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**THE CONSUMER ADVOCATE**  
*ACTIVITY PLAN 2020-2023*

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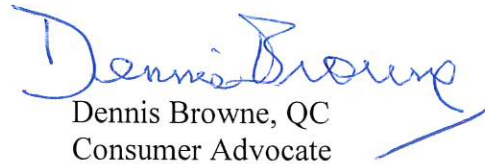
## *Message from the Consumer Advocate*

Pursuant to section 7 of the **Transparency and Accountability Act** ( the “Act”), I am pleased to present the Activity Plan for the Consumer Advocate which outlines objective for the three-year period commencing April 1, 2020 and ending March 31, 2023.

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. Any such strategic objects are consistent with the appointment of the Consumer Advocate and the Terms and Conditions relating to that appointment.

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**, (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.

The Consumer Advocate represents electricity consumers in applications or hearings before the Public Utilities Board, (the "PUB"). Section 70 requires that public utilities submit any proposed rate changes to the PUB for approval. In accordance with Section 41 of the PUB Act, the PUB receives capital budget applications from public utilities annually. As capital budget and rate applications of utilities have a direct bearing on electricity rates which consumers will eventually pay, the Consumer Advocate is tasked to engage with expert consultants in energy supply, regulatory practice, and capital/finance costs when assessing applications brought before the PUB by utilities. The Consumer Advocate also represents electricity consumers in other general matters arising outside application or hearing processes. The PUB includes the Consumer Advocate on most correspondence from utilities, including many matters that do not result in an application or hearing.

The Consumer Advocate is appointed under paragraph 9(2) of the **Independent Appointments Commission Act**. The current Consumer Advocate, Dennis Browne, QC, originally was appointed on October 11, 2016 through the Independent Appointments Commission. 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 PUB.

Upon appointment, the Consumer Advocate prepares a budget for approval by the Minister of Justice and Public Safety in matters pertaining to electricity. After the budget has been approved, the Consumer Advocate, in matters of electricity, renders detailed statements of account to the PUB, which pays the account. Separate audited financial statements are not required of the Consumer Advocate. Expenses paid through the PUB are included as a separate line item in its budget, which is audited by a private auditor.

## Mandate

In accordance with the rules as may be prescribed by the Board for the particular matter before it, the scope of participation may extend, in appropriate cases, to participating in all pre-hearing procedures, reviewing the application and evidence filed in support thereof, preparing requests for information, retaining and instructing necessary experts, cross-examining witnesses, calling witnesses on behalf of the interests of consumers, and making final submissions to the Board. The Consumer Advocate does not present separate Lines of Business as they would be reflected in the Mandate.

## **Value Statement**

**Commitment:** The Consumer Advocate ensures the effective and independent representation of domestic and general service customers of electricity in the Province of Newfoundland and Labrador.

## **Primary Clients**

The Consumer Advocate serves domestic and general service electricity customers.

## **Vision**

A regulatory environment in which consumers are well-served and are afforded fair and reasonable treatment in accordance with the legislation and provincial policy pertaining thereto and sound public utility practices, as appropriate.

## **Issue**

The strategic directions of Government applicable to the Department of Justice and Public Safety have been considered. The following area has been identified as the key priority of the Consumer Advocate.

### **Issue 1: Representation of Consumer Interests**

The representation of consumer interests when applications from public utilities are received by the PUB 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 the Consumer Advocate 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. Government may make reference to the Board on various issues.

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 submission. 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 PUB 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.

Also, the Public Utilities Board's Reliability and Resource Adequacy Study Review post-Muskrat Falls Commission of Inquiry is ongoing. The Commission of Inquiry Respecting the Muskrat Falls Project has recommended a complete review of the mandate of the Public Utilities Board including a review of the approach to utility regulations from a Cost of Service model to Performance Based Regulation.

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 of each fiscal year, 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.