
Newfoundland & Labrador

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

2012-13 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:

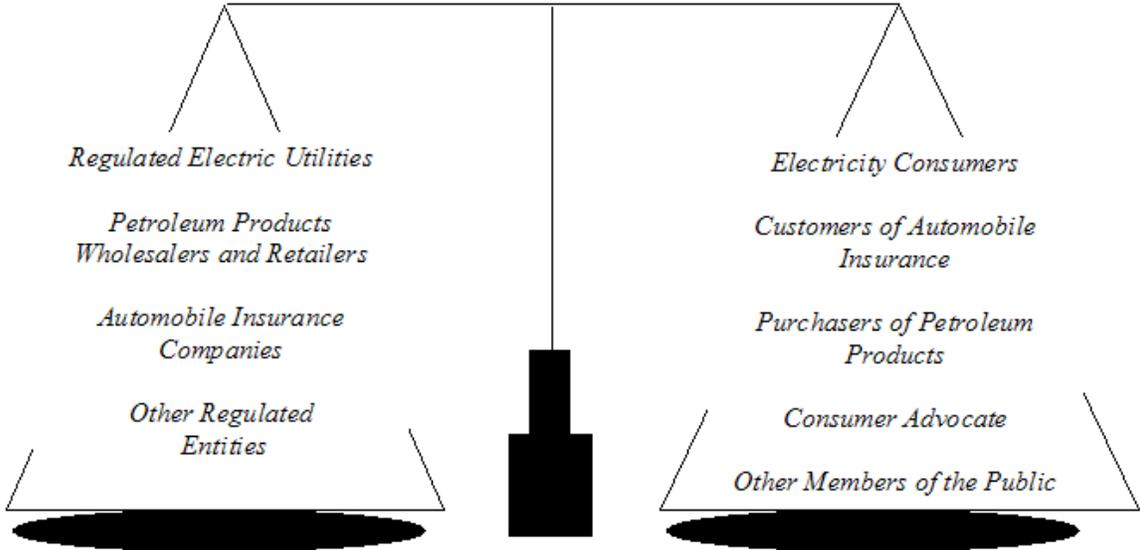


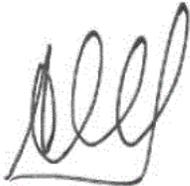
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MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

As Chair and Chief Executive Officer of the Board of Commissioners of Public Utilities (the “Board”) I am pleased to present the annual performance report of the Board for the fiscal year ending March 31, 2013.

This report was prepared under my direction in accordance with the *Transparency and Accountability Act* and outlines the achievements and activities of the Board over the past fiscal year. As Chair and CEO I am accountable for the results reported herein.

A handwritten signature in black ink, appearing to read 'AWells', is positioned above the printed name and title.

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*), Service NL (*Automobile Insurance Act*, *Insurance Companies Act*, and *Petroleum Products Act*), the Department of Natural Resources (*Electrical Power Control Act*), and the Department of Transportation and Works (*Expropriation 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 annual performance reports.

VISION

The vision of the Board of Commissioners of Public Utilities is excellence in regulation which engenders the trust and confidence of the people of the Province.

MISSION

By March 31, 2017 the Board will have further improved its capacity to deliver its regulatory mandate effectively and efficiently.

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 and general oversight of Newfoundland and Labrador Hydro and Newfoundland Power Inc., with a combined customer base of approximately 289,000 residential and general service customers, and four industrial customers on the island.
- The Board regulates automobile insurance rates and underwriting guidelines for insurance companies operating in the province. Based on the most recently available market information (2011) 49 companies wrote total premiums of \$354,923,000, insuring approximately 315,446 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 87.6 percent of all the automobile insurance business.
- The Board sets maximum prices for regulated petroleum products sold in the province through a network of suppliers, wholesalers and retailers of gasoline, automotive diesel and heating fuels.
- The Board currently has 58 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.

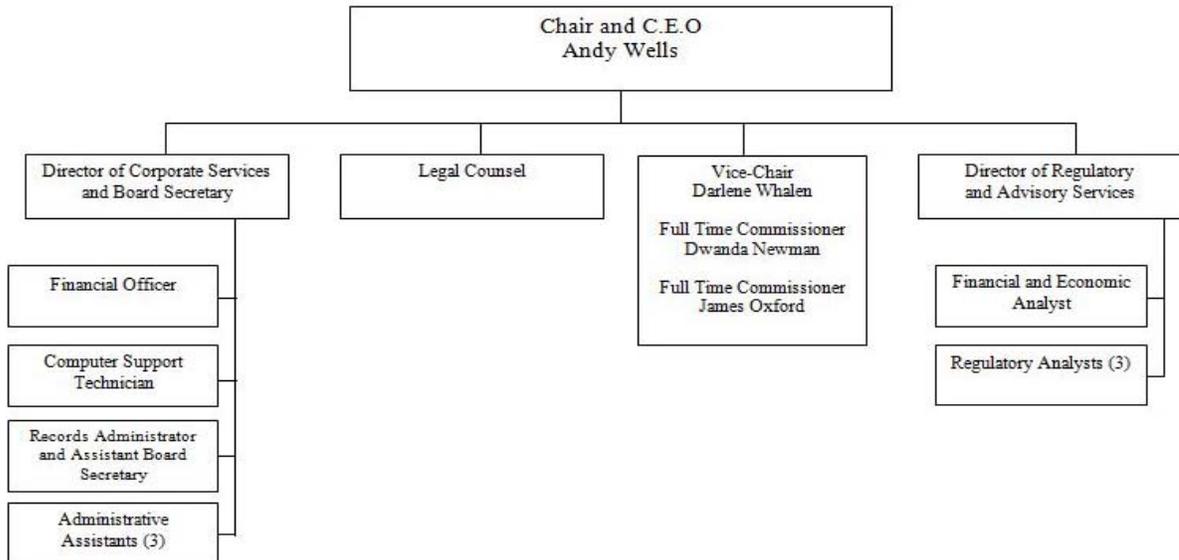
The Board has 13 permanent full-time staff located in offices in St. John's.

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, 2013



FINANCIAL

The Board’s annual operating expenses for 2012-13 were \$2,444,530. The comparative expenditures for the previous five-year period are shown below:

Board of Commissioners of Public Utilities						
Expenditures						
Years Ended- March 31						
	2008	2009	2010	2011	2012	2013
Operating - SJ Office	\$1,730,320	\$1,568,949	\$1,722,233	\$1,775,102	\$1,553,617	\$2,444,530
Operating - GF-W	\$407,025	\$447,395	\$427,729	\$553,677	\$583,752	\$0
Operating - Total	\$2,137,345	\$2,016,344	\$2,149,962	\$2,328,779	\$2,137,369	\$2,444,530
Hearings - Board	\$371,963	\$171,533	\$508,801	\$465,146	\$1,813,549	\$714,955
Hearings - Consumer Advocate	\$570,240	\$76,176	\$529,450	\$281,689	\$692,538	\$860,976
Hearing - Total	\$942,203	\$247,706	\$1,038,251	\$746,835	\$2,506,087	\$1,575,931
Total Expenditures	\$3,079,548	\$2,264,050	\$3,188,213	\$3,075,614	\$4,626,503	\$4,020,461

The Board is fully funded through assessments charged to regulated industries/companies and other applicants. Assessments to each industry vary depending on the actual allocation of work performed by the Board in a given year. For 2012-13 the Board assessed 60% (\$1,540,571) of its annual revenue requirement to electrical utilities, 21% (\$523,701) was assessed to automobile insurance companies, and 19% (\$492,588) was assessed to the petroleum products industry.

Public hearings are funded outside of normal budgeted activities on a cost recovery basis in accordance with applicable legislation. The Board also recovers other costs directly from applicant(s) and/or parties involved in specific proceedings and/or investigations. During 2012-2013 the Board’s accumulated hearing costs totaled \$1,575,931 with significant costs detailed as follows:

- \$189,754, the utilities’ capital budget applications and annual financial reviews;
- \$157,829, Newfoundland Power’s application to set a rate of return on rate base for 2012;
- \$939,735, Newfoundland Power’s General Rate Application for 2013;
- \$9,840, review of Newfoundland and Labrador Hydro’s intercompany charges and cost allocations;
- \$14,823, Newfoundland and Labrador Hydro’s application for approval of proposed treatment of asset retirement obligations;
- \$13,355, Newfoundland and Labrador Hydro’s application regarding industrial customer rates;
- \$120,761, Newfoundland and Labrador Hydro’s application to change its depreciation methodology; and
- \$120,058, relating to automobile insurance rate filing reviews.

Further details regarding the Board’s recoverable costs can be found in Note 7 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 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 2012-2013 the Board issued 55 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 52 adjustments to the maximum price of regulated petroleum products under the *Petroleum Products Act*. Maximum pricing adjustments for each of the regulated petroleum products for 2012-2013 can be found in Appendix II of this report.

The Board's highlights for 2012-2013 are outlined as follows:

1. UTILITY REGULATION

Forty orders were issued under the Board's public utilities mandate during 2012-2013. A summary of the major public utility decisions is outlined below.

On March 20, 2012, the end of the previous reporting period, Newfoundland Power filed an application for approval of a rate of return on rate base for 2012. Under normal circumstances, this would have been dealt with through the use of the Automatic Adjustment Formula which has been in place since 1998. In Order No. P.U. 25 (2011) the Board approved a request from Newfoundland Power to suspend the use of the Formula due to the recent abnormal activity in the financial markets. The Board also ordered that rates for 2012 be made interim pending the determination by the Board of a just and reasonable rate of return on rate base for Newfoundland Power for 2012. Following negotiations between the Consumer Advocate and Newfoundland Power the Board issued Order No. P.U. 17(2012) on June 15, 2012 approving a revised rate of return on rate base for 2012 of 8.14%, the deferred recovery of the difference in revenue from the adjustment of rates that would normally result from the revision of the rate of return, and finalized the interim rates that had been effective since January 1, 2012.

In Order No. P.U. 20(2012) issued on May 10, 2012 the Board approved an average increase of 6.6 percent in Newfoundland Power's customer electricity rates as of July 1, 2012, in accordance with the annual operation of the rate stabilization and municipal tax adjustments. In Order No. P.U. 21(2012) the rates of Newfoundland and Labrador Hydro were amended to harmonize applicable rates with the adjusted rates of Newfoundland Power.

On June 19, 2012 the Court of Appeal of Newfoundland and Labrador issued its decision on the appeal of the Board's decision in Order No. P.U. 25 (2010). The Court of Appeal determined that the Board had broad jurisdiction to consider a number of options to dispose of the balance in the Island Industrial Customers' Rate Stabilization Plan account. The Board has received Government direction to address the Island Industrial Customer rates only in the context of Newfoundland and Labrador Hydro's General Rate Application, which is anticipated to be filed in 2013.

Newfoundland Power filed a General Rate Application on September 14, 2012 to establish customer electricity rates effective March 1, 2013. In Order No. P.U. 32(2012) the Board identified the registered Intervenor, the Schedule of Dates, and the Rules of Procedure for the

hearing of the Application. On December 21, 2012 a settlement agreement between Newfoundland Power and the Consumer Advocate was filed with the Board. The Settlement Agreement addressed a range of issues, including forecasting, certain amortizations, accounting changes and rate design issues. The public hearing was held over a two-week period in January 2013 with written submissions filed on February 5, 2013 and oral submissions heard on February 8, 2013. As of March 31, 2013 the Board's decision is pending.

On October 10, 2012 the Board issued Order No. P.U. 31(2012), approving Newfoundland Power's 2013 Capital Budget Application totaling \$80,788,000, and fixing and determining the average rate base for the year ending December 31, 2011 at \$876,356,000. The determination of Newfoundland and Labrador Hydro's average rate base for year ending December 31, 2011 is pending.

On January 23, 2013 the Board issued Order No. P.U. 2(2013), approving Phase I of Newfoundland and Labrador Hydro's 2013 Capital Budget Application. On February 26, 2013 the Board issued Order No. P.U. 4(2013), approving Phase II of Newfoundland and Labrador Hydro's 2013 Capital Budget Application. The total Capital Budget approved for Newfoundland and Labrador Hydro is \$62,272,500. The determination of Newfoundland and Labrador Hydro's average rate base for the year ending December 31, 2011 is pending.

The Board also issued orders arising from applications for supplementary approval of 2012 and 2013 capital spending, contributions in aid of construction, and various other financial and accounting matters, for both Newfoundland and Labrador Hydro and Newfoundland Power.

2. AUTOMOBILE INSURANCE REGULATION

Filings

During the year the Board issued 16 Orders in relation to Category 2 rate filings and seven Category 3 filings. Six of the Category 2 filings were initially denied by the Board but later resubmitted and approved. The Category 2 and 3 Orders represent rate increases or the establishment of new rates.

The Board also received 23 Category 1 filings representing no changes or reductions in rates to insureds. Pursuant to legislative provisions these filings are not subject to prior approval and may be implemented 30 days, or later as may be specified by the company, following filing with the Board. Included in the 23 Category 1 filings were a number of revisions to underwriting guidelines, risk classification systems and declination rules. These filings are not subject to prior approval but the Board may prohibit an insurer from using a ground or risk classification system that is found to violate provisions in legislation or regulations.

Compliance Audit Program

The Board has established a compliance audit program to review the rates and rating practices of the automobile insurance companies. The compliance audit program is designed to ensure that automobile insurers writing business in the Province are only charging rates that have been approved by the Board in accordance with the *Automobile Insurance Act* and the *Insurance Companies Act*. The audit program also ensures that agents and brokers of the insurer are interpreting the underwriting guidelines of the insurer correctly and that insureds of similar risk characteristics are being rated correctly.

The Board completed two compliance audits and commenced one additional audit during the 2012-2013 reporting period.

3) **PETROLEUM PRODUCTS PRICING REGULATION**

During the year 52 scheduled weekly adjustments were made to the maximum price of regulated petroleum products. No unscheduled pricing adjustments were required during this period.

The Board is reviewing the current allowed maximum mark-up and zone differentials included in the maximum price of price regulated petroleum products. The review is being conducted in two parts: Part A, a review of the maximum mark-up included in maximum prices for heating fuels; and Part B, a review of the maximum mark-up included in maximum prices for automotive fuels as well as the zone differentials for all price regulated petroleum products. It is anticipated that Part A of the review will be completed by late spring 2013 and Part B will be completed by spring 2014.

4) **MOTOR CARRIER REGULATION**

Nine orders were issued under the Board's Motor Carrier mandate. Six of these orders related to ambulance services and three related to a regularly scheduled bus passenger service.

REPORT ON PLANNED ACTIVITIES

The goals identified reflect the results expected in the next three-year planning cycle while the objectives reflect the results expected during the shorter one-year cycle. Measures and indicators are provided to assist the Board and the public in monitoring and evaluating success.

In considering the Provincial Government’s strategic directions the Board has identified the following two key priorities for the 2011-14 year planning cycle:

STRATEGIC ISSUE I: ENHANCING REGULATORY EFFICIENCY AND EFFECTIVENESS

The Board’s regulatory efficiency and effectiveness strategy has resulted in realization of efficiencies and cost savings over the last two planning cycles through enhanced communication with its primary clients and continuous technological improvements in the hearings room and administrative support systems.

In the 2011-12 report on planned activities the Board stated that it would continue its objectives into the 2012-13 reporting period. The Board’s review of its regulatory programs was interrupted by the General Rate Application filed by Newfoundland Power in September 2012, and the anticipated filing of Hydro’s General Rate Application. In quasi-judicial environments it is not appropriate for regulators to meet with the regulated entities once seized with major applications. While critical work was accomplished prior to Newfoundland Power’s filing, the majority of routine work has been placed in abeyance until the Board’s decision and order is released. The anticipated decision date is early April 2013.

Goal 1:	By March 31, 2014 the Board will have achieved continued improvement in regulatory efficiency and effectiveness.
Measure	
Continued improvement in regulatory efficiency and effectiveness achieved	
Indicators	
Regulatory programs reviewed	
Enhanced processes identified and implemented	
Policies and procedures documentation further developed and updated	

Objective 1.2:	By March 31, 2013 the Board will have, where appropriate, identified opportunities to improve processes.	
Measure		
Opportunities to improve processes identified.		
Indicators	Actual Results	
Regulatory programs reviewed.	The Board’s Regulatory Programs are regularly reviewed to ensure regulatory issues are addressed in an efficient and effective manner. During this year’s reporting cycle Board staff completed a review of the Power Outage Reporting Policy and commenced a review of the Capital Budget Filing Guidelines. Significant changes have been made to the Power Outage Reporting Policy which should provide clarity of reporting and reduce the	

	<p>number of reports required to be filed by the Utilities, improving regulatory efficiency.</p> <p>Two meetings were held with the utilities regarding changes to the Capital Budget Filing Guidelines. This review was put on hold until completion of Newfoundland Power General Rate Application. Board staff will reconvene these meetings once the Order is issued.</p> <p>The Board continues its review of the current maximum mark-up and zone differentials included in the maximum price of price regulated petroleum products. The review is being conducted in two parts, with the results of the review of the maximum mark-up included in maximum prices for heating fuels being expected in late spring 2013 and the results of review of the maximum mark-up included in maximum prices for automotive fuels as well as the zone differentials for all price regulated petroleum products expected to be completed in spring 2014.</p> <p>The Board also commenced a review and analysis of its Document Filing Guidelines. Consultations with stakeholders have resulted in new Document Filing Guidelines being drafted. It is expected that these Guidelines will be introduced early in the next reporting period.</p>
<p>Consultations with appropriate stakeholders completed</p>	<p>Consultations with appropriate stakeholders were completed. The Board holds regulatory efficiency meetings with the Utilities quarterly, usually following the Quarterly Report filings. During the year Board staff held one regulatory efficiency meeting. Board staff will reconvene these meetings once the decision is issued for Newfoundland Power’s General Rate Application.</p> <p>The review of the maximum mark-up for heating fuels was conducted with the participation of the Canadian Oil Heat Association (COHA), Newfoundland and Labrador chapter. It is expected that Part B of this review related to automotive fuels will also be conducted in the coming year in consultation with the required stakeholders.</p> <p>The Quality of Service Reviews were also put on hold until completion of the General Rate applications.</p>
<p>Analysis commenced</p>	<p>Analysis of the Board’s Regulatory Programs commenced and is ongoing. A comprehensive review of the Power Outage Reporting Policy was completed resulting in significant changes to reporting requirements criteria. The Board is waiting for final sign off from both utilities before the changes are implemented.</p> <p>Board staff commenced analysis of the Capital Budget Filing Guidelines. This review will continue into the next reporting period.</p>

	The Board also commenced a review and analysis of the Document Filing Guidelines, and these new guidelines will be introduced early in the next reporting period.
Enhanced processes identified.	<p>Following the review of the Power Outage Reporting Review process the policy criteria was significantly revised, and it is expected that the policy revisions, will enhance this reporting process significantly.</p> <p>Required changes have been identified for the Capital Budget Filing Guidelines, and more are expected as the review continues.</p> <p>The changes to the Document Filing Guidelines that have been identified will improve the document filing process for the Board and stakeholders.</p>

The following measure and indicator has been identified for the stated objective for the next reporting period ending March 31, 2014:

Objective 1.3:	By March 31, 2014 the Board will have implemented the changes to the policy and procedures documentation where identified.
Measure	
Changes to the policy and procedures documentation implemented, where identified	
Indicators	
Stakeholder feedback solicited	
Feedback analyzed	
Changes to policies and procedures completed	
Policy and procedure changes implemented	

STRATEGIC ISSUE II: ENHANCING CORPORATE CAPACITY

Corporate services provides oversight and management of the Board’s administrative, financial, records management, and technological resources to ensure the Board has the people, technology, information and capacity necessary to carry out its mandate.

The ultimate goal in the 2011-14 Activity Plan is enhanced corporate capacity. The Board is continuing to work on its human resource strategy and is focusing attention on completing its governance model review before the end of the current planning cycle. The Board went live with its electronic document information management system, TRIM, in late February 2013 for its operational records. In the short time since implementation the TRIM program has proven to be a very effective tool, enhancing searching capabilities and reducing the time required by staff and Commissioners in gathering information in its decision making process. This will certainly be beneficial during complex and general rate application processes which often generate thousands of pages of evidence and documentation.

Goal 2:	By March 31, 2014 the Board will have enhanced corporate capacity.
Measure	
Corporate capacity initiatives enhanced.	
Indicators	
Human Resource Plan operationalized	
Electronic information management system implemented	
Communications strategy review completed	

Objective 2.2:	By March 31, 2013 the Board will have developed and implemented an electronic information management system.	
Measure		
Electronic information management system developed and implemented		
Indicators		Actual Results
Electronic management system developed		The Board's electronic management system was developed with the configuration of TRIM, according to the Board's Classification Plan for its operational records.
Electronic information management system implemented		The Electronic information management system, TRIM was implemented on February 28, 2013 after staff and Commissioners received customized training on the Board's data set. Since implementation the program has received positive feedback and has enhanced productivity by reducing research time.

The following measure and indicator has been identified for the stated objective for the next reporting period ending March 31, 2014:

Objective 2.3:	By March 31, 2014 the Board will have completed a review of its communications strategy.
Measure	
Communications Strategy reviewed	
Indicators	
Goals and Objectives identified	
Target Audience/ Stakeholders identified	
Research and Analysis completed	
Outreach Plan and communications material developed	

OPPORTUNITIES AND CHALLENGES AHEAD

The Board will continue to focus its key priorities in meeting its strategic goals and objectives, while at the same time striving to be responsive, proactive and innovative in meeting its regulatory mandate. The nature of the Board's work means that, in a given year, there will be routine and reoccurring matters, such as annual capital budget applications, compliance reviews, and weekly pricing adjustments. However, in addition to the routine functions, the Board must also be ready to respond to unplanned and unanticipated applications, such as a general rate application, insurance filing or a directed government review. One of the ongoing challenges for the Board is to ensure the necessary resources are in place to ensure the Board can fulfill its regulatory responsibilities in a timely and efficient manner.

The Board continues to build on its human resource capacity. Economic regulation is a very specialized and unique area of work. There are no educational programs specifically designed to provide the training required for working in this type of specialized regulatory environment. Most of the skills, knowledge and expertise are acquired through years of on-the-job training, and through courses and training programs sponsored by national regulatory organizations such as the Canadian Association of Members of Public Utility Tribunals (CAMPUT) or similar international organizations. With pending retirements of senior staff the Board has placed special emphasis on providing its junior Regulatory Analysts with the required skills and training necessary to ensure a smooth transition and that the required expertise remains available to the Board. One aspect of this effort is providing opportunities for cross-training in all areas of the Board's mandate, providing redundancy as well as opportunities for professional and personal growth for regulatory staff.

In terms of the Board's regulatory calendar the next 18 months are expected to be very busy as it has received direction from government to address the Island Industrial Customer rates in the context of Newfoundland and Labrador Hydro's next General Rate Application. It is anticipated that this application will be filed in 2013. This matter involves many complex and technical issues and the information gathering, evidence review, and public hearing and decision writing could require 6-8 months or more of dedicated effort by the Board. Ongoing efforts by the Board to streamline its regulatory processes are also continuing. A review of the Capital Budget filing guidelines in conjunction with the utilities has commenced. As well the Board's comprehensive review of the total allowed mark-ups for regulated heating fuels, undertaken with industry input and expected to be completed late spring 2013, should provide the framework for a more streamlined and efficient review of mark-ups in the future. A similar review for automotive fuels is scheduled for 2013-14.

FINANCIAL STATEMENTS



Suite 201, 516 Topsail Rd • St. John's, NL • A1E 2C5
Tel: (709) 364-5600 • Fax: (709) 368-2146
www.noseworthychapman.ca

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 statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations, accumulated surplus and cash flows for the years 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 public sector accounting standards, 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, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants
St. John's, Newfoundland & Labrador
May 31, 2013

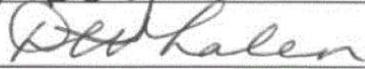
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Financial Position
March 31, 2013**

	March 31, 2013	March 31, 2012	April 1, 2011
FINANCIAL ASSETS			
Cash	\$1,683,223	\$ 941,173	\$1,372,945
Receivables (Note 5)	195,958	160,375	154,154
Government remittances receivable (Note 6)	132,941	175,471	28,106
Recoverable costs (Note 3 & 7)	1,142,413	1,563,318	557,047
Designated pension funds (Note 8)	27,308	18,399	-
	3,181,843	2,858,736	2,112,252
LIABILITIES			
Payables and accruals	\$ 711,658	\$ 494,917	\$ 124,198
Government remittances payable	1,168	1,631	695
Payroll accruals	885,822	954,545	843,658
Designated pension funds (Note 8)	-	-	204,813
	1,598,648	1,451,093	1,173,364
NET FINANCIAL ASSETS	1,583,195	1,407,643	938,888
NON-FINANCIAL ASSETS			
Capital assets (Note 9)	61,644	112,078	103,698
Prepaid expenses	8,350	10,785	14,771
	69,994	122,863	118,469
ACCUMULATED SURPLUS	\$1,653,189	\$1,530,506	\$1,057,357
Accumulated surplus is comprised of:			
Invested in capital assets	61,644	112,078	103,698
Invested in designated pension funds	27,308	18,399	(204,813)
Internally restricted (Note 12)	1,409,554	1,381,792	1,320,049
Unrestricted	154,683	18,237	(161,577)
	\$1,653,189	\$1,530,506	\$1,057,357

Commitments (Note 13)

On Behalf of the Board:


 _____ Chairperson and CEO

 _____ Vice Chairperson

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Operations
Year Ended March 31, 2013**

	Budget (Note 15) (Unaudited)	2013	2012
Revenues			
Regulatory assessments	\$2,556,852	\$2,556,860	\$2,602,565
Interest and other income	7,500	13,647	9,656
Pension fund earnings, net of expenses (Note 8)	-	(3,294)	(1,703)
	2,564,352	2,567,213	2,610,518
Expenditures			
Amortization	-	60,522	51,849
Consulting fees	379,300	339,300	224,505
Office equipment, supplies and services	86,084	65,479	73,697
Pension obligations estimation adjustment (Note 8)	-	(12,204)	(224,915)
Rent and insurance (Note 13)	224,750	224,862	249,551
Salaries and associated costs	1,709,382	1,687,530	1,645,064
Telecommunications	31,800	28,705	33,353
Training and membership	70,315	20,741	27,301
Travel	62,721	26,930	51,082
Write down of capital assets	-	2,665	5,882
	2,564,352	2,444,530	2,137,369
Excess of revenues over expenditures	\$ -	\$ 122,683	\$ 473,149

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Statement of Change in Net Assets
Year Ended March 31, 2013**

	Budget 2013 (Unaudited)	2013	2012
Annual surplus	\$ -	\$ 122,683	\$ 473,149
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(12,753)	(66,111)
Amortization of tangible capital assets	-	60,522	51,849
Write down of capital assets	-	2,665	5,882
	-	50,434	(8,380)
Changes in other non-financial assets			
Net acquisition of prepaid expenses	-	2,435	3,986
	-	2,435	3,986
(Increase) decrease in net assets	-	175,552	468,755
Net assets, beginning of year	1,407,643	1,407,643	938,888
Net assets, end of year	\$1,407,643	\$1,583,195	\$1,407,643

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**Statement of Cash Flows
Year Ended March 31, 2013**

	2013	2012
Operating transactions		
Cash receipts from assessments and other revenues	\$ 2,541,470	\$ 2,463,852
Cash paid to suppliers and employees	(2,198,663)	(1,600,029)
Cash provided by operating transactions	342,807	863,823
Hearing and review transactions		
Decrease (increase) in recoverable costs	420,905	(1,006,271)
Cash provided by (used in) hearing and review transactions	420,905	(1,006,271)
Capital transactions		
Purchase of capital assets	(12,753)	(67,372)
Proceeds on sale of capital assets	-	1,260
Cash used in capital transactions	(12,753)	(66,112)
Investing transactions		
Increase in designated pension funds	(8,909)	(223,212)
Cash used in investing transactions	(8,909)	(223,212)
Increase (decrease) in cash during year	742,050	(431,772)
Cash position as at beginning of year	941,173	1,372,945
Cash position as at end of year	\$ 1,683,223	\$ 941,173

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements

March 31, 2013

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. Conversion to Public Sector Accounting Standards

Commencing with the 2013 fiscal year, the Board has adopted Canadian public sector accounting (“CPSA”) standards. These financial statements are the first financial statements for which the Board has applied CPSA standards. The change over became effective on April 1, 2012 with retroactive application to April 1, 2011.

The impact of the conversion to Canadian public sector accounting standards on the accumulated surplus at the beginning of the fiscal 2012 fiscal year, the date on transition, and the comparative annual surplus is presented in the Statement of Change in Accumulated Operating Surplus. These accounting changes have been applied retroactively with restatement of prior periods except for the accounting standards contained in PS 2601 and PS 3450 as these standards specifically prohibit retroactive application. The following changes have been implemented to comply with PSA:

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2013**

2. Conversion to Public Sector Accounting Standards (cont'd)

a) Statement of Financial Position	Previously Stated April 1, 2011	Adjustment April 1, 2011	Restated April 1, 2011
FINANCIAL ASSETS			
Current			
Cash	\$1,372,945	\$ -	\$1,372,945
Receivables	(i) 194,479	(40,325)	154,154
Government remittances receivable	(i) -	28,106	28,106
Recoverable costs	557,047	-	557,047
Designated pension funds	-	-	-
	2,124,471	(12,219)	2,112,252
LIABILITIES			
Current			
Payables and accruals	(i) \$ 136,417	\$ (12,219)	\$ 124,198
Government remittances payable	695	-	695
Payroll accruals	(ii) 534,268	309,390	843,658
Designated pension funds	204,813	-	204,813
	876,193	297,171	1,173,364
Net financial assets	1,248,278	309,390	938,888
NON-FINANCIAL ASSETS			
Capital assets	103,698	-	103,698
Prepaid expenses	14,771	-	14,771
	118,469	-	118,469
ACCUMULATED SURPLUS	\$1,366,747	\$ 309,390	\$1,057,357
Accumulated surplus is comprised of:			
Invested in capital assets	\$ 103,698	\$ -	\$ 103,698
Invested in designated pension funds	(204,813)	-	(204,813)
Internally restricted	1,320,049	-	1,320,049
Unrestricted	147,813	(309,390)	(161,577)
	\$1,366,747	\$ -	\$1,057,357

i) Certain comparative figures have been reclassified to conform to the financial statement classifications adopted in 2013.

Under CPSA standards, a liability and an expense are recognized for compensated absences that accumulate in the period in which employees render services. As a result, a liability was calculated for non-vesting sick leave benefits at the date of transition and an adjustment to decrease the liability by \$58,667 (2012 – increase of \$16,953) (2011 – increase of \$309,390) was made to retroactively apply the standard.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2013**

2. Conversion to Public Sector Accounting Standards (cont'd)

b) Statement of Operations

	Previously Stated March 31, 2012	Adjustment March 31, 2012	Restated March 31, 2012
Revenues			
Regulatory assessments	\$2,602,565	\$ -	\$2,602,565
Interest and other income	9,656	-	9,656
Pension fund earnings, net of expenses	(1,703)	-	(1,703)
	2,610,518	-	2,610,518
Expenditures			
Amortization	51,849	-	51,849
Consulting fees	224,505	-	224,505
Office equipment, supplies and services	73,697	-	73,697
Pension obligations estimation adjustment	(224,915)	-	(224,915)
Rent and insurance	249,551	-	249,551
Salaries and associated costs (ii)	1,628,111	16,953	1,645,064
Telecommunications	33,353	-	33,353
Training and membership	27,301	-	27,301
Travel	51,082	-	51,082
Write down of capital assets	5,882	-	5,882
	2,120,416	16,953	2,137,369
Excess of revenues over expenditures	\$ 490,102	\$ 16,953	\$ 473,149

c) Accumulated operating surplus

	2013	2012
Accumulated operating surplus beginning of year, as originally reported	\$1,856,849	\$ 1,366,747
Adjustments to accumulated operating surplus:		
Accrued sick pay	326,343	309,390
Accumulated operating surplus beginning of year, as restated	1,530,506	1,057,357
Annual operating surplus for the year, as originally reported	122,683	490,102
Adjustments to annual operating surplus for the year:		
Salaries and associated costs	-	(16,953)
Annual operating surplus for the year, as restated	122,683	473,149
Accumulated operating surplus – end of year	\$1,653,189	\$1,530,506

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2013**

3. Summary of significant accounting policies

a) Basis of accounting

These financial statements are prepared by management in accordance with generally accepted accounting principles for provincial reporting entities established by the Canadian Public Sector Accounting Board.

b) Conversion to Public Sector Accounting Standards

Commencing with the 2013 fiscal year, the Board has adopted Canadian public sector accounting ("PSA") standards as issued by the Public Sector Accounting Board. These financial statements are the first financial statements for which the Board has applied PSA standards.

Detailed information on the impact of the conversion to Canadian public sector accounting standards is provided in Note 2.

c) 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.

d) Capital assets

Capital assets are recorded on the Statement of Financial Position at cost net of accumulated amortization 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

Capital assets are written down when conditions indicate that they no longer contribute to the Board's ability to provide goods and services, or when the value of future economic benefits associated with the capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

e) Prepaid expenses

Prepaid expenses include amounts paid in advance for membership fees, insurance and workers compensation and are charged to expense over the periods expected to benefit from it.

f) Funds and reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2013**

3. Summary of significant accounting policies (cont'd)

g) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

h) Expenses

Expenses are reported on an accrual basis. The costs of all goods consumed and services received during the year is expensed.

i) 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.

j) Sick pay

The cost of non-vesting sick leave benefits are determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

k) Financial instruments

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. Receivables are classified as loans and accounts payable are classified as other financial liabilities. Both are measured at amortized cost.

l) Designated pension funds

The Board maintains a defined benefit pension plan for one former commissioner. 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.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2013**

3. Summary of significant accounting policies (cont'd)

m) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards 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.

4. 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.

Fair Value

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

5. Receivables

	2013	2012
Revenues receivable	\$ 192,664	\$ 155,264
Accrued interest receivable	1,315	1,552
Other receivables	1,979	3,559
	\$ 195,958	\$ 160,375

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements

March 31, 2013

6. Due from government and other government organizations

	2013	2012
HST rebate receivable from federal government	\$ 170,931	\$ 180,771
HST payable to federal government	(37,990)	(5,300)
	\$ 132,941	\$ 175,471

7. Recoverable costs

	2013	2012
Recoverable costs, beginning of year	\$1,563,318	\$ 557,047
Add – specific enquiry costs incurred during the year:		
Consulting fees	556,915	1,330,806
Consumer Advocate	860,976	692,538
Legal	114,950	198,364
Transcription and printing	14,671	8,293
Advertising and notice	26,350	5,955
Other	2,069	270,131
	1,575,931	2,506,087
Less – costs recovered during the year	3,139,249 (1,996,836)	3,063,134 (1,499,816)
Recoverable costs, end of year	\$1,142,413	\$ 1,563,318

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements

March 31, 2013

8. Designated pension funds and pension asset (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 one former commissioner (2012 – 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 this pensioner and are recorded at market value.

	2013	2012
Balance on deposit, beginning of year	\$ 39,499	\$ 69,487
Add – earnings net of expenses	(3,294)	(1,703)
Deduct – benefit payments	36,205	67,784
	8,897	28,285
Balance on deposit, end of year	27,308	39,499
Related pension obligation	-	(21,100)
	\$ 27,308	\$ 18,399

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 \$12,204 (2012 - \$224,915) is included in expenses in the fiscal year.

During the year, the last remaining pensioner passed away. The wind up of this plan will occur in fiscal 2014.

In addition, other commissioners and employees for whom 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 \$118,469 (2012 - \$118,627) is included in salaries and associated costs.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**Notes to Financial Statements
March 31, 2013****9. Capital assets**

				2013
	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	\$246,886	\$212,472	\$190,047	\$649,405
Additions	3,876	8,408	468	12,752
Disposals	13,869	1,781	-	15,650
Closing balance	236,893	219,099	190,515	646,507
Accumulated amortization				
Opening balance	213,308	162,361	161,657	537,326
Amortization	7,026	24,657	28,858	60,541
Disposals	11,541	1,463	-	13,004
Closing balance	208,793	185,555	190,515	584,863
Net book value	\$28,100	\$ 33,544	\$ -	\$ 61,644
2012				
	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	\$263,327	\$206,210	\$136,528	\$606,065
Additions	4,591	9,261	53,519	67,371
Disposals	21,032	2,999	-	24,031
Closing balance	246,886	212,472	190,047	649,405
Accumulated amortization				
Opening balance	219,058	150,024	133,285	502,367
Amortization	8,396	15,082	28,371	51,849
Disposals	14,144	2,745	-	16,889
Closing balance	213,310	162,361	161,656	537,327
Net book value	\$ 33,576	\$ 50,111	\$ 28,391	\$112,078

10. 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%. As at March 31, 2013, the balance outstanding was \$Nil.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**Notes to Financial Statements
March 31, 2013**

11. Non-vested sick-leave payouts

Prior to a change in government policy, several employees were allowed to accumulate unused sick day credits. As of March 31, 2013, there are four employees who have an accumulated sick-leave payout balance. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment. The benefit costs and liabilities related to the plan are included in the financial statements.

12. 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, 2013 are as follows:

	2013	2012
Lease commitments	\$ 223,300	\$ 223,300
Payroll contingency	66,341	80,276
Redundancy pay contingency	693,092	643,414
Working capital	426,821	434,802
	\$1,409,554	\$1,381,792

13. Commitments

The Board has a premises lease agreement in the amount of \$18,608 per month (\$223,296 per annum), concluding May 31, 2018.

The Board entered into a contract for telecommunications subsequent to year end. The annual expenditure is \$14,400, concluding in 2014.

14. Comparative figures

Certain comparative figures have been restated to conform to current year's presentation.

15. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board.

APPENDIX I

SUMMARY OF ORDERS OF THE BOARD
UNDER THE PUBLIC UTILITIES ACT
APRIL 1, 2012 TO MARCH 31, 2013

Newfoundland Power Inc.

Board Order No. P.U. 9 (2012)

Application:

Issued: April 5, 2012

Application for disposition of the 2011 balance in the Demand Management Incentive Account.

Decision:

1. The Board approves, pursuant to Sections 58 and 80 of the Act, the disposition of the 2011 balance in the Demand Management Account and related income tax effects by means of a credit in the amount of \$1,800,628 to the Rate Stabilization Account as of March 31, 2012.
2. Newfoundland Power shall pay all costs and expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 10 (2012)

Application:

Issued: April 13, 2012

Application for disposition of the balance in the Optional Seasonal Rate Revenue and Cost Recovery Account.

Decision:

1. The Board approves the disposition of the balance in the Optional Seasonal Rate Revenue and Cost Recovery Account as of December 31, 2011 by charging the balance of \$328,006 to the Rate Stabilization Account of March 31, 2012.
2. Newfoundland Power shall pay all costs and expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 11 (2012)

Application:

Issued: May 10, 2012

Application to effect the adoption of United States generally accepted accounting principles for regulatory purposes pursuant to Section 58 of the Act.

Decision:

1. Newfoundland Power's opening balances for regulatory assets and liabilities associated with employee future benefits as at January 1, 2012 totaling approximately \$131,200,000 are approved.
2. Newfoundland Power's proposed definition for the Employee Future Benefits Regulatory Assets and Liabilities Account as set out in Schedule A is approved.
3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 12 (2012)

Application:

Issued: May 11, 2012

Application for the approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Tobacco Road located on the Burin Peninsula.

Decision:

1. The Non-Refundable Contribution in Aid of Construction of three thousand seven hundred and five dollars and ninety-four cents (\$3,705.94), excluding HST, to apply to Domestic Customers located in the cottage area known as Tobacco Road is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 13 (2012)

Application:

Issued: May 15, 2012

Application to adopt International Financial Reporting Standards for regulatory purposes effective January 1, 2012 pursuant to Subsection 58 of the Act.

Decision:

1. The adoption and use of International Financial Reporting Standards accounting standards by Hydro for financial reporting for regulatory purposes, effective January 1, 2012, is approved with the following exceptions:
 - a) Hydro shall continue to adhere to existing accounting guidelines with respect to reporting of Rate Stabilization Plan balances and activity;
 - b) Hydro shall continue to adhere to existing accounting guidelines with respect to reporting of deferred costs;
 - c) Hydro shall ensure that 2011 transitional differences associated with the adoption of International Financial Reporting Standards are adjusted in Hydro's 2012 opening retained earnings;
 - d) Hydro shall include unamortized deferred revenue as a reduction from rate base; and
 - e) Hydro shall record net insurance proceeds associated with capital projects of \$50,000 or more as an offset against the cost of capital assets and as a reduction of the rate base value of those assets.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 14 (2012)

Application:

Issued: May 24, 2012

Application for the approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Osmonton's Arm located near the community of Leading Tickles.

Decision:

1. The Non-Refundable Contribution in Aid of Construction of three thousand seven hundred and five dollars and thirty-one cents (\$3,705.31), excluding HST, to apply to Domestic Customers located in the cottage area known as Osmonton's Arm is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 15 (2012)

Application:

Issued: May 24, 2012

Application for the approval of the Rate Stabilization Plan Adjustment in 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, 2012, are approved on an interim basis.
2. Hydro shall pay the expenses of the Board incurred in connection with this matter.

Newfoundland Power Inc.

Board Order No. P.U. 16 (2012)

Application:

Issued: June 7, 2012

Application for the approval of a Contribution in Aid of Construction to provide three-phase electrical service to Karwood Contracting Ltd.

Decision:

1. The Contribution in Aid of Construction of fifty-one thousand five hundred dollars (\$51,500), excluding HST, to apply to Karwood Contracting Ltd., is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 17 (2012)

Application:

Issued: June 15, 2012

Application for the approval the just and reasonable return on rate base for 2012 for Newfoundland Power Inc. pursuant to Section 80 of the Act.

Decision:

1. The proposed rate of return on average rate base for 2012 of 8.14% in a range of 7.96% to 8.32% is approved.
2. The proposal that Newfoundland Power establish a 2012 Cost of Capital Cost Recovery Deferral Account to allow for the deferred recovery of the full amount of the difference in revenue between an 8.38% return on common equity and an 8.80% return on common equity for 2012, calculated on the basis of Newfoundland Power's 2010 test year costs is approved, as set out in Schedule A.
3. The proposed revised definition of the Excess Earnings Account is approved, as set out in Schedule B.
4. Newfoundland Power's current customer rates shall be considered final rates from January 1, 2012, as set out in Schedule C.
5. Newfoundland Power shall pay the expenses of the Board arising from this application, including the expenses of the Consumer Advocate incurred by the Board.

Newfoundland Power Inc.

Board Order No. P.U. 18 (2012)

Application:

Issued: June 22, 2012

Application for the approval of a Contribution in Aid of Construction to provide three-phase electrical service to the Department of Transportation and Works, Government of Newfoundland and Labrador

Decision:

1. The Contribution in Aid of Construction of fifty thousand three hundred four dollars (\$50,304), excluding HST, to provide a three-phase supply to the Department of Transportation and Works, Government of Newfoundland and Labrador is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 19 (2012)

Application:

Issued: June 22, 2012

Application for the approval for approval of the balance in the Weather Normalization Reserve as of December 31, 2011.

Decision:

1. Newfoundland Power's Weather Normalization Reserve of a positive balance of \$5,019,776 as of December 31, 2011 is approved.
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. 20 (2012)

Application:

Issued: June 22, 2012

Application for the approval of rate stabilization and municipal tax adjustments for the period July 1, 2012 to June 30, 2013 and a schedule of rates, tolls and charges incorporating the rate stabilization and municipal tax adjustments and a schedule of rates for use in a time of day rate study.

Decision:

1. The Rate Stabilization Adjustment of 1.770 cents/kWh for the period of July 1, 2012 to June 30, 2013, is approved.
2. The Municipal Tax Adjustment Factor of 1.02337 for the period of July 1, 2012 to June 30, 2013, is approved.
3. Newfoundland Power's Schedule of Rates, Tolls and Charges, as set out in Schedule A to this Order, to be effective on all electrical consumption on and after July 1, 2012, is approved.
4. Newfoundland Power's Schedule of Rates, Tolls and Charges, for customers participating in the time of day rate study, as set out in Schedule B to this Order, to be effective on all electrical consumption on and after July 1, 2012, is approved.
5. Newfoundland Power shall pay the expenses of the Board in connection with this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 21 (2012)

Application:

Issued: June 27, 2012

Application for the approval of a change in the rates to be charged for the supply of power and energy to certain customers on the Island Interconnected System, L'Anse au Loup System and the Isolated Rural Systems.

Decision:

1. The interim rates approved in Order No. P.U. 29(2011) as set out in Schedule A to this Order, are approved on a final basis.
2. The rates proposed by Hydro for Rate Classes 1.1, 1.1S, 2.1, 2.2, 2.3, 2.4 and 4.1 and Rate Classes 1.2D, 1.2DS, 2.1D, 2.2D and 4.1D, to be effective on all electrical consumption on and after July 1, 2012, as set out in Schedule B to this Order, are approved.
3. Hydro shall pay the expenses of the Board incurred in connection with this Application.

Newfoundland Power Inc.

Board Order No. P.U. 22 (2012)

Application:

Issued: July 19, 2012

Application for approval of a capital expenditure to supplement the Allowance for Unforeseen Items for the construction and purchase of certain improvements and additional to its property.

Decision:

1. The addition of a supplementary amount of \$315,000 to the Unforeseen Allowance approved in Order No. P. U. 26(2011) is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 23 (2012)

Application:

Issued: July 19, 2012

Application for approval of a Contribution in Aid of Construction to provide three-phase electrical service to Vista Enterprises Ltd.

Decision:

1. The Contribution in Aid of Construction of seventy-two thousand one hundred thirty-eight dollars and thirty-three cents (\$72,138.33), excluding HST, to apply to Vista Enterprises Ltd., is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 24 (2012)

Application:

Issued: August 3, 2012

Application for the approval of the construction of improvements and refurbishment of the Cat Arm Road.

Decision:

1. The proposed capital expenditure of \$492,100 for the refurbishment of the Cat Arm Road is approved.
2. Hydro shall provide a status report on the application for a Crown Easement no later than its 2012 Capital Expenditure Report.
3. Hydro shall not include the expenditure in its rate base until the Board has confirmed in writing that to do so would be consistent with generally accepted sound public utility practice.
4. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 25 (2012)

Application:

Issued: August 16, 2012

Application for the approval of the Stephenville Gas Turbine Alternator Rewind and Upgrade.

Decision:

1. The proposed capital expenditure of \$5,192,600 for the Stephenville Gas Turbine alternator stator rewind and associated work is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 26 (2012)

Application:

Issued: August 16, 2012

Application for the approval of the increase in generating capacity at Mary's Harbour.

Decision:

1. The proposed capital expenditure of \$1,616,500 to increase the generating capacity at the Mary's Harbour Generating Station is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 27 (2012)

Application:

Issued: August 28, 2012

Application for the approval of the refurbishment of the Cat Arm Dams.

Decision:

1. The proposed capital expenditure of \$3,155,000 for the refurbishment of the Cat Arm Dams is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 28 (2012)

Application:

Issued: September 4, 2012

Application for the approval to proceed with the construction and purchase of certain improvements and additions to its property.

Decision:

1. The increase of \$250,000 in Newfoundland Power's 2012 Capital Budget is approved.
2. The capital expenditure of \$170,000 associated with the improvements and additions to Newfoundland Power's property is approved.
3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 29 (2012)

Application:

Issued: October 2, 2012

Application for the approval of the proposed regulatory treatment of asset retirement obligations.

Decision:

1. Hydro shall appropriately recognize and record asset retirement obligations in accordance with IFRS.
2. Approval of the regulatory treatment of the proposed asset retirement obligations is denied at this time.
3. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 30 (2012)

Application:

Issued: October 4, 2012

Application for the approval to proceed with the construction and purchase of certain improvements and additions to its property.

Decision:

1. The proposed capital expenditure of \$125,000 to replace the damaged underground municipal supply pipeline at Newfoundland Power's Kenmount Road Building is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 31 (2012)

Application:

Issued: October 10, 2012

Application for the approval of:

- a) its 2013 Capital Budget of \$80,788,000;
- b) certain capital expenditures related to multi-year projects commencing in 2013; and
- c) fixing and determining its average rate base for 2011 in the amount of \$876,356,000.

Decision:

1. Newfoundland Power's 2013 capital purchases and construction projects in excess of \$50,000, as set out in Schedule A to this Order, are approved.
2. Newfoundland Power's multi-year capital purchases and construction of additions to its property in the amount of \$3,853,000 in 2014, as set out in Schedule B to this Order, are approved.
3. The 2013 Capital Budget for improvements and additions to Newfoundland Power's property in an amount of \$80,788,000 is approved, as set out in Schedule C.
4. The average rate base for the year ending December 31, 2011 is hereby fixed and determined at \$876,356,000.
5. Unless otherwise directed by the Board, Newfoundland Power shall file an annual report to the Board on its 2013 capital expenditures by March 1, 2014.
6. Unless otherwise directed by the Board, Newfoundland Power shall provide, in conjunction with the 2014 Capital Budget Application, a status report on the 2013 capital budget expenditures showing for each project:
 - a) the approved budget for 2013;
 - b) the expenditures prior to 2013;
 - c) the 2013 expenditures to the date of the application;
 - d) the remaining projected expenditures for 2013;
 - e) the variance between the projected total expenditures and the approved budget; and
 - f) an explanation of the variance.
7. Newfoundland Power shall pay all costs and expenses of the Board incurred in connection with the Application.

Newfoundland Power Inc.

Board Order No. P.U. 32 (2012)

Application:

Issued: October 11, 2012

General Rate Application to establish customer electricity rates effective March 1, 2013.

Decision:

The registered Intervenor, the Schedule of Dates, and the Rules of Procedure for the hearing of the Application are as set out in Appendix "A" to this Order.

Newfoundland and Labrador Hydro

Board Order No. P.U. 33 (2012)

Application:

Issued: October 31, 2012

Application for approval of a contribution in aid of construction for a line extension to serve a cottage area known as West Bottom North located near South Brook Junction.

Decision:

1. The contribution in aid of construction of four thousand eight hundred and eighteen dollars and eighty-five cents (\$4,818.85), excluding HST, for the supply of single-phase electrical service to Domestic Customers located in a cottage area known as West Bottom North located near South Brook Junction, as calculated under the CIAC Policy is approved.
2. A deviation from the CIAC Policy is approved such that the payment of refunds to the Customers is suspended until such time as the shortfall of nineteen thousand three hundred and nine dollars and twenty cents (\$19,309.20) is recovered.
3. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 34 (2012)

Application:

Issued: November 8, 2012

Application for approval of a contribution in aid of construction for a three-phase line extension to serve a Waste Water Treatment Plant located in Happy Valley-Goose Bay.

Decision:

1. The contribution in aid of construction of twenty thousand four hundred and twenty dollars (\$20,420), excluding HST, to apply to the Town of Happy Valley-Goose Bay for a waste water treatment plant is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 35 (2012)

Application:

Issued: November 15, 2012

Application for approval to proceed with the construction and purchase of certain improvements to the roof at Hydro Place.

Decision:

1. The proposed capital expenditure of \$199,700 to replace the damaged mechanical penthouse section of the Hydro Place roof is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 36 (2012)

Application:

Issued: November 15, 2012

Application for approval, on an ex parte basis, to proceed with the lease of accommodations in Makkovik, Labrador pursuant to Section 41 of the Act.

Decision:

1. The proposed one-year lease of residential accommodations in Makkovik in an amount not to exceed \$9,000 per year, plus HST, is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 37 (2012)

Application:

Issued: November 30, 2012

Application for the approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Middle Three Island Pond located near the Town of Torbay.

Decision:

1. The Non-Refundable Contribution in Aid of Construction of five thousand one hundred fifty dollars and ten cents (\$5,150.10), excluding HST, to apply to Domestic Customers located in the cottage area known as Middle Three Island Pond is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 38 (2012)

Application:

Issued: December 20, 2012

Application for approval, on an ex parte basis, to proceed with the lease of accommodations in Postville, Labrador pursuant to Section 41 of the Act.

Decision:

1. The proposed one-year lease of residential accommodations in Postville in an amount not to exceed \$10,850 per year, plus HST, is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 39 (2012)

Application:

Issued: December 21, 2012

Application for approval of changes in the Utility Rates Schedule for the supply of power and energy to Newfoundland Power Inc.

Decision:

1. The proposed changes in the Utility Rate Schedule, including the use of the updated peak demand weather adjustment model, 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. 40 (2012)

Application:

Issued: December 31, 2012

Application for approval of changes in depreciation methodology and asset service lives pursuant to Section 68 of the Act.

Decision:

1. Hydro shall adopt the straight line method of depreciation for all its assets, with group accounting methods using average service life procedure and applied on a remaining life basis, as outlined in the Gannett Fleming study filed with the Board on December 3, 2012 and December 17, 2012.
2. Hydro shall provide, at the time of its next depreciation study, a report on group accounting for selected groups of property as outlined in Schedule 1.
3. Hydro shall pay the costs of the Industrial Customers in the amount of \$55,000.
4. 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. 1 (2013)

Application:

Issued: January 21, 2013

Application for approval of the capital expenditure of \$284,100 to refurbish stop logs at Burnt Dam Spillway.

Decision:

1. The proposed capital expenditure of \$284,100 for the refurbishment of the stop logs at the Burnt Dam Spillway 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 (2013)

Application:

Issued: January 23, 2013

Application for by Newfoundland and Labrador Hydro for an order: (a) approving its 2013 capital budget; (b) approving its 2013 capital purchases and construction projects in excess of \$50,000; (c) approving the estimated contributions in aid of construction for 2013; and (d) fixing and determining its average rate base for 2011.

Decision:

1. Hydro's proposed construction and purchase of improvements or additions to its property in excess of \$50,000 to be completed in 2013 are approved as set out in Schedule A to this Order.
2. Hydro's proposed multi-year construction and purchase of improvements or additions to its property in excess of \$50,000 to begin in 2013 are approved as set out in Schedule B to this Order.
3. Hydro shall pay all costs and expenses of the Board incurred in connection with the Application.

Newfoundland Power Inc.

Board Order No. P.U. 3 (2013)

Application:

Issued: February 1, 2013

Application for the approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Grouse-Famine located on the Burin Peninsula.

Decision:

1. The Non-Refundable Contribution in Aid of Construction of four thousand three hundred four dollars and fifty cents (\$4,304.50), excluding HST, to apply to Domestic Customers located in the cottage area known as Grouse-Famine is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 4 (2013)

Application:

Issued: February 26, 2013

Application for by Newfoundland and Labrador Hydro for an order:

- a) approving its 2013 capital budget;
- b) approving its 2013 capital purchases and construction projects in excess of \$50,000;
- c) approving the estimated contributions in aid of construction for 2013; and
- d) fixing and determining its average rate base for 2011.

Decision:

1. Hydro's proposed construction and purchase of improvements or additions to its property in excess of \$50,000 to be completed in 2013, as set out in Schedule A to this Order, are approved, except:
 - a) Front End Engineering Design (\$472,100) is not approved; and
 - b) Automated Fuel Monitoring System, Upper Salmon (\$192,700) is approved but costs for this project will not be recovered unless otherwise ordered by the Board.
2. Hydro's proposed multi-year construction and purchase of improvements or additions to its property in excess of \$50,000 to begin in 2013, as set out in Schedule B to this Order, are approved.
3. Hydro's proposed contributions in aid of construction for 2013 are approved.
4. Hydro's 2013 Capital Budget for improvements or additions to its property in the amount of \$62,272,500, as set out in Schedule C to this Order, is approved.
5. Unless otherwise directed by the Board Hydro shall file, in conjunction with the 2014 Capital Budget Application, an overview in relation to the proposed capital expenditures for the Holyrood Thermal Generating Station.
6. Unless otherwise directed by the Board Hydro shall file an annual report with the Board in relation to its 2013 capital expenditures by March 1, 2014.
7. Unless otherwise directed by the Board Hydro shall file, in conjunction with the 2014 Capital Budget Application, a status report on the 2013 capital expenditures.
8. The Industrial Customers are entitled to an award of costs in an amount to be fixed by the Board.
9. Hydro shall pay all costs and expenses of the Board incurred in connection with this Application.

Newfoundland Power Inc.

Board Order No. P.U. 5 (2013)

Application:

Issued: February 28, 2013

Application for approval of: (i) distribution line costs per metre for Contributions in Aid of Construction (CIACs); (ii) distribution plant upgrade cost for CIACs; and (iii) CIAC cost factors.

Decision:

1. The 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 February 28, 2013 and, where advantageous to customers of Newfoundland Power, on all CIACs quoted but unpaid as of February 28, 2013.
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. 6 (2013)

Application:

Issued: March 1, 2013

Application by Newfoundland and Labrador Hydro for approval of a contribution in aid of construction of an upgrade of a distribution line from single-phase to three-phase for the Red Ochre Regional Economic Development Board. (Three-phase service to the Cooke Aquaculture Fish Hatchery in Daniel's Harbour).

Decision:

1. The Contribution in Aid of Construction of Two hundred and eighty-seven thousand four hundred seventy-two dollars and forty-nine cents (\$287,472.49), excluding HST, as calculated under the policy to provide three-phase service to the Cooke Aquaculture Fish Hatchery in Daniels's Harbour, for the Red Ochre Regional Economic Development Board is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Board Order No. P.U. 7 (2013)

Application:

Issued: March 15, 2013

Application by Newfoundland and Labrador Hydro for approval of a contribution in aid of construction of an upgrade of a distribution line from single-phase to three-phase for the Red Ochre Regional Economic Development Board. (Three-phase service to the Brophy's Dairy's Farm in Daniel's Harbour).

Decision:

1. The Contribution in Aid of Construction of Two hundred and sixty-two thousand eight hundred seventy-one dollars and nine cents (\$262,871.09), excluding HST, as calculated under the policy to provide three-phase service to Brophy's Dairy Farm in Daniel's Harbour for the Red Ochre Regional Economic Development Board is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Board Order No. P.U. 8 (2013)

Application:

Issued: March 15, 2013

Application for approval for disposition of the balance in the Demand Management Incentive Account pursuant to Sections 58 and 80 of the Act.

Decision:

1. The Board approves, pursuant to Sections 58 and 80 of the Act, the disposition of the 2012 balance in the Demand Management Incentive Account and related income tax effects by means of a credit in the amount of \$785,446 to the Rate Stabilization Account as of March 31, 2013.
2. Newfoundland Power shall pay all costs and expenses of the Board arising from this Application.

**SUMMARY OF ORDERS OF THE BOARD
UNDER THE AUTOMOBILE INSURANCE ACT
APRIL 1, 2012 TO MARCH 31, 2013**

The Sovereign General Insurance Company

Board Order No. A.I. 4 (2012)

Application:

Issued: April 12, 2012

To adopt IAO advisory rates for its Commercial Vehicles and Interurban Trucks classes of business.

Decision:

The application of The Sovereign General Insurance Company to adopt IAO advisory rates for its Commercial Vehicles and Interurban Trucks classes of business is approved to be effective no sooner than June 4, 2012 for new business and July 17, 2012 for renewals.

COSECO Insurance Company

Board Order No. A.I. 5 (2012)

Application:

Issued: April 20, 2012

For approval to implement revised rates for its Private Passenger Automobiles class of business.

Decision:

1. The application is denied.
2. COSECO Insurance Company shall submit, for the approval of the Board, within 30 days of receipt of the Board's Reasons for Decision, a revised rate proposal for its Private Passenger Automobiles class of business with the changes in parameters outlined therein.
3. COSECO Insurance Company shall pay the expenses of the Board incurred in connection with this matter.

Federation Insurance Company

Board Order No. A.I. 6 (2012)

Application:

Issued: April 20, 2012

For approval to implement revised rates for its Private Passenger Automobiles class of business.

Decision:

1. The application is denied.
2. Federation Insurance Company of Canada shall submit, for the approval of the Board, within 30 days of receipt of the Board's Reasons for Decision, a revised rate proposal for its Private Passenger Automobiles class of business with the changes in parameters outlined therein.
3. Federation Insurance Company of Canada shall pay the expenses of the Board incurred in connection with this matter.

COSECO Insurance Company

Board Order No. A.I. 7 (2012)

Application:

Issued: April 26, 2012

For approval to implement revised rates for its Private Passenger Automobiles class of business.

Decision:

1. The revised rate proposal received April 20, 2012 from COSECO Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than June 1, 2012 for new business and July 1, 2012 for renewals.
2. COSECO Insurance Company shall pay the expenses of the Board incurred in connection with this matter.

Federation Insurance Company

Board Order No. A.I. 8 (2012)

Application:

Issued: May 11, 2012

For approval to implement a revised rating program for its Private Passenger Automobiles class of business.

Decision:

1. The revised rate proposal received May 7, 2012 from Federation Insurance Company of Canada for its Private Passenger Automobiles class of business is approved to be effective no sooner than June 1, 2012 for new business and August 1, 2012 for renewals.
2. Federation Insurance Company of Canada shall pay the expenses of the Board arising from this application.

Aviva Insurance Company of Canada

Board Order No. A.I. 9 (2012)

Application:

Issued: June 7, 2012

For approval to adopt the most recent rates and rating program of S&Y Insurance Company for its Private Passenger Automobiles class of business.

Decision:

1. The application by Aviva Insurance Company of Canada to utilize the Private Passenger Automobile rates and rating program of S&Y Insurance Company is approved with effect no sooner than July 1, 2012.
2. Aviva Insurance Company of Canada shall annually report to the Board the number of private passenger automobiles written in the Province and the premiums associated therewith, commencing no later than March 31, 2013 and continuing thereafter until otherwise ordered by the Board.

Aviva Insurance Company of Canada

Board Order No. A.I. 10 (2012)

Application:

Issued: June 7, 2012

For approval to adopt the most recent rates and rating program of S&Y Insurance Company for its Miscellaneous Vehicles class of business.

Decision:

1. The application by Aviva Insurance Company of Canada to utilize the Miscellaneous Vehicles rates and rating program of S&Y Insurance Company is approved with effect no sooner than July 1, 2012.
2. Aviva Insurance Company of Canada shall annually report to the Board the number of miscellaneous vehicles written in the Province and the premiums associated therewith, commencing no later than March 31, 2013 and continuing thereafter until otherwise ordered by the Board.

Aviva Insurance Company of Canada

Board Order No. A.I. 11 (2012)

Application:

Issued: June 7, 2012

For approval to adopt IAO advisory rates for its Public Vehicles class of business.

Decision:

The application of Aviva Insurance Company of Canada to adopt IAO advisory rates for its Public Vehicles class of business is approved to be effective no sooner than July 1, 2012.

**IAO Actuarial Consulting Services Inc.,
on behalf of ACE INA Insurance**

Board Order No. A.I. 12 (2012)

Issued: June 7, 2012

Application:

For approval to adopt IAO advisory rates for Private Passenger Automobiles, Commercial Vehicles, Interurban Trucks and Garage Section classes of business.

Decision:

The application of IAO Actuarial Consulting Services Inc., on behalf of ACE INA Insurance, to adopt IAO advisory rates for Private Passenger Automobiles, Commercial Vehicles, Interurban Trucks and Garage Section classes of business is approved to be effective no sooner than July 1, 2012.

The Portage la Prairie Mutual Insurance Company

Board Order No. A.I. 13 (2012)

Application:

Issued: July 30, 2012

For approval to implement revised rates for its Private Passengers Automobiles class of business.

Decision:

1. The Application is denied.
2. The Portage la Prairie Mutual Insurance Company shall submit for the approval of the Board, within 30 days of receipt of the Reasons for Decision, a revised rate proposal for its Private Passenger Automobiles class of business that reflects the findings of the Board as set out in the Reasons for Decision.
3. Pursuant to section 57 of the Automobile Insurance Act and section 90 of the Public Utilities Act, Portage la Prairie Mutual Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

The Portage la Prairie Mutual Insurance Company

Board Order No. A.I. 14 (2012)

Application:

Issued: September 4, 2012

For approval to implement revised rates for its Private Passengers Automobiles class of business.

Decision:

The revised rate proposal received August 22, 2012 from The Portage la Prairie Mutual Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than November 1, 2012 for new business and December 1, 2012 for renewals.

The Portage la Prairie Mutual Insurance Company

Board Order No. A.I. 15 (2012)

Application:

Issued: October 4, 2012

For approval to implement revised rates for its Miscellaneous Vehicles class of business.

Decision:

The revised rate proposal received September 20, 2012 from The Portage la Prairie Mutual Insurance Company for its Miscellaneous Vehicles class of business is approved to be effective no sooner than December 1, 2012 for new business and January 1, 2013 for renewals.

The Portage la Prairie Mutual Insurance Company

Board Order No. A.I. 16 (2012)

Application:

Issued: October 4, 2012

By IAO Actuarial Consulting Services Inc. on behalf of Protective Insurance Company to adopt IAO advisory rates for its Commercial Vehicles and Interurban Trucks classes of business.

Decision:

The application of Protective Insurance Company to adopt IAO advisory rates for its Commercial Vehicles and Interurban Trucks classes of business is approved.

Co-operators General Insurance Company

Board Order No. A.I. 17 (2012)

Application:

Issued: October 18, 2012

For approval of a revised rating program for its Private Passenger Automobiles class of business.

Decision:

The revised rate proposal received October 3, 2012 from Co-operators General Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than January 16, 2013 for new business and renewals.

The Personal Insurance Company

Board Order No. A.I. 18 (2012)

Application:

Issued: December 21, 2012

For approval of a revised rating program for its Private Passenger Automobiles class of business.

Decision:

1. The application is denied.
2. On or before January 21, 2013, The Personal Insurance Company shall submit for the approval of the Board a revised rate proposal for its Private Passenger Automobiles class of business that reflects the findings of the Board as set out in the Reasons for Decision.
3. Pursuant to section 57 of the Automobile Insurance Act and section 90 of the Public Utilities Act, The Personal Insurance Company shall pay the costs of the Board associated with this filing, including the costs of the actuarial review.

Royal & Sun Alliance Insurance Company of Canada

Board Order No. A.I. 1 (2013)

Application:

Issued: January 3, 2013

For approval of a revised automobile insurance rating program for its Commercial Automobiles class of business.

Decision:

1. The application is denied.
2. Royal and Sun Alliance Insurance Company of Canada shall submit for the approval of the Board, within 30 days of receipt of the Reasons for Decision, a revised rate proposal for its Commercial Automobiles class of business that reflects the findings of the Board as set out in the Reasons for Decision.
3. Pursuant to section 57 of the Automobile Insurance Act and section 90 of the Public Utilities Act, Royal and Sun Alliance Insurance Company of Canada will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

**IAO Actuarial Consulting Services Inc.,
on behalf of Lloyd's Underwriters**

Board Order No. A.I. 2 (2013)

Issued: January 9, 2013

Application:

For approval to adopt IAO advisory rates for Private Passenger Automobiles and Commercial Vehicles.

Decision:

The application of IAO Actuarial Consulting Services Inc., on behalf of Lloyd's Underwriters to adopt IAO advisory rates for Private Passenger Automobiles and Commercial Vehicles is approved to be effective no sooner than January 15, 2013 for new business.

COSECO Insurance Company

Board Order No. A.I. 3 (2013)

Application:

Issued: February 1, 2013

For approval to expand its cost based rate group tables for Miscellaneous Vehicles, introduce a \$2,000,000 limit on Bodily Injury coverage for Miscellaneous Vehicles and remove engine size differentials for Mopeds.

Decision:

The revised rating program received December 19, 2012 from COSECO Insurance Company for its Miscellaneous Vehicles class of business is approved to be effective no sooner than March 1, 2013 for new business and May 1, 2013 for renewals.

The Personal Insurance Company

Board Order No. A.I. 4 (2013)

Application:

Issued: February 1, 2013

For approval of a revised automobile insurance rate proposal for its Private Passenger Automobile class of business as directed in Order No. A.I. 18 (2012).

Decision:

The revised rate proposal received January 23, 2013 from The Personal Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than April 19, 2013 for new business and June 18, 2013 for renewals.

Royal & Sun Alliance Insurance Company of Canada

Board Order No. A.I. 5 (2013)

Application:

Issued: February 14, 2013

For approval to implement a revised rating program for its Commercial Automobiles class of business.

Decision:

The revised rate proposal received February 6, 2013 from Royal & Sun Alliance Insurance Company of Canada for its Commercial Automobiles class of business is approved to be effective no sooner than March 1, 2013 for new business and May 1, 2013 for renewals.

Royal & Sun Alliance Insurance Company of Canada

Board Order No. A.I. 6 (2013)

Application:

Issued: March 6, 2013

For approval to implement revised rates for its Private Passenger Automobiles class of business.

Decision:

1. The Application is denied.
2. Royal and Sun Alliance Insurance Company of Canada shall submit for the approval of the Board, within 30 days of receipt of the Reasons for Decision, a revised rate proposal for its Private Passenger Automobiles class of business that reflects the findings of the Board as set out in the Reasons for Decision.
3. Pursuant to section 57 of the Automobile Insurance Act and section 90 of the Public Utilities Act, Royal and Sun Alliance Insurance Company of Canada will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

**Travelers Canada,
on behalf of St. Paul Fire and Marine Insurance Company**

Board Order No. A.I. 7 (2013)

Issued: March 15, 2013

Application:

For approval to adopt IAO advisory rates for Private Passenger Automobiles, Commercial Vehicles, and Miscellaneous Vehicles.

Decision:

The application of Travelers Canada, on behalf of St. Paul Fire and Marine Insurance Company, to adopt IAO advisory rates for Private Passenger Automobiles, Commercial Vehicles and Miscellaneous Vehicles is approved to be effective no sooner than April 1, 2013.

**Travelers Canada,
on behalf of Travelers Insurance Company of Canada**

Board Order No. A.I. 8 (2013)

Issued: March 15, 2013

Application:

For approval to adopt IAO advisory rates for Private Passenger Automobiles, Commercial Vehicles, and Miscellaneous Vehicles.

Decision:

The application of Travelers Canada, on behalf of Travelers Insurance Company of Canada, to adopt IAO advisory rates for Private Passenger Automobiles, Commercial Vehicles and Miscellaneous Vehicles is approved to be effective no sooner than April 1, 2013.

**SUMMARY OF ORDERS OF THE BOARD
UNDER THE MOTOR CARRIER ACT
APRIL 1, 2012 TO MARCH 31, 2013**

Russell's Taxi and Ambulance Service Ltd.

Board Order No. M.C. 1 (2012)

Application:

Issued: April 3, 2012

Application of Russell's Taxi and Ambulance Service Ltd. for approval of a share transfer to 65591 Newfoundland and Labrador Ltd.

Decision:

The application for the transfer of the beneficial ownership of the shares of the holder of Motor Carrier certificate No. 3552, Russell's Taxi and Ambulance Service Ltd., to 65591 Newfoundland and Labrador Ltd. is approved.

Hickey's Limited

Board Order No. M.C. 2 (2012)

Application:

Issued: May 11, 2012

The application for the transfer of beneficial ownership of Motor Carrier Certificate No. 6387 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. 6387, Hickey's Limited, to Fewer's Ambulance Service Limited is approved.

Ferryland Emergency Service Ltd.

Board Order No. M.C. 3 (2012) (Amended)

Application:

Issued: October 1, 2012

The application for the transfer of beneficial share ownership of Motor Carrier Certificate No. 2012-002 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. 2011-002, Ferryland Emergency Service Ltd. to Fewer's Ambulance Service Limited is approved.

Applicant

Board Order No. M.C. 4 (2012)

Application:

Issued: August 17, 2012

Application for a motor carrier certificate to provide a public passenger bus service as follows:

Regular public passenger bus service for the transportation of passengers and their baggage at separate fares from St. John's to Newtown and the reverse thereof. This authority will include pick up and drop off privileges at all points located on highway route number 320 between and including Gambo and Newtown and is restricted to the use of a vehicle with a maximum seating capacity of up to 48 passengers.

Decision:

The application of Applicant for a Motor Carrier Certificate to provide a regular public passenger bus service for the transportation of passengers and their baggage at separate fares from St. John's to Newtown and the reverse thereof, including pick up and drop off privileges at all points located on highway route number 320 between and including Gambo and Newtown, is hereby approved.

Dorman Roberts Limited

Board Order No. M.C. 5 (2012)

Application:

Issued: December 21, 2012

Application by Dorman Roberts Limited for the approval of revised rates for its trans-island public passenger bus service.

Decision:

1. An increase in passenger base rates of 9% conditional on a decrease in the fuel surcharge from 9% to 0% of base rates is approved.
2. Retention of the existing methodology for the fuel surcharge assuming a diesel fuel price of \$1.15 per litre is approved.
3. An increase of 7% in the passenger base rates adjusted to reflect the changes to the fuel surcharge is approved.
4. DRL shall, prior to implementing the approved increase in base rates, file with the Board for approval a Rate Schedule setting out all the revised rates.

Dorman Roberts Limited

Board Order No. M.C. 1 (2013)

Application:

Issued: January 4, 2013

Application by Dorman Roberts Limited for the approval of revised rates for its trans-island public passenger bus service.

Decision:

The revised passenger base rates, inclusive of HST, submitted by Dorman Roberts Limited on January 3, 2013 are approved for use effective immediately.

Fewer's Ambulance Service Limited

Board Order No. M.C. 2 (2013)

Application:

Issued: January 24, 2013

Application by Fewer's Ambulance Service for approval of the amalgamation of road ambulance services authorized in Motor Carrier Certificate No. 6285 - Kearney's Ambulance Service Ltd. and Motor Carrier Certificate No. 6405 - Collins' Ambulance Service Ltd.

Decision:

1. Motor Carrier Certificate No. 6285 issued to Kearney's Ambulance Service Ltd. and Motor Carrier Certificate No. 6405 issued to Collins' Ambulance Service Ltd. are hereby amalgamated under Motor Carrier Certificate No. 6405 in the name Collins' Ambulance Service Ltd.
2. Motor Carrier Certificate No. No. 6285 issued to Kearney's Ambulance Service Ltd. is hereby cancelled with effect from January 24, 2013 and shall, together with all Schedules, be returned to the Board.

Moore's Ambulance (2012) Limited

Board Order No. M.C. 3 (2013)

Application:

Issued: March 25, 2013

Application for a Motor Carrier Certificate to provide ambulance services from named points in Conception Bay North.

Decision:

The Application of Moore's Ambulance (2012) Limited for a Motor Carrier Certificate to provide ambulance services from named points in Conception Bay North, is hereby approved.

Moore's Funeral Home & Ambulance Service Ltd.

Board Order No. M.C. 4 (2013)

Application:

Issued: March 25, 2013

Application to discontinue providing service under Motor Carrier Certificate No. 4017 conditional on the granting of a Motor Carrier Certificate to operate the same service to Moore's Ambulance (2012) Limited.

Decision:

Motor Carrier Certificate No. 4017 issued to Moore's Funeral Home & Ambulance Service Ltd. is cancelled with effect from March 25, 2013 and shall, together with all Schedules, be returned to the Board.

APPENDIX II

**SUMMARY OF MAXIMUM PRICE CHANGES
UNDER THE PETROLEUM PRODUCTS ACT
APRIL 1, 2012 TO MARCH 31, 2013**

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

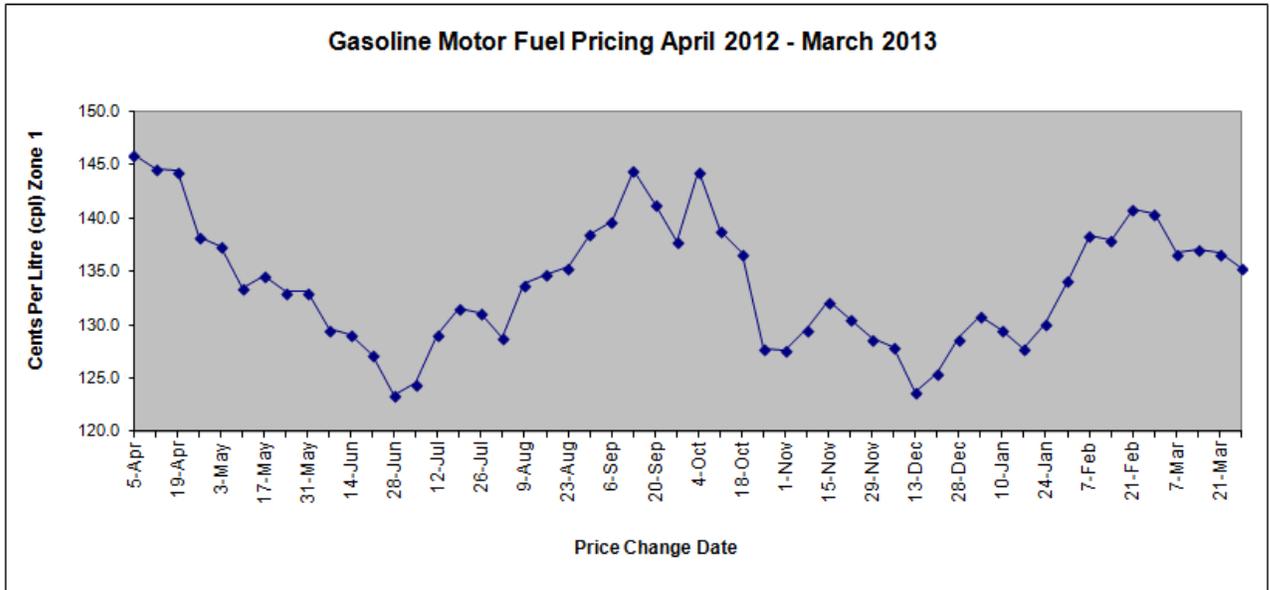
The following charts reflect the overall maximum pricing movements in the Avalon region for each of the refined petroleum products for which maximum prices are regulated. (Note: the lines joining the data points in the following graphs are intended to reflect trends only and do not represent gradual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

There were 52 scheduled changes to the maximum prices of various fuel products for the period April 1, 2012 to March 31, 2013. There were no unscheduled adjustments for any regulated petroleum product during this period.

Gasoline Motor Fuel

There were 52 scheduled adjustments (22 increases, 29 decreases and one adjustment with no change) to the maximum price of gasoline motor fuel.

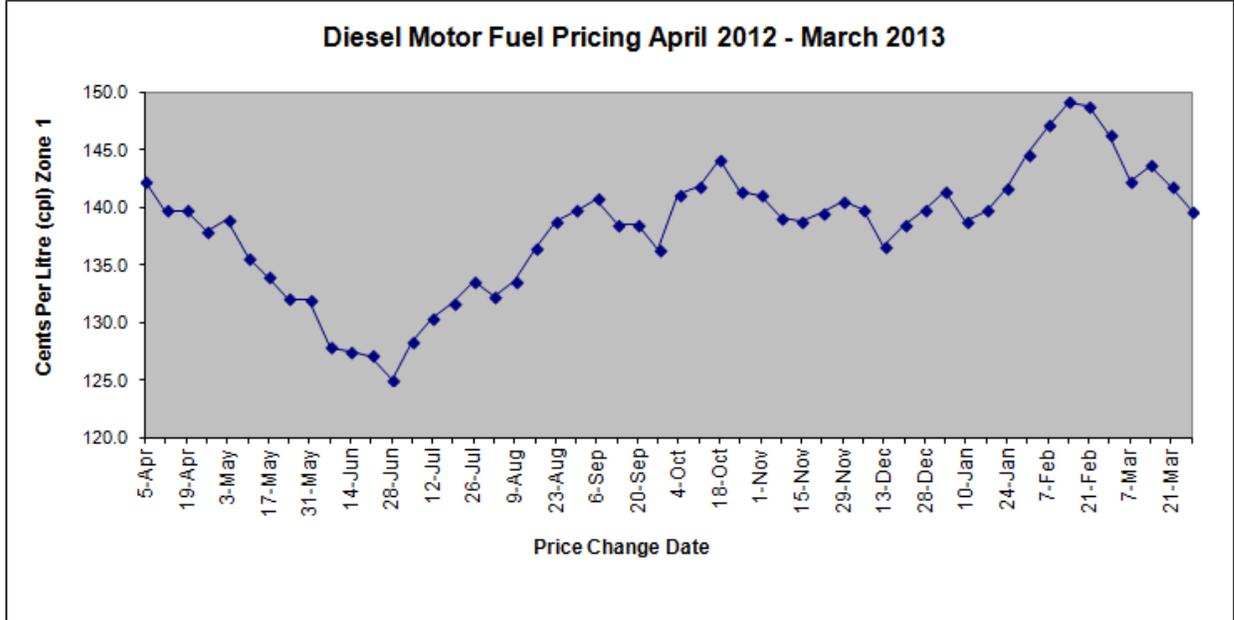
Maximum Gasoline Motor Fuel Prices



Diesel Motor Fuel

There were 52 adjustments (24 increases, 26 decreases and two adjustments with no change) to the maximum price of automotive diesel.

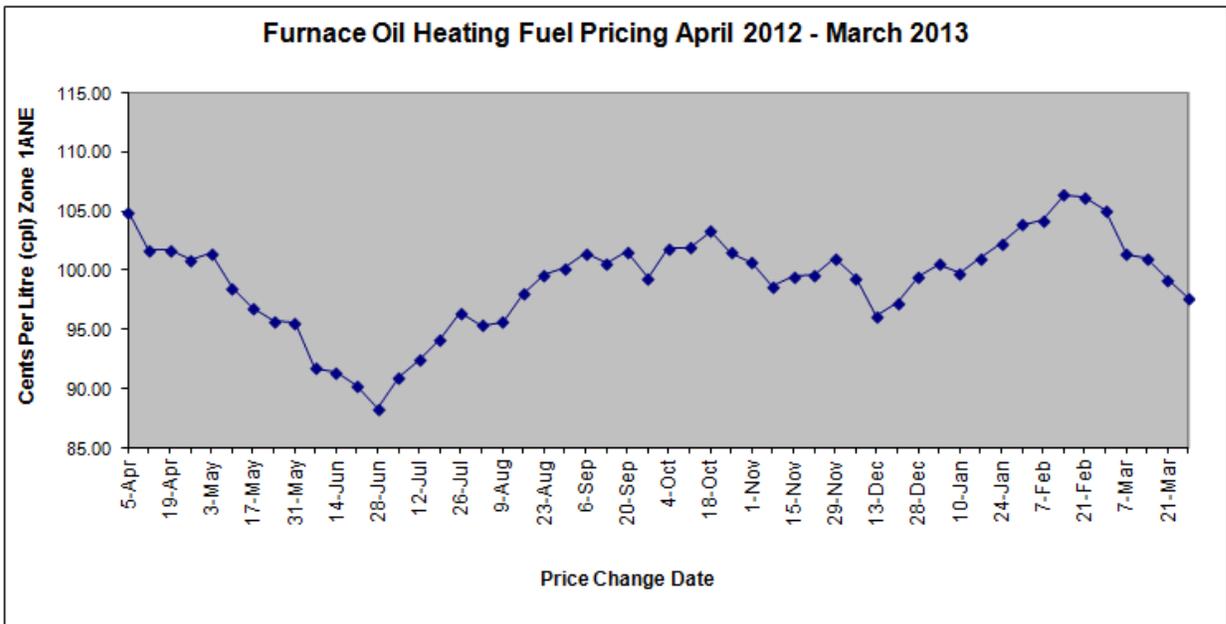
Maximum Diesel Motor Fuel Prices



Furnace Oil Heating Fuel

There were 52 adjustments (26 increases and 26 decreases) to the maximum price of furnace oil heating fuel.

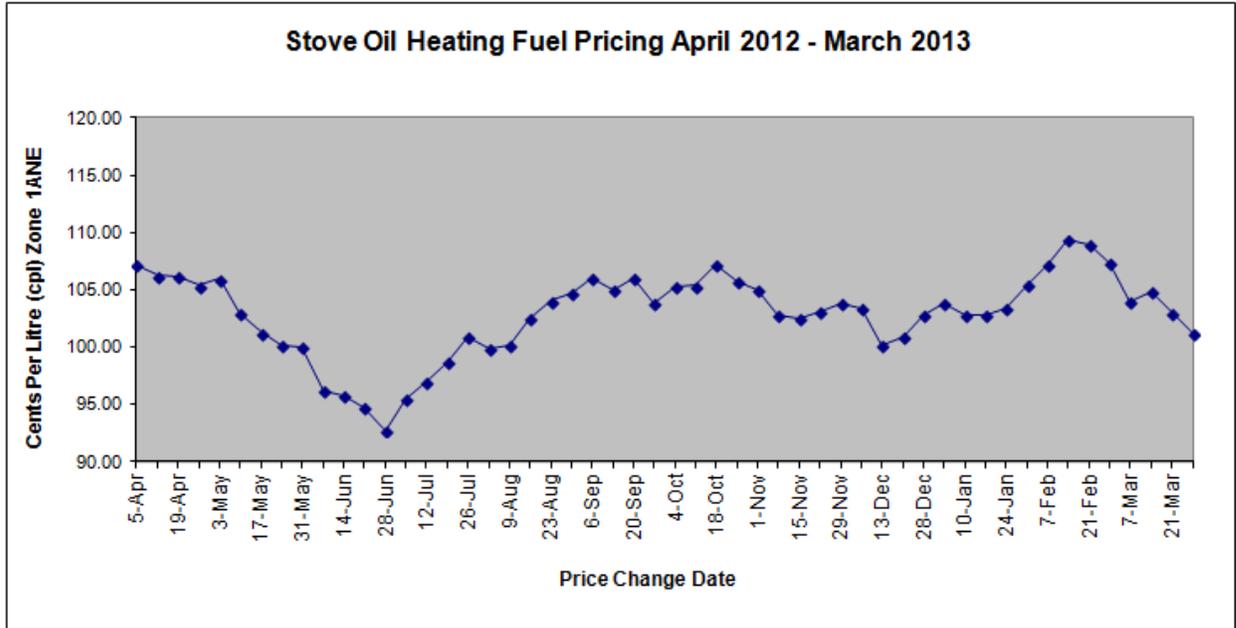
Maximum Furnace Oil Heating Fuel Prices



Stove Oil Heating Fuel

There were 52 adjustments (24 increases and 28 decreases) to the maximum price of stove oil heating fuel.

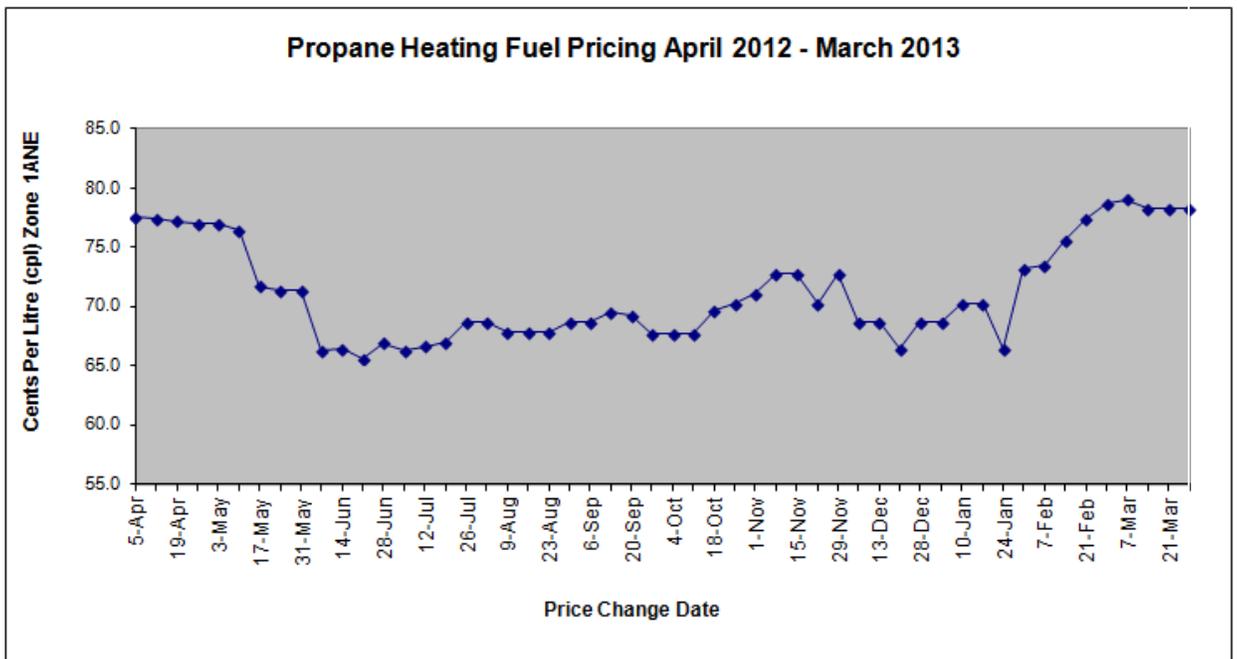
Maximum Stove Oil Heating Fuel Prices



Propane Heating Fuel

There were 52 adjustments (20 increases, 17 decreases and 15 adjustments with no change) to the maximum price of propane heating fuel.

Maximum Propane Heating Fuel Prices



COMMISSIONERS
Year End - March 31, 2013

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, 2013

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
Regulatory Analyst Ryan Oake
Regulatory Analyst Jessica Deering
Regulatory Analyst Mike McNiven
Computer Support Technician Carla Boyd
Records Administrator Sara Kean
Administrative Assistant Bobbi Sheppard
Administrative Assistant Colleen Jones
Administrative Assistant Colleen Wood

For further information regarding the Public Utilities Board, please contact:

Ms. Cheryl Blundon
Director of Corporate Services and Board Secretary
Prince Charles Building
Torbay Road
P. O. Box 21040
St. John's, Newfoundland and Labrador
Canada
A1A 5B2

Phone: 709-726-8600
Fax: 709-726-9604
Toll Free: 866-782-0006
Email: cblundon@pub.nl.ca
Website: www.pub.nl.ca

Newfoundland & Labrador

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 TORBAY ROAD, ST. JOHN'S, NL**

**Website: www.pub.nl.ca
E-mail: ito@pub.nl.ca**

**Telephone: 1-709-726-8600
Toll free: 1-866-782-0006**
