

Liberals suggest interruption formula for electricity rates

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The official Opposition wants the province to adjust power rates, considering the last rate hike was based on oil trading at about \$150 a barrel.

Last summer, the Public Utilities Board (PUB) approved an increase to electricity rates under the rate stabilization plan.

"Today we know that these oil prices are one-third of that cost," said Liberal Leader Yvonne Jones in the House of Assembly, Wednesday.

Jones also noted Marine Atlantic eliminated its fuel surcharge after the price of oil came down.

She then asked Natural Resources Minister Kathy Dunderdale when people would get the same relief on their power bills.

But Dunderdale said the rate stabilization plan protects consumers and last year's increases went to pay the plans' deficits.

She also said it is up to PUB to monitor and adjust the rates.

But Jones said, deficits aside, what if the current rates lead to a surplus in the plan.

Dunderdale said the rate stabilization plan is reviewed regularly and Newfoundland and Labrador Hydro has a regulated rate of return meaning the utility is not "gouging rate payers."

Jones then asked why the province isn't looking at an interruption formula, similar to the one used for gasoline prices at the pump, when the price of oil changes drastically.

"Why is no one intervening with the Public Utilities Board to ensure that these consumers get a break now?" asked Jones. "You put Andy Wells over there, are you afraid to talk to him?" she asked prompting boos from the government side of the house.

In a controversial move, Wells — the former mayor of St. John's — was named chairman of the PUB by the province last year.

Then Jones switched to related topics including the environmental impact of the Holyrood generating station and the cost of the Lower Churchill project.

Dunderdale said the province recently announced it will start burning lower sulfur fuel at Holyrood.

As for Jones' calls for the government to release more information on the estimated cost of components for the Lower Churchill, Dunderdale said that information won't be released because it could jeopardize the province getting the best deal once tenders go out for the components.

— Photo by Gary Hebbard/The Telegram



Natural Resources Minister Kathy Dunderdale speaks with reporters outside the House of Assembly following question period Wednesday. In the legislature, she was questioned by Liberal Leader Yvonne Jones on the possibility of an adjustment in power rates in light of lower oil prices. — Photo by Gary Hebbard/The Telegram

Natural Resources Minister Kathy Dunderdale spoke with reporters outside the House of Assembly following question period Wednesday. In the legislature, she was questioned by Liberal Leader Yvonne Jones on the possibility of an adjustment in power rates in light of lower oil prices.

"We should all give thanks that the Leader of the Opposition is not a general in some war, because she'd be posting regularly when her next surprise attack is coming," said the minister, getting laughs from her government colleagues.

Speaker Roger Fitzgerald had to calm things down saying, while question period should be "enthusiastic," members should co-operate and listen to the questions and answers.

Outside the House, Dunderdale told reporters the regulated rate of return for NL Hydro is one of the lowest in the country. According to her department, the rate was set at 4.47 per cent in 2006.