
THE CONSUMER ADVOCATE
ACTIVITY PLAN 2023-26

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, 2023 and ending March 31, 2026.

The Consumer Advocate is categorized as a Category 3 Government Entity under the Act and is required to prepare an Activity Plan that takes the strategic directions of Government, as communicated by the Minister of Justice and Public Safety, into consideration. Any such strategic objectives are consistent with the appointment of the Consumer Advocate and the Terms and Conditions relating to that appointment.

This Activity Plan was prepared under my direction as the Consumer Advocate, in accordance with the provisions of the Act. As the Consumer Advocate, I am accountable for the preparation of this Activity Plan and the achievement of its objectives.

A handwritten signature in cursive script that reads "Dennis Browne".

Dennis Browne, KC
Consumer Advocate

Overview

In accordance with Section 117 of the **Public Utilities Act** (the 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 Newfoundland and Labrador Board of Public Utilities (PUB). Section 70 requires that public utilities submit any proposed rate changes to the PUB for approval. In accordance with Section 41 of the 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 may 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 Consumer Advocate appointment is in compliance with the Provincial Government's merit based process directed by the Independent Appointments Commission under the **Independent Appointments Commission Act**. The current Consumer Advocate, Dennis Browne, KC, was originally appointed on October 11, 2016 and has been reappointed for subsequent one-year terms, most recently on October 6, 2022. 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, participates in specific hearings before the PUB.

When a utility files an application before the PUB for processing the Consumer Advocate is required to prepare a budget for approval by the Minister of Justice of Public Safety to enable consumers to be represented on the application. After the budget has been approved and work is undertaken, the Consumer Advocate renders statements of account to the PUB for processing. Separate audited financial statements are not required of the Consumer Advocate. Costs and expenses paid through the PUB are included as a separate line item in its budget and all Consumer Advocate invoices are subject to PUB accounting practices.

Mandate

The Consumer Advocate deals with only one Line of Business, which is to fulfill the Mandate as required through the appointment as Consumer Advocate established in Section 117 of the **Public Utilities Act**. This is to represent domestic and general electricity customers before the PUB in accordance with the **Public Utilities Act** and associated regulations. This includes studying utility applications, reviewing the evidence in support thereof, preparing requests for information, retaining and instructing experts as required, attending pre-hearing procedures and public hearings, examining and cross-examining witnesses, and making final submissions.

Vision

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

Strategic Issue

The strategic directions as communicated by the Minister 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 Consumer Advocate represents consumer interests when applications from public utilities are received by the PUB. The scope of this work 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 anticipate which matters occurring over the three-year planning period will involve the Consumer Advocate. For example, utility applications before the PUB may request a rate increase, a pricing restructuring, or an increase in return on investment through capital expenditures. The Consumer Advocate solicits advice from consultants with respect to the information contained in an application to make informed representation. 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 Consumer Advocate will continue to work with consumers, utilities, industrial customers and the PUB to devise a plan to address the cost of power resulting from the Muskrat Falls project over the next three years of this planning period. The Consumer Advocate will work on behalf of consumers in coping with rate pressures related to electricity service. The objective is to represent consumers and ensure affordable electricity.

Also, the Public Utilities Board's Reliability and Resource Adequacy Study Review post-Muskrat Falls is in progress. The Commission of Inquiry Respecting the Muskrat Falls Project recommended a complete review of the mandate of the Public Utilities Board including a review of the approach to utility regulation from a Cost of Service model to Performance Based Regulation. These matters will require participation from the Consumer Advocate.

The focus of the Consumer Advocate is consistent over the three years of this Activity Plan, which are April 1, 2023 to March 31, 2026. 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 electricity consumers in the province of Newfoundland and Labrador.

Indicators:

- Represent consumers at regulatory processes;

- Attend pre-hearing conferences and meetings and public hearings as required; and
- Prepare and deliver submissions to the Public Utilities Board on emerging issues.