
THE CONSUMER ADVOCATE

ACTIVITY PLAN 2017-20

Message from the Consumer Advocate

Pursuant to section 7 of the *Transparency and Accountability Act* (Act), I am pleased to present the Activity Plan for the Consumer Advocate which outlines objective for the three-year period commencing April 1, 2017 and ending March 31, 2020.

This plan was prepared under my direction and in accordance with the provisions of the *Act*.

The Consumer Advocate is categorized as a Category 3 Government Entity and, as such, must prepare an Activity Plan taking into consideration the strategic directions of Government applicable to the Department of Justice and Public Safety. I have taken those strategic directions into account.

As the Consumer Advocate, I am accountable for the preparation of this Activity Plan and the achievement of its objectives.



Dennis Browne, QC
Consumer Advocate

Overview

In accordance with section 117 of the Public Utilities Act, RSNL 1990, Chapter P-47, (the “PUB Act”) the Lieutenant-Governor in Council may appoint a consumer advocate to represent the interests of domestic and general service electricity customers in response to applications from public utilities.

In accordance with section 61 of the Automobile Insurance Act, RSNL 1990, Chapter A-22 (the “Insurance Act”) the Lieutenant Governor in Council may appoint a consumer advocate for the purposes of a matter before the Board of Commissioners of Public Utilities.

In accordance with section 3.1(8) of the Insurance Companies Act, RSNL 1990, Chapter I-10, the Lieutenant Governor in Council may appoint a consumer advocate for the purposes of an insurance review by the Board of Commissioners of Public Utilities.

The current Consumer Advocate, Dennis Browne, QC, was appointed on October 11, 2016 through the Independent Appointments Commission to represent the interests of domestic and general service electricity consumers.

This general appointment enables the Consumer Advocate to represent consumers before the Public Utilities Board and become engaged in a matter, as the need arises, without further specific appointments.

Under the terms of the appointment, the Consumer Advocate represents the interests of domestic and general service customers on terms acceptable to the Minister of Justice and Public Safety, and in addition to any other appointment the Consumer Advocate may receive, to participate in specific hearings before the Public Utilities Board.

Under the terms of the Automobile Insurance Act, a Consumer Advocate is appointed for automobile insurance matters, including representing consumers in hearings before the Board of Commissioners of Public Utilities in reviewing automobile insurance matters. The appointment is made under terms and conditions acceptable to the Lieutenant-Governor in Council, in accordance with the requirements of the insurance legislation and the Consumer Advocate may retain such experts and consultants as may reasonably be required for the purpose of carrying out duties.

Under the terms of the Insurance Companies Act appointment, in performing his duties, the Consumer Advocate may retain such experts and consultants as may be reasonably required. The Act provides that the Lieutenant-Governor in Council may, by order, direct the Board to conduct a review of any aspect of insurance in the province on the terms and conditions that may be specified.

The current Consumer Advocate, Dennis Browne, QC, was appointed on September 8, 2017 for automobile insurance matters, including representing consumers during the Public Utility Board's review of automobile insurance.

The costs of the Consumer Advocate are initially borne by the Board of Commissioners of Public Utilities, and subsequently charged to the public utility or insurer(s) making the application or involved in the review as the case may be.

Issues

The strategic directions of Government applicable to the Department of Justice and Public Safety and to Service NL have been considered. The following areas have been identified as the key priorities of the Consumer Advocate.

Issue 1: Representation of Consumer Interests in Energy Matters

The representation of consumer interests when applications from public utilities are received is determined by the nature of the application. Given that the role of the Consumer Advocate is to act as intervenor on matters for which he is appointed, it is not possible to forecast particular applications which may involve the Consumer Advocate's participation over the period of this Activity Plan. Applicants may request, for example, a rate increase, a pricing restructuring, or an increase in return on investment for capital expenditure.

The development of any response to an application requires that the Consumer Advocate solicit advice from consultants with respect to the information required to make an informed argument. Consultants with an expertise in energy supply, regulatory practice and principles and cost of capital/finance are invaluable when assessing applications from electrical utilities.

The most significant priority for the Consumer Advocate over the next three years will be to work with consumers, utilities, the industrial customers and the Board of Commissioners of Public Utilities in devising a plan to address the cost of energy resulting from the Muskrat Falls project. The objective will be to alleviate the financial burden facing consumers resulting from this project. The Consumer Advocate will work on behalf of consumers in coping with rate pressures related to electricity service. The objective will be affordable electricity.

The focus of the Consumer Advocate is consistent over the three years of the Plan. Each year the Consumer Advocate will report on the results of the following objective.

Objective: By March 31, 2018, upon appointment, the Consumer Advocate will have represented the interests of consumers of electricity in the Province of Newfoundland and Labrador

Indicators:

- Represented consumers at regulatory processes;
- Attended pre-hearing conferences and meetings and public hearings held by the Board of Commissioners of Public Utilities; and
- Prepared and delivered submissions to the Public Utilities Board.

Issue 2: Representation of Consumers During Automobile Insurance Matters and Insurance Company Reviews as Carried out by the Board of Commissioners of Public Utilities.

The Consumer Advocate will represent the interests of consumers of automobile insurance where applications before the Public Utilities Board are received pertaining to the *Automobile Insurance Act* and the *Insurance Companies Act*. The Consumer Advocate will provide consumer representation and will be empowered to ensure that the interests of consumers will be placed on an equal footing with those of industry stakeholders.

Objective: By March 31, 2018, upon appointment, the Consumer Advocate will represent the interests of consumers in insurance matters coming before the Board of Commissioners of Public Utilities.

Indicators:

- Represented consumers at regulatory processes;
- Attended pre-hearing conferences and meetings and public hearings held by the Board of Commissioners of Public Utilities; and
- Prepared and delivered submissions to the Public Utilities Board.