving, acquiring and maintaining information which ensures records accuracy, provides for legal protection, satisfies statutory requirements and achieves economy and efficiency in the creation, use, maintenance and disposal of Board records. Ensuring the integrity of its records while meeting legal, financial and accountability standards and requirements is a key business priority. A strengthened information capacity was identified as an essential mechanism in support of the Board's capacity to deliver effective and efficient regulation.

Results:

The Board has been successful in strengthening its information capacity and improving its records/management strategy. An action plan was developed which included the establishment of a timetable/schedule and the resources required to complete the records/information management strategy. The records/information inventory and a classification plan have been completed and the transferring of information has begun.

PROGRESS ON STRATEGIC ISSUES

ISSUE 1: REGULATORY EFFICIENCY AND EFFECTIVENESS

The Board’s primary challenge is fulfilling its mandate efficiently and effectively while ensuring the delivery of regulatory services in an open, fair, and transparent manner. The Board must be responsive to the changing regulatory environment, which may involve significant legislative, market or other structural changes. In this context the Board, with the cooperation of stakeholders, endeavors to identify opportunities for improvements in its processes and practices.

PROGRESS OF ACHIEVING GOAL ESTABLISHED FOR 2008-2011:

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:	Results:
<i>Standards, schedules and timelines implemented.</i>	Standards, schedules and timelines with respect to regulatory processes have been identified and implemented. Reviews of the processes are ongoing. Improved responsiveness and efficiencies have been gained with the shortened timeframes for the parties to comment on routine applications, the establishment of timelines for dealing with insurance applications and filings, and changing the price setting of regulated petroleum products to a weekly basis.
<i>Additional regulatory initiatives identified.</i>	Additional regulatory initiatives have been identified. The Board commenced quarterly regulatory efficiency meetings between Board staff and the utilities which have led to improved communications, reduced turnaround times, more efficient processes and ultimately reduced regulatory burden. The introduction of a 14-day timeframe for commentary in routine applications has improved response time and has brought forward issues sooner in more complicated matters.
<i>Policies and procedures implemented.</i>	The Board has implemented policies and procedures which have improved regulatory efficiency and effectiveness. Examples include the capital budget guideline review process, the Category 2 insurance filing guidelines, the power outage reporting policy and the procedural guidelines in the hearing process.

PROGRESS OF ACHIEVING OBJECTIVE SET FOR 2010-2011:

<p>Objective (2010-2011): By March 31, 2011 the Board will have implemented policies and procedures to ensure continued regulatory efficiency and effectiveness.</p>	
<p>Measure: Improved regulatory efficiency and effectiveness.</p>	
<p>Indicators:</p>	<p>Results:</p>
<p><i>Policies and procedures addressing regulatory efficiencies implemented.</i></p>	<p>Prior to April 1, 2010, a number of policies and procedures were updated and implemented accordingly. No further policies and procedures were implemented during 2010-2011.</p>
<p><i>Continued progress in regulatory response.</i></p>	<p>In 2010-2011 the Board continued to make progress in its regulatory response. Regularly scheduled meetings were held between Board staff and the utilities, and stakeholders where necessary, which has led to more efficient processes and clarity of issues. Many of the annual reporting and application requirements and processes have been reviewed, resulting in the issuance of minimum filing guidelines for utility and automobile insurance applications. The Board has moved to weekly maximum price setting of regulated petroleum products, providing more pricing stability. Administrative changes to the hearing process, such as introduction of negotiated settlement processes, compressed sitting hours, daily transcriptions and up-to-date information availability, have resulted in significant cost savings.</p> <p>In 2010-2011 77% of the public utility applications were decided in 60 days or less, which compares with 80% in the previous year. Seventy-three percent of Board Orders dealing with automobile insurance applications were issued in 60 days or less, compared with 50% from the previous year.</p>

Issue 2: HUMAN RESOURCE CAPACITY

To ensure operational continuity the Board initiated a strategy to ensure that it has the human resource capacity to deliver its regulatory mandate and respond to emerging issues. Effective alignment of staff, skills and training is necessary for the Board to meet succession planning issues.

PROGRESS OF ACHIEVING GOAL ESTABLISHED FOR 2008-2011:

<p>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.</p> <p>Measure: Enhanced organizational and operational capacity.</p>	
Indicators:	Results:
<i>Organizational review completed.</i>	The organizational review, which matched the available skills with human resource requirements and identified further human resources needs and capabilities, was completed in 2009. Position descriptions and classifications have been updated as required.
<i>Efficiencies gained through streamlining its human resource capacity.</i>	The Board has gained efficiencies in the streamlining of its human resource capacity. The Board's human resource strategy includes cross-training, mentoring and participation in specifically identified educational and training programs for each employee. These initiatives have enhanced staff skills and competencies and the efficiencies gained include quicker response times in the application process and the development of specialized analytical expertise.
<i>Enhanced responsiveness to emerging technical issues and client/stakeholders needs.</i>	The Board has enhanced its responsiveness to emerging and technical client/stakeholders needs. A human resource strategy has been developed that identified training and education needs of all employees. Commissioners and Staff participated in individualized education and training programs specifically identified to target emerging technical issues and client/stakeholder's needs.

PROGRESS OF ACHIEVING OBJECTIVE SET FOR 2010-2011:

<p>Objective (2010-2011): By March 31, 2011 the Board will have initiated its training and educational strategy for its employees.</p> <p>Measure: Training and educational strategy implemented.</p>	
Indicators:	Results:
<i>Employees complete training and educational requirements specifically identified.</i>	Education requirements for each position and personal training needs have been identified. All Commissioners and Staff completed the training and educational requirements specifically identified for completion in 2010-2011 in accordance with their individualized learning plans.

ISSUE 3: MANAGEMENT OF RECORDS/INFORMATION

Information and records are vital to the organization and systematic records management is fundamental to organizational efficiency. The Board has identified the establishment of an efficient and effective records management program that ensures integrity of its records while meeting legal, financial and accountability standards and requirements as a key business priority.

PROGRESS OF ACHIEVING GOAL ESTABLISHED FOR 2008-2011:

GOAL: By March 31, 2011 the Board will have strengthened its information management capacity.	
Measures: Strengthened information management strategy.	
Indicators:	Results:
<i>Records/Information Management issues identified.</i>	Records/Information Management issues have been identified and include: completion of the records inventory, development of a classification plan, implementation of electronic information management system, development of retention schedules and preparation of inactive records for disposition.
<i>Implementation of Records/Information Management Strategy.</i>	Full Implementation of the Records/Information Management Strategy has been delayed because of a shift in work priorities. The records/information inventory has been completed, the classification plan has been developed, the electronic information management system, TRIM, has been purchased and staff training completed.
<i>Improved access to information by staff and the public.</i>	Access to information by staff and the public has been improved. An internal operational drive for document management has been developed which has improved staff access to the Board's records. Information regarding hearing processes and application documents are posted to the Board's website on a timely basis improving public access.

PROGRESS OF ACHIEVING OBJECTIVE SET FOR 2010-2011:

Objective (2010-2011): By March 31, 2011 the Board will have completed its Records/Information Management Strategy.	
Measures: Continued Progress in the Records/Information Management Strategy.	
Indicators:	Results:
<i>Records/Information catalogued and transferred in accordance with targets.</i>	Cataloging of the Board's regulatory records has been completed in accordance with set targets. Transferring of the information into the new records program was delayed due to competing work priorities in 2010-2011. The target dates have been revised and it is expected that the Board's active records will be transferred in accordance with the revised targets in the next reporting period.
<i>Information contained on Board's website reviewed.</i>	The information contained on the Board's website has been reviewed. It is expected that regular reviews will occur on a bi-annual basis to ensure continued progress in the Records/Information Management Strategy.

OPPORTUNITIES AND CHALLENGES AHEAD

The Board will continue to provide regulatory leadership by being responsive, proactive and innovative in its regulatory initiatives. The Board has made significant progress in streamlining its regulatory framework. Substantial efficiencies and cost savings have been realized through enhanced communication with its primary clients and on-going technological improvements in the hearings room and administrative support systems. Over the next year the Board is committed to building on the efficiencies achieved by continuing to monitor and make improvements where required. Quality of service reviews of the two regulated utilities commenced in 2010 as part of the Board's regulatory oversight, which will provide a framework for on-going monitoring and early identification of technical and operational issues.

Renewal and continuity in the Board's human resource capacity continues to be a challenge. To meet this challenge the Board has developed a human resource strategy to ensure that the Board has the ability to continue to effectively meet its legislated mandate. The Board will continue to build on its human resources plan to incorporate succession and individualized learning/development plans with a performance feedback program.

Effective management of the Board's information assets ensures compliance with legislative, fiscal and accountability requirements. To ensure the integrity of its records the Board will continue its efforts to establish an efficient and comprehensive information management system for its records management program.

FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Commissioners of Public Utilities

We have audited the accompanying financial statements of the Board of Commissioners of Public Utilities, which comprise the statement of financial position as at March 31, 2011, and the statements of revenues and expenditures, accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board of Commissioners of Public Utilities as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.


Chartered Accountants
St. John's, Newfoundland & Labrador
May 24, 2011

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Financial Position
March 31, 2011**

	2011	2010
ASSETS		
Current		
Cash	\$1,372,945	\$1,413,648
Receivables	194,479	94,617
Recoverable costs (Note 5)	557,047	1,022,865
Prepaid expenses	14,771	15,785
	2,139,242	2,546,915
Capital assets (Note 6)	103,698	93,987
	\$2,242,940	\$2,640,902
LIABILITIES		
Current		
Payables and accruals	\$ 137,112	\$ 144,887
Payroll accruals	534,268	463,367
Designated pension funds (Note 9)	204,813	159,864
	876,193	768,118
Commitments (Note 11)		
Subsequent event (Note 7)		
ACCUMULATED SURPLUS		
Invested in capital assets	103,698	93,987
Invested in designated pension funds	(204,813)	(159,864)
Internally restricted (Note 10)	1,320,049	1,272,610
Unrestricted	147,813	666,051
	1,366,747	1,872,784
	\$2,242,940	\$2,640,902

On Behalf of the Board:

 Acting Chairperson and CEO

 Commissioner

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Revenues and Expenditures
Year Ended March 31, 2011**

	2011	2010
<hr/>		
Revenues		
Regulatory assessments	\$2,478,876	\$2,451,923
Interest and other income	10,723	2,386
Pension fund earnings, net of expenses (Note 9)	(804)	(895)
<hr/>		
	2,488,795	2,453,414
<hr/>		
Expenditures		
Amortization	32,676	12,239
Consulting fees	144,246	119,840
Office equipment, supplies and services	64,792	64,688
Pension obligations estimation adjustment (Note 9)	44,145	39,845
Rent and insurance (Note 11)	245,297	245,287
Salaries and associated costs	1,700,134	1,576,303
Telecommunications	28,623	31,901
Training and membership	21,452	34,174
Travel	47,413	25,685
<hr/>		
	2,328,778	2,149,962
<hr/>		
Excess of revenues over expenditures	\$ 160,017	\$ 303,452
<hr/>		

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Accumulated Surplus
Year Ended March 31, 2011**

	2011				2010	
	Invested in Capital Assets	Invested in Designated Pension Funds	Internally Restricted (Note 8)	Unrestricted	Total	Total
Balance as at beginning of year	\$ 93,987	\$(159,864)	\$1,272,610	\$666,051	\$1,872,784	\$1,569,332
Excess of revenues over expenditures	(32,676)	(44,949)	-	237,642	160,017	303,452
Assessment reductions	-	-	-	(666,054)	(666,054)	-
Invested in capital assets	42,387	-	-	(42,387)	-	-
Restricted during the year	-	-	47,439	(47,439)	-	-
Balance as at end of year	\$103,698	\$(204,813)	\$1,320,049	\$147,813	\$1,366,747	\$1,872,784

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Cash Flows
Year Ended March 31, 2011

	2011	2010
Operating activities		
Cash receipts from assessments and other revenues	\$ 1,722,880	\$ 2,424,067
Cash paid to suppliers and employees	(2,231,963)	(2,056,039)
Cash (used in) provided by operating activities	(509,083)	368,028
Hearing and review activities		
Decrease (increase) in recoverable costs	465,818	(901,831)
Cash provided by (used in) hearing and review activities	465,818	(901,831)
Investing activities		
Purchase of capital assets	(42,387)	(43,947)
Decrease in designated pension funds	44,949	40,740
Cash provided by (used in) investing activities	2,562	(3,207)
(Decrease) in cash during year	(40,703)	(537,010)
Cash position as at beginning of year	1,413,648	1,950,658
Cash position as at end of year	\$ 1,372,945	\$ 1,413,648

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2011**

1. General

The Board of Commissioners of Public Utilities (the “Board”) is an independent, quasi-judicial regulatory tribunal constituted in 1949 by the Lieutenant-Governor in Council pursuant to the *Public Utilities Act*. The Board regulates the electric utilities in the Province of Newfoundland and Labrador and is responsible for ensuring that the rates charged are reasonable and that the service provided is safe and reliable. Other responsibilities include: (a) the regulation of automobile insurance rates; (b) the regulation of, from June 8, 2004, fuel prices pursuant to the Petroleum Products Act; (c) limited regulation of the motor carrier industry as it relates to certain passenger and ambulance operations; and (d) establishing compensation for matters referred to the Board pursuant to the *Expropriation Act*. The Board was incorporated on May 12, 2000 pursuant to an amendment to the *Public Utilities Act* and as a Crown entity of the Province is not subject to provincial or federal income taxes.

2. Summary of significant accounting policies

Future changes in significant accounting policies

The following accounting standards have been issued by the Canadian Institute of Chartered Accountants (CICA) but are not yet effective for the Board. The Board is currently evaluating the effect of adopting these standards, which it expects to do in fiscal year 2013.

The Accounting Standards Board will be implementing Part III of the CICA Handbook Accounting Standards for Not-for-Profit Organizations effective January 1, 2012. The organization will be assessing the impact of the new standards on its financial statements over the next year. Early adoption is permitted for the new standards.

The accounting policies adopted by the organization conform to generally accepted accounting policies in Canada for not-for-profit organizations. Significant accounting policies are as follows:

a) Operating revenues and expenditures

Operating revenues and expenditures are accounted for on the accrual basis.

b) Recoverable costs

Recoverable costs relating to regulatory hearings and specific enquiries held by the Board are accrued until the Board orders payment. The costs and subsequent recoveries for these enquiries are not included in the operating revenues and expenditures of the Board.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2011**

2. Significant accounting policies (cont'd)

c) Capital assets

Capital assets are recorded on the Statement of Financial Position at their historical cost and are amortized as follows:

- Furniture and equipment - 20% declining balance method
- Computer hardware - 35% declining balance method
- Computer software - 50% declining balance method
- Leasehold improvements - the lesser of five year straight-line and remaining term of the lease

d) Severance pay

Severance pay is accounted for on the accrual basis and is based upon years of service and current salary levels. The entitlement to severance pay vests with employees after nine years of continual service and accordingly no provision has been made in the accounts for employees with less than nine years of continual service. The amount is payable when the employee ceases employment with the Board.

e) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

f) Financial instruments

In accordance with section 3855, "Financial Instruments – Recognition and Measurement", the Board has classified its cash as held for trading and measures it at fair value. Transaction costs and any gains or losses arising from changes in fair value are recognized immediately in the statement of revenues and expenditures. Accounts receivable are classified as loans and receivables and accounts payable are classified as other financial liabilities. Both are measured at amortized cost.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements
March 31, 2011

2. Significant accounting policies (cont'd)

g) Designated pension funds

The Board maintains a defined benefit pension plan for two former commissioners. The Board accrues its obligation under employee benefit plans, net of plan assets. The cost of the Board's defined benefit pension plan is actuarially determined using the accumulated benefit method. The actuarial assumptions are a rate of return of 4.70% per annum using the UP94 mortality table projected to 2020 with scale AA.

3. Financial Instruments

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk with respect to regulatory assessments. An allowance for doubtful accounts may be established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Board has a significant number of organizations subject to regulatory assessments which minimizes concentration of credit risk.

Fair Value

The Board's carrying value of cash, accounts receivable, recoverable costs and payables and accruals approximates its fair value due to the immediate or short term maturity of these instruments.

4. Capital Management

The Board's objective when managing capital is to ensure its ability to meet operating commitments as they become due. This is achieved primarily by continuously monitoring its actual and projected cash flows and making adjustments to capital as necessary.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements

March 31, 2011

5. Recoverable costs

	2011	2010
Recoverable costs, beginning of year	\$1,022,865	\$ 121,034
Add – specific enquiry costs incurred during the year:		
Consulting fees	308,521	405,713
Consumer Advocate	281,689	529,450
Legal	54,627	63,955
Transcription and printing	1,021	11,994
Advertising and notice	3,602	26,235
Other	97,375	904
	746,835	1,038,251
	1,769,700	1,159,285
Less – costs recovered during the year	1,212,653	136,420
Recoverable costs, end of year	\$ 557,047	\$1,022,865

6. Capital Assets

	2011			2010
	Original Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$263,327	\$219,058	\$ 44,269	\$ 31,350
Computer hardware	142,976	119,627	23,349	22,201
Computer software	63,234	30,397	32,837	39,814
Leasehold improvements	136,528	133,285	3,243	622
	\$606,065	\$502,366	\$103,698	\$ 93,987

7. Subsequent event

The Board entered into a contract for telecommunications subsequent to year end. The annual expenditure is \$14,400 for the next three years.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2011**

8. Bank credit agreement

The Board has established a \$1,000,000 line-of-credit subject to a general security agreement over all accounts and book debts, equipment, tangible capital assets and certain other assets. Any outstanding balance bears interest at the bank prime rate plus 0.5%.

9. Designated pension funds and pension obligations

Designated pension funds are disclosed in the Statement of Financial Position as net of the related pension obligation.

The Board maintains a defined benefit pension plan for two former commissioners. Designated pension funds have been established and consist of investments maintained in trust with RBC Dexia Investor Services Trust on behalf of these pensioners and are recorded at market value.

	2011	2010
Balance on deposit, beginning of year	\$ 135,736	\$ 202,076
Add – earnings net of expenses	(804)	(895)
Deduct – benefit payments	134,932	201,181
	65,445	65,445
Balance on deposit, end of year	69,487	135,736
Related pension obligation	(274,300)	(295,600)
	\$(204,813)	\$(159,864)

Pension obligations represent the present value of accrued pension benefits as calculated in an actuarial report dated April 13, 2010. A pension obligations estimation adjustment of \$44,145 (2010 - \$39,845) is included in expenses in the fiscal year.

In addition, other commissioners and employees for which no designated pension plan has been established are members of The Public Service Pension Fund Act 1991. Pension contributions deducted from commissioners' and employees' salaries are matched by the Board and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to commissioners and employees when they retire. The Board's share of pension expense for the year of \$113,038 (2010 - \$102,942) is included in salaries and associated costs.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2011**

10. Internally restricted surplus

The Board has adopted a formal policy to accumulate and restrict estimated amounts required to meet expected future obligations. The amounts restricted as at March 31, 2011 are as follows:

	2011	2010
Lease commitments	\$ 217,475	\$ 217,475
Payroll contingency	85,653	82,160
Redundancy pay contingency	582,755	559,297
Working capital	434,166	413,678
	\$1,320,049	\$1,272,610

11. Commitments

The Board has the following lease commitments for the rental of office space in St. John's and Grand Falls-Windsor:

St. John's

- a) lease agreement in the amount of \$17,417 per month (\$209,004 per annum), concluding May 31, 2013.

Grand Falls-Windsor

- b) lease agreement in the amount of \$2,825 per month (\$33,900 per annum), payable on a month-to-month basis with a three month termination period.

APPENDIX I

SUMMARY OF ORDERS OF THE BOARD
UNDER THE PUBLIC UTILITIES ACT
APRIL 1, 2010 TO MARCH 31, 2011

Newfoundland and Labrador Hydro (“Hydro”)

Board Order No. P.U. 9 (2010)

Application:

Issued: April 9, 2010

Approval of a contribution in aid of construction for a three-phase line extension to serve the College of the North Atlantic campus located at Labrador City, pursuant to s. 41(5) of the Act.

Decision:

1. The Board approves the contribution in aid of construction of two hundred seventy-two thousand six hundred fifty-one dollars and fifteen cents (\$272,651.15) including HST, as calculated under the Policy for the supply of three-phase electrical service to one general service customer, the College of the North Atlantic campus located at Labrador City, as requested by the provincial Department of Transportation and Works.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc. (“NP”)

Board Order No. P.U. 10 (2010)

Application:

Issued: April 9, 2010

Approval of a contribution in aid of construction for a three-phase extension to serve Central Newfoundland Waste Management Authority, pursuant to s. 41(5) of the Act.

Decision:

1. The contribution in aid of construction of one hundred sixty-two thousand six hundred sixty dollars and forty-two cents (\$162,660.42) excluding HST, as proposed by Newfoundland Power to provide three-phase service to a waste management facility near the Town of Norris Arm for the Central Newfoundland Waste Management Authority is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 11 (2010)

Application:

Issued: April 12, 2010

Approval of the balance in the Weather Normalization Reserve as of December 31, 2009 pursuant to Sections 69(3) and 78 of the Act.

Decision:

1. The Board approves Newfoundland Power’s Weather Normalization Reserve of a negative balance of \$3,918,970 as of December 31, 2009.
2. Newfoundland Power shall pay all costs and expenses of the Board in connection with this Application.

Newfoundland Power Inc.

Board Order No. P.U. 12 (2010)

Application:

Issued: April 20, 2010

Approval of an automatic adjustment formula for fixing and determining the rate of return on rate base for Newfoundland Power.

Decision:

1. The risk free rate used to calculate the forecast cost of equity for use in the Automatic Adjustment Formula to establish Newfoundland Power’s annual rate of return on rate base for 2011 and 2012 shall be determined by adding:
 - a) the average of the 3-month and 12-month forecast of 10-year Government of Canada Bonds as published by Consensus Forecasts in the preceding November; and
 - b) the average observed spread between 10-year and 30-year Government of Canada Bonds for all trading days in the preceding October.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 13 (2010)

Application:

Issued: May 12, 2010

Approval of the deferred recovery of 2010 costs associated with an energy conservation program.

Decision:

1. The deferred recovery of 2010 costs related to the Conservation Plan, estimated to be \$2.3 million, is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 14 (2010)

Application:

Issued: May 28, 2010

Approval of a contribution in aid of construction (“CIAC”) for a three-phase supply for the Long Range Regional Economic Development Board.

Decision:

1. The contribution in aid of construction of two hundred three thousand three hundred thirty-two dollars and thirty-nine cents (\$203,332.39), excluding HST, as proposed by Newfoundland Power to provide a three-phase supply to the area between the communities of McKay’s and Maidstone for the Long Range Regional Economic Development Board is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 15 (2010)

Application:

Issued: May 28, 2010

Approval of a contribution in aid of construction (“CIAC”) for a line extension to serve Domestic Customers residing in the Gambo Pond Cottage Area near the Community of Gambo.

Decision:

1. The Board approves the Non-Refundable CIAC of two thousand five hundred forty-six dollars and forty-six cents (\$2,504.46), excluding HST, as calculated under the Policy to apply to Domestic Customers located in the Cottage Area known as Gambo Pond, pursuant to s. 41(5) of the Act.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 16 (2010)

Application:

Issued: May 28, 2010

Approval of the construction of a terminal station at Long Harbour, an extension to transmission line TL-208, and approval of a customer contribution associated with the project.

Decision:

1. The proposed capital expenditure of \$14.8 million for construction of the terminal station at Long Harbour and the extension to transmission line TL-208 is approved.
2. The contribution from the customer, Vale Inco, in the amount of the final capital cost of the project is approved.
3. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 17 (2010)

Application:

Issued: May 28, 2010

Approval of a capital expenditure under the allowance for unforeseen requirements for the construction and purchase of certain improvements and additions to its property.

Decision:

1. The addition of a supplementary amount of \$4,200,000 to the Allowance for Unforeseen Items approved in Order No. P.U. 41(2009) is approved.
2. Newfoundland Power shall pay all the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 18 (2010)

Application:

Issued: June 18, 2010

Approval of the Rate Stabilization Plan component of the rates to be charged to Newfoundland Power Inc.

Decision:

1. The rates to be charged by Hydro to Newfoundland Power, as set out in Schedule "A" to this Order, to be effective for electrical consumption on or after July 1, 2010, are approved.
2. Hydro shall pay the expenses of the Board incurred in connection with this matter.

Newfoundland Power Inc.

Board Order No. P.U. 19 (2010)

Application:

Issued: June 18, 2010

Approval of:

- a) the rate stabilization and municipal tax adjustments to be applied to the rates of Newfoundland Power Inc. for the period July 1, 2010 to June 30, 2011; and
- b) a schedule of rates, tolls and charges incorporating the rate stabilization and municipal tax adjustments.

Decision:

1. The Rate Stabilization Adjustment of 0.230 cents/kWh and the Municipal Tax Adjustment factor of 1.02474 are approved.
2. The proposed rates to customers of Newfoundland Power, as set out in Schedule A to this Order, are approved, to be effective on all electrical consumption on and after July 1, 2010.
3. Newfoundland Power shall pay the expenses of the Board in connection with this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 20 (2010)

Application:

Issued: June 29, 2010

Approval of a change in rates to be charged for the supply of power and energy to Island Interconnected customers (excluding Burgeo School and Library) and Isolated Rural customers (excluding Government departments).

Decision:

1. The rates proposed by Hydro for its Island Interconnected customers (Rate Class 1.1, 2.1, 2.2, 2.3, 2.4 and 4.1) and Isolated Rural customers (Rate Class 1.2D, 2.1D, 2.2D and 4.1D), to be effective on all electrical consumption on and after July 1, 2010, as set out in Schedule A to this Order, are approved.
2. Hydro shall pay the expenses of the Board incurred in connection with this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 21 (2010)

Application:

Issued: July 7, 2010

Approval of a capital expenditure allowance for unforeseen requirements for the construction and purchase of certain improvements and additions to its property.

Decision:

1. The Board approves an additional amount of \$693,800 to be added to the Allowance for Unforeseen Items account approved in Order No. P.U. 1 (2010).
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 22 (2010)

Application:

Issued: July 6, 2010

Approval of a contribution in aid of construction for Cottage Area Customers located on the Witless Bay Line.

Decision:

1. The Board approves the Non-Refundable CIAC of four thousand two hundred nine dollars and seventy-one cents (\$4,209.71), excluding HST, as calculated under the Policy to apply to Domestic Customers located in the Cottage Area known as Witless Bay Line (Phase 3).
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 23 (2010)

Application:

Issued: July 6, 2010

Approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers residing in the Flatwater Pond Northeast Cottage Area near the community of Baie Verte.

Decision:

1. The Board approves the Non-Refundable CIAC of three thousand eighty-six dollars and fifteen cents (\$3,086.15), excluding HST, as calculated under the Policy to apply to Domestic Customers located in the Cottage Area known as Flatwater Pond Northeast.
2. Hydro shall pay all expenses of the Board arising from this Application.

Nalcor Energy

Board Order No. P.U. 24 (2010)

Application:

Issued: July 21, 2010

An order to establish the terms of a water management agreement between Nalcor Energy and Churchill Falls (Labrador) Corporation Limited for the Churchill River, Labrador. Applications for an award of costs.

Decision:

The Innus of Ekaunitshit and the Uashaunnaut will be awarded costs in an amount to be determined by the Board.

Newfoundland and Labrador Hydro

Board Order No. P.U. 25 (2010)

Application:

Issued: August 26, 2010

Approval of the rates to be charged to Industrial Customers.

Decision:

The Board finds that in the circumstances its jurisdiction to make orders in relation to how the RSP operated in prior years is limited. Given the manner in which this matter was brought forward the Board does not have the jurisdiction to change how Newfoundland Power's RSP operated in prior years, either in terms of the rates charged or the resulting balances. The Board does have the jurisdiction to issue an order which sets just and reasonable rates for the Industrial Customers for 2008 and 2009, including the Industrial Customers' RSP rates and how the Industrial Customers RSP operated for those years. The Board also finds that it has jurisdiction to determine whether any overpayment as a result of the interim rates is to be refunded to the Industrial Customers or placed in a reserve account to the benefit of the Industrial Customers. Given these findings it is not necessary to make a determination at this time in relation to the 2007 year-end balance or the issues raised by Abitibi. These matters will be addressed in the context of the setting of final rates by the Board for the Industrial Customers as of January 1, 2008 and the Board's determination in relation to any resulting balances.

Newfoundland and Labrador Hydro

Board Order No. P.U. 26 (2010)

Application:

Issued: September 24, 2010

Approval for replacement of the jet fuel tank at Bay d'Espoir campsite, pursuant to s. 41(3) of the Act.

Decision:

1. The proposed supplementary 2010 capital expenditure of \$120,400 for the replacement of the fuel tank at the Bay D'Espoir campsite is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Nalcor Energy

Board Order No. P.U. 27 (2010)

Application:

Issued: October 12, 2010

An order to establish the terms of a water management agreement between Nalcor Energy and Churchill Falls (Labrador) Corporation Limited for the Churchill River, Labrador– Quantum of costs to be awarded in the Application.

Decision:

1. Nalcor shall pay the Innus of Ekaunitshit costs in the amount of \$7,000.
2. Nalcor shall pay the Uashaunnaut costs in the amount of \$7,000.
3. Nalcor shall pay the expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 28 (2010)

Application:

Issued: November 15, 2010

Approval of its:

- a) 2011 Capital Budget of \$72,969,000; and
- b) fixing and determining its average rate base for 2009 in the amount of \$848,493,000.

Decision:

1. Newfoundland Power's capital purchases and construction projects in excess of \$50,000, as set out in Schedule A to this Order, are approved.
2. The 2011 Capital Budget for improvements and additions to Newfoundland Power's property in an amount of \$72,969,000 is approved.
3. The average rate base for the year ending December 31, 2009 is hereby fixed and determined at \$848,493,000.
4. Unless otherwise directed by the Board, Newfoundland Power shall file an annual report to the Board on its 2011 capital expenditures by March 1, 2012.
5. Unless otherwise directed by the Board, Newfoundland Power shall provide, in conjunction with the 2012 Capital Budget Application, a status report on the 2011 capital budget expenditures showing for each project:
 - a) the approved budget for 2011;
 - b) the expenditures prior to 2011;
 - c) the 2011 expenditures to the date of the Application;
 - d) the remaining projected expenditures for 2011;
 - e) the variance between the projected total expenditures and the approved budget; and
 - f) an explanation of the variance.
6. Newfoundland Power shall pay all costs and expenses of the Board incurred in connection with the Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 29 (2010)

Application:

Issued: November 23, 2010

Approval of replacement of the Diesel Generating Unit 565 and associated switchgear at Little Bay Islands, pursuant to s. 41(3) of the Act.

Decision:

1. The proposed supplementary 2010 capital expenditure of \$467,900 for the replacement of the Diesel Generating Unit 565 and associated switchgear at Little Bay Islands is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 30 (2010)

Application:

Issued: November 29, 2010

An order approving the deferral recovery of certain costs for 2011, pursuant to Sections 58 and 80 of the Act.

Decision:

1. The deferred recovery of \$2,363,000 in 2011 due to the conclusion in 2010 of the Amortizations is approved until a further Order of the Board.
2. The proposed definition of the 2011 Cost Deferral Account, as set out in Schedule "A" to this Order, is approved.
3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P. U. 31 (2010) Reasons for Decision

Application:

Issued: December 10, 2010

Approval of a comprehensive proposal for the 2011 adoption of accrual accounting for other post employment benefit costs for Newfoundland Power Inc.

Decision:

1. The Board approves:
 - a) the adoption of the accrual method of accounting for OPEBs costs and income tax related to OPEBs effective January 1, 2011; and
 - b) the transitional balance of approximately \$52.4 million dollars be amortized using the straight line method of amortization over a 15-year period; and
 - c) adoption of an OPEBs Cost Variance Deferral Account as defined in Schedule A.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P. U. 32 (2010)

Application:

Issued: December 10, 2010

An order approving the Operation of the Automatic Adjustment Formula for 2011.

Decision:

1. The Board approves:
 - a) pursuant to s. 80 of the Act, a rate of return on rate base for Newfoundland Power for 2011 of 7.96% in a range of 7.78% to 8.14%;
 - b) pursuant to s. 58 of the Act, a revised definition of the Excess Earnings Account as set out in Schedule 1; and
 - c) pursuant to s. 70 of the Act, deferral until December 15, 2010 of the filing of an application for a revised schedule of rates, tolls and charges to become effective January 1, 2011.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 33 (2010)

Application:

Issued: December 10, 2010

Approval of changes in the rates to be charged for the supply of power and energy to certain Labrador Interconnected customers and related changes in the Rate Stabilization Plan Rules, pursuant to Sections 70 and 71 of the Act.

Decision:

1. The change of the monthly amount of the 2011 automatic rate adjustment in the Rural Rate Alteration in the Rate Stabilization Plan from \$47,847 to \$98,295 is approved, as set out in Schedule A.
2. The Schedule of Rates for certain Labrador Interconnected customers, as set out in Schedule B, is approved, effective January 1, 2011.
3. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P. U. 34 (2010)

Application:

Issued: December 17, 2010

Approval to install pipe blinds or other secure devices in the Holyrood Thermal Generating Station to prevent hazardous substances from entering confined spaces ensuring a safe work environment pursuant to s. 41(3) of the Act.

Decision:

1. The proposed supplementary 2010 capital expenditure of \$1,804,300 for the installation of pipe blinds or other secure devices to prevent hazardous substances from entering confined spaces at the Holyrood Thermal Generating Station is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 35 (2010)

Application:

Issued: December 21, 2010

Approval of a capital expenditure allowance for unforeseen requirements for the construction and purchase of certain improvements and additions to its property pursuant to s. 41(3) of the Act (the "Application").

Decision:

1. The addition of a supplementary amount of \$1,900,000 to the Allowance for Unforeseen Items approved in Order Nos. P.U. 41(2009) and P.U. 17(2010) is approved.
2. Newfoundland Power shall pay the expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 36 (2010)

Application:

Issued: December 21, 2010

Approval of a Proposed Schedule of Rates, Tolls and Charges to be effective January 1, 2011.

Decision:

1. The Board approves the proposed schedule of rates, tolls and charges to apply to consumption on and after January 1, 2011, attached as Schedule A.
2. Newfoundland Power shall pay the expenses of the Board arising from the Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 37 (2010)

Application:

Issued: December 23, 2010

Approval of a change in rates to be charged for the supply of power and energy to Island Interconnected customers (excluding Burgeo School and Library) and Isolated Rural Customers (excluding Government departments) pursuant to Subsection 70(1) of the Act .

Decision:

1. The rates proposed by Hydro for its Island Interconnected customers (Rate Class 1.1, 2.1, 2.2, 2.3, 2.4 and 4.1) and Isolated Rural customers (Rate Class 1.2D, 2.1D, 2.2D and 4.1D), to be effective for service provided on and after January 1, 2011, as set out in Schedule "A", are approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P. U. 38 (2010)

Application:

Issued: December 23, 2010

Approval of its:

- a) 2011 capital budget;
- b) 2011 capital purchases and construction projects in excess of \$50,000;
- c) estimated contributions in aid of construction for 2011; and
- d) fixing and determining its average rate base for 2009.

Decision:

1. Hydro's proposed construction and purchase of improvements or additions to its property in excess of \$50,000 are approved as set out in Schedule A to this Order, except that the proposed:
 - a) Upgrade Stack Breaching Unit 1, Holyrood is denied, with leave to reapply for approval to proceed with a revised project in accordance with the findings of the Board;
 - b) Refurbish Fuel Storage Facility, Holyrood is denied with leave to reapply with updated evidence; and
 - c) Construct Transmission Line Equipment Off-Loading Areas is denied.
2. Hydro's 2011 Capital Budget, as set out in Schedule B to this Order, for improvements 16 and additions to its property in the amount of \$ 55,046,000 is approved.
3. Unless otherwise directed by the Board Hydro shall file an annual report with the Board in relation to its 2011 capital expenditures by March 1, 2012.
4. Unless otherwise directed by the Board Hydro shall file, in conjunction with the 2012 Capital Budget Application, a status report on the 2011 capital budget expenditures.
5. Pursuant to s. 78 of the Act the rate base for the year ending December 31, 2009 is hereby fixed and determined at \$1,473,477,000.
6. Hydro shall pay all costs and expenses of the Board incurred in connection with the Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 39 (2010)

Application:

Issued: December 30, 2010

Approval of the Rate Stabilization Plan components of the rates to be charged to Island Industrial Customers and the Consumer Advocate Application for the approval of changes to the Rate Stabilization Plan.

Decision:

1. The Board approves on an interim basis the schedule of rates, tolls and charges as attached in Schedule A to be effective for consumption by Newfoundland Power as of January 1, 2011.
2. The Board approves on an interim basis the Rate Stabilization Plan as attached in Schedule B as of January 1, 2011.
3. Hydro shall pay the expenses of the Board arising from this Order.

Newfoundland and Labrador Hydro

Board Order No. P.U. 1 (2011)

Application:

Issued: January 19, 2011

Approval of changes to the Rate Stabilization Plan rules and formulae.

Decision:

1. The Board approves a modification to the Load Variation provision of the RSP rules to reduce the balance of the RSP attributable to the Industrial Customer load variation in the amount of \$10,000,000, effective September 30, 2010.
2. The Board approves Hydro's application to reimburse the \$10,000,000 to the Government of Newfoundland and Labrador.
3. The Board approves on an interim basis the Rate Stabilization Plan rules as attached in Schedule "A".
4. Hydro shall pay the expenses of the Board incurred in connection with this matter.

Newfoundland and Labrador Hydro

Board Order No. P.U. 2 (2011)

Application:

Issued: January 19, 2011

Approval of a contribution in aid of construction to provide single phase electrical service to serve the Labrador City Landfill Site.

Decision:

1. The contribution in aid of construction of two hundred fifty-six thousand nine hundred seventy-nine dollars and eighteen cents (\$256,979.18), including HST, for the construction of a 46 kV substation and 200 metre single phase distribution line to serve Labrador City Landfill Site is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 2 (2011) Amended

Application:

Issued: February 2, 2011

Approval of a contribution in aid of construction to provide single phase electrical service to serve the Labrador City Landfill Site.

Decision:

1. The contribution in aid of construction of two hundred fifty-six thousand nine hundred seventy-nine dollars and eighteen cents (\$256,979.18), including HST, for the construction of a 46 kV substation and 200 metre single phase distribution line to serve Labrador City Landfill Site is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P. U. 3 (2011)

Application:

Issued: February 21, 2011

Approval of:

- a) revised distribution line costs per metre for Contributions in Aid of Construction (CIACs);
- b) revised distribution plant upgrade cost for CIACs; and
- c) revised CIAC cost factors.

Decision:

1. The revised cost factors submitted with the Application and contained in Schedules A, B, C and D attached to this Order are approved to be used in the calculation of all CIACs with effect from March 1, 2011 and, where advantageous to customers of Newfoundland Power, on all CIACs quoted but unpaid as of March 1, 2011.
2. Newfoundland Power submit a revised CIAC Policy in its entirety incorporating the revisions approved herein.
3. Newfoundland Power shall pay the expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P. U. 3 (2011) Amended

Application:

Issued: March 9, 2011

Approval of:

- a) revised distribution line costs per metre for Contributions in Aid of Construction (CIACs);
- b) revised distribution plant upgrade cost for CIACs; and
- c) revised CIAC cost factors.

Decision:

1. The revised cost factors submitted with the Application and contained in Schedules A, B, C and D attached to this Order are approved to be used in the calculation of all CIACs with effect from March 1, 2011 and, where advantageous to customers of Newfoundland Power, on all CIACs quoted but unpaid as of March 1, 2011.
2. Newfoundland Power submit a revised CIAC Policy in its entirety incorporating the revisions approved herein.
3. Newfoundland Power shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 4 (2011)

Application:

Issued: March 10, 2011

Approval for the deferred recovery of 2011 costs associated with the energy conservation program.

Decision:

1. The deferred recovery of the 2011 costs related to the Conservation Plan, estimated to be \$840,000.00 is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 5 (2011)

Application:

Issued: March 18, 2011

Approval for the approval for the lease of accommodations in Labrador West for its Operations pursuant to s. 41 of the Act.

Decision:

1. The Application to enter into a one-year lease of residential accommodations in Labrador City or Wabush in an amount not to exceed \$60,000 per year, plus HST, is approved.
2. Hydro shall file a copy of the executed lease with the Board.
3. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P. U. 6 (2011)

Application:

Issued: March 24, 2011

Approval of certain rules and regulations pertaining to the supply of electrical power and energy to one of its industrial customers, Corner Brook Pulp and Paper Limited

Decision:

1. An extension to the Service Agreement for Corner Brook Pulp and Paper until July 15, 2011 is approved.
2. Hydro shall file an application for the approval of the Service Agreement for Corner Brook Pulp and Paper no later than June 15, 2011.
3. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 7 (2011)

Application:

Issued: March 24, 2011

An Order of the Board providing for disposition of the balance in the Demand Management Incentive Account pursuant to Sections 58 and 80 of the Act.

Decision:

1. The disposition of the 2010 balance in the Demand Management Incentive Account and related income tax effects by means of a credit in the amount of \$994,207 to the Rate Stabilization Account as of March 31, 2011 is approved.
2. Newfoundland Power shall pay all costs and expenses of the Board in connection with this Application.

**SUMMARY OF ORDERS OF THE BOARD
UNDER THE AUTOMOBILE INSURANCE ACT
APRIL 1, 2010 TO MARCH 31, 2011**

Markel Insurance Company of Canada

Board Order No. A.I. 1 (2010)

Application:

Issued: April 9, 2010

Approval of rates for additional SEF20 limits and a revised algorithm for calculating SEF27/27B premium.

Decision:

The proposed limits for SEF20 and algorithm for SEF27/27B are approved with effect no sooner than September 1, 2010 for new business and renewals.

Metro General Insurance Corporation

Board Order No. A.I. 2 (2010)

Application:

Issued: May 26, 2010

Approval of a revised Private Passenger automobile insurance rating program

Decision:

1. Metro shall submit for the approval of the Board a revised rate proposal which, for each coverage, shall be no more than the rate level indications filed with the Board on April 14, 2010.
2. Metro shall pay the expenses of the Board arising from this filing.

Co-operators General Insurance Company

Board Order No. A.I. 3 (2010)

Application:

Issued: May 26, 2010

Approval of a revised Miscellaneous Vehicles insurance rating program to extend its Cost Price New rate group tables and differentials in order to insure higher value vehicles.

Decision:

The proposed rates and rating program for the Miscellaneous Vehicles class of business of Co-operators General Insurance Company are approved with effect no sooner than July 20, 2010 for new business and renewals.

Co-operators General Insurance Company

Board Order No. A.I. 4 (2010)

Application:

Issued: May 26, 2010

Approval of a revised Commercial Vehicles insurance rating program to extend its Cost Price rate group tables and differentials in order to insure higher value vehicles.

Decision:

The proposed rates and rating program for the Commercial Vehicles class of business of Co-operators General Insurance Company are approved with effect no sooner than August 14, 2010 for new business and renewals.

Metro General Insurance Corporation

Board Order No. A.I. 5 (2010)

Application:

Issued: June 10, 2010

Approval of its revised Private Passenger automobile insurance rating program submitted as was directed in Order No. A.I. 2 (2010).

Decision:

The revised rate proposal received on June 3, 2010 from Metro General Insurance Corporation for its Private Passenger class of business is approved to be effective no sooner than July 1, 2010 for new business and August 1, 2010 for renewal business.

Co-operators General Insurance Company

Board Order No. A.I. 6 (2010)

Application:

Issued: October 26, 2010

For approval of an optional Accident Forgiveness Endorsement for its Private Passenger class of business.

Decision:

The proposed rate for the Accident Forgiveness Endorsement is approved to be effective no soon than November 1, 2010 for both new business and renewals.

The Dominion of Canada General Insurance Company

Board Order No. A.I. 7 (2010)

Application:

Issued: October 26, 2010

To implement revised rates for its Private Passenger Automobile class of business.

Decision:

The proposed rates and rating program for the private passenger class of business of The Dominion of Canada General Insurance Company is approved with effect no sooner than December 1, 2010 for new business and January 15, 2011 for renewal business.

Royal & Sun Alliance Insurance Company of Canada

Board Order No. A.I. 8 (2010)

Application:

Issued: October 26, 2010

To implement revised rates for its Private Passenger Automobile class of business.

Decision:

The proposed rates and rating program for the private passenger class of business of Royal & Sun Alliance Insurance Company of Canada is approved with effect no sooner than January 1, 2011 for new business and February 20, 2011 for renewal business.

The Portage La Prairie Mutual Insurance

Board Order No. A.I. 9 (2010)

Application:

Issued: November 18, 2010

To implement revised rates for its Commercial Automobile class of business.

Decision:

The proposed rates and rating program for the commercial vehicles class of business of The Portage La Prairie Mutual Insurance Company is approved with effect no sooner than January 1, 2011 for new business and February 1, 2011 for renewal business.

The Portage La Prairie Mutual Insurance

Board Order No. A.I. 9 (2010) Amended

Application:

Issued: November 23, 2010

To implement revised rates for its Commercial Automobile class of business.

Decision:

The proposed rates and rating program for the commercial vehicles class of business of The Portage La Prairie Mutual Insurance Company is approved with effect no sooner than January 1, 2011 for new business and February 1, 2011 for renewal business.

Primum Insurance Company

Board Order No. A.I. 10 (2010)

Application:

Issued: November 23, 2010

To implement revised rates for its private passenger vehicles classes of business.

Decision:

The proposed rates and rating program for the private passenger vehicles class of business of Primum Insurance Company is approved with effect no sooner than June 30, 2011 for new business and renewal business.

Security National Insurance Company

Board Order No. A.I. 11 (2010)

Application:

Issued: December 8, 2010

To implement revised rates for its private passenger vehicles classes of business.

Decision:

The proposed rates and rating program for the private passenger vehicles class of business of Security National Insurance Company is approved with effect no sooner than June 30, 2011 for new business and renewal business.

TD Home & Auto Insurance Company

Board Order No. A.I. 12 (2010)

Application:

Issued: December 8, 2010

To implement revised rates for its private passenger vehicles classes of business.

Decision:

The proposed rates and rating program for the private passenger vehicles class of business of TD Home & Auto Insurance Company is approved with effect no sooner than June 30, 2011 for new business and renewal business.

Royal & Sun Alliance Insurance Company of Canada

Board Order No. A.I. 13 (2010)

Application:

Issued: December 8, 2010

To implement revised rates for its commercial vehicles class of business.

Decision:

The proposed rates and rating program for the commercial vehicles class of business of Royal & Sun Alliance Insurance Company of Canada is approved with effect no sooner than February 1, 2011 for new business and April 1, 2011 for renewal business.

The Portage La Prairie Mutual Insurance

Board Order No. A.I. 14 (2010)

Application:

Issued: December 23, 2010

To implement revised rates for its Private Passenger class of business.

Decision:

1. The proposed rates and rating program for the private passenger vehicles class of business of The Portage La Prairie Mutual Insurance Company is approved with the exception that it shall adjust and resubmit no later than January 30, 2011 its final rates for Specified Perils.
2. The revised rates approved herein shall be effective no sooner than March 1, 2011 for New Business and April 1, 2011 for Renewals.
3. Portage shall pay the expenses of the Board arising from this filing.

Co-operators General Insurance Company

Board Order No. A.I. 15 (2010)

Application:

Issued: December 23, 2010

To implement a revised limit and premium for its optional SEF 27 endorsement.

Decision:

The proposed changes to the optional SEF 27 endorsement of Co-operators General Insurance Company are approved with effect no sooner than January 24, 2010 for new business and renewals.

Arch Insurance Company

Board Order No. A.I. 1 (2011)

Application:

Issued: January 17, 2011

To adopt IAO advisory rates for Private Passenger Automobile, Interurban Trucks, Miscellaneous Vehicles and Garage Section classes of business written in the Province.

Decision:

The application of IAO, on behalf of Arch, to adopt IAO advisory rates for Private Passenger Automobiles, Interurban Trucks, Miscellaneous Vehicles and Garage Section classes of automobile insurance business is approved with effect from March 19, 2011.

Primum Insurance Company

Board Order No. A.I. 2 (2011)

Application:

Issued: January 27, 2011

To implement revised rates and rating programs for its Miscellaneous Vehicles classes of business.

Decision:

The proposed rates and rating programs for the Miscellaneous Vehicles classes of business of Primum Insurance Company are approved with effect no sooner than June 30, 2011 for new business and renewal business.

Security National Insurance Company

Board Order No. A.I. 3 (2011)

Application:

Issued: January 27, 2011

To implement revised rates and rating programs for its Miscellaneous Vehicles classes of business.

Decision:

The proposed rates and rating programs for the Miscellaneous Vehicles classes of business of Security National Insurance Company are approved with effect no sooner than June 30, 2011 for new business and renewal business.

TD Home & Auto Insurance Company

Board Order No. A.I. 4 (2011)

Application:

Issued: January 27, 2011

To implement revised rates and rating programs for its Miscellaneous Vehicles classes of business.

Decision:

The proposed rates and rating programs for the Miscellaneous Vehicles classes of business of TD Home & Auto Insurance Company are approved with effect no sooner than June 30, 2011 for new business and renewal business.

**SUMMARY OF ORDERS OF THE BOARD
UNDER THE MOTOR CARRIER ACT
APRIL 1, 2010 TO MARCH 31, 2011**

Applicant

Board Order No. M.C. 1 (2010)

Application:

Issued: April 16, 2010

Approval of the transfer of beneficial ownership of the shares Motor Carrier Certificate No. 3553, MacKenzie Ambulance Service Inc., from Applicant to MASI Holdings Limited.

Decision:

The application for the transfer of the beneficial ownership of the shares of the holder of Motor Carrier Certificate No. 3553, MacKenzie Ambulance Service Inc., from Applicant to MASI Holdings Limited is approved.

Labrador-Grenfell Regional Integrated Health Authority

Board Order No. M.C. 2 (2010)

Application:

Issued: April 20, 2010

Legislative changes under the Hospitals Act (1971) and the Regional Health Authorities Act (2006) have resulted in the amalgamation of Motor Carrier Certificate No 5932 and Motor Carrier Certificate No. 3543 and requires re-issuance of Motor Carrier Certificate No. 3543 under the name Labrador-Grenfell Regional Integrated Health Authority.

Decision:

Motor Carrier Certificate No. 5932 issued to Captain William Jackman Memorial Hospital and Motor Carrier Certificate No. 3543 issued to Grenfell Regional Health Services be and they are hereby amalgamated under the Motor Carrier Certificate No. 3543 and Motor Carrier Certificate No. 3543 under the name Grenfell Regional Health Services be re-issued under the name Labrador-Grenfell Regional Integrated Health Authority.

Labrador-Grenfell Regional Integrated Health Authority

Board Order No. M.C. 3 (2010)

Application:

Issued: April 27, 2010

Approval of a Motor Carrier Certificate to provide the following service:

IRREGULAR SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from Bell Island to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points within the province of Newfoundland and Labrador.

Decision:

Approval granted as a result of a meeting of the Board.

Fewer's Ambulance Service Limited

Board Order No. M.C. 4(2010)

Application

Issued: May 7, 2010

Approval of a Motor Carrier Certificate to provide the following service:

1. IRREGULAR SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or a registered nurse from Bonavista, Old and New Bonaventure, Dunfield, Trinity, Port Rexton, Trinity East, Champney's East, West and Central, English Harbour, Melrose, Catalina, Port Union, Knight's Cove, Stock Cove, Dantera, Keels, Little Catalina, Trouty, Lockston, and Broad Cove to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points within the province of Newfoundland and Labrador; and
2. IRREGULAR ROUTE SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or a registered nurse from Clarenville, Hillview, Ivany's Cove, Long Beach, Little Heart's Ease, Butter Cove, North Harbour, Sunnyside, Southern Harbour, Charlottetown, Deep Bight, Hatchet Cove, North West Brook, Caplin Cove, Southport, Goobies, Garden Cove, Come-by-Chance, Chance Cove, Shoal Harbour, Adeytown, St. Jones Within, Queen's Cove, Hodge's Cove, Gooseberry Cove, Swift Current, Arnold's Cove, Port Blandford, Milton, Lethbridge, George's Brook, Apsey Brook, Bunyan's Cove, Musgravetown, Portland, Charleston, Princeton, Plate Cove West, Tickle Cove, Elliotts Cove, Harcourt, Cannings Cove, Jamestown, Sweet Bay, Summerville, Openhall, King's Cove, Snook's Harbour, Monroe, Burgoynes, Bloomfield, Winterbrook, Southern Bay, Plate Cove East, Red Cliff, Siding, Little Harbour, Island Cove, Black Cove, Barton, Somerset, Gin Cove, Waterville, Clifton, Brooklyn, La Manche, Rantem, Goose Bay, Morley's Siding, Terrenceville, Monkstown, Grand Le Pierre English Harbour, Amherst Cove, Birchy Cove (Bonavista Bay), Elliston, Elliston Point, Lancaster, Maberly (Trinity Bay), Middle Amherst Cove, Newmans Cove, Paradise (Bonavista Bay), Spillars Cove, Upper Amherst Cove, Arnold's Cove Station, Goose Cove (Placentia Bay), Davis Cove (Placentia Bay), Black River (Placentia Bay), Little Harbour East (Placentia Bay) Mills Siding, New Burnt Cove (Trinity Bay), Ramdom Heights, Thorburn Lake, Plate Cove, Champney's Arm, and Goose Cove (Trinity Bay) to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points within the province of Newfoundland and Labrador.

Decision:

Approval granted as a result of a meeting of the Board.

Applicant

Board Order No. M.C. 5 (2010)

Application:

Issued: May 26, 2010

Application to discontinue service under Motor Carrier Certificate No. 6340 conditional on the granting of a licence to operate the same service to Tremblett's Ambulance Service Ltd.

Decision:

Motor Carrier Certificate No. 6340 issued to Applicant is cancelled with effect from May 26, 2010.

**Fewer's Holdings Ltd.,
formerly Fewer's Funeral Home Limited**

Board Order No. M.C. 6 (2010)

Issued: May 26, 2010

Application:

Application to discontinue service under Motor Carrier Certificate No. 3574 conditional on the granting of a licence to operate the same service to Fewer's Ambulance Service Limited.

Decision:

Motor Carrier Certificate No. 3574 issued to Fewer's Holdings Ltd., formerly Fewer's Funeral Home Limited is cancelled with effect from May 26, 2010.

Labrador Ambulance Services Limited

Board Order No. M.C. 7 (2010)

Application:

Issued: July 26, 2010

Approval of an amendment to Motor Carrier Certificate No. 6392 :

TO AMEND:

IRREGULAR ROUTE SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from Happy Valley–Goose Bay, Northwest River, Sheshatshit, and any point on Highway Route No. 520 to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points within the province of Newfoundland and Labrador.

TO READ:

IRREGULAR ROUTE SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from Happy Valley–Goose Bay, North West River, Sheshatshit, any point on Route 520, any point on Route 500 between Goose Bay and the intersection of Route 500 and 510 and any point on Route 510 from intersection of Route 500 to and including Paradise River, and Cartwright to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points within the province of Newfoundland and Labrador.

Decision:

The application of Labrador Ambulance Services Limited is approved and an amendment to Motor Carrier Certificate No. 6392 will be issued as follows:

IRREGULAR ROUTE SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from Happy Valley–Goose Bay, North West River, Sheshatshit and any point on Route 520, and from any point on Route 510 between and including Paradise River and Cartwright in the east to Happy Valley–Goose Bay in the west, to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points within the province of Newfoundland and Labrador.

Applicant

Board Order No. M.C. 8 (2010)

Application:

Issued: May 26, 2010

Approval of the transfer of beneficial share ownership of Motor Carrier Certificate No. 3546, issued in the name of Tryco Limited, to Tryco Holdings Limited.

Decision:

The application for the transfer of the beneficial ownership of the shares of the holder of Motor Carrier Certificate No. 3546, Tryco Limited, from Applicant to Tryco Holdings Limited is approved.

Applicant

Board Order No. M.C. 9 (2010)

Application:

Issued: June 10, 2010

Approval of the transfer of beneficial ownership of the shares of Motor Carrier Certificate No. 4859, issued in the name of Mercer's Ambulance Service Limited, from the Applicants to Fewer's Ambulance Service Limited.

Decision:

The application for the transfer of the beneficial ownership of the shares of the holder of Motor Carrier Certificate No. 4859, Mercer's Ambulance Service Limited, from Applicants to Fewer's Ambulance Service Limited is approved.

Applicant

Board Order No. M.C. 10 (2010)

Application:

Issued: June 10, 2010

Application for approval of the transfer of beneficial ownership of the shares of Motor Carrier Certificate No. 6408, issued in the name of Tremblett's Ambulance Service Ltd., from the Applicant to Fewer's Ambulance Service Limited.

Decision:

The application for the transfer of the beneficial ownership of the shares of the holder of Motor Carrier Certificate No. 6408, Tremblett's Ambulance Service Ltd., from Applicant to Fewer's Ambulance Service Limited is approved.

Central Regional Integrated Health Authority

Board Order No. M.C. 11 (2010)

Application:

Issued: July 6, 2010

Legislative changes under the Hospitals Act (1971) and the Regional Health Authorities Act (2006) have resulted in the amalgamation of Motor Carrier Certificate No. 3564 and Motor Carrier Certificate No. 3567 and requires re-issuance of Motor Carrier Certificate No. 3564 under the name Central Regional Integrated Health Authority

Decision:

1. Motor Carrier Certificate No. 3564 issued to Central West Health Corporation and Motor Carrier Certificate No. 3567 issued to James Paton Memorial Hospital be and are hereby amalgamated under Motor Carrier Certificate No. 3564.
2. Motor Carrier Certificate No. 3564 under the name Central West Health Corporation be re-issued under the name Central Regional Integrated Health Authority.

Dorman Roberts Ltd.

Board Order No. M.C. 12 (2010)

Application:

Issued: September 15, 2010

Application for approval of revised rates for its trans-island passenger bus service.

Decision:

1. The proposed rate increase of 12% for separate fare public passenger bus transportation service on the trans-island route is not approved.
2. The continuation of the fuel surcharge provision is approved.
3. The proposal for an annual automatic adjustment based on the Consumer Price Index is not approved.

Broughtons' Ambulance Services Limited

Board Order No. M.C. 1 (2011)

Application:

Issued: March 23, 2010

Application of Broughtons' Ambulance Services Limited for approval of a Motor Carrier Certificate.

Decision:

The application of Broughtons' Ambulance Services Limited is approved and a Motor Carrier Certificate will be issued upon receipt of proof of public passenger automobile insurance in the name of Broughtons' Ambulance Services Limited on the vehicle(s), in accordance with the Certificate of Insurance.

Ferryland Emergency Service Limited

Board Order No. M.C. 2 (2011)

Application:

Issued: March 23, 2010

Application of Ferryland Emergency Service Ltd. for approval of a Motor Carrier Certificate.

Decision:

The application of Ferryland Emergency Service Ltd. is approved and a Motor Carrier Certificate will be issued upon receipt of proof of public passenger automobile insurance in the name of Ferryland Emergency Service Ltd. on the vehicle(s) to be used, in accordance with the Certificate of Insurance.

APPENDIX II

**SUMMARY OF MAXIMUM PRICE CHANGES
UNDER THE PETROLEUM PRODUCTS ACT
APRIL 1, 2010 TO MARCH 31, 2011**

Pricing Zones

The Province is divided into 14 primary pricing zones for the setting of maximum prices for petroleum products. Each of these pricing zones is separated from the next by unique geographic boundaries, and each has established product-pricing differentials from the base zone. These zone price differentials are added to the base prices for products in the base zone to reflect the additional costs for the transportation, storage and distribution of the products in the destination zone. As well, where primary zones contain special geographic features, such as islands, pricing sub-zones have been established to reflect the additional cost of providing products to these more remote locations.

Zone 1 (Avalon) is the base zone for motor fuels, Zone 1 ANE (Avalon North East) is the base zone for heating fuels, except residential propane, which has Zone 2 (Burin Peninsula/ Bonavista Peninsula / Bonavista Bay) as its base zone because the majority of the propane that is consumed in the Province is produced at the oil refinery in Come By Chance.

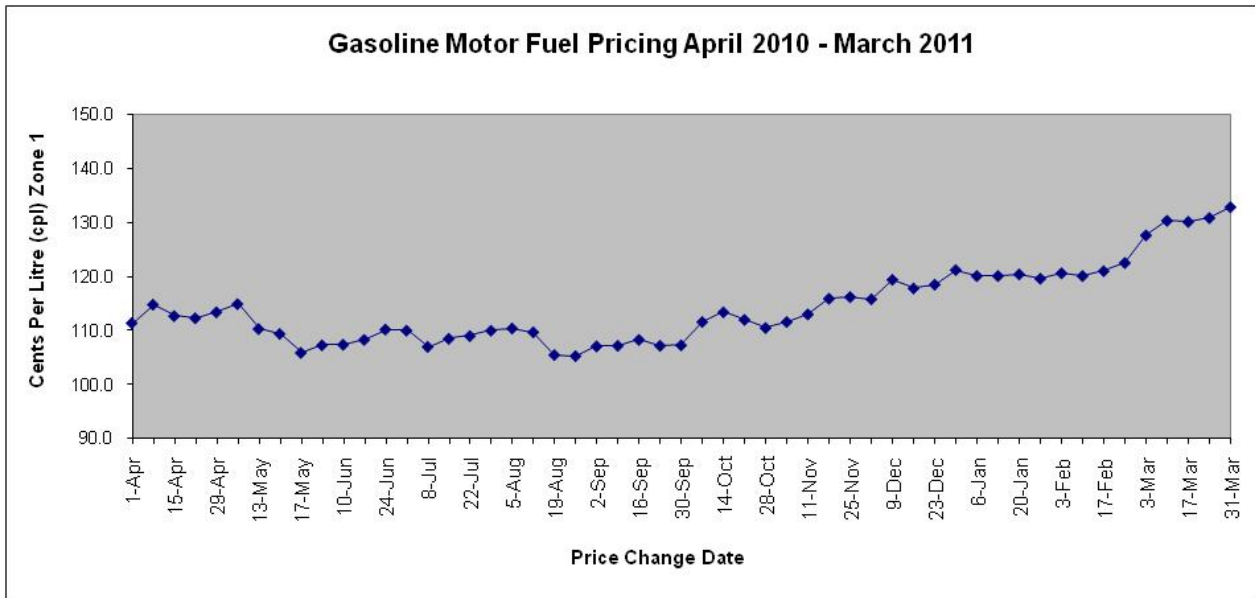
The following charts reflect the overall pricing movements in the base zone for each of the refined petroleum products for which maximum prices are regulated. (Note: the lines joining the data points in the following graphs are intended to reflect trends only and do not represent gradual increases or decreases in prices between the indicated price changes.)

There were 53 scheduled changes to the maximum prices of various fuel products throughout 2010-11. There were no unscheduled adjustments for any regulated petroleum product during this period.

Gasoline Motor Fuel

There were 53 scheduled adjustments (32 increases, 20 decreases and one adjustment with no change) to the maximum price of gasoline motor fuel.

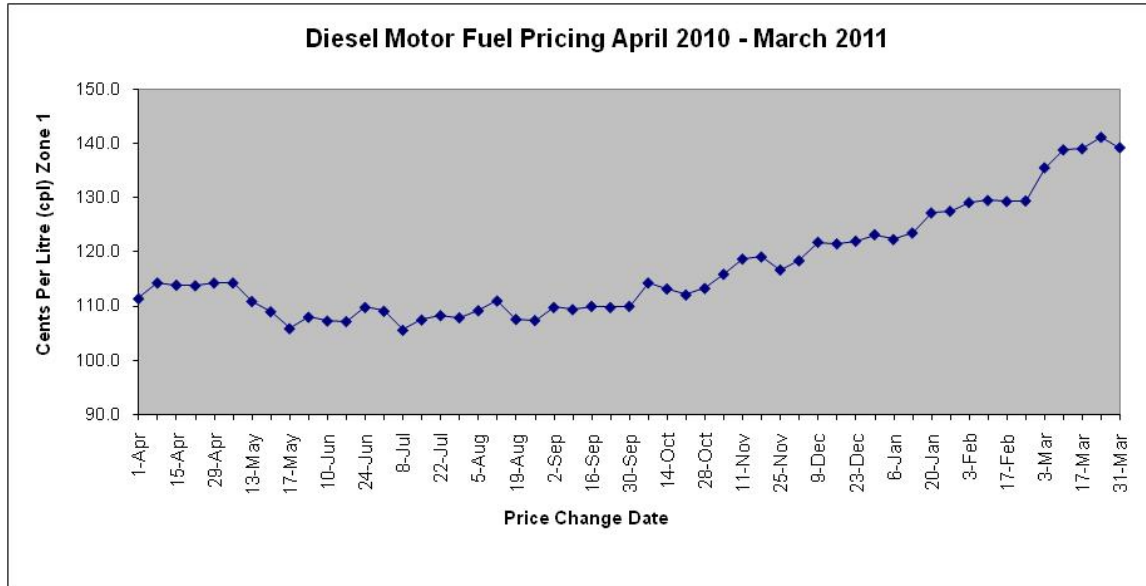
Maximum Gasoline Motor Fuel Prices



Diesel Motor Fuel

There were 53 adjustments (31 increases, 21 decreases and one adjustment with no change) to the maximum price of automotive diesel.

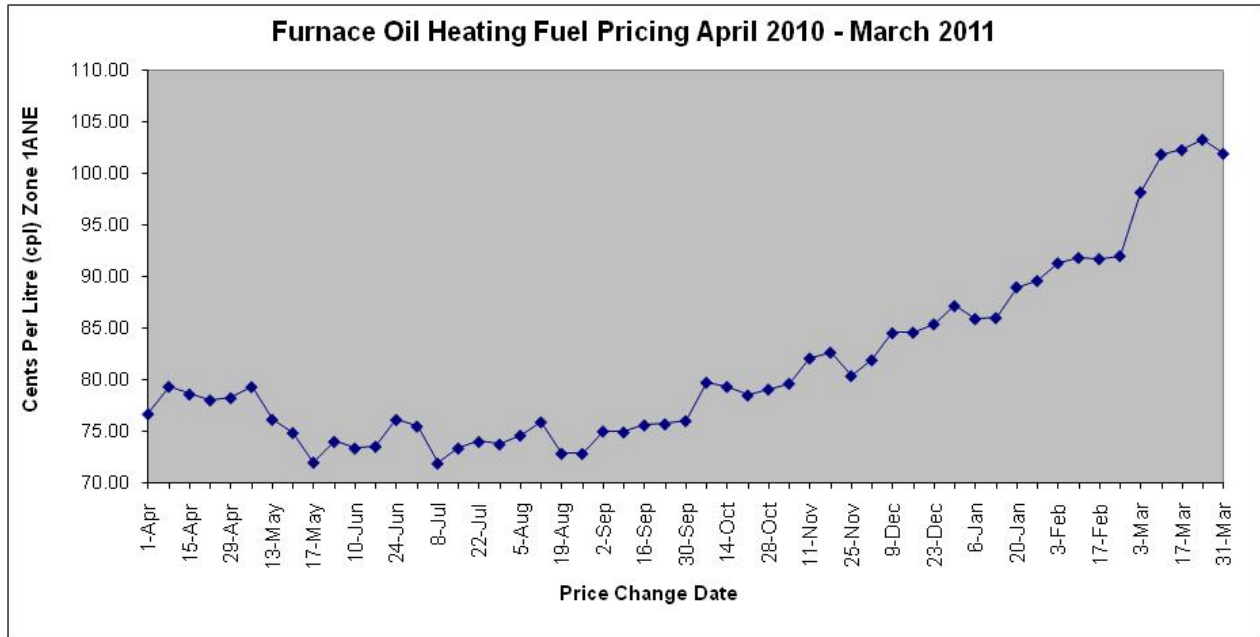
Maximum Diesel Motor Fuel Prices



Furnace Oil Heating Fuel

There were 53 adjustments (35 increases and 18 decreases) to the maximum price of furnace oil.

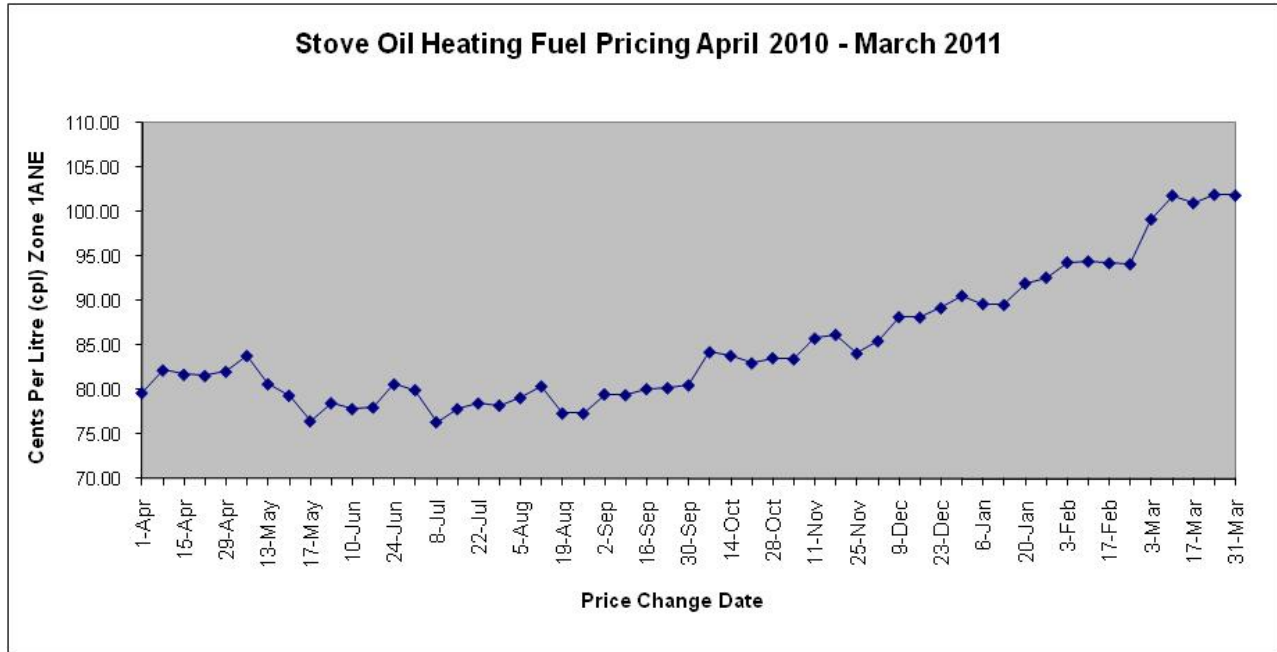
Maximum Furnace Oil Heating Fuel Prices



Stove Oil Heating Fuel

There were 53 adjustments (30 increases and 23 decreases) to the maximum price of stove oil.

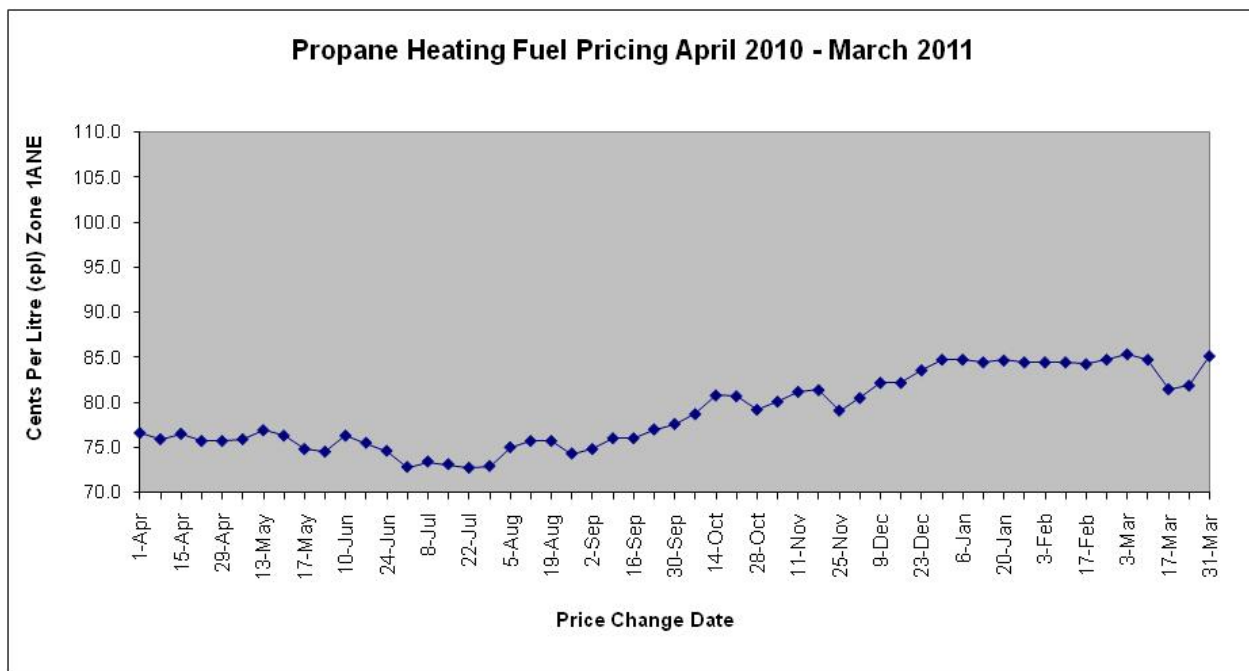
Maximum Stove Oil Heating Fuel Prices



Propane Heating Fuel

There were 53 adjustments (26 increases, 20 decreases and seven adjustments with no change) to the maximum price of residential propane.

Maximum Residential Propane Prices



COMMISSIONERS
Year End - March 31, 2011

Chair and Chief Executive Officer Andy Wells
Vice-Chair Darlene Whalen
Full-time Commissioner Dwanda Newman
Full-time Commissioner James Oxford

STAFF
Year End - March 31, 2011

Director of Corporate Services and Board Secretary Cheryl Blundon
Director of Regulatory and Advisory Services Robert Byrne
Financial and Economic Analyst Doreen Dray
Financial Officer Don Seaward
Legal Counsel Jacqueline Glynn
Senior Electrical Engineer Vacant
Compliance Auditor Ryan Oake
Information Technology Officer Mike McNiven
Executive Secretary and Assistant Board Secretary Barbara Thistle
Records Administrator Sara Kean
Research Officer David Hillier
Communications Officer Michelle Hicks
Administrative Assistant Bobbi Smith
Administrative Assistant Kendra Pelley
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