

Newfoundland and Labrador

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**ANNUAL REPORT
YEAR ENDING MARCH 31, 2015**

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MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

I am pleased to present the annual performance report of the Board of Commissioners of Public Utilities (the “Board”) for the fiscal year ending March 31, 2015. This report was prepared under my direction and in accordance with the *Transparency and Accountability Act*. As Chair and Chief Executive Officer I am accountable for the results as outlined in the report.

The Board operates as an independent, quasi-judicial tribunal constituted under the *Public Utilities Act*. The regulatory mandate of the Board includes regulation and oversight of the electric utilities, regulation of automobile insurance rates, setting maximum prices for petroleum products in the Province, as well as limited responsibilities in the areas of motor carrier operations and expropriations.

The Board is required to submit annual performance reports to the House of Assembly on its success in achieving the objectives, measures and indicators as outlined in its multi-year performance-based activity plan. This year marks the first year of the 2014-17 planning cycle in which the Board will have a consistent focus and objective of 2014-15 enhanced effective and efficient regulation.

The year 2014-15 has proven to be very challenging. The Board’s primary focus has been to further strengthen the efficiencies realized and maintain an organization that is responsive to change and is capable of meeting new challenges while completing its ongoing regulatory calendar.

The Board's ability to manage its very busy regulatory calendar in this reporting year was largely due to the significant effort by staff and commissioners, consultants, and stakeholders in meeting and responding to often difficult timelines and reporting requirements. I wish to thank all Board staff and fellow commissioners for their dedication and continued support.



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 and Public Safety (*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 and Public Safety 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

As a Category 3 entity the Board has the option of developing its own mission, adopting the mission of its responsible department, the Department of Justice and Public Safety, or choosing to do neither and not express a mission statement in its activity plan. As an independent, quasi-judicial regulatory tribunal it is not appropriate for the Board to adopt the mission of the Department of Justice and Public Safety as the Board's work does not contribute to the Department's goals and objectives. The Board has also determined that the development of its own mission is repetitive of its mandate and objectives.

STRATEGIC DIRECTIONS

As required by the *Transparency and Accountability Act* the strategic directions of Government, as communicated by the Minister of Justice and Public Safety, were considered in the development of the plan; however, none were applicable to the Board at this time.

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 297,122 residential and general service customers, and five 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 (2013) 50 companies wrote total premiums of \$386,400,000, insuring approximately 338,736 private passenger and commercial vehicles in the Province. The automobile insurance market in the province continues to show a high level of concentration, with 15 insurers writing 89.8 per cent 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 62 active ambulance certificates and 55 active bus service certificates.

ORGANIZATION

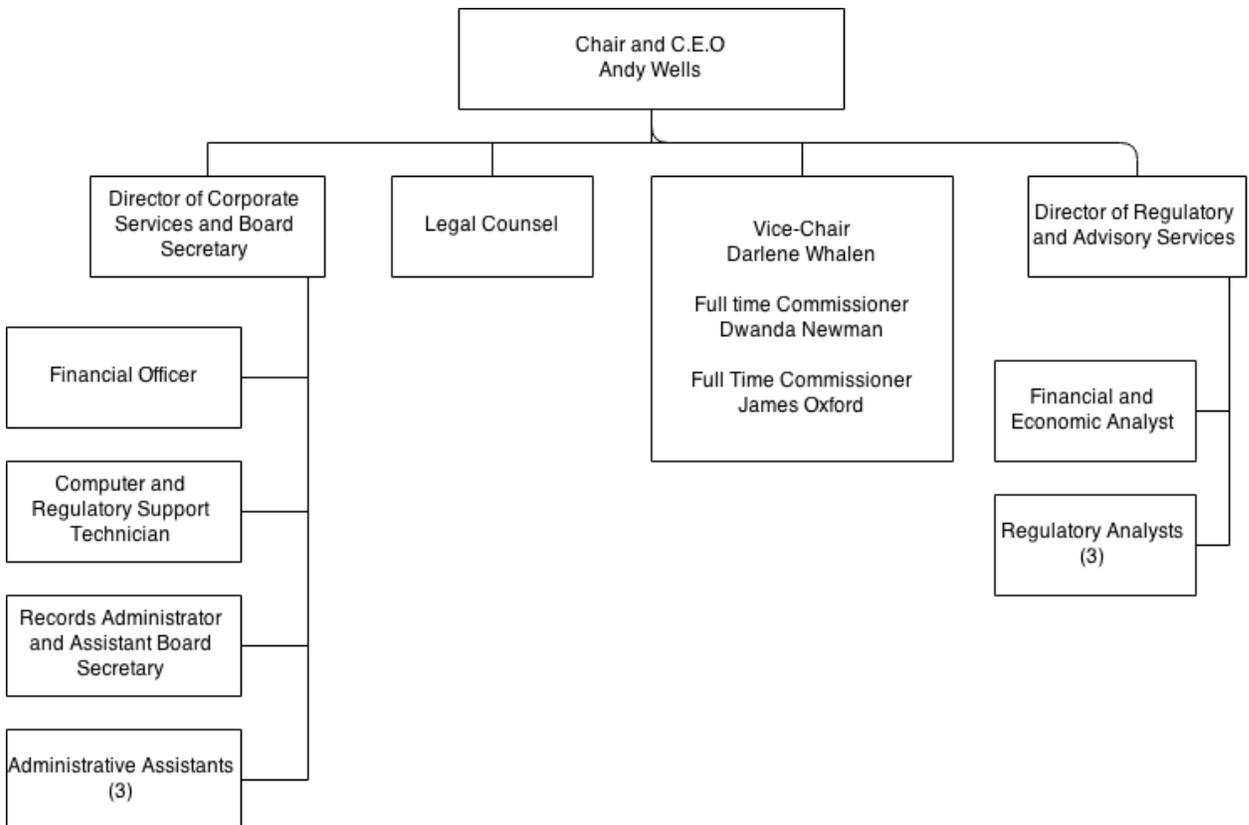
Created by statute in 1949 the Board is comprised of four full-time commissioners, appointed by the Lieutenant Governor in Council, including the Chair and Chief Executive Officer and the Vice Chair. The *Public Utilities Act* gives the Chair and Chief Executive Officer the full authority for the overall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

The Board has 17 permanent full-time staff located in St. John’s.

The Board’s functional organizational structure, shown in the 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 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, 2015*



FINANCIAL INFORMATION

The Board's operating expenses for 2014-15 were \$2,330,468. The comparative expenditures for the previous five-year period are shown below:

Board of Commissioners of Public Utilities						
Expenditures						
Years End- March 31						
	2010	2011	2012	2013	2014	2015
Operating - SJ Office	\$1,722,233	\$1,775,102	\$1,553,617	\$2,444,530	\$2,404,931	\$2,330,468
Operating - GF-W	\$427,729	\$553,677	\$583,752	\$0	\$0	\$0
Operating - Total	\$2,149,962	\$2,328,779	\$2,137,369	\$2,444,530	\$2,404,931	\$2,330,468
Hearings - Board	\$508,801	\$465,146	\$1,813,549	\$714,955	\$1,140,741	\$1,822,246
Hearings - Consumer Advocate	\$529,450	\$281,689	\$692,538	\$860,976	\$307,410	\$505,044
Hearings - Total	\$1,038,251	\$746,835	\$2,506,087	\$1,575,931	\$1,448,151	\$2,327,290
Total Expenditures	\$3,188,213	\$3,075,614	\$4,643,456	\$4,020,461	\$3,853,082	\$4,657,758

The Board is fully funded through assessments charged to regulated industries/companies or on a cost recovery basis from applicants. Assessments to each industry vary depending on the actual allocation of work performed by the Board in a given year. For 2014-15 the Board assessed 67% (\$1,654,221) of its annual revenue requirement to electrical utilities, 20% (\$507,748) was assessed to automobile insurance companies, and 13% (\$317,558) 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 2014-15 the Board's accumulated hearing costs totaled \$2,327,290 with significant costs as follows:

- \$1,197,510, related to the Board's investigation and hearing into supply issues and power outages;
- \$139,833, related to the utilities' capital budget applications and annual financial reviews;
- \$62,262, related to Newfoundland and Labrador Hydro's applications regarding its Rate Stabilization Plan;
- \$467,302, related to Newfoundland and Labrador Hydro's General Rate Application;
- \$13,960, related to Newfoundland and Labrador Hydro's application for the approval of its interim rates;
- \$17,235, related to Newfoundland and Labrador Hydro's application regarding the new generator in Holyrood;
- \$29,261, related to Newfoundland and Labrador Hydro's application regarding the Transmission Line;
- \$34,166, related to the Board's prudence review of certain actions and decisions, and associated costs, of Newfoundland and Labrador Hydro; and
- \$365,761, related to automobile insurance rate filing reviews.

Further details regarding the Board's recoverable costs can be found in Note 6 to the Board's Financial Statements (Appendix III).

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 matters which 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 2014-15 the Board issued 87 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 2014-15 can be found in Appendix II.

Highlights for 2014-15 are outlined as follows:

UTILITY REGULATION

Fifty-nine orders were issued during 2014-15 under the Board's public utilities mandate. A summary of the major public utility decisions and issues is outlined below.

On October 31, 2013, pursuant to OC2013-091, Newfoundland and Labrador Hydro ("Hydro") filed an application for approval of a Rate Stabilization Plan ("RSP") surplus refund plan. The application requested an Order of the Board approving the following: i) the Newfoundland Power RSP Surplus refund be paid to Newfoundland Power and to those rural customers whose rates are based on the rates charged by Newfoundland Power; ii) the Newfoundland Power RSP Surplus be refunded to Newfoundland Power customers on their April 2014 electricity bills and be based on their total energy consumption on bills issued during the period January 2013 to December 2013; iii) Hydro's Rural customers, whose rates are based on Newfoundland Power rates, receive a similar refund on their April 2014 electricity bills based on their total energy consumption on bills issued during the period January 2013 to December 2013; iv) the refund to Rural customers be funded from the Newfoundland Power RSP Surplus; and v) any net refund to Newfoundland Power's customers and Hydro's customers be in the form of a credit to each customer's account. On April 9, 2014 the Board issued Order No. P.U. 9(2014) which directed that the Newfoundland Power RSP surplus be refunded to all ratepayers, with the exception of the Island Industrial customers, in the form of direct payment or rebate and in a manner approved by the Board. On April 22, 2014 the Consumer Advocate filed Notice of Application for Leave to Appeal this decision to the Court of Appeal. On April 24, 2014 Hydro filed a similar notice. The appeal was heard in the Newfoundland and Labrador Supreme Court of Appeal on February 19, 2015. The decision of the Supreme Court is pending.

On April 10, 2014 Hydro applied to the Board requesting approval of a capital expenditure in the amount of \$119,000,000 for the purchase and installation of a 100 MW (nominal) combustion turbine to be installed at the Holyrood Thermal Generating Station. On May 7, 2014 the Board issued Order No. P.U. 16(2014) approving the proposal, with the issues of costs and cost recovery to be determined by the Board in a future Order.

On April 30, 2014 Hydro filed an application with the Board for approval to construct a 230 kV transmission line, approximately 188 km in length, between Bay d'Espoir and Western Avalon terminal stations. On December 12, 2014 the Board issued Order No. P.U. 53(2014) approving

the capital expenditures in relation to the transmission line on the condition that a report on the construction of the transmission line would be provided by Hydro with each capital budget application until the completion of the project.

On May 1, 2014 Hydro filed its annual RSP - Fuel Price Projection and an application to adjust its rate charged to Newfoundland Power effective July 1, 2014 to reflect the revised forecast price of No. 6 fuel and the disposition of the current balance in the Newfoundland Power RSP. On June 11, 2014 the Board issued Order No. P.U. 19(2014) approving a net increase of 0.44 cents/kWh in the RSP adjustment to be charged to Newfoundland Power effective July 1, 2014.

On June 12, 2014 Newfoundland Power applied to the Board for approval to flow the RSP adjustment through to its customers resulting in an average rate increase of approximately 2% effective July 1, 2014. On June 19, 2014 the Board issued Order P.U. 21(2014) approving the application.

On June 17, 2014 Hydro filed an application seeking approval of a change in rates to be charged for the supply of power and energy to its Island Interconnected and Isolated Rural customers whose rates are based on Newfoundland Power rates. On June 26, 2014 the Board issued Order No. P.U. 22(2014) approving the rates effective July 1, 2014.

On July 18, 2014 the Board issued Order No. P.U. 27(2014) which fixed and determined Hydro's average rate base for 2011 and 2012 at \$1,492,777,250 and \$1,524,482,500, respectively.

On September 30, 2014 Hydro filed an application with the Board requesting approval of the deferred recovery of the 2014 costs to be incurred by Hydro in association with its energy conservation plan, estimated to be \$2.52 million. On October 31, 2014 the Board issued Order No. P.U. 43(2014) approving the deferred recovery of the 2014 costs.

On November 10, 2014 Hydro filed an amendment to its 2013 General Rate Application ("GRA") initially filed on July 30, 2013. The application proposed to amend the 2013 GRA to consider 2014 and 2015 as test years and to derive rates for 2015 based on 2015 forecast costs. The GRA proceeding is underway with the filing of requests for information. Filing of expert reports and settlements negotiations are planned for the summer of 2015 and a public hearing is scheduled for September 2015.

As part of its amended GRA Hydro requested approval of a transmission demand rate for Labrador Industrial customers of \$1.25 per kW per month to be implemented on an interim basis effective January 1, 2015. On December 24, 2014 the Board issued Order No. P.U. 57(2014) approving the transmission demand rate on an interim basis.

On November 28, 2014 Hydro filed an application with the Board requesting approval of the deferral and recovery of \$45.9 million in forecast revenue deficiency for 2014. A 2014 cost of service study was filed with the application. The interim relief sought in the application is based on the proposals set out in Hydro's amended GRA filed on November 10, 2014. On December 24, 2014 the Board issued Order No. P.U. 58(2014) approving the segregation of the \$45.9 million as of December 31, 2014 in the deferral account; however, recovery by Hydro of this amount was not approved and is subject to the Board's subsequent determination, following a full review, as to whether it is appropriate to grant any recovery to Hydro. In addition, the proposed 2014 Test Year cost of service study, the proposed use of the credit balance in the RSP Hydraulic Variation

Account balance to provide recovery and the proposed transfer from the RSP Hydraulic Variation Account to the deferral account were not approved in the Order.

On October 9, 2014 the Board issued Order No. P.U. 40(2014) approving Newfoundland Power's 2015 Capital Budget Application totaling \$94,211,000 and fixing and determining the average rate base for the year ending December 31, 2013 at \$915,820,000.

On November 7, 2014 Newfoundland Power applied for approval of its 2015 forecast average rate base and rate of return on rate base in accordance with Order No. P.U. 13(2013). On December 2, 2014 the Board issued Order No. P.U. 51(2014) which approved Newfoundland Power's forecast average rate base for 2015 of \$1,009,527,000 and its rate of return on rate base for 2015 of 7.50% in a range of 7.32% to 7.68%.

On December 2, 2014 the Board issued Order No. P.U. 50(2014) approving Hydro's 2015 Capital Budget Application totaling \$76,832,900.

On January 28, 2015 Hydro filed an application for interim approval of customer electricity rates for implementation as of March 1, 2015. Review of that application is ongoing.

In January 2014 the Board commenced an investigation into supply issues and outage events on the Island Interconnected system between January 2-8, 2014. On April 24, 2014 the Board's consultants, The Liberty Consulting Group ("Liberty"), filed its interim report which found that the system events and outages were caused by a shortfall in generation capacity and equipment failures on Hydro's bulk transmission system. The Board released its interim report on May 15, 2014 which identified immediate actions needed to reduce the risk of similar events on the system over the period 2014-16. The Phase One Hearing into the supply issues commenced on March 30, 2015. In addition, on February 27, 2015 the Board notified Hydro that it had retained Liberty to conduct a prudence review of certain actions and decisions taken by Hydro and whether associated costs are to be recovered from Hydro's customers. Items to be reviewed include, but are not limited to: the new 100 MW combustion turbine, Sunnyside replacement equipment, capacity related supply costs, and Hydro's reported \$45.9 million revenue deficiency in 2014. It is anticipated that Liberty will file its reports related to on the prudence review in June 2015.

The Board also issued orders arising from applications for supplementary approval of 2014 and 2015 capital spending, contributions in aid of construction, and various other financial and accounting matters for both Hydro and Newfoundland Power.

AUTOMOBILE INSURANCE REGULATION

During the year the Board issued 21 orders in relation to Category 2 rate filings. Two of the Category 2 filings were initially denied by the Board but later resubmitted and approved. The Category 2 orders relate to rate increases or new rates.

An application was filed by Facility Association on March 6, 2014 seeking a proposed overall average rate increase of 54.1% for its Taxis and Limousine class of business. In November 2014 the Board held a public hearing on the application with final written submissions received in mid-January 2015. The interests of consumers were represented during the hearing by the Government appointed Consumer Advocate. A decision on the application is pending.

The Board also received 37 Category 1 filings representing no changes or reductions in rates. Pursuant to the legislation, 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. The majority of the 37 Category 1 filings were in relation to updating Vehicle Rate Group Tables and revisions to underwriting guidelines.

The Board has established a compliance audit program whereby the rates and rating practices of the regulated insurance companies are reviewed. The compliance audit program is designed to ensure that 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 during 2014-15. The audits did not find any violations of the legislation but did identify some minor discrepancies in rating resulting in small overcharges to some policyholders. These overcharges were corrected with refunds to the affected customers when identified to the company.

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 completed a review of the current allowed maximum mark-up and zone differentials included in the maximum price of price regulated petroleum products. The review was 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. The Part A review was completed in late spring 2013 and adjustments to the total allowed margins for heating fuels were implemented with the May 16, 2013 weekly price adjustment. The Part B review was completed in late 2014 and adjustments to the total allowed margins for automotive fuels were implemented with the January 15, 2015 weekly price adjustment.

In addition, during the year the Board received a request from the sole retailer of gasoline products in Ramea seeking a rezoning of Ramea from Zone 7a to Zone 7b. Following a review of documented costs of supplying gasoline to the area the Board approved an increase of 7.105 cents per liter to the Zone 7a differential for gasoline effective March 11, 2015.

MOTOR CARRIER REGULATION

Seven orders were issued under the Board's Motor Carrier mandate related to ambulance services. Five of those orders approved new motor carrier certificates, one cancelled an existing motor carrier certificate and one amended an existing motor carrier certificate.

REPORT ON PLANNED ACTIVITIES

This planning cycle marks an opportunity for the Board to build upon previously identified priority actions. The Board will have a consistent focus and objective for the 2014-17 planning cycle of having enhanced effective and efficient regulation. The objective, measure and indicators will be utilized and reported on for this and the next two annual reports. In reporting on its objective the Board's focus will be on further strengthening the efficiencies realized and ensuring continual support of an effective and responsive regulatory environment.

While the Board expected that it would have a demanding regulatory calendar in 2014-15, no amount of planning could have anticipated the extraordinary number of complex regulatory filings and technical issues that were raised and required to be addressed during this year. In addition to the routine and reoccurring matters, such as annual capital budget applications, compliance reviews and weekly petroleum pricing adjustments, there were a number of major on-going hearings/proceedings running concurrently which significantly impacted the Board's activities and stretched the Board's resources over the past year. Four major proceedings were on-going through the year including the January 2014 supply issues and power outage investigation, Hydro's general rate application, Facility Association's taxi and limousines rate application and the petroleum products pricing review of the maximum mark-up for automotive fuels. Each of these proceedings had unique and specific issues that contributed to the demands placed on the Board, its consultants and hearing participants in meeting required timelines and regulatory requirements.

Along with the increased workload, these regulatory proceedings saw the introduction of new participants to the Board's proceedings who were unfamiliar with the Board's rules of proceedings and filing guidelines. Given these challenges the Board's primary focus for the year was to ensure that the timelines and regulatory requirements for the proceedings were met and the records of proceedings were complete. The Board's ability to meet these challenges head-on and keep proceedings on track can be attributed to three major factors: the streamlined regulatory processes, the efficient use of technology for the exchange of information, and the significant dedicated effort by staff and commissioners, consultants, and stakeholders in meeting and responding to often difficult timelines and reporting requirements.

Providing timely information to hearing participants, interested stakeholders and the public is critical for the achieving success in its regulatory programs. In the last planning cycle the Board commenced a communications strategy review which started with a review of the Board's website. The Board's website is considered a static website which provides information only to its users. Informal feedback during the year from stakeholders, the media and the public indicates that users would like to have a more responsive and interactive website. Because of the increased traffic on the website and feedback received the Board will re-examine the scope of the website review to determine whether the website can provide a more responsive design for its end users. In the interim the Board will focus its attention on continuing to enhance its website where required.

The Board's progress in meeting its planned objectives for 2014-15 is set out in the table following.

ISSUE: REGULATORY RESPONSIVENESS

Objective	By March 31, 2015, the Board will have enhanced effective and efficient regulation.
Measure:	
Effective and efficient regulation enhanced	
Indicator	Effective regulatory response
<p>Effective and efficient regulation was enhanced. Enhancements in the Board’s regulatory processes, such as increased consultations with stakeholders and the development of participatory schedules and objectives, helped to clarify the issues to be addressed and information required to keep the schedules and timelines on track. Having timely access to electronic hearing documents is critical for the effective participation of intervenors and other interested stakeholders. Enhancements to the Board’s electronic information management system allows for immediate sharing and exchange of information which shortens review times and results in cost savings for all participants.</p> <p>Management of information was critical in keeping the Board’s regulatory schedule and ensuring an efficient regulatory response. In addition to the routine annual regulatory filings that were filed during this year, there were over 4,000 additional documents filed related to the four major on-going proceedings. The documents filed included 3,376 responses to requests for information, 110 compliance reports and over 500 daily power system supply reports. Of the 87 orders issued under the <i>Public Utilities Act</i>, 24 were related to Hydro’s general rate application and 14 were related to plant and transmission upgrades identified during the Phase One power outage investigation.</p> <p>The Board proactively changed and adapted its processes where necessary to provide a more efficient regulatory response. The supply issues and power outage investigation which commenced in January 2014 continued throughout 2014-15. In the early stages of the investigation the Board’s immediate focus was to address the findings of causes of the January 2014 outages and identify the key priority items that should be undertaken to address winter readiness in advance of the interconnection with Muskrat Falls. The Board established tight deadlines to meet these review objectives with the Board’s interim report issued on May 15, 2014. As the investigation progressed over the summer of 2014 the Board determined that certain issues would need to be addressed on a priority basis to allow for timely completion of any necessary work on the Island Interconnected system in preparation of the upcoming winter seasons. The Board decided that the investigation would proceed in two phases. Phase One would focus on the adequacy and reliability of supply on the Island Interconnected system until the interconnection with Muskrat Falls and Phase Two would focus on the implications of the interconnection with Muskrat Falls on reliability and adequacy of the Island Interconnected system. Separating the investigation into two phases allowed the Board to meet the timelines and objectives established for Phase One.</p> <p>The hearing into Hydro’s general rate application, filed in July 2013, was scheduled to begin in July 2014. In June Hydro advised that it would be filing an amended application to update financial information. The amended application was filed on November 10, 2014. The revised filing of this application significantly impacted the Board’s regulatory calendar and hearing schedule. To ensure regulatory efficiency the Board held a series of discussion meetings with the participants to agree on a plan of action to address the issues requiring examination and to avoid duplication of work already completed. With the assistance and cooperation of the parties the Board has agreed on a schedule moving forward with the hearing anticipated to begin in the fall of 2015.</p>	

Facility Association filed a Category 2 application on March 6, 2014 seeking approval of increased automobile rates for its Newfoundland and Labrador Public Vehicles - Taxis and Limousines. Following an in-depth information exchange process the hearing was held over a five-day period in November 2014. Enhancements in the hearing process, including an efficient exchange of information, compressed sitting hours and the availability of daily transcriptions, enabled the Board to complete the hearing within the established hearing schedule.

Indicator	Enhanced website
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Continued enhancements were made to the Board's website during the year. The Board's website allows for the provision of timely information to hearing participants and other interested persons on the significant applications and matters before the Board. In addition the Board has seen an increase in the number of hearing participants and experts outside of the province who rely on the Board's website to provide the information they require to complete their work. The Board has also seen an increase in general inquiries and information requests from the public relating to the information that is being posted on various applications and hearing related matters. Enhancements to the website in response to feedback received included, changes to the layout, the categorization of information and increased volume of information available for viewing. Continued assessment of the website will ensure that the information posted is relevant and meets the primary needs of the end-users.

Indicator	Enhanced internal capacity
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Internal capacity was enhanced during the reporting period. The Board's primary focus is to maintain an organization that is responsive to change and is capable of meeting new challenges while completing its on-going regulatory calendar. Board staff and Commissioners continued to participate in education and training programs as required. Training courses completed throughout the year included the one-week Energy Regulation Course offered at Queen's University sponsored by the Canadian Association of Members of Public Utility Tribunals (CAMPUT) which covered training specific to the Canadian regulatory regime such as cost of service, cost of capital, rate design and principles of administrative law; the Electrical Design Concepts for Non-Electrical Engineers offered EPIC Training Centre; CAMPUT's ongoing Regulatory Dialogue Webinars and Regulatory Key Topics Sessions; and other training courses and education conferences offered by CAMPUT and the Canadian Automobile Insurance Rate Regulators Association (CARR). The Board also commenced a review of its internal human resource capacity, which is expected to be completed early in the next reporting period.

OPPORTUNITIES AND CHALLENGES AHEAD

It is expected that the Board will have a very demanding regulatory calendar for the next three years. The hearing for Phase One of the supply issues and power outage hearing was held on March 30, 2015 and the Board's Phase One report is pending. The Board is continuing its work on Phase Two of the investigation with a hearing schedule to be set following release of the Phase One report. The public hearing of Hydro's amended general rate application is scheduled to start in early September 2015 and will be running concurrent to the Phase Two supply issues and power outages investigation. Newfoundland Power is also expected to file a general rate application in 2015 for new rates for 2016. In addition the Board will also consider capital budget applications filed by both the utilities in the summer of 2015. These applications are complex and time sensitive and will require significant dedication of Board resources.

Managing the many complex matters before the Board requires significant effort and dedication of Board staff. As with many organizations the Board seeks to balance its existing human resource capacity with its immediate and anticipated requirements while at the same time ensuring that it is prepared to deal with new or unexpected issues or matters. The Board is also anticipating a number of retirements of key staff over the next three years and, to reduce the anticipated impact on the human resource capacity, the Board has taken a strategic approach to strengthening its workforce capacity. One of the significant challenges for the Board in this area is recruiting and retaining staff with the skills, competencies, and knowledge needed for the unique operations of the Board. To this end the Board has initiated a review of its internal human resource capacity. The Board will also continue to build its human resource capacity by focusing on the professional development needs of key personnel. The human resource inventory of training requirements will continue to be assessed and individualized training programs will be implemented to ensure that key staff have the competencies, skills and experience necessary to do their work. Training and assessments will be completed through a standard evaluation process, a 360° feed-back and cross-training mentoring program, and participation in specific identified training programs in areas such as administrative law, rate of return and cost of capital, cost of service and rate design, and information management to meet functional needs, succession planning and individual professional development requirements.

The Board has provided regulatory leadership by being responsive, proactive and innovative in the successful completion of many of its regulatory initiatives. The Board continues to achieve and enhance regulatory efficiency and effectiveness through the continued streamlining of its regulatory processes, development of consistent rules of procedure and the efficient exchange of information between the parties and consultants with web-based information exchange. The Board is committed to building on the efficiencies achieved and will continue to make improvements where required.

APPENDIX I

**SUMMARY OF ORDERS OF THE BOARD
UNDER THE PUBLIC UTILITIES ACT
APRIL 1, 2014 TO MARCH 31, 2015**

Newfoundland and Labrador Hydro

Order No. P.U. 9(2014)

Application:

Application for approval of amendments to the Rate Stabilization Plan rules and a refund to Newfoundland Power Inc. customers and certain Hydro Rural customers.

Decision:

1. The Newfoundland Power Rate Stabilization Plan Surplus shall be refunded to all ratepayers, with the exception of the Island Industrial customers, in the form of direct payment or rebate and in a manner to be approved by the Board.
2. Hydro shall pay all expenses of the Board incurred with this matter.

Newfoundland Power Inc.

Order No. P.U. 10(2014)

Application

Issued: April 9, 2014

Application for an Order of the Board providing for disposition of the balance in the Optional Seasonal Rate Revenue and Cost Recovery Account pursuant to Sections 58 and 80 of the *Act*.

Decision:

1. The Board approves the disposition of the balance in the Optional Seasonal Rate Revenue and Cost Recovery Account as of December 31, 2013 by charging the balance of \$137,344 to the Rate Stabilization Account as of March 31, 2014.
2. Newfoundland Power shall pay all costs and expenses in connection with this Application.

Newfoundland Power Inc.

Order No. P.U. 11(2014)

Application

Issued: April 9, 2014

Application for an Order of the Board for approval of the balance in the Weather Normalization Reserve as of December 31, 2013 pursuant to sections 69(3) and 78 of the *Act*.

Decision

1. Newfoundland Power's Weather Normalization Reserve of a positive balance of \$5,058,185 as of December 31, 2013 is approved.
2. Newfoundland Power shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 12(2014)

Application

Issued: April 16, 2014

Application for approval of the Rate Stabilization Plan rules and components of the rates to be charged to Island Industrial customers pursuant to section 71 of the *Act* and a submission for an award of costs to Island Industrial Customer Group pursuant to Order No. P.U. 29(2013).

Decision

1. The costs of the Island Industrial Customer Group are fixed at \$92,586.81.
2. Hydro shall, within thirty days, pay costs to the Island Industrial Customer Group in the amount of \$92,856.81.

Newfoundland and Labrador Hydro

Order No. P.U. 13(2014)

Application

Issued: April 25, 2014

Application by for approval on an interim basis, effective January 1, 2014 of, among other things, rate changes for certain customers and a deferral account for others, and amendments to the Rate Stabilization Plan.

Decision

1. The Amended Interim Rate Application is hereby dismissed.
2. Vale Newfoundland and Labrador Limited are entitled to an award of costs in an amount to be fixed by the Board, with cost submissions to be filed within 30 days of this Order.
3. Leave is granted to the remaining Intervenors to apply within 30 days of this Order for an award of costs.
4. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 14(2014)

Application

Issued: April 28, 2014

Application for approval of a capital expenditure to proceed with the construction and purchase of improvements and additions to its property pursuant to section 41(3) of the *Act*.

Decision

1. The capital expenditure of \$2,892,000 for the proposed distribution feeder improvements and substation refurbishment is approved.
2. Newfoundland Power shall pay the expenses of the Board arising from this Application.

**The Board's Investigation and Hearing into Supply Issues
and Power Outages on the Island Interconnected System**

Order No. P.U. 15(2014)

Issued: April 30, 2014

Request by Grand Riverkeeper® Labrador Inc. for intervenor status in the matter of an Investigation and Hearing into supply issues and power outages on the Island Interconnected system.

Decision

1. Grand Riverkeeper® Labrador Inc. is hereby granted intervenor status in this proceeding.

Newfoundland and Labrador Hydro

Order No. P.U. 16(2014)

Application

Issued: May 7, 2014

Application for approval of a capital project to supply and install 100 MW of combustion turbine generation, pursuant to section 41 of the *Act*.

Decision

1. Hydro's proposal to proceed with the purchase and installation of 100 MW of combustion turbine generation at the Holyrood Thermal Generating Station is approved, with the issues of costs and cost recovery to be determined by the Board in a future Order.
2. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 17(2014)

Application

Issued: June 6, 2014

Application for approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Holiday Hills, near the community of Blaketown pursuant to section 41 of the *Act*.

Decision

1. The Refundable Contribution in Aid of Construction of six thousand eight hundred ninety six dollars and seventy five cents (\$6,896.75), excluding HST, to apply to Domestic Customers located in the cottage area known as Holiday Hills is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 18(2014)

Application

Issued: June 11, 2014

Application by Newfoundland and Labrador Hydro for approval of an amendment to the Rate Stabilization Plan Rules.

Decision

1. The Rate Stabilization Plan rules attached hereto as Schedule "A" are approved on an interim basis.
1. Hydro shall pay the expenses of the Board in connection with this matter.
2. .

Newfoundland and Labrador Hydro

Order No. P.U. 19(2014)

Application

Issued: June 11, 2014

Application for approval, pursuant to section 70 of the *Act*, of the Rate Stabilization Plan Adjustment in the rates to be charged to Newfoundland Power Inc.

Decision

3. The rates to be charged by Newfoundland and Labrador Hydro to Newfoundland Power, as set out in Schedule "A" to this Order, to be effective for electrical consumption on or after July 1, 2014, are approved on an interim basis.
4. Hydro shall pay the expenses of the Board in connection with this matter.

Newfoundland Power Inc.

Order No. P.U. 20(2014)

Application

Issued: June 19, 2014

Application for approval of: (1) a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Baie de L'Eau Road, near the town of Bay L'Argent pursuant to section 41 of the *Act*; and (2) a deviation from the Contribution in Aid of Construction applicable to Domestic Customers in relation to the calculation of the participation percentage as provided for in clause 6 (A)(II) of the policy.

Decision

1. The Non-Refundable Contribution in Aid of Construction of six thousand nine hundred thirty-one dollars and sixty-four cents (\$6,931.64), excluding HST, to apply to Domestic Customers located in the Cottage Area known as Baie De L'Eau Road is approved.
2. A deviation from the Policy requirement respecting down payments to allow Newfoundland Power to commence construction of the Extension is approved.
3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 21(2014)

Application

Issued: June 19, 2014

Application pursuant to section 70 of the *Act* for approval of rate stabilization and municipal tax adjustments for the period July 1, 2014 to June 30, 2015 and a schedule of rates, tolls and charges incorporating the rate stabilization and municipal tax adjustments.

Decision

1. The Rate Stabilization Adjustment of 1.064 cents/kWh for the period July 1, 2014 to June 30, 2015, is approved.
2. The Municipal Tax Adjustment Factor of 1.02370 for the period July 1, 2014 to June 30, 2015, 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, 2014, is approved.
4. Newfoundland Power shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 22(2014)

Application

Issued: June 26, 2014

Application for approval of a change in rates to be charged to Island Interconnected and Isolated Rural customers.

Decision

1. The rates proposed by Hydro to be effective for all electrical consumption on or after July 1, 2014 for its Island Interconnected customers, excluding Burgeo School & Library (rate Classes 1.1, 2.1, 2.3, 2.4 and 4.1) and Isolated Rural customers (rate Classes 1.2D, 2.1D and 2.2D and 4.1D), as set out in Schedule A to this Order, are approved.
2. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 23(2014)

Application

Issued: June 27, 2014

Application for approval of a capital expenditure to supplement the Allowance for Unforeseen Items for the construction and purchase of certain improvements and additions to its property pursuant to section 41 of the *Act*.

Decision

1. The addition of a supplementary amount of \$580,000 to the 2014 Allowance for Unforeseen Items is approved.
2. Hydro will establish a separate account to record the expenditures associated with the Unit 3 east forced draft fan motor refurbishment at the Holyrood Thermal Generating Station, the overhaul of the Sunnyside B1L03 230 kV breaker and the overhaul of the Holyrood B1L17 230 kV breaker, with the recovery of these expenditures to be addressed in a subsequent order of the Board following a further application by Hydro.
3. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 24(2014)

Application

Issued: July 11, 2014

Application for approval of a capital expenditure to proceed with refurbishment of thermal generation assets, pursuant to section 41 of the *Act*.

Decision

1. The capital expenditure of \$1,698,000 for the refurbishment of the Wesleyville and Greenhill gas turbine systems is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 25(2014)

Application

Issued: July 11, 2014

Application for approval of a Contribution in Aid of Construction for a line extension to serve domestic customers residing in the cottage area known as Witless Bay Line West near the Town of Holyrood pursuant to section 41 of the *Act*.

Decision

1. The Refundable Contribution in Aid of Construction of twenty-six thousand three hundred thirty-seven dollars and fifty cents (\$26,337.50), excluding HST, to apply to Domestic Customers located in the Cottage Area known as Witless Bay Line West is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 26(2014)

Application

Issued: July 11, 2014

Application for approval of a Contribution in Aid of Construction from Cooke Aquaculture Inc. for the upgrade of a distribution line from single-phase to three-phase service in Daniel's Harbour pursuant to section 41 of the *Act*.

Decision

1. The Contribution in Aid of Construction of three hundred and twenty-nine thousand, eight hundred six dollars and seventy-two cents (\$329,806.72), excluding HST, to provide three-phase service to the Cooke Aquaculture Inc. Kelly Cove Salmon Fish Hatchery in Daniel's Harbour is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 27(2014)

Application

Issued: July 18, 2014

Application for an order of the Board fixing and determining its:

- (a) 2011 average rate base; and
- (b) 2012 average rate base.

Decision

1. Pursuant to section 78 of the *Act* Newfoundland and Labrador Hydro's rate base for the year ending December 31, 2011 is hereby fixed and determined at \$1,492,777,250.
2. Pursuant to section 78 of the *Act* Newfoundland and Labrador Hydro's rate base for the year ending December 31, 2012 is hereby fixed and determined at \$1,524,482,500.

Newfoundland Power Inc.

Order No. P.U. 28(2014)

Application

Issued: July 23, 2014

Application for approval of a Contribution in Aid of Construction for a line extension to serve domestic customers residing in the cottage area near the community of Winterbrook pursuant to section 41 of the *Act*.

Decision

1. The Refundable Contribution in Aid of Construction of twenty-five thousand five hundred twenty-three dollars and thirteen cents (\$25,523.13), excluding HST, to apply to Domestic Customers located in the cottage area near the community of Winterbrook is approved.
2. Newfoundland Power shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 29(2014)

Application

Issued: July 30, 2014

Application for approval, pursuant to section 41 of the *Act*, of capital expenditures at the Sunnyside Terminal Station in 2014 and 2015 for the purchase and installation of the Sunnyside T1 transformer and associated equipment, modifications to the protection relay system, and the addition of a 230 kV breaker.

Decision

1. The proposed capital expenditures at the Sunnyside Terminal Station in the amount of \$7,197,800 in 2014 and \$1,266,400 in 2015 for the purchase and installation of the Sunnyside T1 transformer and associated equipment, modification to the protection relay system and addition of a 230 kV breaker are approved.
2. Hydro will establish a separate account to record the capital expenditures for the purchase and installation of the Sunnyside T1 transformer and associated equipment, modification to the protection relay system and addition of a 230 kV breaker, with the recovery of these expenditures to be addressed in a subsequent order of the Board following a further application by Newfoundland and Labrador Hydro.
3. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 30(2014)

Application

Issued: July 31, 2014

Application Hydro for approval on an interim basis, effective January 1, 2014 of, among other things, rate changes for certain customers and a deferral account for others, and amendments to the Rate Stabilization Plan and an application by Vale Newfoundland and Labrador Limited for an award of costs pursuant to Order No. P.U. 13(2014).

Decision

1. The costs of Vale are fixed at \$51,461.32, exclusive of HST.
2. Hydro shall, within thirty days, pay costs to Vale in the amount of \$51,461.32.

Newfoundland and Labrador Hydro

Order No. P.U. 31(2014)

Application

Issued: July 31, 2014

Application for approval on an interim basis, effective January 1, 2014 of, among other things, rate changes for certain customers and a deferral account for others, and amendments to the Rate Stabilization Plan for an award of costs by the Industrial Customers Group pursuant to Order No. P.U. 13(2014).

Decision

1. The costs of the Industrial Customers Group are fixed at \$37,450.95, exclusive of HST.
2. Hydro shall, within thirty days, pay costs to the Industrial Customers Group in the amount of \$37,450.95.

Newfoundland and Labrador Hydro

Order No. P.U. 32(2014)

Application

Issued: August 1, 2014

Application for approval of capital expenditures for the replacement of the tap changer on transformer T5 at the Western Avalon Terminal Station pursuant to section 41 of the *Act*.

Decision

1. The proposed capital expenditure in the amount of \$1,452,500 to replace the T5 transformer on load tap changer at the Western Avalon Terminal Station is approved.
2. Hydro will establish a separate account to record the capital expenditure to replace the T5 transformer on load tap changer at the Western Avalon Terminal Station, with the recovery of the expenditure to be addressed in a subsequent order of the Board following a further application by Newfoundland and Labrador Hydro.
3. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 33(2014)

Application

Issued: August 1, 2014

Application for approval of capital expenditures for the replacement of insulators on transmission lines TL-201 and TL-203 pursuant to section 41 of the *Act*.

Decision

1. The proposed capital expenditure of \$3,632,200 for the replacement of all insulators on transmission line TL-201 and 30 insulators on transmission line TL-203 is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 34(2014)

Application

Issued: August 8, 2014

Application for approval of capital expenditures for the replacement of the excitation transformers at Bay d'Espoir pursuant to section 41 of the *Act*.

Decision

1. The capital expenditures in the amount of \$636,700 for 2014 and \$360,000 for 2015 for the replacement of the excitation transformers at the Bay d'Espoir generating station are approved.
2. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 35(2014)

Application

Issued: August 8, 2014

Application for approval to issue debentures pursuant to section 91 of the *Act*.

Decision

1. Hydro's proposal to issue debentures in an amount of up to \$200,000,000 to finance 2014 capital expenditures is approved subject to the following conditions:
 - (a) The debentures shall be issued on or before October 31, 2014.
 - (b) Hydro shall file with the Board a report specifying the terms and conditions of the bond issue within five (5) days after closing, setting out the following:
 - (i) date of issue;
 - (ii) term;
 - (iii) maturity date;
 - (iv) principal amount;
 - (v) interest rate;
 - (vi) particulars of sinking fund, if any;
 - (vii) price to public and to the underwriters;
 - (viii) yield to the public;
 - (ix) underwriting fee;
 - (x) actual cost (i.e. yield) to Newfoundland and Labrador Hydro; and
 - (xi) any other material terms or conditions.
 - (c) Hydro shall file with the Board a copy of the Underwriting Agreement relating to the debentures within five (5) days after closing.
 - (d) Hydro shall file with the Board a copy of the Order in Council providing approval to issue the debentures within five (5) days of receipt of the Order in Council.
 - (e) shall file with the Board a report on the disposition of the proceeds no later than six months from the date of the closing.
2. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 36(2014)

Application

Issued: August 12, 2014

Application for approval of 2014 capital expenditures for the installation of additional transformer capacity at the Wabush Substation pursuant to section 41 of the *Act*.

Decision

1. The proposed 2014 capital expenditure of \$958,800 to install additional transformer capacity at the Wabush Substation by relocating the transformer from the Quartzite Substation and to make associated modifications to the Wabush Substation is approved.
2. Hydro shall file its long-term plan for the Wabush system no later than August 31, 2015.
3. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 37(2014)

Application

Issued: August 22, 2014

Application for approval of a Contribution in Aid of Construction for a line extension to serve domestic customers residing in the cottage area known as Joe's Lake, near the town of Badger pursuant to section 41 of the *Act*.

Decision

1. The Non-Refundable Contribution in Aid of Construction of four thousand one hundred fifty-nine dollars and sixty-three cents (\$4,159.63), excluding HST, to apply to Domestic Customers located in the cottage area known as Joe's Lake, near the Town of Badger is approved.
2. Newfoundland Power shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 38(2014)

Application

Issued: September 9, 2014

Application by Hydro for approval of capital expenditures for replacement of an air compressor at the Holyrood Thermal Generation Station pursuant to section 41 of the *Act*.

Decision

1. The proposed 2014 capital expenditure of \$320,600 to replace an air compressor at the Holyrood Thermal Generating Station is approved.
2. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 39(2014)

Application

Issued: September 17, 2014

Application for approval of, on an interim basis: i) the transfer of \$29.4 million to be recognized as revenue; and, ii) changes to Island Industrial customer rates and rules.

Decision

1. The Application is denied.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 40(2014)

Application

Issued: October 9, 2014

Application for an Order pursuant to sections 41 and 78 of the *Act*:

- (a) approving its 2015 Capital Budget of \$94,211,000;
- (b) multi-year projects involving future capital expenditures of \$19,804,000; and
- (c) fixing and determining its average rate base for 2013 in the amount of \$915,820,000.

Decision

1. Newfoundland Power's proposed construction and purchase of improvements or additions to its property to be completed in 2015, as set out in Schedule A to this Order, are approved.
2. Newfoundland Power's proposed multi-year construction and purchase of improvements or additions to its property to begin in 2015, as set out in Schedule B to this Order, are approved.
3. Newfoundland Power's 2015 Capital Budget for improvements or additions to its property in an amount of \$94,211,000, as set out in Schedule C to this Order, is approved.
4. Newfoundland Power's average rate base for the year ending December 31, 2013 is hereby fixed and determined at \$915,820,000.
5. Unless otherwise directed by the Board, Newfoundland Power shall file an annual report to the Board on its 2015 capital expenditures by March 1, 2016.
6. Unless otherwise directed by the Board, Newfoundland Power shall provide, in conjunction with the 2016 Capital Budget Application, a status report on the 2015 capital budget expenditures showing for each project:
 - (i) the approved budget for 2015;
 - (ii) the expenditures prior to 2015;
 - (iii) the 2015 expenditures to the date of the application;
 - (iv) the remaining projected expenditures for 2015;
 - (v) the variance between the projected total expenditures and the approved budget; and
 - (vi) an explanation of the variance.
7. Newfoundland Power shall pay all costs and expenses incurred in connection with the Application.

**The Board's Investigation and Hearing into Supply Issues
and Power Outages on the Island Interconnected System**

**Order No. P.U. 41(2014)
Issued: October 16, 2014**

A Notice of Motion by Newfoundland and Labrador Hydro for a determination that certain Requests for Information filed by Mr. Danny Dumaresque and Grand Riverkeeper@ Labrador Inc. are outside the scope of the proceeding.

Decision

1. Hydro's motion with respect to the following Requests for Information is accepted:
DD-NLH-1 to 9, DD-NLH-12 to 15, DD-NLH-17 to 23, DD-NLH-28, DD-NLH-42, DD-NLH-44, DD-NLH-45, DD-NLH-48, DD-NLH-49, DD-NLH-50, DD-NLH-54, DD-NLH-57, DD-NLH-59, DD-NLH-61 to 64, DD-NLH-69, DD-NLH-71, DD-NLH-72, DD-NLH-74 to 84, DD-NLH-86 to 90
GRK-NLH-8, GRK-NLH-10 to 20, GRK-NLH-23, GRK-NLH-28, GRK-NLH-29, GRK-NLH-42, GRK-NLH-47 to 50, GRK-NLH-53, GRK-NLH-54, GRK-NLH-56
2. Hydro's motion with respect to the following Requests for Information is denied:
DD-NLH-10, DD-NLH-11, DD-NLH-16, DD-NLH-52, DD-NLH-56, DD-NLH-58, DD-NLH-70, DD-NLH-73
GRK-NLH-21, GRK-NLH-22, GRK-NLH-24 to 26, GRK-NLH-43 to 46, GRK-NLH-55, GRK-NLH-57
3. Hydro shall pay the expenses of the Board associated with this matter.

Newfoundland Power Inc.

Order No. P.U. 42(2014)

Application

Issued: October 20, 2014

Application for approval of a Contribution in Aid of Construction for single phase service for Bell Mobility Inc. pursuant to section 41 of the *Act*.

Decision

1. The Contribution in Aid of Construction of sixty-seven thousand two hundred seven dollars (\$67,207.00), excluding HST, to provide single-phase service to a cell phone tower for Bell Mobility Inc. is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 43(2014)

Application

Issued: October 31, 2014

Application for the deferred recovery of 2014 costs associated with its energy conservation plan.

Decision

1. The deferred recovery of the 2014 costs related to Newfoundland and Labrador Hydro's energy conservation plan, estimated to be \$2.52 million, is approved.
2. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 44(2014)

Application

Issued: November 18, 2014

Application for approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Tom Penney's Pond, near Salmonier Line, pursuant to section 41 of the *Act*.

Decision

1. The Refundable Contribution in Aid of Construction of four thousand and twenty two dollars (\$4,022.00), excluding HST, to apply to Domestic Customers located in the cottage area known as Tom Penney's Pond, near Salmonier Line is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 45(2014)

Application

Issued: November 20, 2014

Application for approval of additional capital expenditures to complete the Labrador City Voltage Upgrade pursuant to section 41 of the *Act*.

Decision

1. The additional capital expenditures in the amount of \$608,900 for 2014 and \$1,238,200 for 2015 to complete the Labrador City Voltage Conversion are approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 46(2014)

Application

Issued: November 27, 2014

Application for approval to purchase critical spares for the Holyrood Thermal Generating Station pursuant to section 41 of the *Act*.

Decision

1. The proposed 2014 capital expenditure in the amount of \$491,753 to purchase critical spares for the Holyrood Thermal Generating Station is approved.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 47(2014)

Application

Issued: November 27, 2014

Application for approval of revisions, on an interim basis, to the Utility rate charged to Newfoundland Power Inc. pursuant to sections 70 and 71 of the *Act*.

Decision

1. Hydro's proposal to revise its Utility rate, on an interim basis, to include a revised calculation of billing demand to reflect a curtailable credit is approved for the period December 1, 2014 to March 31, 2015.
2. Hydro shall within 7 days file revised Utility rate sheets in accordance with the findings of the Board.
3. Vale Newfoundland and Labrador Limited is entitled to an award of costs in an amount to be fixed by the Board, with cost submissions to be filed within 30 days of this Order.
4. Leave is granted to the Industrial Customer Group to apply within 30 days of this Order for an award of costs.
5. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 48(2014)

Application

Issued: November 28, 2014

Application for approval of a Contribution in Aid of Construction for a line extension to serve domestic customers in the cottage area known as Square Pond East, near the Town of Gambo pursuant to section 41 of the *Act*.

Decision

1. The Non-Refundable Contribution in Aid of Construction of four thousand three hundred and fifty dollars and seventy-five cents (\$4,350.75), excluding HST, to apply to Domestic Customers located in the cottage area known as Square Pond East, near the Town of Gambo, is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 49(2014)

Application

Issued: November 28, 2014

Application for approval of a Capacity Assistance Agreement with Corner Brook Pulp and Paper Limited pursuant to sections 70, 71 and 80 of the *Act*.

Decision

1. The proposed Capacity Assistance Agreement with Corner Brook Pulp and Paper Limited, effective December 1, 2014, is approved.
2. will establish a separate account to record the purchased power expenses, with the recovery of the expenditure to be addressed in Hydro's General Rate Application.
3. Hydro shall file with the Board, no later than April 15 of the year following each winter period December 1-March 31 while the agreement is in place, a report setting out the dates, times, duration and system conditions, including generation available and calculation of system reserve, under which capacity assistance was requested, the capacity assistance requested and provided, and the capacity and variable payments made.
4. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 50(2014)

Application

Issued: December 2, 2014

Application for an Order pursuant to section 41 of the *Act* approving:

- (a) its capital purchases and construction projects in excess of \$50,000 beginning in 2015;
- (b) its 2015 Capital Budget; and
- (c) its estimated contributions in aid of construction for 2015 in the amount of \$300,000.

Decision

1. Hydro's proposed construction and purchase of improvements or additions to its property in excess of \$50,000 to be completed in 2015, as set out in Schedule A to this Order, are approved.
2. Hydro's proposed multi-year construction and purchase of improvements or additions to its property in excess of \$50,000 to begin in 2015, as set out in Schedule B to this Order, are approved.
3. Hydro's proposed contributions in aid of construction for 2015 are approved.
4. Hydro's proposed 2015 Capital Budget for improvements or additions to its property in an amount of \$76,832,900, 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 2016 Capital Budget Application, an updated overview in relation to the proposed capital expenditures for the Holyrood Thermal Generating Station.
6. Unless otherwise directed Hydro shall file, in conjunction with the 2016 Capital Budget Application, a status report on the 2015 capital expenditures.
7. Unless otherwise directed by the Board Hydro shall file an annual report with the Board in relation to its 2015 capital expenditures by March 1, 2016.
8. The Industrial Customer Group is entitled to an award of costs in an amount to be fixed by the Board, with a cost submission to be filed by the Industrial Customer Group within 30 days of this Order.
9. Hydro shall pay all costs and expenses of the Board incurred in connection with the Application.

Newfoundland Power Inc.

Order No. P.U. 51(2014)

Application

Issued: December 2, 2014

Application for approval of its 2015 forecast average rate base and rate of return on rate base in accordance with Order No. P.U. 13(2013).

Decision

1. Newfoundland Power's forecast average rate base for 2015 of \$1,009,527,000 is approved.
2. Newfoundland Power's rate of return on rate base for 2015 of 7.50% in a range of 7.32% to 7.68% is approved.
3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 52(2014)

Application

Issued: December 8, 2014

Application for approval of a Contribution in Aid of Construction for approval of a contribution in aid of construction for single phase service for the Town of Wabana pursuant to section 41 of the *Act*.

Decision

1. The Contribution in Aid of Construction of fifty-three thousand forty-eight dollars and twenty-five cents (\$53,048.25), excluding HST, to provide single-phase service to water pumps for the Town of Wabana is approved
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 53(2014)

Application

Issued: December 12, 2014

Application for approval to proceed with the construction of a 230kV transmission line between the Bay d'Espoir and Western Avalon Terminal Station pursuant to section 41 of the *Act*.

Decision

1. The capital expenditures of \$2,412,600 in 2014, \$18,964,700 in 2015, \$77,225,600 in 2016, \$110,064,100 in 2017 and \$82,991,000 in 2018 for the construction of the 230 kV transmission line between the Bay d'Espoir and Western Avalon terminal stations are approved.
2. Hydro will file, with each capital budget application filed until the completion of the project, a report on the construction of the 230 kV transmission line addressing the work progress, the expenditure and budget status, and an explanation for any deviations from the project scope and budget.
3. Hydro shall pay the expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 54(2014)

Application

Issued: December 16, 2014

Application for approval on an interim basis: i) the transfer of \$29.4 million to be recognized as revenue; and, ii) changes to Island Industrial customer rates and rules and a submission by to Vale Newfoundland and Labrador Limited for an award of costs,

Decision

1. Vale Newfoundland and Labrador Limited is entitled to an award of costs in the amount of \$29,809.45.
2. Newfoundland and Labrador Hydro shall, within thirty days, pay costs to Vale Newfoundland and Labrador Limited in the amount of \$29,809.45.

Newfoundland Power Inc.

Order No. P.U. 55(2014)

Application

Issued: December 19, 2014

Application for approval of a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Blue Jay Lane, near Brigus Junction, pursuant to section 41 of the *Act*.

Decision

1. The Refundable Contribution in Aid of Construction of two thousand eight hundred and sixty-seven dollars and fifty-two cents (\$2,867.52), excluding HST, to apply to Domestic Customers located in the cottage area known as Blue Jay Lane, near Brigus Junction is approved.
2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 56(2014)

Application

Issued: December 24, 2014

Application for approval of the deferral and recovery of expenses associated with increased capacity-related supply costs on the Island Interconnected system in 2014 pursuant to sections 78 and 80 of the *Act*.

Decision

1. The creation of a deferral account for the additional capacity-related supply costs of \$9,650,000 incurred in the first quarter 2014 as set out in Schedule A is approved, with the recovery of these expenditures to be addressed in a subsequent Order of the Board following a further application by Newfoundland and Labrador Hydro.
2. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 57(2014)

Application

Issued: December 24, 2014

Application for approval of a proposed interim transmission demand rate for Labrador industrial customers.

Decision

1. The rates to be charged by Newfoundland and Labrador Hydro to Labrador industrial customers as set out in Schedule A to be effective for electrical consumption on or after January 1, 2015, are approved on an interim basis.
2. Newfoundland and Labrador Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 58(2014)

Application

Issued: December 24, 2014

An application for approval, among other things, to establish a deferral account and transfer \$45.9 million to this account, with recovery in 2014 from the Rate Stabilization Plan.

Decision

1. The creation of a deferral account in relation to Newfoundland and Labrador Hydro's proposed 2014 revenue requirement, as set out in Schedule A, is approved.
2. The segregation of \$45.9 million as of December 31, 2014 in the deferral account is approved, but recovery by Hydro of this amount, partial or full, is not approved.
3. The proposed 2014 Test Year cost of service study is not approved.
4. The proposed use of the credit balance in the RSP Hydraulic Variation Account balance to provide recovery is not approved.
5. The proposed transfer from the RSP Hydraulic Variation Account to the deferral account is not approved.
6. The Industrial Customer Group and Vale are entitled to an award of costs in an amount to be determined by the Board with costs submissions to be filed within 30 days of this Order.
7. Hydro shall pay all expenses of the Board arising from this Application.

Newfoundland and Labrador Hydro

Order No. P.U. 1(2015)

Application

Issued: January 9, 2015

Application for approval of a general rate application filed by Newfoundland and Labrador Hydro on July 30, 2013; and an amended general rate application filed by Newfoundland and Labrador Hydro on November 10, 2014; and an application filed by Innu Nation for interim costs in the Newfoundland and Labrador Hydro general rate proceeding.

Decision

1. Innu Nation is entitled to an award of costs for costs incurred up to June 30, 2014.
2. Hydro shall within thirty days pay costs in the amount of \$132,525.64 to Innu Nation.

Newfoundland and Labrador Hydro

Order No. P.U. 2(2015)

Application

Issued: January 16, 2015

Application for approval of a general rate application filed by Newfoundland and Labrador Hydro on July 30, 2013; and an amended general rate application filed by Newfoundland and Labrador Hydro on November 10, 2014; and an intervenor submission filed by the Nunatsiavut Government on January 9, 2015.

Decision

1. The Nunatsiavut Government is hereby granted intervenor status in this proceeding.

Newfoundland and Labrador Hydro

Order No. P.U. 3(2015)

Application

Issued: February 5, 2015

Application for approval of revisions, on an interim basis, to the utility rate charged to Newfoundland Power Inc. pursuant to sections 70 and 71 of the *Act* for an award of costs to the Industrial Customer Group pursuant to Order No. P.U. 47(2014).

Decision

1. The costs of the Industrial Customer Group are fixed at \$9,708.80, exclusive of HST.
2. Hydro shall, within thirty days, pay costs to the Industrial Customer Group in the amount of \$9,708.80.

Newfoundland and Labrador Hydro

Order No. P.U. 4(2015)

Application

Issued: February 6, 2015

Application for an order approving: a) its capital purchases and construction projects in excess of \$50,000 beginning in 2015; b) its 2015 Capital Budget; and c) its estimated contributions in aid of construction for 2015 in the amount of \$300,000; and a submission by the Industrial Customer Group pursuant to Order No. P.U. 50(2014).

Decision

1. The costs of the Industrial Customer Group are fixed at \$10,970.80, exclusive of HST.
2. Hydro shall, within thirty days, pay costs to the Industrial Customer Group in the amount of \$10,970.80.

**The Board's Investigation and Hearing into Supply Issues
and Power Outages on the Island Interconnected System**

Order No. P.U. 5(2015)

Issued: February 17, 2015

Motion by Grand Riverkeeper® Labrador Inc. for an Order directing Newfoundland and Labrador Hydro to provide full and complete responses to certain Requests for Information.

Decision

1. The motion of Grand Riverkeeper® Labrador Inc. for an Order requiring Hydro to provide full and complete responses to GRK-NLH-21, 24 and 63 is hereby denied.
2. The motion of Grand Riverkeeper® Labrador Inc. for an Order requiring Hydro to provide full and complete responses to GRK-NLH-45, 46, 57, 60, 66, 69, and 74 is hereby approved.

Newfoundland and Labrador Hydro

Order No. P.U. 6(2015)

Application

Issued: March 3, 2015

Application for approval of revisions, on an interim basis, to the utility rate charged to Newfoundland Power Inc. pursuant to sections 70 and 71 of the *Act* and a submission for an award of costs by Vale Newfoundland & Labrador Limited pursuant to Order No. P.U.47 (2014).

Decision

1. The costs of Vale are fixed at \$7,480.67, exclusive of HST.
2. Hydro shall, within thirty days, pay costs to Vale in the amount of \$7,480.67.

Newfoundland and Labrador Hydro

Order No. P.U. 7(2015)

Application

Issued: March 4, 2015

Application for approval, among other things, to establish a deferral account and transfer \$45.9 million to this account, with recovery in 2014 from the Rate Stabilization Plan and a submission by Vale Newfoundland & Labrador Limited for an award of costs pursuant to Order No. P.U. 58(2014).

Decision

1. The costs of Vale are fixed at \$5,905.50, exclusive of HST.
2. Hydro shall, within thirty days, pay costs to Vale in the amount of \$5,905.50.

Newfoundland Power Inc.

Order No. P.U. 8(2015)

Application

Issued: March 6, 2015

Application for an Order of the Board providing for disposition of the balance in the Demand Management Incentive Account pursuant to sections 58 and 80 of the *Act*.

Decision

1. The disposition of the 2014 balance in the Demand Management Incentive Account and related income tax effects by means of a credit in the amount of \$627,503 to the Rate Stabilization Account as of March 31, 2015 is approved.
2. Newfoundland Power shall pay All costs and expenses of the Board arising from this Application.

Newfoundland Power Inc.

Order No. P.U. 9(2015)

Application

Issued: March 18, 2015

Application for approval of:

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

Decision

1. The revised cost factors in Schedules A, B, C and D attached to this Order are approved to be used in the calculation of all CIACs with effect from March 25, 2015, and, where advantageous to customers of Newfoundland Power, on all CIACs quoted but unpaid as of March 25, 2015.
2. Newfoundland Power shall 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.

**SUMMARY OF ORDERS OF THE BOARD
UNDER THE AUTOMOBILE INSURANCE ACT
APRIL 1, 2014 TO MARCH 31, 2015**

Royal & Sun Alliance Insurance Company of Canada

Order No. A.I. 5(2014)

Application

May 23, 2014

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

Decision

1. The revised rating program received April 14, 2014 from Royal & Sun Alliance Insurance Company of Canada is approved to be effective no sooner than August 1, 2014 for new business and September 25, 2014 for renewals.
2. Royal & 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.

Co-operators General Insurance Company

Order No. A.I. 6(2014)

Application

Issued: June 10, 2014

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

Decision

1. The revised rating program received May 2, 2014 from Co-operators General Insurance Company is approved to be effective no sooner than August 23, 2014 for new business and renewals.
2. Co-operators General Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

S&Y Insurance Company

Order No. A.I. 7(2014)

Application

Issued: September 16, 2014

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

Decision

1. The revised rating program received June 24, 2014 from S&Y Insurance Company is approved to be effective no sooner than February 1, 2015 for new business and renewals.
2. S&Y Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

Scottish & York Insurance Company

Order No. A.I. 8(2014)

Application

Issued: September 16, 2014

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

Decision

1. The revised rating program received June 24, 2014 from Scottish & York Insurance Company is approved to be effective no sooner than February 1, 2015 for new business and renewals.
2. Scottish & York Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

COSECO Insurance Company

Order No. A.I. 9(2014)

Application

Issued: September 18, 2014

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

Decision

1. The revised rating program received July 15, 2014 from COSECO Insurance Company is approved to be effective no sooner than January 1, 2015 for new business and February 1, 2015 for renewals.
2. COSECO Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

CUMIS Insurance Company

Order No. A.I. 10(2014)

Application

Issued: October 3, 2014

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

Decision

1. The proposed rates and rating program received July 15, 2014 for Private Passenger Automobiles of CUMIS Insurance Company is approved with effect no sooner than January 1, 2015 for new business and February 1, 2015 for renewals.

Facility Association

Order No. A.I. 11(2014)

Application

Issued: October 3, 2014

For approval to implement increased Third Party Liability limits for its Commercial and Interurban Vehicles class of business.

Decision

1. The proposal received July 28, 2014 from Facility Association for its Commercial and Interurban Vehicles class of business is approved.

Intact Insurance Company

Order No. A.I. 12(2014)

Application

Issued: October 30, 2014

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

Decision

1. The application is denied.
2. Intact Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

The Personal Insurance Company

Order No. A.I. 13(2014)

Application

Issued: November 26, 2014

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

Decision

1. The application is denied.
2. The Personal Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

The Personal Insurance Company

Order No. A.I. 14(2014)

Application

Issued: December 19, 2014

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

Decision:

1. The revised rate proposal received December 10, 2014 from The Personal Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than March 15, 2015 for new business and May 15, 2015 for renewals.

Unifund Assurance Company

Order No. A.I. 15(2014)

Application

Issued: December 19, 2014

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

Decision:

1. The revised rating program received November 12, 2014 from Unifund Assurance Company is approved to be effective no sooner than March 1, 2015 for new business and April 1, 2015 for renewals.
2. Unifund Assurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

Intact Insurance Company

Order No. A.I. 1(2015)

Application

Issued: January 5, 2015

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

Decision

1. The revised rating program received December 1, 2014 from Intact Insurance Company for its Commercial Automobiles class of business is approved to be effective February 1, 2015 for new business and April 1, 2015 for renewals.

Aviva Insurance Company of Canada

Order No. A.I. 2(2015)

Application

Issued: February 2, 2015

For approval to implement Standard Endorsement S.E.F. 5C for its Commercial Vehicles class of business.

Decision

1. The proposal received January 2, 2015 from Aviva Insurance Company of Canada for its Commercial Vehicles class of business is approved to be effective no sooner than April 15, 2015 for new business and for renewals.

Aviva Insurance Company of Canada

Order No. A.I. 3(2015)

Application

Issued: February 26, 2015

For approval to implement two Non-Standard Endorsements called ANLATE and ANLODE for its Commercial Vehicles class of business.

Decision

1. The proposal received January 22, 2015 from Aviva Insurance Company of Canada for its Commercial Vehicles class of business is approved to be effective no sooner than April 20, 2015 for new business and for renewals.

Intact Insurance Company

Order No. A.I. 4(2015)

Application

Issued: February 26, 2015

For approval to implement a revised rating program for its Miscellaneous Vehicles – Antiques and Classics class of business.

Decision

1. The revised rating program proposed by Intact Insurance Company for its Miscellaneous Vehicles – Antiques and Classics class of business is approved to be effective no sooner than April 8, 2015 for new business and May 8, 2015 for renewals.

Elite Insurance Company

Order No. A.I. 5(2015)

Application

Issued: March 6, 2015

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

Decision

1. The revised rating program filed December 9, 2014 by Elite Insurance Company for its Motorhomes class of business is approved effective no sooner than June 1, 2015 for new business and July 1, 2015 for renewals.
2. Elite Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

Intact Insurance Company

Order No. A.I. 6(2015)

Application

Issued: March 11, 2015

For approval to implement a Claims Advantage endorsement for its Private Passenger Automobiles class of business.

Decision

1. The application filed January 30, 2015 by Intact Insurance Company for approval to implement a Claims Advantage endorsement for its Private Passenger Automobiles class of business is approved to be effective no sooner than April 12, 2015 for new business and for renewals.

Elite Insurance Company

Order No. A.I. 7(2015)

Application

Issued: March 27, 2015

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

Decision

1. The revised rating program received March 9, 2015 from Elite Insurance Company is approved to be effective no sooner than August 1, 2015 for new business and renewals.
2. Elite Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

Co-operators General Insurance Company

Order No. A.I. 8(2015)

Application

Issued: March 27, 2015

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

Decision

1. The proposal received February 19, 2015 from Co-operators General Insurance Company for its Private Passenger Automobiles class of business is approved to be effective no sooner than May 11, 2015 for new business and for renewals.

Co-operators General Insurance Company

Order No. A.I.9 (2015)

Application

Issued: March 27, 2015

For approval to implement a revised rating program for its Miscellaneous Vehicles class of business.

Decision

1. The rating program received February 19, 2015 from Co-operators General Insurance Company for its Miscellaneous Vehicles class of business is approved to be effective no sooner than May 11, 2015 for new business and for renewals.

Co-operators General Insurance Company

Order No. A.I. 10(2015)

Application

Issued: March 27, 2015

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

Decision

1. The rating program received February 19, 2015 from Co-operators General Insurance Company for its Commercial Vehicles class of business is approved to be effective no sooner than May 11, 2015 for new business and for renewals.

**SUMMARY OF ORDERS OF THE BOARD
UNDER THE MOTOR CARRIER ACT
APRIL 1, 2014 TO MARCH 31, 2015**

Grand Bank/Fortune Ambulance Service Inc.

Order No. M.C. 2(2014)

Application

Issued: May 21, 2014

Application for a Motor Carrier Certificate to provide the following service:

IRREGULAR ROUTE SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or a registered nurse from Grand Bank, Fortune, Point May, Lories, Molliers, Grand Beach, Frenchman's Cove and Garnish to any hospital, nursing home, first aid station or home for senior citizens within the province of Newfoundland and Labrador, and upon the specific request of a medical doctor, registered nurse or a police officer between any two points in the province of Newfoundland and Labrador.

Decision

The application of Grand Bank/Fortune Ambulance Service Inc. is approved.

Masi Holdings Limited

Order No. M.C. 3(2014)

Application

Issued: June 20, 2014

Application for a Motor Carrier Certificate to provide the following service:

IRREGULAR SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from any point located on Route 430, north of and including Highway Route 430-36 including Route #'s 432, 433, 434, 435, 436, 437, 438, 430-76 and all numbered and unnumbered highways accessed therefrom to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points in the province of Newfoundland and Labrador.

Decision

The application of Masi Holdings Limited is approved.

Grand Bank-Fortune Ambulance Committee

Order No. M.C. 4(2014)

Application

Issued: October 27, 2014

Application to cancel Motor Carrier Certificate No. 3582 issued to Grand Bank-Fortune Ambulance Committee.

Decision

Motor Carrier Certificate No. 3582 issued to Grand Bank-Fortune Ambulance Committee is cancelled with effect from October 27, 2014.

43751 Newfoundland & Labrador Inc.

Order No. M.C. 5(2014)

Application

Issued: December 12, 2014

Application for a Motor Carrier Certificate to provide the following service:

IRREGULAR SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or a registered nurse from any point located on the Trans Canada Highway between Benton and Glenwood, including the communities of Benton, Gander, Appleton and Glenwood, and from any point located on Route 330 from the junction of Route 330 and the Trans Canada Highway to a point 20 kilometers north, to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points within the province of Newfoundland and Labrador.

This license to provide all Routine Transfers for the above named communities only.

This license to provide backup Emergency Services only on the specific request of James Paton Memorial Hospital as needed.

Decision

The application of 4371 Newfoundland & Labrador Inc. is approved amended as follows:

IRREGULAR SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or a registered nurse from any point located on the Trans Canada Highway between Benton and Glenwood, including the communities of Benton, Gander, Appleton and Glenwood, and from any point located on Route 330 from the junction of Route 330 and the Trans Canada Highway to a point 20 kilometers north, to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points within the province of Newfoundland and Labrador.

Jeffrey's Community Ambulance Inc.

Order No. M.C. 1(2015)

Application

Issued: February 5, 2015

Application for a Motor Carrier Certificate to provide the following service:

IRREGULAR SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from any point located on the Trans Canada Highway between and including the junctions with Highway Route #'s 404 and 407, and including service to Highway Route #'s 404, 405, 406 and 407 and any numbered or unnumbered highways accessed thereby, to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points in the province of Newfoundland and Labrador.

Decision

The application of Jeffrey's Community Ambulance Inc. is approved.

Point Leamington Ambulance Service Inc.

Order No. M.C. 2(2015)

Application

Issued: March 18, 2015

Application for a Motor Carrier Certificate to provide the following service:

IRREGULAR SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from any point located on Highway Route #'s 350 and 352 north of and including the town of Northern Arm, and any numbered or unnumbered highways accessed thereby, to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points in the province of Newfoundland and Labrador.

Decision

The application of Point Leamington Ambulance Service Inc. is approved.

Freake's Ambulance Service Limited

Order No. M.C. 3(2015)

Application

Issued: March 18, 2015

Application for an amendment to a Motor Carrier Certificate to provide the following service:

IRREGULAR ROUTE SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from Grand Falls-Windsor, Bishop's Falls, Badger, Norris Arm (South), King's Cove, Jackson's Cover, Birchy Cove, Harry's Harbour, Rattling Brook, King's Point Beachside, Little Bay, St. Patrick's, South Brook, Springdale, Baie Verte, Fleur De Lys, Coachman's Cove, Smith's Harbour, Westport, Bear Cove, Ming's Bight, Wild Cove, Seal Cove, Burlington, Middle Arm, Western Arm, Purbecks Cove, Buchans, Buchans Junction, Millertown and Millertown Junction to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points in the province of Newfoundland and Labrador.

This license is to provide routine transfers for the above named communities only.

This license is to provide backup emergency service only at the specific request of a facility under the control of Central Health.

Decision

The application of Freake's Ambulance Service Limited is approved amended as follows:

IRREGULAR ROUTE SPECIALTY AMBULANCE SERVICE for the transportation of persons requiring medical attention or under medical care upon the request of a medical doctor or registered nurse from Grand Falls-Windsor, Bishop's Falls, Badger, Norris Arm (South), King's Cove, Jackson's Cover, Birchy Cove, Harry's Harbour, Rattling Brook, King's Point Beachside, Little Bay, St. Patrick's, South Brook, Springdale, Baie Verte, Fleur De Lys, Coachman's Cove, Smith's Harbour, Westport, Bear Cove, Ming's Bight, Wild Cove, Seal Cove, Burlington, Middle Arm, Western Arm, Purbecks Cove, Buchans, Buchans Junction, Millertown and Millertown Junction to any hospital, nursing home, first aid station or home for senior citizens and upon the specific request of a medical doctor, registered nurse or a police officer between any two points in the province of Newfoundland and Labrador.

APPENDIX II

SUMMARY OF MAXIMUM PRICE CHANGES UNDER THE PETROLEUM PRODUCTS ACT APRIL 1, 2014 TO MARCH 31, 2015

Pricing Zones

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

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

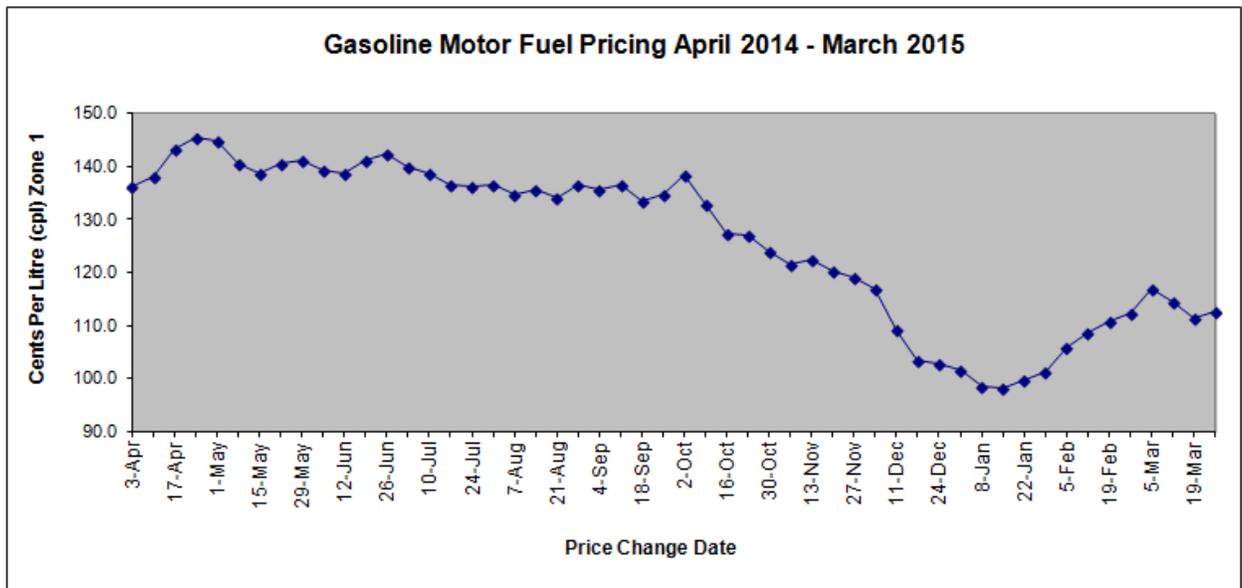
The following charts reflect the overall pricing movements in the Avalon region for each of the refined petroleum products for which maximum prices are regulated. (Note: the lines joining the data points in the following graphs are intended to reflect trends only and do not represent gradual increases 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, 2014 to March 31, 2015. There were no unscheduled adjustments for any regulated petroleum product during this period.

Gasoline Motor Fuel

There were 52 scheduled adjustments (22 increases, 30 decreases) to the maximum price of gasoline motor fuel.

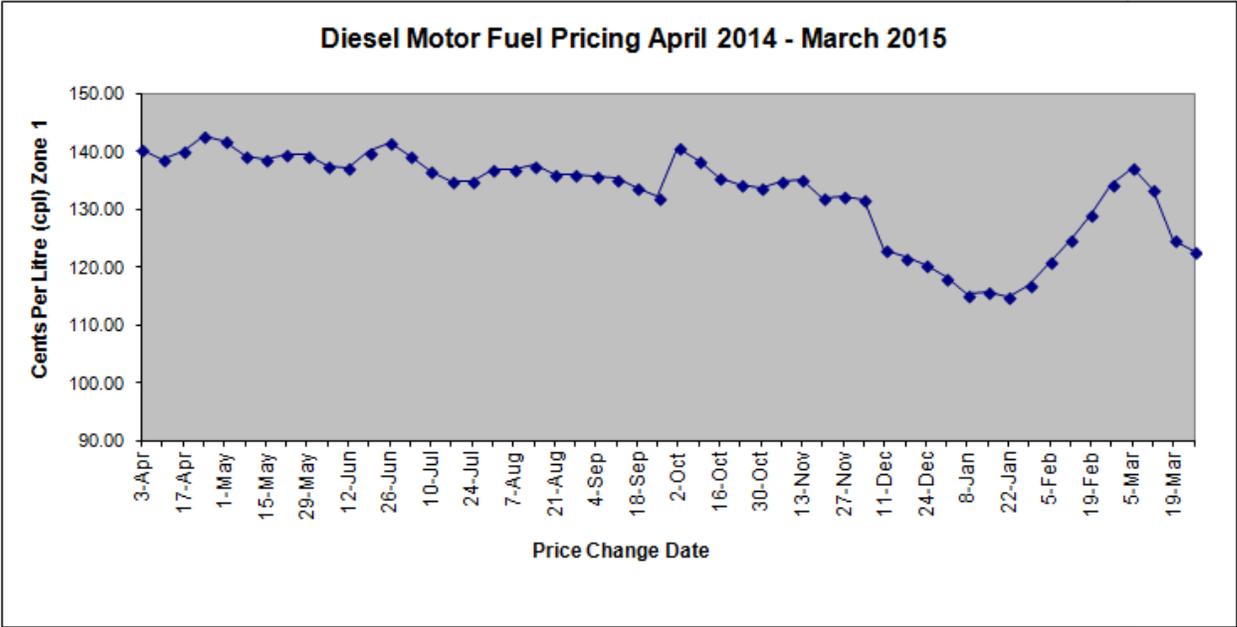
Maximum Gasoline Motor Fuel Prices



Diesel Motor Fuel

There were 52 adjustments (18 increases, 32 decreases and two adjustments with no change) to the maximum price of automotive diesel.

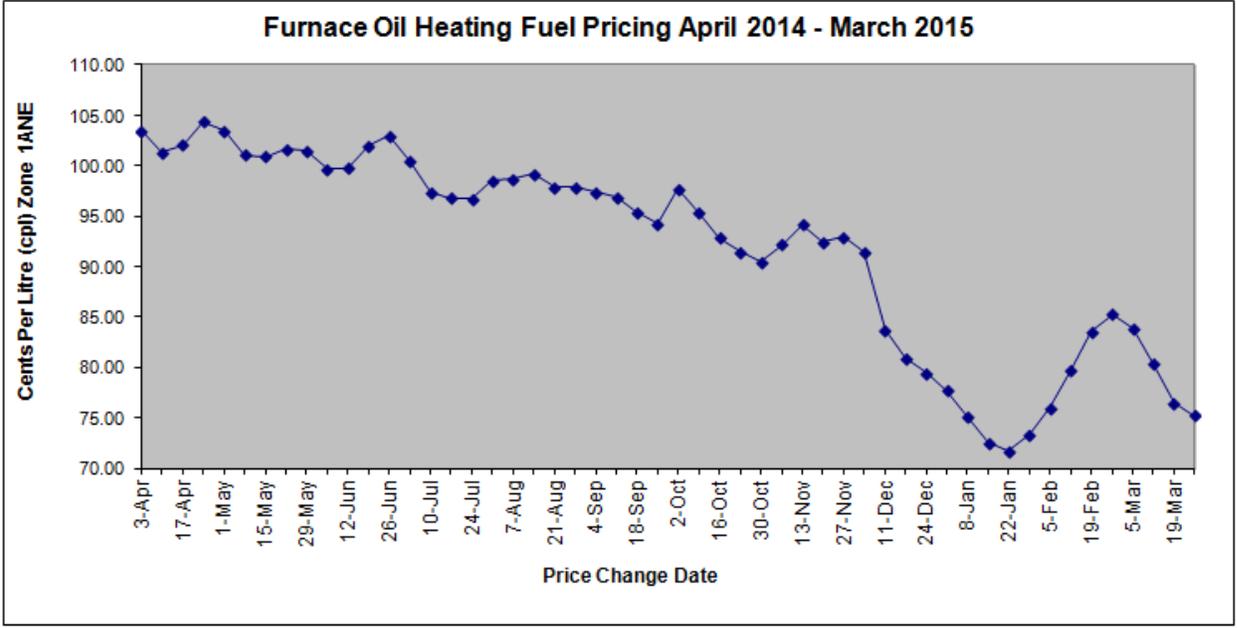
Maximum Diesel Motor Fuel Prices



Furnace Oil Heating Fuel

There were 52 adjustments (18 increases and 34 decreases) to the maximum price of furnace oil heating fuel.

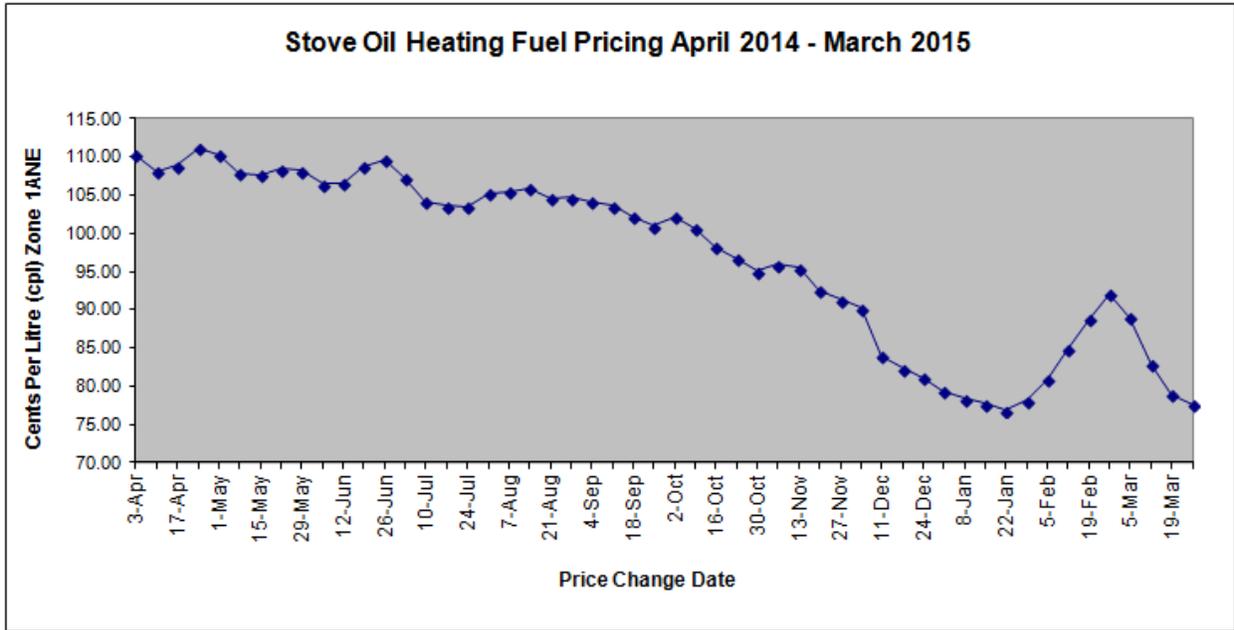
Maximum Furnace Oil Heating Fuel Prices



Stove Oil Heating Fuel

There were 52 adjustments (18 increases and 34 decreases) to the maximum price of stove oil heating fuel.

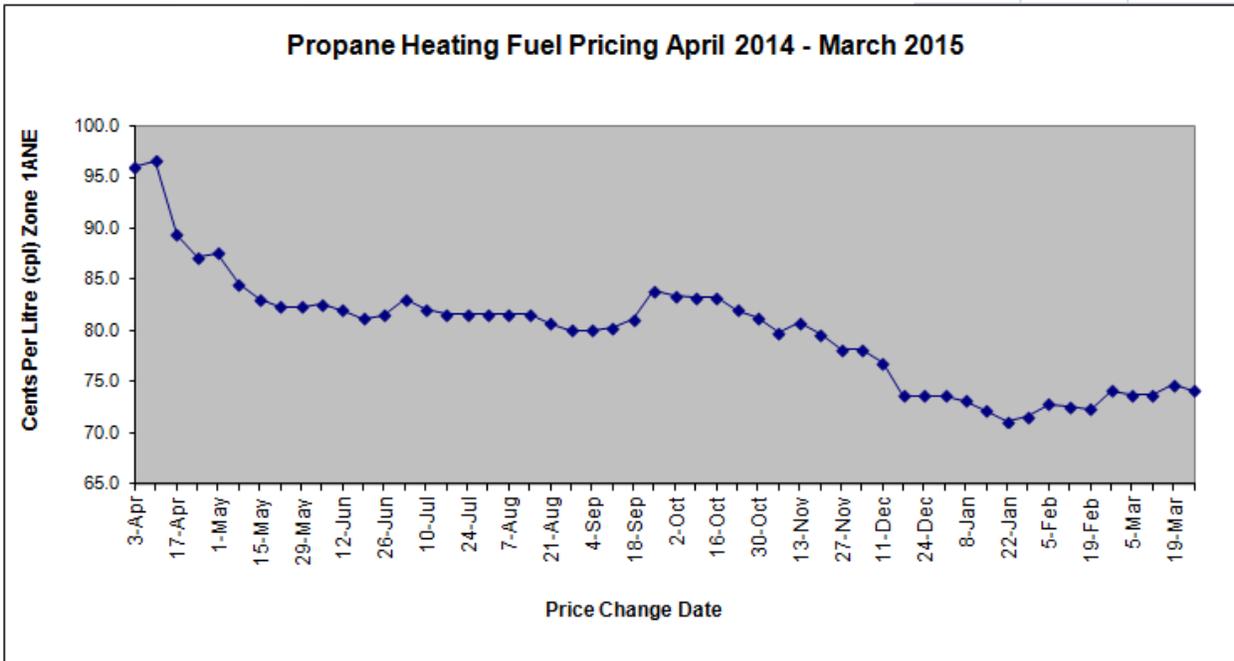
Maximum Stove Oil Heating Fuel Prices



Propane Heating Fuel

There were 52 adjustments (13 increases, 27 decreases and 12 adjustments with no change) to the maximum price of propane heating fuel.

Maximum Propane Heating Fuel Prices



APPENDIX III

**BOARD OF COMMISSIONERS
OF PUBLIC UTILITIES**

**FINANCIAL STATEMENTS
MARCH 31, 2015**

**BOARD OF COMMISSIONERS
OF PUBLIC UTILITIES**

**FINANCIAL STATEMENTS
MARCH 31, 2015**

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Index to Financial Statements Year Ended March 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of Public Utilities

We have audited the accompanying financial statements of the Board of Commissioners of Public Utilities, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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

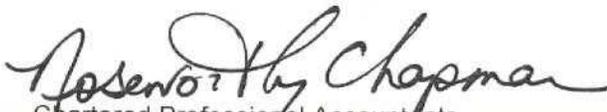
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants
St. John's, Newfoundland & Labrador
June 1, 2015

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Financial Position Year Ended March 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash	\$ 659,405	\$ 1,836,354
Receivables (Note 4)	59,901	342,022
HST receivable (Note 5)	60,174	60,630
Recoverable costs (Notes 2 & 6)	2,370,331	1,217,812
	3,149,811	3,456,818
LIABILITIES		
Payables and accruals	\$ 548,196	\$ 579,600
Government remittances payable	1,295	728
Payroll accruals	1,015,808	949,393
	1,565,299	1,529,721
NET FINANCIAL ASSETS	1,584,512	1,927,097
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	\$ 53,751	\$ 55,846
Prepaid expenses	9,159	7,062
	62,910	62,908
ACCUMULATED SURPLUS	1,647,422	1,990,005
Accumulated surplus comprised of:		
Invested in capital assets (Note 8)	\$ 53,751	\$ 55,846
Internally restricted (Note 11)	1,527,800	1,435,052
Unrestricted	65,871	499,107
	\$ 1,647,422	\$ 1,990,005

Commitments (Note 12)

On Behalf of the Board:



Chairperson and CEO



Vice Chairperson

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Operations Year Ended March 31, 2015

	Budget 2015 (Note 13) (Unaudited)	2015	2014
REVENUES			
Regulatory assessments	\$ 2,480,034	\$ 2,479,527	\$ 2,726,148
Interest and other income	10,000	7,462	16,405
Pension fund earnings, net of expenses (Note 7)	-	-	(777)
	2,490,034	2,486,989	2,741,776
EXPENDITURES			
Amortization	\$ -	\$ 24,460	\$ 23,475
Consulting fees	243,550	137,338	253,915
Office equipment, supplies, and services	90,426	72,957	60,473
Rent and insurance	225,100	225,063	225,027
Salaries and associated costs (Note 7)	1,770,066	1,801,252	1,750,665
Telecommunications	35,040	29,066	28,782
Training and membership	72,840	17,017	27,180
Travel	53,012	23,315	35,414
	2,490,034	2,330,468	2,404,931
Excess of revenues over expenditures	\$ -	\$ 156,521	\$ 336,845

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Change in Net Financial Assets Year Ended March 31, 2015

	Budget 2015 (Note 13) (Unaudited)	2015	2014
Annual surplus	\$ -	\$ 156,521	\$ 336,845
Changes in tangible capital assets			
Acquisition of tangible capital assets		(22,365)	(17,677)
Amortization of tangible capital assets		24,460	23,475
		-	2,095
			5,798
Change in other non-financial assets			
Assessment reductions (Note 14)		(499,104)	-
Net acquisition of prepaid expenses		(2,097)	1,259
		-	(501,201)
			1,259
Decrease (increase) in net assets	-	(342,585)	343,902
Net financial assets, beginning of year	1,927,097	1,927,097	1,583,195
Net financial assets, end of year	\$ -	\$ 1,584,512	\$ 1,927,097

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Cash Flows Year Ended March 31, 2015

	2015	2014
Operating transactions		
Cash receipts from assessments and other revenues	\$ 2,270,462	\$ 2,668,023
Cash paid to suppliers and employees	(2,272,527)	(2,449,124)
Cash (used in) provided by operating transactions	(2,065)	218,899
Hearing and review transaction		
Increase in recoverable costs	(1,152,519)	(75,399)
Cash used in hearing and review transaction	(1,152,519)	(75,399)
Capital transaction		
Purchase of capital assets	(22,365)	(17,677)
Cash used in capital transaction	(22,365)	(17,677)
Investing transaction		
Decrease in designated pension funds	-	27,308
Cash provided by investing transaction	-	27,308
(Decrease) increase in cash during year	(1,176,949)	153,131
Cash position, beginning of year	1,836,354	1,683,223
Cash position, end of year	\$ 659,405	\$ 1,836,354

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements Year Ended March 31, 2015

1. GENERAL

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Board is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). The Board does not prepare a statement of re-measurement gains and losses as the Board does not enter into relevant transactions or circumstances that are addressed by that statement.

Financial instruments

The Board's financial instruments recognized in the statement of financial position consists of cash, receivables, HST receivable, recoverable costs, payables and accruals, government remittance payable and payroll accruals. The Board generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Board subsequently measures all its financial assets and financial liabilities at cost or amortized cost. 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.

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

Cash

Cash includes cash in bank.

Recoverable costs

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

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements Year Ended March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible 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 or 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.

Prepaid expenses

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

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.

Employee future benefits

(i) Severance pay

Certain employees of the Board are entitled to 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.

(ii) Sick pay

The Board provides accumulating, non-vesting sick leave benefits to its employees. 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.

(iii) Pension fund

The employees of the Board are subject to the *Public Service Pension Act 1991*. Employee contributions 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 employees when they retire. Contributions of the Board to the plan are recorded as expenses in the year the contributions are made.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements Year Ended March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Expenditures

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

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.

3. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2015.

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.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Board manages exposure through its normal operating and financing activities. The Board is exposed to interest rate risk primarily through its floating interest rate bank credit agreement.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements Year Ended March 31, 2015

4. RECEIVABLES

	2015	2014
Revenues receivable	\$ 56,796	\$ 339,733
Accrued interest receivable	2,696	1,617
Other receivables	409	672
	\$ 59,901	\$ 342,022

5. HST RECEIVABLE

	2015	2014
HST rebate receivable from federal government	\$ 65,508	\$ 89,469
HST payable to federal government	(5,334)	(28,839)
	\$ 60,174	\$ 60,630

6. RECOVERABLE COSTS

	2015	2014
Recoverable costs, beginning of year	\$ 1,217,812	\$ 1,142,413
Add - specific enquiry costs incurred during the year:		
Consulting fees	1,473,841	957,393
Consumer Advocate	505,044	307,410
Legal	249,910	137,480
Advertising and notice	39,087	25,295
Other	51,234	19,617
Transcription and printing	8,174	956
	2,327,290	1,448,151
	3,545,102	2,590,564
Less - costs recovered during the year	(1,174,771)	(1,372,752)
Recoverable costs, end of year	\$ 2,370,331	\$ 1,217,812

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements Year Ended March 31, 2015

7. DESIGNATED PENSION FUNDS AND PENSION ASSET (OBLIGATIONS)

The Board previously maintained a pension fund for one former commissioner. During the 2014 year this pension fund was wound up and all amounts on deposit were transferred to the Board's cash balance.

	2015	2014
Balance on deposit, beginning of year	\$ -	\$ 27,308
Add (deduct) - earnings net of expenses	-	(777)
	-	26,531
Less - amount withdrawn on wind-up	-	26,531
Balance on deposit, end of year	\$ -	\$ -

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 in the amount of \$121,027 (2014 - \$112,405) is included in salaries and associated costs.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements Year Ended March 31, 2015

8. CAPITAL ASSETS

	2015			
	Furniture and Equipment	Computer Hardware and Software	Leasehold Improvements	Total
Cost				
Opening balance	\$ 242,404	\$ 231,265	\$ 190,515	\$ 664,184
Additions	3,847	18,518	-	22,365
Disposals	-	-	-	-
Closing balance	246,251	249,783	190,515	686,549
Accumulated amortization				
Opening balance	214,976	202,847	190,515	608,338
Amortization	6,255	18,205	-	24,460
Disposals	-	-	-	-
Closing balance	221,231	221,052	190,515	632,798
Net book value	\$ 25,020	\$ 28,731	\$ -	\$ 53,751
2014				
	Furniture and Equipment	Computer Hardware and Software	Leasehold Improvements	Total
Cost				
Opening balance	\$ 236,893	\$ 219,099	\$ 190,515	\$ 646,507
Additions	5,511	12,166	-	17,677
Disposals	-	-	-	-
Closing balance	242,404	231,265	190,515	664,184
Accumulated amortization				
Opening balance	208,793	185,555	190,515	584,863
Amortization	6,183	17,292	-	23,475
Disposals	-	-	-	-
Closing balance	214,976	202,847	190,515	608,338
Net book value	\$ 27,428	\$ 28,418	\$ -	\$ 55,846

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements Year Ended March 31, 2015

9. 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, 2015, the balance outstanding was \$Nil (2014- \$Nil).

10. 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, 2015, 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.

11. 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, 2015 are as follows:

	2015	2014
Lease commitments	\$ 223,300	\$ 223,300
Payroll contingency	68,426	67,205
Redundancy pay contingency	797,613	729,541
Working capital	438,461	415,006
	\$ 1,527,800	\$ 1,435,052

12. 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 has a contract for telecommunications in the amount of \$14,400 per annum, concluding in 2015.

13. BUDGET FIGURES

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

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements Year Ended March 31, 2015

14. ASSESSMENT REDUCTIONS

During the year and pursuant to section 13(7) of the Public Utilities Act, the Board approved reductions in assessments to the electrical utilities, the insurance industry and the petroleum products industry in the amounts of \$75,877, \$180,988, and \$242,239 respectively (total \$499,104 – 2014- \$NIL).

Board of Commissioners of Public Utilities

YEAR END - MARCH 31, 2015

COMMISSIONERS

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

STAFF

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..... Amanda Foster
Legal Counsel..... Jacqueline Glynn
Regulatory Analyst..... Travis Fisher
Regulatory Analyst..... Ryan Oake
Regulatory Analyst..... Mike McNiven
Computer Support Technician..... Andrew Davis
Records Administrator..... Sara Kean
Administrative Assistant..... Bobbi Sheppard
Administrative Assistant..... Colleen Jones
Administrative Assistant..... Colleen Wood

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