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New Brunswick Energy and Utilities Board

IN THE MATTER OF an application by New Brunswick Power
Distribution and Customer Service Corporation (DISCO) for
approval of changes in its Charges, Rates and Tolls (Includes
Interim Rate Proposal)

Delta Hotel, Fredericton, N.B., on December 13th 2007.

Afternoon Session/Public Comment Day

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New Brunswick Energy and Utilities Board

IN THE MATTER OF an application by New Brunswick Power
Distribution and Customer Service Corporation (DISCO) for
approval of changes in its Charges, Rates and Tolls (Includes
Interim Rate Proposal)

Delta Hotel, Fredericton, N.B., on December 13th 2007.

- BEFORE: Raymond Gorman, Esq., Q.C. - Chairman
Cyril Johnston, Esq. - Vice Chairman
Mr. Roger McKenzie - Member
Mr. Don Barnett - Member
Ms. Connie Morrison - Member
Mr. Yvon Normandeau - Member

N.B. Energy and Utilities
Board Counsel - Ms. Ellen Desmond

- Board Staff - Mr. Doug Goss
- Mr. John Lawton
- Mr. David Keenan
- Mr. Dave Young
- Mr. Andrew Logan

Secretary to the Board - Ms. Lorraine Légère
Assistant Secretary - Ms. Juliette Savoie

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CHAIRMAN: Well good afternoon everyone. I would like to
welcome you to our Informal Intervenor Day, which the New
Brunswick Energy and Utilities Board is holding in order
to allow members of the general public, who do not want to
participate in the entire hearing process to put forward
their views to the Board about the NB Power Distribution
company application for an increase in electric power
rates.

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Today's session is intended to be relatively informal. And no one should really feel reluctant to participate because you are not comfortable with the process. The Board is not concerned with the formality of the presentation, but we are interested in hearing your views. I am going to give just a little bit of background about the process. I will just make a few comments about the Board.

Under the Electricity Act and the New Brunswick Energy and Utilities Board Act, the Distribution Corporation must make application to the Board for approval of any change in its charges, rates or tolls that exceed the greater of 3 percent or the percentage change in the consumer price index.

DISCO has applied for a rate increase, which averages 6.4 percent and hearings have been ongoing for quite sometime now. The Board at the conclusion of the hearings will approve the charges and tolls if we are satisfied that they are just and reasonable, and if not, we will fix such other charges, rates or tolls that we find to be just and reasonable.

At this time, I would like to introduce to you the Members of the Energy Utilities Board who have been sitting on the Board for this rate increase. The Members

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2 here today include, Don Barnett, Roger McKenzie, our Vice-
3 Chair, Cyril Johnston, Connie Morrison, Yvon Normandeau
4 and myself, Ray Gorman as Chairman.

5 There are several members of Staff present here today to
6 assist any of you who may have any questions with respect
7 to the proceedings and they are seated the third row back,
8 if you just have a look there. Perhaps you people could
9 identify yourselves.

10 So a number of individuals have indicated to the Board
11 that they may wish to make presentations and a schedule
12 has been prepared. However, if anyone is present who has
13 not already advised us of their intention to make the
14 presentation, then an opportunity will be afforded to you
15 before the end of today's proceeding. I don't see that
16 there will be any difficulty whatsoever in fitting in
17 anybody who isn't scheduled, but who wishes to make a
18 presentation.

19 So if in fact you are here and you are not scheduled, then
20 just speak to somebody from the Board. As I say, they are
21 the third row back on my right.

22 At this time, I am going to ask our Vice-Chair, Cyril
23 Johnston, to make a couple of comments.

24 VICE CHAIRMAN: Bonjour tout le monde. Je n'ai pas
25 l'intention de répéter complètement les commentaires du

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2 président, mais je vous, je veux simplement vous souhaiter
3 bienvenue ici et de vous encourager de présenter vos
4 commentaires dans la langue officielle de votre choix. Je
5 note que nous avons la traduction simultanée ce soir et
6 des écouteurs sont disponibles presque partout dans la
7 salle alors, encore une fois, bienvenue ici et encore je
8 vous encourage de présenter vos commentaires dans la
9 langues officielle de votre choix.

10 CHAIRMAN: Before we proceed, I might also make note of the
11 fact that the applicant, DISCO has several representatives
12 here today and you may or may not wish to have some
13 discussions with them.

14 Mr. Morrison, perhaps would you want to introduce who is
15 here on behalf of the applicant today?

16 MR. MORRISON: Thank you, Mr. Chairman. With me at the head
17 table is David Hay, President and CEO of DISCO. And next
18 to Mr. Hay is Michael Gorman, Vice-President, Legal. And
19 Darren Murphy, Acting Vice-President of the Distribution
20 Corporation. Seated behind Mr. Murphy is Kelly Hill and
21 she is the Director of Customer Services.

22 CHAIRMAN: And would it be fair to say if anybody that is
23 here today has any issues or questions that they would be
24 available for discussion?

25 MR. MORRISON: Absolutely.

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CHAIRMAN: In addition, I notice that the Public Intervenor is present and I know that he is prepared again to assist anybody who requires any assistance in today's proceedings.

So, Mr. Theriault, perhaps you could just identify yourself so everybody will know where you are sitting?

MR. THERIAULT: Yes. Dan Theriault. I am joined by Robert O'Rourke and Jayme O'Donnell.

CHAIRMAN: Thank you. And I also note that Saint John Energy has a contingent here as well. Perhaps you could introduce yourselves as well? Mr. Young?

MS. YOUNG: Dana Young, Saint John Energy.

MR. MARR; Eric Marr, President of Saint John Energy.

MS. KELLY: Marta Kelly, Saint John Energy.

MR. COUTURIER: Mike Couturier, Energy Edmundston.

CHAIRMAN: So if there are any customers of Saint John Energy that have any issues this might be a great opportunity to chat with these people. And with respect to Members of the Board, who I indicated would be here able to assist parties, Ms. Desmond, perhaps you could indicate who is here in order to assist parties in that regard.

MS. DESMOND: Yes, Mr. Chair. I am Ellen Desmond and with me is Doug Goss, John Lawton and Dave Young.

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CHAIRMAN: Thank you. I think that probably that looks after introductions. If I have missed anybody then I apologize and please feel free to jump up and tell us who you are and what role you are playing. As I have indicated, a number of individuals had indicated in advance that they wished to make a presentation. And the first on our list is Real Poverty Incorporated. And I understand that the presentation will be made by Bethany Thorne-Dykstra.

So are you ready to make your presentation?

MS. THORNE-DYKSTRA: Yes. Ready as ever I guess.

CHAIRMAN: Thank you. Go ahead.

MS. THORNE-DYKSTRA: I think you very much for allowing us this opportunity, because I know it is an extra public hearing that's been set up for people to address you. And we just wanted to say how much we appreciate that opportunity being given to us today.

I am the President of Voice of Real Poverty Inc. Seated to my right is our Vice-President, Lois Dunfield. And Glen Baldwin is a Board Member as well. And next to him is Harold Gladstone, also a Board Member of our organization.

Voice of Real Poverty Inc. is a non-profit organization with a purpose to improve the quality of

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life, dignity and fair treatment of people living on, or below, the poverty line within the province of New Brunswick through awareness, education, and advocacy to the public, government, other organizations and agencies, and to provide support to one another.

And I have included a couple of copies here. I don't know who will get them, but I am sure they will be circulated eventually. And we have a pamphlet that tells us a little bit about our organization and who we are.

Our organization meets every Friday in the morning rotating from soup kitchens and shelters in the Moncton area. And our constitution stipulates that 60 percent of our Board must be members living on or below the poverty line. Therefore, we know the reality of the poverty situation in this province.

To give you a picture of poverty in New Brunswick, consider that according to Stats Canada, 2001, 111,370 New Brunswickers currently live in poverty, including the working poor. That's approximately 15 percent of our population.

Also food banks in our province have grown from 16 in 1986 to now 58. A growth of 72 percent. These food banks are so over-utilized that they only provide food on average three to five days a month to these people. Where

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do clients go for food for the other 22 to 25 days each month?

If New Brunswickers are forced into the social assistance system due to illness, mental or physical, lack of education, incarceration or other negative life experiences, they soon find themselves in a very undignified state. Imagine a single employable person only receives \$284 a month to live on. That's a mere \$3,408 a year. Or in another way, only 19 percent of the poverty line that's been calculated by the National Welfare Council at \$17,895 a year.

The long term individual who has verification from their family physician that they are unable to work only receives \$521 a month. That's \$6,252 a year. Even those few who are eligible for a disability status, which means that not only are they unable to work medically, but they are incapacitated enough to not even be able to care for themselves properly. They only receive \$600 a month. A mere \$7,200 a year.

How are these people expected to survive in New Brunswick, especially in the winter? How can they afford rent, upkeep on their own homes, food, clothes, other-the-counter medications, bus fare or electricity?

We had a letter come to our organization after putting

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the Letter to the Editor in the newspaper from a lady who was appreciative of us speaking out on the situation of poverty in New Brunswick and I want to share that with you.

She wrote this on November 24th 2007. Good for you writing that article in the Times, maybe some people may realize that living under the poverty line is no treat!! I am a single mom of a 16 year old son and a 13 year old daughter and we barely make it month to month. I am on disability income assistance. My hydro has been cut off because I could not keep up to it. So, I had to borrow the money to get it hooked up again of course for after hours hook up they charged me \$100 on my first bill. Then there is the alternator for my car, of course no second hand ones around. New \$200. Which there is no money left after I pay rent, food, hydro and phone.

Now there is Christmas, teens don't really don't want dollar store stuff. You can get away with that when they are babies, but not nowadays.

On top of that when you are already on anti-depressants, anxiety medication, and stuff so you can sleep and stop worrying for at least 4 hours, (Even though it really doesn't stop, you dream about how to get everything done, and how to make it till next month)

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winters wood and everything else.

Then you got the kids coming home from school, so and so got this I would really like to have one too. When they ask how much, the children say a hundred bucks, well good luck with that.

Anyways just thought I would let you know that I enjoyed your article and it really summed it up. IT IS NOT FUN AND GAMES.

And I have a copy of the article that we submitted to the paper for your own reading.

Then we see those people at the soup kitchen and shelters who have no roof over their heads. Some 70 or more in the Moncton area alone. These people have no money at all.

If it were not for many volunteers feeding and sheltering these people, they would be dead in our streets.

In fact just last Friday at the Caring Kitchen soup kitchen, the media dropped by when we were having our meeting and asked us if there were any people there that knew the man that just froze to death along the Mapleton Road. And it's in the news today on the radio as I was driving here. They don't even know who he is, but they figure he was homeless. This is reality here in New Brunswick.

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We have heard the Minister of Family and Community Services state that there are many other programs for the social assistance people. We know better. To give you an idea , the regular fuel supplement of \$780 per year is only provided to those who rent. Those who own their own homes are ineligible unless they hold a mortgage of over \$100 per month. So Family and Community Service tries to force them into a mortgage of more than \$100 per month for the 12 months of the year in order to receive heating help for six months of the year to the tune of \$130 per month from November to April.

Yet claiming that the only assets these people are allowed to keep are their houses and the property on which they sit.

Where do they find the extra 100 plus dollars for the other six months from their measly pittance? Similarly, the emergency fuel supplement provides each client with half a tank of oil per calendar year. Therefore, if one has a very cold autumn, they have to wait until the exact day they receive this emergency half tank of fuel the previous year in order to qualify.

Mr. Gladstone, our gentleman on the end of this panel here, is one of our Board members. And he experienced the impact of this firsthand last winter. After barely

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surviving the previous winter on his half tank of furnace oil, he received in February 2006, he contacted his case manager at Family and Community Services in October, and November and then again in December in 2006 to get another emergency half tank as it was pretty cold. He explained how his dog was sleeping with him in bed while he wore coats and extra blankets piled on not to freeze. Well the inevitable thing happened, as he shared with her, he was scared his pipes would freeze. And on January 16th, that's exactly what happened. And he had to leave his home or freeze to death there.

Now the home that was in his family for many years is beyond repair. Great help.

The second largest group of food bank users is the working poor in New Brunswick due to low wages. Just a simple math a job at 7:25 an hour equates to a mere 13,920 per year for a full-time job. The single person working full-time is living well below the poverty line in New Brunswick.

Now consider that single person is a mom with one or maybe two children to support. She cannot make ends meet working full-time.

We are spending a lot of our time exploiting the reality of low income people. The many who will live well

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below the poverty line in the province of New Brunswick, but we feel you need to understand this reality, as you are left with a decision that can negatively affect those who are already in despair.

Now turning our attention to your task hand, NB Power is asking for electricity rate increases in the following areas. Residential, up 6.4 percent. General Service Standard up 5.3 percent. General Service All Electric up 6.4 percent. Small Industrial up 6.4 percent. Large Industrial up 7.4 percent. And Wholesale up 6.4 percent.

In considering whether this makes sense, you must weigh out the concerns from all sides and from all stakeholders. It's true that fuel prices have increases. And that a general cost of living has increased once again. But to truly evaluate this proposed increase I believe one must look to the past as well as to the future.

When reviewing the residential electricity rates over the past 10 years, it is noticeable that on any given year, an increase of 3 percent was the maximum applied until 2005, where the residents felt that the record of all time increases of 6 percent.

Although many of us felt this was quite substantial for the same service, it was perceived that due to the

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cost of inflation that needed -- indeed more was needed from us, but this should suffice for at least some time. We were wrong.

In 2006, the public experienced the next record of all time increases of 8 percent. Then in July of this year another record of all time increase of 9.6 percent was announced with the final approval to occur a half year later and now the 6.4 percent after many complaints.

Now examining this further, we have found that NB Power has had a total of percentage increases from 2002 to 2006 of 22.8 percent when you add them altogether. Even the hot water tank rental has been increased each of these years to a total of 17.8 percent and a service charge, a total of 19.8 percent.

Now let's look back to the rate increases of social assistance during this same time frame. From 1998 until 2004, social assistance recipients received zero percent increases. In 2005, they got a whopping 2 percent. In 2006, they received another total 2 percent for a total of 4 percent now. Actually social assistance recipients received another increase this fall of 3 percent. So a single employable person receives \$284 a month instead of the 261 they were getting last year.

Do you truly believe these people can afford another

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increase in any of their basic needs?

When electricity rates increase its spin-off effects are many fold. Higher costs of rent, groceries, clothing and more. We know that retailers, processors and primary producers will also incur this price increase. And the reality today is that they are all working within fine profit margins and simply cannot absorb the extra costs. So once again it is up to the consumer to pay.

It appears to me that there has been a shift in mandate within NB Power. When it was first established, the government of the day understood that electricity was a basic need. A basic need item not only to operate lights and much needed appliances, but also for heat. And New Brunswickers have been encouraged to move toward electric heat over the last 20 years. So this is even more of a necessity today than it was back then. With this mindset, NB Power was never set up to make money. It was designed to use taxes from all people to provide an affordable rate for all people. The last few years we have heard repeatedly that NB Power must operate as a business. We believe this is wrong. We have a social responsibility to our most marginalized citizens to ensure they have their basic needs, one of which is electricity.

Therefore, I would like to appeal to you to reconsider

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this proposed increase and should you feel obliged to proceed with it, then for heavens sake do not apply it to the 111,370 New Brunswickers who live on or below the poverty line.

In fact when Claudette Bradshaw travelled across the province asking the more than 800 non-profit organizations what was needed to help them conduct their essential services, a mini-report on poverty was developed due to the recurrence of this issue.

This mini-report states, "Poverty is the number one issue underlying the need for much of the work done by the community non-profits." Also stated, "They (non-profits) are united in urging the government to take a holistic approach to providing services for people living in poverty..flexible programming anda focus on prevention."

Recommendation number 8 states: "Discount power rates for people on low incomes at the time of payment." People on fixed low incomes should not have to pay HST either.

I understand that your Board recommended in 2006 that NB Power only increased the service charge by 3 percent and provide a 16 percent rebate on the hot water tank rental.

And at the end of the day, we received an 8 percent increase in the service charge and a 3 percent increase to the hot water tank rental.

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We are of the hope that this process is taking seriously as a \$100 rebate once a year, although much appreciated, is a far cry from truly helping those who need help. We need to wake up and accept our responsibility as caring citizens and regain our Canadian perspective caring for the most vulnerable in our society. You can help ignite this change and we trust that you will actively advise NB Power to provide humane rates for our underprivileged. Thank you for your time, your consideration and your compassion.

CHAIRMAN: Thank you, Ms. Dykstra for your very compelling presentation. It's quite frankly I think a reality check for all of us.

You had mentioned that you had some material and if you don't have several copies of it, if you just give one copy to our Board Secretary, Ms. Legere, she will see that it is copied and distributed to the full Board.

I was interested towards the end of your presentation you made reference to the service charge and in the course of the hearings that matter has been discussed. I won't say at length, but it has come up on a number of occasions. Do you have any specific recommendations or thoughts or advice to us with respect to the service

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charge apart from perhaps the other elements of the rate increase that is being sought?

MS. THORNE-DYKSTRA: Well, I think the point is just that any increases are affected by people who don't have anything. And I know you have to operate as a business. I operate a business myself. But I do think NB Power has changed focus. And I think there is no problem in looking at the economical side of things. In fact I think we all have to be responsible that way. But I do think we have to be responsible to those who can't help themselves. And I know that NB Power was set up that way. And I don't like throwing the baby out with the bath water on things. I think there is a way to serve both. And I don't think it has to be a cut and dry thing that one charge has to be for everybody and that, you know, that you do it on the same -- I think there is ways to look at income levels and to provide discounts to the proper people to make sure they get them.

So I don't have an answer for you on the specific service charge. I am concerned if you are the body that does decide at the end of the day what happens and then it doesn't.

CHAIRMAN: Thank you. Any questions from the members of the Board?

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MR. BARNETT: Yes. I would just like to get an idea of the magnitude, the size of your organization. Is there a province-wide representation? I guess we have had a formal intervention by the Vibrant Communities of Saint John. I guess I would like to try and make a connection if there is one. If there isn't, I would just like to understand the relationship?

MS. THORNE-DYKSTRA: We are a very new organization. We will only be a year old in April. So we are very new, young and just got our feet under ourselves. Having said that, we are trying to branch out. But right now we are focused pretty much in the greater Moncton area for our meetings and the people within our Board. It was mentioned earlier about the newspaper, the Letter to Editor. We sent that out to every New Brunswick paper in the province and we are now starting to receive back -- we had another response actually yesterday from someone at UNB, who was quite touched by the -- especially the \$284 that some people are trying to live on. And as we continue and I think the more we do step up and speak out -- there is one little thing when you do get a copy of this pamphlet, we have at the very beginning it says, Apathy & Indifference Rule because many are too afraid, too alone, too ashamed, or too sick and tired to

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challenge this predator of poverty in our midst. And that's why a lot of people don't know the issues surrounding poverty. These people don't feel real good. And it's hard to get them to speak out, because it is not easy.

MR. BARNETT: May I congratulate you on your presentation this evening. I think if you are an organization with only 12 months under your belt, I think it speaks well for the future and hopefully that you have a very strong voice, both in terms of this Board and other aspects that the people in your organization have to live on on a daily basis.

MS. THORNE-DYKSTRA: Thank you.

VICE CHAIRMAN: I was interested in your comparison between the power rates going up and the lack of increase with respect to the social assistance rates. It reminded me a little bit when the power increase came into place this past summer, the provincial government put a program in place to help deal with its affect on large industrial users. I think it related to property taxes or something along those lines. But I don't recall any similar programs being put in place to deal with the people living in poverty. Were there any contacts with organizations like yourself in the same way to try and respond to this

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issue?

MS. THORNE-DYKSTRA: No, we were never contacted directly ourselves. And in all fairness maybe they weren't aware of who we were either, because we are quite new. I know they have tried and that's why I did talk about a couple of the programs within Family and Community Services of the emergency heating and the regular heating fuel supplement. And in those, around the same time, I believe they did announce some increases in the amounts, but the fact is that not everyone gets them.

So there is still a lot of people falling through the cracks and through those gaps that just don't qualify for it. And that's our issue that, you know, just because if there is something there doesn't mean everyone is getting it. Because some of these regulations are very -- like I have to question why anyone when you are looking at heat in New Brunswick would look on a calendar year to talk about an emergency half a tank of fuel? We all know one year you can have a very cold fall or it could be very cold, January, February, or it can go at different ways. Why wouldn't it be based on a winter season? You know, like -- and I remember distinctly talking to one case manager at Family and Community Services and I said, well gee, you must get an awful lot of phone calls in July

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2 for heating fuel. There is no logic to that to me. But I can
3 tell you there is some people that have been seriously --
4 seriously hurt by that little rule that doesn't seem to
5 change.

6 VICE CHAIRMAN: Thank you very much. As Mr. Barnett said
7 you are a very eloquent spokesperson for your group. But
8 I would just like to say that you have some other people
9 with you, if they would like to talk or if they would like
10 to speak to Staff or anything, they are more than welcome.

11 This is the opportunity to do that.

12 MR. GLADSTONE: Do you mean now, sir?

13 VICE CHAIRMAN: Sure.

14 MR. GLADSTONE: Oh, thank you.

15 MS. THORNE-DYKSTRA: Would you like to switch places?

16 That's easier.

17 VICE CHAIRMAN: Probably if you can just come here to the
18 mike, sir.

19 MR. GLADSTONE: My name is Harold Gladstone. I didn't
20 come prepared with a speech, but there is probably no
21 better time than now to add some substance to what Bethany
22 had opened with.

23 I was probably no different than many in the room with two
24 successful businesses, which I had the foresight to
25 protect with a private disability insurance. And when I

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made application I was denied, but I did re-apply and had to -
- was made to wait over two years to hear the final
answer.

In the meantime, many times I had to tell the utility
companies, NB Power and the Aliant that I had to give
different reasons why I was being -- why I was late. And
I got so sick and tired, as they got sick and tired of
hearing my reasons, you know, it was like an old broken
record.

In the meantime I was doing without many necessities. And
as Bethany had mentioned last winter it came to the
pinnacle of living with my dog at night, sleeping with two
and three coats. And, you know, suffering in the cold to
the point that -- and warning Family and Community
Services -- you see I had used up -- I hadn't mentioned
this -- I had used up all my assets, my finances, over
about six years expecting them to come through and do the
write thing and give me the money that I had paid, you
know, for -- honour their claim in other words, but they
didn't. And I used -- exerted every bit of influence that
I could find and still they wouldn't.

And not one to, you know, make a big noise about
something, I just more or less suffered through and I told
the Family and Community Services that I would freeze and

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the house would freeze and still after many attempts to get them to give me some emergency oil, they kept refusing. And it was the 17th of January when everything did freeze. The entire house froze, the plumbing, the hot water tank, the cold water tank in the basement and I had to leave. And many occasions after that -- actually, Bethany, the President of Voice of Real Poverty, went to see the Family and Community Services in February to see if they would repair the home. They wouldn't. So I left. But I had -- I left January 17th and moved with a friend, with their knowledge. I did tell them where I was going. And the first of August, they did an investigation found that I was defrauding the government for living with a friend and wanted the money paid back since I moved with this friend. You know, it was -- it's just been a nightmare, this whole year, the last three or four years of all because the disability company not honouring their policy. I had to push my face to the utility companies, NB Power and Aliant, use up all my money, put myself the lowest that I have ever had to in my whole life, all because of greed. Greed by first the private insurance company, which was Great-West Life. I went before the media in front of City Hall in Moncton on World Poverty Day,

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2 October 17th and I didn't say the name Great-West Life,
3 because I was still waiting for the appeal to come
4 through. The appeal came through subsequent to that and
5 it was denied. You know, the appeal was denied again.
6 And I had the respect to not say anything and now I am
7 saying it, because I have in my corner, my family doctor,
8 a specialist. I have -- well actually one other doctor
9 who was my doctor in the beginning. I have neighbours,
10 coworkers, friends. I have support that would reach a
11 mile long, but you see now it seems that, you know, many
12 corporations -- and I have already named one has grown so
13 large, as has the government arm, Family and Community
14 Services that words of my own or medical specialists and
15 doctors seem to have no affect, zero. They are immune,
16 When an empire has reached gigantic proportions, words
17 don't have any affect, not mine, not medical, no one's
18 words have no affect any more. So either the person gives
19 up, you know. And I mean this takes a lot to stand or sit
20 here and speak these words. I wasn't even prepared to say
21 one word, but here I am speaking, you know, just in the
22 event that something might have some affect somewhere.
23 You know, when truth means nothing any more and honour
24 means nothing, then is there a point of even going on?
25 You know, it's -- when someone with so little tries to,

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2 you know, go onward when they are forced into a situation like

3 I have been in the last year or so especially, and you

4 just come to the end of your rope and you almost think

5 well is there a point of even going on? But somehow you

6 still continue onward thinking that someone somewhere will

7 do what's right. And I have already named names that I

8 have never named before publicly, who are supposed to do

9 the right thing and didn't. And I have done it again.

10 And I want to thank you very much for listening. And

11 thank you for giving me the opportunity. Thank you.

12 CHAIRMAN: Mr. Gladstone, I want to thank you for sharing

13 your experiences with us. I know that it would be -- it

14 must be very, very difficult for you to do so. So on

15 behalf of the Board, thank you, for doing that.

16 MR. GLADSTONE: Thank you, everyone. Thank you.

17 CHAIRMAN: Do the others -- perhaps if you could just get to

18 a microphone, just so that everybody could hear you that's

19 all. Like I said we are going to keep it informal, but

20 without the microphone everybody won't get a chance to

21 hear, that's all.

22 MR. BALDWIN; I won't take up much of your time. I just

23 want to express my thoughts and that is heat is not a

24 luxury, it's a necessity. And there is many people out

25 there that you don't understand that, and I have seen this

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2 first hand. I started a furnace last winter three times for
3 somebody that run out of fuel. And each time that they
4 had to bring emergency fuel, it cost them extra money, so
5 they lost their gallons. If you follow what I mean, they
6 lost their money because it cost extra to come on the
7 weekend. It cost extra to come in the middle of the
8 night. And that's hard to watch three kids and a woman
9 and they slept on my floor.

10 So I want you when you are taking into this consideration
11 that remember the poor, please and fight for them. Thank
12 you.

13 CHAIRMAN: Thank you for taking the time to give us your
14 thoughts.

15 MS. DUNFIELD: I am Lois Dunfield, part of the Board for
16 Real Poverty. I am on social assistance. I heat with
17 electric heat. My power bill for last month was \$119.
18 That's \$35 more that it was the previous month. That just
19 took the fun of decorating for Christmas. We who are on
20 social assistance like to decorate, too. But when you get
21 a bill like that and the heat takes a lot of it, it takes
22 the fun out of decorating.

23 But I do have a question that I would like an answer to.
24 Is Mr. Hay and his employees of NB Power willing to give
25 back their salaries, bonuses, expenses and live on

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2 what we on social assistance get a month? If he is willing to
3 do that then he will understand forget the increases,
4 these people have to live too.

5 Thank you very much.

6 CHAIRMAN: Thank you.

7 MS. MORRISON: Mrs. Dykstra, hello. My name is Connie
8 Morrison. I would like to thank you for your interest in
9 helping the poor and the needy. I would like to thank you
10 very much for that. It's a cause that has been pretty
11 close to my own heart over the years.

12 I would like to ask you if -- or what level of government
13 if you have had any discussions with what level of
14 government would that be? By that I mean case managers or
15 somebody beyond. Have you had anything to do with them
16 and have you received any help? And any kind of funding,
17 is there any kind of funding available to your group also?

18 MS. THORNE-DYKSTRA: Well, we have -- I am a little
19 emotional now because of the people that I value here with
20 me.

21 MR. BALDWIN: Bet you never had a group like this for
22 awhile.

23 MS. THORNE-DYKSTRA: We have spoken to and written a letter
24 to the Honourable Victor Boudreau and explained the rates
25 and how far out of line they are even with the Atlantic

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provincial average for social assistance. And that we like what the Liberal party platform was before they got into government, and that they have a whole poverty action plan within their Charter of Change. We have cited it back to government now a couple of times, but we are not hearing anything back. And we asked for a meeting with Mr. Boudreau, which never materialized. We got a nice form letter, because we had done a four-page letter of this issue to him back at budget hearing times, and they were asking for proposals before budget. And we got a nice form letter saying they received it and great that we participated and that was it. And our request was to have a meeting and we never got a meeting.

With Harold's case, we have gone through every level of government, all the way to a copy to the Premier of this province. And we have sat down with case managers with the Region 1, Geraldine Poirier-Baiani, who is the person overseeing all of Region 1, which is the Moncton area.

And we have copied all letters to everybody so that they would all be in the loop. I went through the appeal process with Mr. Gladstone. That was the first time I experienced something like that. But really it just -- it seems like the rules are the rules and some people fit, some people don't. And, you know, either you do or you

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2 don't.

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And it's heartbreaking when you have a man like Mr.

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Gladstone, who has been successful in business. And the

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only reason he is where he is at today is he got sick. He

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got sick and his insurance company didn't honour what they

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claimed they would and he ended up at this level with

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nothing, you know. And that's what blew my mind, when I

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was at the soup -- you know, when I still go to soup

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kitchens every Friday, we are going to the Caring Kitchen

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tomorrow morning, there is a number of people who are

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sick. They are not all lazy. They are not all just

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sitting around loving the life of social assistance. Who

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could at that kind of rates anyway.

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Like there is this fallacy out there that everyone is

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abusing the system and living in the lap of luxury. I

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would like to see where, because I am not seeing it. And

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I have had my eyes opened. I really had my eyes opened

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with what I have seen. I would love to know which level

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of government would actually do something. And that's why

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we are meeting every Friday to try to find somebody that

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will or I can't live with it.

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MR. GLADSTONE: Could I just interject one more? Here I am

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doing things that I didn't even plan on actually doing.

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But you will never know the depths of despair when you are

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forced into the poverty situation that I have been forced into by Canada's largest disability insurer. And you can't understand why when you have all the support of medical professionals that you ever needed and you are asked to go right to the nth degree and still nothing works.

But you will never know the depths of despair that one is forced into, you know, until you have been there. You know, you go down to the soup kitchen, you eat with criminals and homeless people. And you know you are not one of them, but yet you are one of them. You have been forced into that.

I mean it's such a conundrum, you will never know. And, you know, sleeping with your dog and doing without everything because you have been forced into it. And you tell people you are poor, but yet inside you know you are not. And you wonder how you will ever, ever go on, but yet you are still going on, because someone in the community has helped you, as in this group, and as a friend has helped me.

I mean it's the most bizarre situation in my whole life to live a life that I insured myself -- I protected myself with insurance and when I really needed it, it wasn't there.

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I am really appreciative of this time and thank you.

Thank you, again. Thank you, everyone.

CHAIRMAN: Well, I would like to thank Ms. Dykstra and your entire group for coming out today and taking the time to share some of these life experiences. It certainly I think been very, very helpful for us. So again thank you very much.

Ms. Dykstra, I understand that perhaps you also were interested in making a separate presentation, separate and apart from the Real Poverty Group?

MS. THORNE-DYKSTRA: I think there is enough of my opinion in what I have presented that it has sufficed.

CHAIRMAN: Well again thank you very much then for your attendance.

MS. THORNE-DYKSTRA: Thank you.

CHAIRMAN: Good afternoon.

MS. HACHEY: Good evening.

CHAIRMAN: Are we there already?

MS. HACHEY: I know. Hard to believe isn't it? It is dark outside, that is for sure. So am I good to go?

CHAIRMAN: Absolutely.

MS. HACHEY: Okay. Great. Well, first of all I wanted to introduce myself. My name is Leanne Hachey. I'm Atlantic Vice-President with the Canadian Federation of Independent

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Business.

And to my right is Richard Dunn. He is Member Service Counselor for the Canadian Federation of Independent Business in our New Brunswick office. And we are here on behalf of the 4,500 small and medium size business owners that we represent in your province.

Before I begin I wanted to outline a little bit about our organization so that you have a bit of a sense of where we are coming from.

It is quite interesting in that we are here today as an advocacy group. CFIB was started about 36 years ago as a result of a tax protest way back when. At that time we recognized -- our founder recognized, fantastic entrepreneur he was, that the small business community didn't have a voice. That is why they were protesting this particular tax.

And out of that tax protest grew the CFIB. 36 years later, now we have 106,000 members across the country, 4,500 members here in New Brunswick. We are unique in the sense that while I have some fantastic ideas of the issues I would like to work on, we take our direction directly from our members.

So we are a one member, one vote organization. We survey our members throughout the year to determine the

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issues that are of importance to them. And it is those issues that we bring forward to decision-makers like ourselves.

I would also like to say that our accountability structure is very clear. I am, Richard is directly accountable to our members. We are 100 percent member-financed.

We don't receive any money from the Government of New Brunswick or the Federal Government or large business. We derive all of our funding directly from our members. And that is to whom we are accountable.

Just quickly, I'm sure you all appreciate and know the power of small business in the province of New Brunswick.

97 percent of businesses in New Brunswick employ fewer than 50 people.

SME, small medium size enterprises, employ half of New Brunswickers and are responsible for approximately half of the province's GDP. So while they may be small, collectively they are very big players.

The beauty of our job is small business owners are very unique in the sense that they are connected to community.

So they are not just employers. They are volunteers. They are leaders. They are parents. They are activists in their community. And they are connected

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to communities.

We are very proud to represent some businesses that whose family have been in business for generations in their community. Those are the kind of people we represent. And we are very proud to do so, again not just because of the tremendous economic contribution they make to the province but because of the tremendous social value they bring to the province as well.

We know certainly that small business owners are most respected by Canadians. In Atlantic Canada actually the small medium size business community is most trusted by Atlantic Canadians to create jobs.

As well, and this is fantastic information, Atlantic Canadians want to be entrepreneurs. Boy oh boy, is that ever a message that we need out there. More Atlantic Canadians want to be entrepreneurs. They want to start their own business. They want to be job makers, not job takers. And that is our future.

In order though for small business owners or entrepreneurs to succeed, there are few key things that government needs to do for them. They need to create a competitive tax environment.

They need to create a competitive regulatory

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environment so that small business owners aren't mired in red
tape. They need to support a vibrant labour market. So
there has got to be people to fill the jobs.
And also government's role is to try and keep where
possible input costs in check, meeting fuel costs,
insurance, energy costs, all the stuff that business
owners need to run their business.
The current New Brunswick environment however is very
challenging for small business owners. I talked about the
need to create a competitive tax environment. You are
probably aware in the last New Brunswick budget personal
income tax rates were increased across the board.
The small business tax rate went from a promised 1 percent
to 5 percent. And the small business threshold, that
level at which small business owners actually pay the
lower rate, was decreased from 500,000, the promised
500,000 to 400,000. In other words they got it from all
over. They got it on the personal income tax side. And
they got it on the small business tax rate side as well.
I also talked about the need to create a competitive
regulatory environment so that small business owners
aren't wasting their time filling out paper work that is
unnecessary.
Compared to some other provinces in Atlantic Canada,

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New Brunswick is somewhat lagging too. Where other provinces have brought a level of accountability and rigor to the regulatory system in other provinces, specifically Newfoundland and Labrador and Nova Scotia, we see that that is not the case here. And it is something that CFIB is pushing for.

We also -- I also talked about activity for vibrant labour market. And we all know the demographic challenges facing New Brunswick and Atlantic Canada.

And finally we also talked about the need to put input costs in check. And this is where the bulk of my presentation is going to be.

I only outlined all of those to say this is the environment that small businesses are working in now. They are having a tough time. It is not a do or die time.

But it is certainly not the time that they were experiencing just a few years ago here in New Brunswick.

And as evidence of this, there was a study released just last week -- it did make the news in New Brunswick -- where the Fraser Institute outlined that New Brunswick was second to last amongst all provinces and all U. S. states for net business creation.

In other words we are not creating more businesses every year than are leaving the market. More are leaving

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the market than entering. And that doesn't bode well for the future of New Brunswick nor does it bode well for the future of Atlantic Canada.

And just to highlight the combination of all of these factors, we had one member who is a manufacturer who works out of Perth-Andover, New Brunswick who has 14 employees say this, one of the comments that we extracted from a survey we did on energy costs.

The member's comment is this. "Between electricity, exchange rates, fuel increase, wage increases, material increases, it is going to be tough even to survive in the short term. The long term is irrelevant at this point."

So now when we talk about energy, it is disheartening to know the inequity that has been built into this system for a very long time. And I'm talking specifically about the General Service 1 customers and the General Service 2 customers.

And I won't profess to be an expert in energy at all. I veto some basic things. But our level of expertise comes from the small and medium size business perspective.

What I do know are the GS 1 and GS 2 customers are these kinds of businesses, pizza shops, restaurants, bakeries, inns, hair salons, retail shops, small manufacturing businesses and medium size business offices.

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And from what I gather it is quite a heterogeneous group. So there is all kind of businesses mixed in there.

What I also note too is that in 1989 the revenue cost ration -- and again as my understanding of it is, is that in order -- and I will relate it to the tax system.

Taxpayers don't mind paying tax when they see value for money, when they can link how much I'm paying and how much I'm getting.

And that is why the Board has suggested a revenue cost ratio of 95 to 105 as I understand, to ensure that no one customer class is paying less than 95 percent of what it should and no one customer class is paying more than 105 percent, again making that linkage between what you pay and what you get.

Well, in 1989 the cost, revenue cost ratio for the GS 1 customers was 129 percent. In other words they were paying 29 percent more than they should have been paying, far outside the range of the 95, 105 which had been order by the Board.

And again the 1992 Board decision stated at that time that the Board expects NB Power to develop a plan to move all classes within the approved range of 95 to 105 over a period of time. That was back in 1992.

As we all know, the problem continues to this day,

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nearly two decades after it was identified, from what I could see. And it is estimated -- and there is a bunch of different estimates out there. But from what I gather the 2007 revenue cost ratio is 124 percent for the General Service customers 1 and 116 percent for the General Service 2 customers.

That is almost 20 years after this issue was identified, again saying that small business owners in the GS 1 class are paying 24 percent more than it costs to serve their business with energy.

When we asked our members -- again we are one member, one vote -- how do you think energy costs should be distributed, what do you think that relationship would be?

And overwhelmingly of the 418 or so members that we surveyed, 87 percent said all customers should pay the true cost of the cost to service their business, their home, their large business, whatever with energy. They are not asking for special treatment. They are asking for fair treatment.

We had a member in Fredericton actually who happened also to be consulting on energy conservation with one employee say this. "I will say without a doubt that if we all do not start paying the real cost of electricity when we use it, the rates will never level out and the small

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business owner will be at a larger disadvantage than she is now, as the pressure on Government to bend to large business will be much greater over time."

We then asked our members after the interim rate hike, what kind of impact did that rate hike have on your business? 90 percent said it either had a minor impact or a major impact.

And one member from Lakeville-Westmorland, New Brunswick with six employees, she is an inn operator, said this.

"It made us cut one full-time employee to part-time. And when you only have 6 employees, that is a lot."

Why CFIB, why our members believe the energy equities need to be addressed -- there is two. One, I understand that there is a criteria for a sound rate structure. Again I'm not an expert in this stuff. But I do understand criteria. We work with it all the time when we work with government.

And there are some specific criteria that state that the fairness of specific rates are a apportionment of total cost of service among the different consumers. In other words, from what I gather, it is that linkage between what you pay and what you get.

Secondly to avoid undue discrimination in rate relationships, which is what apparently exists now. And

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thirdly that there should be an efficiency of rate classes,
discouraging wasteful use of service.

So one is to uphold the principles of a sound rate structure. The second, why energies and equities we believe should be addressed, because it is just bad public policy. It sends mixed price signals when you have people not know the true cost of what they are using.

I would have to believe it is undermining conservation efforts when you have users that don't actually know how much the energy they use costs. When you have one group, small business owners, the pizza owners, the retail shops, the hotel operators actually paying for the use of energy of other rate classes, that has got to be sending mixed signals all over the place.

Secondly overcharging small businesses is like a hidden tax. If you are taking more from one rate class than others, to a small business owner that looks like a tax grab. And again that is not good public policy.

Secondly it is harmful to economic growth. We all know the concept of opportunity costs. The question we ask ourselves, as an advocacy group for small business, is what would our members be doing if they weren't paying for the energy use of other customers? What decisions would they be making in their business?

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2 Would they be providing their employees with increase in
3 wages? Would they maybe be able to do a little bit more
4 training in their business? Would they be able to invest
5 in that new computer that will make their business bigger,
6 faster, stronger? So there are opportunity costs to
7 having people pay more than they should.

8 Frank McKenna a few years ago at the Atlantic Economic
9 Summit in Moncton, New Brunswick said this. "The logic is
10 simple; you lower input cost for business it results in
11 accelerated business. This creates more growth, more
12 jobs, more prosperity, ultimately it leads to better
13 services for our citizens and it means we receive less
14 from the rest of Canada and pay more back to the rest of
15 Canada, making this a win situation for us and a win
16 situation for the rest of Canada."

17 Even to focus on self-sufficiency in New Brunswick, which
18 is a very good focus, it would stand to reason that
19 removing the built-in inequities in energy rates would be
20 very much in line with the self-sufficiency agenda.

21 How do we think energy equities must be addressed? First
22 and foremost we think that there should be no increase, no
23 further increase on those two classes which are already
24 paying more than they should. So hold the line. Secondly
25 that there should be a staged approach to

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reaching 95, 105 revenue cost ratio.

Appreciating that our members are homeowners too. So they don't want to see rate shock on either side. And we do believe that legislation may be required, since this is identified as far back as 20 years ago. And at the rate of progress we are making it will be another hundred years before small business owners actually find themselves within that 95, 105 ratio.

So legislation again requiring, first of all, all rate increases to be subject to full hearings. The fact that rate increases of more than 3 percent and above can go ahead without rate hearings is not something supported by our members. They do want to see that change.

Secondly that legislation should outline a time line to meet that ratio. Again I'm not an expert. I have no idea how long it would take. But I'm guessing at least three to four hearings. And people much smarter than I can determine what can be done to avoid rate shock on either side.

And thirdly, I talked about the reason why CFIB exists. We exist because 36 years ago a very bright entrepreneur figured out that small businesses were not represented adequately in the public policy arena.

And that is exactly what we are suggesting happened

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when it comes to rate hearings in New Brunswick, that there be a permanent small business advocate to ensure ongoing permanent presence so that the small business community's voice is heard.

Again just in summary I do want to underscore the importance and value and the economic and social contributions of small businesses to New Brunswick, that the overall current environment, and some of this is beyond your control, but the overall environment, the tax environment, the regulatory environment, the demographic challenge, the tight labour market.

All of these are challenging times for small businesses in New Brunswick. And that energy and equities compound the current environment and contravene sound rate policy -- sorry, rate structure principles and represent bad public policy.

And finally that rates cannot be increased on the GS 1 or GS 2 class as proposed, and that a staged approach must be taken to truly bring all rate classes within that 95, 105 ratio.

And in order to do this, that we do believe that changes or amendments to the Electricity Act are required to remove hearing exemptions, to legislate a reasonable time period for ratio implementation, and finally to

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provide permanent representation, permanent and ongoing representation for the small and medium size business community.

And that concludes my remarks. I'm not sure if you have any questions or comments.

CHAIRMAN: Thank you, Ms. Hachey. I think you prefaced your remarks by saying that maybe you weren't all that knowledgeable about energy matters. I don't think I would agree with you. After having heard your presentation I think you are well versed in the issues.

You indicate I think that you had 4,500 members in New Brunswick?

MS. HACHEY: Correct.

CHAIRMAN: How many small businesses would there be in New Brunswick? I you have 4,500 members I assume that you must have some statistics that would --

MS. HACHEY: We do actually. I think we represent about 19 percent of the small and medium size business community. Now mind you there are lots of businesses that we can't represent. We don't represent any business registered on the stock market. We don't represent nonprofit organizations.

In total in New Brunswick there would probably be, I'm guessing, around -- between 25' to 30,000 small

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businesses, small and medium size businesses, a chunk.

CHAIRMAN: Okay. I'm wondering if your organization ever considered being a Formal Intervenor in the rate hearing process. Certainly, you know, with the comments that you have made today, you certainly might have lots to add to the process.

Is that something that you had considered in the past or might consider in the future?

MS. HACHEY: Excellent question. My answer is this. We have really small offices. We operate a two-person office in New Brunswick, a two-person office in Nova Scotia. And like every government or every business, we have to prioritize the issues that we work on. We don't think it would be feasible for CFIB to be at the table while we are more -- I have been pleased to represent our members in this way.

We think that what is required for small businesses is something in the form of someone who can be there all the time. I have taken an informal role in Nova Scotia. And these hearings can go on for weeks and months at a time. And it just wouldn't be feasible for us to be there for the time to adequately represent our members.

And then the final point I would make is well, we would love all small and medium size businesses to be

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members of ours. We do only represent a chunk.

CHAIRMAN: I can certainly tell you that not all of the

intervenors attend every session. So that some of them

will attend the sessions and deal with the evidence they

feel that most affects them.

So I would encourage you, if you are interested, you know,

in future proceedings that you may wish to take part.

You mentioned the issue of rate shock for your members in

terms of if there is a revenue requirement that needs to

be met, that they are also homeowners.

MS. HACHEY: Yes.

CHAIRMAN: And that obviously, you know, creates a

difficulty if you -- if for example small business doesn't

get an increase or you hold the line or they actually get

a decrease. What do you do with the additional increase?

Where does that go? And how do you deal with that?

Because as you have already indicated, your members not

only are small business owners. They are of course

homeowners. And do you have any more insight into --

MS. HACHEY: To that?

CHAIRMAN: -- what the Board might do with that kind of a

situation?

MS. HACHEY: Well, again it was more residential users than

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small business owner issues. Therefore I would imagine an increase, a small increase in the residential sector would look somewhat larger in the small business sector.

Again knowing that our members pay both set of bills, the question they would come to us with is, I'm a homeowner.

I'm a business owner. Why am I paying so much more in my business? And what more am I getting for it?

So again the principle of customer should pay the true cost, I do think our members would understand if a staged approach was used, knowing that they don't want to be stuck with it on the other end as homeowners right away either.

CHAIRMAN: Well, I would certainly like to commend you for your excellent presentation.

Do other members of the Board have some questions?

MR. BARNETT: Yes, Mr. Chairman.

One question. I picked up on your motion of an advocate for small business. And of course that is an alternative to actually making formal representation before this Board or any board like it in a rate increase.

Do you have any views in terms of (a) how would that be funded?

MS. HACHEY: Yes.

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MR. BARNETT: And I guess I would be interested in any
experience you have in other provinces --

MS. HACHEY: Yes.

MR. BARNETT: -- across this country?

MS. HACHEY: Well, you might be helping my lobbying efforts
here. We actually have a piece of -- a private members
bill in Nova Scotia right now that is going through
endorsing the idea of a small business advocate.

As you probably know, we have a minority government there.

And we have the support of two parties. So if the
government calls it it will go ahead.

As for its funding, again in Nova Scotia we have something
called a Consumer Advocate. And as I understand, that is
funded out of the rate structure. So it is funded by
energy rates. And I would suspect that it would be the
same for the small business advocate.

Again that is more of a public policy discussion. Is it
funded from the rate structure or is it funded by
taxpayers overall? That would have to be a discussion
that public policy makers would have.

MR. BARNETT: You are aware there is a --

MS. HACHEY: A Public Intervenor.

MR. BARNETT: -- Public Intervenor provided for in this
process as well.

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MS. HACHEY: Yes.

MR. BARNETT: Mr. Theriault is in the back of the room.

MS. HACHEY: Yes.

MR. BARNETT: You are aware of that. And I believe that is funded through the rate structure, through the --

MS. HACHEY: Through the rate structure.

MR. BARNETT: Yes.

MS. HACHEY: Yes.

CHAIRMAN: Mr. Normandeau?

MR. NORMANDEAU: Well, you have one member of your organization right on the table there.

MS. HACHEY: Okay.

MR. NORMANDEAU: And I just want to congratulate you for your dynamism. I know that -- I'm sure that you have a lot of energy to support any presentation you feel to present to this Board and even to the applicant regarding rates.

And I, like the Chairman said, say that you should present at least something, some way, somehow.

MS. HACHEY: Okay. Thank you. And maybe you could do some lobbying on that for me with your Board members.

CHAIRMAN: Well, thank you very much again for taking the time to come out today and make this very excellent presentation.

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MS. HACHEY: Thank you very much for your time. Have a good evening.

CHAIRMAN: Thank you.

MS. HACHEY: I also have some copies of the presentations. I'm not sure if you are accepting hard copy submissions or --

CHAIRMAN: If you want to just give them to the Board Secretary, Mrs. Legere in the front here. And if they aren't enough copies she will see that enough copies are made so that the Board all gets a copy of them.

MS. HACHEY: Thank you.

CHAIRMAN: And indeed we will circulate them to the participants in the proceeding.

The next presentation I have on the schedule is from Flakeboard, Barry Gallant.

MR. GALLANT: Good evening, Mr. Chairman and Commissioners. Flakeboard appreciates the opportunity to address the Board with our concerns on the proposed New Brunswick Power rate increase for the large industrial rate class. My name is Barry Gallant. I'm the Manager of Purchasing and the Comptroller for Flakeboard Company Limited's plant in St. Stephen.

Flakeboard operates eight composite panel production facilities across North America, two in Canada and six in

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the United States. At the St. Stephen plant we manufacture decoratively finished particle board and MDF for the furniture and kitchen cabinet industry, using waste byproducts from the New Brunswick sawmill industry and low grade hardwood.

We employ over 300 people at our manufacturing site in the St. Stephen Industrial Park. We are a large consumer of electrical energy in New Brunswick, using over 95,000,000 kilowatts per year.

As we are all aware, the New Brunswick economy is heavily weighted towards resource extraction and processing, which are energy-intensive activities with electricity compromising a significant percentage of the overall operating costs for most manufacturers.

Any power rate increase has a tremendous impact on the New Brunswick manufacturing sector. We recently compared the power rates of our locations throughout Canada and the U.S. And the St. Stephen plant was 20 percent higher on average than all our other locations.

Flakeboard operates in a fiercely competitive global market. And we are already suffering the challenges of a soaring Canadian dollar, weak housing markets in the U.S., increased pressure from low cost offshore manufacturers, specifically furniture manufacturers,

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significant increases in raw materials, both wood and resin, and downward pricing pressure on our products. Passing an NB Power energy rate increase onto our customers is not an option.

We were extremely concerned with the proposed 7.4 percent rate increase for large industrials as proposed by the EUB by DISCO. This increase, combined with the other increases since 2005, amounts to 21 percent in less than three years.

We feel that by any definition this would qualify as rate shock. Rate increases of this magnitude cause tremendous uncertainty for manufacturers and thereby possibly hindering the development and investment that is required by the large industrials throughout the province to remain competitive in the global economy.

Also this rate increase is happening at a time when we have already seen numerous plant closures over the past two years, a disturbing fact for us regarding the 7.4 percent rate increase for the large industrial rate class, to the fact that the increase proposed for most other rate classes was 6.4 percent, which was the overall rate increase requested by DISCO.

We understand that the higher than average increase for the large industrials is based on the results of the

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class cost allocation study used by DISCO, which shows the large industrials would be below the target range and the higher increase is required to bring the large industrial rate class more in line.

The question that we ask is whether the study used by DISCO is the most accurate measure of cost responsibility. Our experience with regards to our power consumption in St. Stephen plant is that our load is very consistent and would not contribute to a seasonal peaking requirement which results in the generation of the highest cost power in the system.

We understand that the Board may have already decided that it would not revisit the CARD decision at this time. If this is the case we would ask that at some appropriate time in the near future the Board would carry out a full review of the cost allocation method.

The Board has on an interim basis increased rates by 6.4 percent. Our company has had a great difficulty absorbing these increases. We feel the consequences of continuing such large increases, especially in light of recent announcement of closures in the forest products business in the province. We would encourage the Board not to authorize the large industrial increase rates.

Thank you for your time and consideration today.

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CHAIRMAN: Thank you, Mr. Gallant.

VICE CHAIRMAN: Thank you very much, Mr. Gallant.

I had a question that popped into my mind immediately.

Just to give you a little bit of background, we get a lot of material submitted to us which compares or tries to compare power rates in different jurisdictions. And it is very confusing to try and sort out through the differences for a whole variety of reasons.

But where your company operates plants in different jurisdictions, would it be fair to say that you can compare apples to apples with your St. Stephen plant?

MR. GALLANT: The apples to apples that we did compare this time is we basically looked back at our last few months of operations, determined how many kilowatt-hours were used in those plants divided by the actual rates that we paid in those plants for that same time period, and broke it down into a cost per unit situation.

And I guess from apples to apples, those were the raw dollars versus the raw amount of kilowatt-hours that were used in the same time period.

VICE CHAIRMAN: Sure. And what jurisdictions are you comparing with specifically?

MR. GALLANT: Okay. We have -- our other plant in Canada is located in Sault Ste. Marie. We have a plant in

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2 Louisiana, South Carolina. We have two plants in South

3 Carolina, one in Melbourne, Arkansas, one in Eugene -- two
4 in Oregon.

5 And these are typical locations for board manufacturing
6 plants throughout North America.

7 VICE CHAIRMAN: Because of their proximity to other timber
8 --

9 MR. GALLANT: Timber markets, various -- various factors.

10 VICE CHAIRMAN: And I know you went through this in your
11 presentation. But where does the St. Stephen plant factor
12 in in that grouping?

13 MR. GALLANT: They would be the highest.

14 VICE CHAIRMAN: They would be the highest cost?

15 MR. GALLANT: They would be the highest, yes, based on the
16 last few months of operations. And then we did the quick
17 -- or not the quick but the simple calculations and come
18 to a cost per unit.

19 VICE CHAIRMAN: So is it fair to say that you are urging the
20 Board to increase, if there must be an increase, that
21 large industrial users increase be levelized with the
22 increases that other people are seeing rather than seeing
23 a slightly larger increase?

24 MR. GALLANT: I guess from our point we are saying that the
25 large industrial is facing some severe pressures and

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2 troubles in New Brunswick at this point in time. And we are
3 advocating that any increase is just going to make it
4 tougher for us.

5 VICE CHAIRMAN: Thank you.

6 MR. BARNETT: I just want to be clear. I understood you to
7 say you took your dollars you paid for electricity --

8 MR. GALLANT: Correct.

9 MR. BARNETT: You took the number of kilowatt-hour
10 consumption. You divided the two and you came up with a
11 number.

12 MR. GALLANT: Correct.

13 MR. BARNETT: And in that particular case the St. Stephen
14 plant had the highest cost per kilowatt-hour on that
15 basis.

16 MR. GALLANT: Yes, they did.

17 MR. BARNETT: Is that my understanding?

18 MR. GALLANT: Yes. That is correct.

19 MR. BARNETT: And many of your operations are stateside?

20 MR. GALLANT: Out of the eight, six are in the U. S.

21 MR. BARNETT: Right. So often we hear, if you look at it on
22 a per kilowatt basis, many of the states are considerably
23 higher than New Brunswick rates. And so I'm a little
24 surprised. I'm not questioning your numbers.

25 MR. GALLANT: No.

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MR. BARNETT: I'm just a little surprised.

MR. GALLANT: Yes.

MR. BARNETT: Yes. Okay. We have also heard -- obviously you have not been an intervenor there, so you are not aware. We heard urgency and looking at a review of the cost allocation and rate design.

And we have also heard representation to the effect that there were a number of changes contemplated. They have been announced at the Minister of Energy level in terms of reviewing the current Electricity Act and also the structure of the utility.

Do you see merit in doing anything before maybe that takes place which may be a 12-month horizon or longer? I don't know. Is this what you are saying in your presentation?

MR. GALLANT: That the analysis of the rate class gets done sooner than later?

MR. BARNETT: Basically that is what I'm saying, yes. These changes could have some significant impact on the allocation.

MR. GALLANT: I would suggest to the point that from what I understand, from what I have followed -- we have not been a Formal Intervenor. But we have been involved with the CME. And we are a member of the CME. And we have been

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2 involved through the CME.

3 That if the rates were looked at, the rate classes were
4 looked at differently with the allocation, that there may
5 be a different rate increase proposed for our class or,
6 you know, it may change.

7 So I think where we are sitting at this point, from what I
8 understand, is that it would be an advantage to us if it
9 was looked at sooner, sooner than later.

10 MR. BARNETT: Thank you. I didn't mean to put you on the
11 spot. But --

12 MR. GALLANT: No.

13 MR. BARNETT: -- those are the two sides of the discussions
14 that we have heard. Thank you.

15 MR. GALLANT: I wouldn't be privy to all the discussions
16 they have. But from my understanding that would be what I
17 would take from it anyway.

18 MR. BARNETT: Thank you.

19 CHAIRMAN: And I guess just with respect to the intervenors,
20 I think you are an Informal Intervenor.

21 MR. GALLANT: We are an Informal Intervenor.

22 CHAIRMAN: As such you would be copied with all of the
23 material that has been filed at least electronically.

24 MR. GALLANT: Correct.

25 CHAIRMAN: I guess there are no further questions. Again I

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2 will thank you very much for taking the time to come to
3 Fredericton today to make your very excellent
4 presentation.

5 Thank you very much, Mr. Gallant.

6 MR. GALLANT: And I appreciate your time for it as well.

7 CHAIRMAN: The Board is going to take just a very short
8 break here for about 15 minutes. And then we will resume
9 about 20 after 6:00.

10 (Recess - 6:00 p.m. - 6:20 p.m.)

11 VICE CHAIRMAN: O.K. I guess we'll get back to our public
12 hearing day. Uh, and I guess we have next the
13 Agricultural Alliance of New Brunswick.

14 MR. THÉRIAULT: Je m'appelle Robert Thériault. Je suis
15 président de l'Alliance agricole du Nouveau-Brunswick et
16 je tiens à vous remercier de donner à l'Alliance agricole
17 la possibilité de se présenter devant vous ce soir à titre
18 d'intervenant non officiel afin de représenter l'industrie
19 agricole.

20 L'Alliance agricole du Nouveau-Brunswick est
21 l'organisation agricole générale reconnue qui représente
22 les entreprises agricoles de toutes les régions de la
23 province et de tous les produits alimentaires.

24 Le conseil d'administration de l'Alliance est composé
25 d'agriculteurs qui sont élus par leurs pairs et qui

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2 siègent bénévolement. La mission première de l'organisation
3 est de faire avancer la position économique et sociale des
4 agriculteurs du Nouveau-Brunswick. En plus d'offrir des
5 programmes et des services à la ferme, l'Alliance
6 s'efforce de veiller à ce que le point de vue des
7 agriculteurs soit représenté dans toutes les discussions
8 portant sur les politiques publiques qui touchent
9 l'agriculture.

10 L'augmentation des coûts de l'électricité est nettement
11 une préoccupation pour l'industrie agricole ; en effect,
12 des coûts à la hausse auront des répercussions importantes
13 sur l'industrie et sur l'économie du Nouveau-Brunswick.
14 C'est la raison pour laquelle nous n'avons d'autre choix
15 que d'être ici aujourd'hui.

16 Pour commencer, nous estimons qu'il est nécessaire
17 d'expliquer le lien direct entre la production
18 agroalimentaire et l'économie du Nouveau-Brunswick.

19 Bien que soit modeste en termes mondiaux, le secteur de la
20 production agricole du Nouveau-Brunswick a une grande
21 importance dans la province. En tant que moteur
22 économique, le secteur est un producteur principal de
23 richesse et une pierre angulaire de l'économie
24 provinciale.

25 La province compte plus de 2 276 fermes. De ce

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nombre, environ un tiers sont considérées comme des entreprises de taille commerciale.

Les investissements de capitaux dans le secteur dépassent 1,5 milliard de dollars.

Les recettes monétaires agricoles totales pour 2005 ont atteint 427 millions de dollars.

La valeur totale annuelle des expéditions de produits agroalimentaires et de breuvages dépasse 1,2 milliard de dollars.

La valeur des exportations agroalimentaires qui quittent le Nouveau-Brunswick chaque année dépasse 400 millions de dollars.

Le Nouveau-Brunswick est au premier rang dans la région de l'Atlantique pour ce qui est des exportations et il est un chef de file national dans le développement de la chaîne de valeur agroalimentaire.

Le taux de croissance sur 10 ans des exportations dans le secteur dépasse 90%

Quelque 8 000 personnes sont employées directement sur les fermes du Nouveau-Brunswick, et quelque 7 000 travaillent dans des entreprises de transformation secondaire ou de services agricoles.

L'industrie occupe seulement 2,5% du territoire de la province.

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Maintenant que j'ai expliqué le rôle de l'agriculture dans l'économie du Nouveau-Brunswick, je voudrais expliquer les défis auxquels l'industrie fait face aujourd'hui.

Les tendances agricoles du Nouveau-Brunswick : Au cours des deux dernières décennies, le nombre total de fermes au Nouveau-Brunswick a diminué d'environ 50%. Nous avons perdu 629 fermes en cinq ans. Par ailleurs, la taille moyenne des fermes augmente. Le Nouveau-Brunswick compte les fermes les plus grandes du Canada atlantique.

Généralement, dans ces entreprises de plus grande taille, l'exploitation est plus intense, et les activités ont tendance à être davantage automatisées et requièrent donc plus d'énergie.

Les statistiques qui illustrent, illustrent l'effet multiplicateur spectaculaire de la production agricole primaire sur l'économie provinciale donnent une fausse impression de la vulnérabilité des marges de profit des fermes ainsi que du risque et de l'incertitude qui planent au-dessus du secteur agricole du Nouveau-Brunswick aujourd'hui.

Les temps sont difficiles pour le milieu agricole.

L'effet combiné de l'inflation rampante au pays et de la concurrence agressive venant de l'étranger a abaissé les

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2 revenus agricoles à des niveaux jamais vus depuis la grande
3 dépression. La part qui revient à l'agriculteur de
4 l'argent dépensé par les consommateurs pour se nourrir au
5 Canada ne cesse de diminuer depuis des décennies. Tandis
6 que le Canada doit composer avec les pires quatre années
7 de son histoire en matière de revenus agricoles, nos
8 voisins, les États-Unis, connaissent leurs meilleures
9 années.

10 Bien que le Nouveau-Brunswick n'ait pas les sols les plus
11 profonds ni le climat le plus favorable pour
12 l'agriculture, il a réussi à soutenir la concurrence sur
13 le marché mondial en raison du fait que ses agriculteurs,
14 par la force des choses, sont devenus des entrepreneurs
15 parmi les plus innovateurs et les plus débrouillards au
16 monde.

17 Malgré les revers, la hausse des coûts liés à la
18 productivité, le manque de rentabilité et la
19 transformation des marchés à laquelle nous avons assisté
20 au cours de la récente histoire de l'industrie agricole,
21 la plupart des agriculteurs conservent un certain
22 optimisme et continuent d'investir dans la communauté.

23 Alors, pourquoi la province ne peut-elle pas investir dans
24 les fermes du Nouveau-Brunswick ? Je ne sais pas.

25 La pratique de l'agriculture est un mode de vie. Les

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agriculteurs sont fiers de fournir les produits les plus sûrs
et de la plus grande qualité au monde.

Cependant, cet optimisme commence à flancher, car une
série de crises et de défis a gravement entravé la
capacité des agriculteurs de maintenir une position
concurrentielle tout en continuant à mettre au point des
systèmes de production durables.

En tant qu'individus ou collectivement en tant
qu'industrie, les agriculteurs ne sont plus capables de
maintenir le niveau d'investissement requis pour relever
les défis auxquels l'industrie fait face, dont
l'augmentation des coûts de l'électricité.

Les répercussions de l'augmentation des coûts de
l'électricité : Exprimés en pourcentage, les paiements au
titre des programmes gouvernementaux, uh, gouvernements
versés aux agriculteurs du Nouveau-Brunswick entre 92 et
2002 on représenté en moyenne 3,5% des revenus agricoles,
comparativement à 4,8% pour le Canada atlantique et 8,2%
pour le Canada. Comme les revenus agricoles du Nouveau-
Brunswick dépassent 400 millions par année, voilà qui
n'est pas un handicap négligeable. Il s'ensuit donc que
toute autre diminution de nos revenus déjà maigres ou
toute augmentation radicale du coût de faire des affaires
aura des conséquences plus graves au Noubreau, au

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2 Nouveau-Brunswick qu'ailleurs au Canada. Il faut ajouter à

3 ceci le fait que le niveau d'endettement des fermes du

4 Nouveau-Brunswick par rapport à leur actif total est

5 environ 25% supérieur à la moyenne canadienne.

6 Historiquement, l'accès à de l'énergie électrique à des

7 prix attrayants au Nouveau-Brunswick a aidé les

8 agriculteurs à élargir leur exploitation et à soutenir la

9 concurrence.

10 Dans le marché global actuel, des accords commerciaux

11 internationaux empêchent les gouvernements de mettre en

12 oeuvre des politiques intérieurs visant à protéger les

13 fermes contre les difficultés excessives. Dans un tel

14 contexte, il devient particulièrement important pour les

15 gouvernements et les organismes tels que la Commission des

16 entreprises de service public de soigneusement considérer

17 les pleines répercussions de toute décision ou de tout

18 changement en matière de politique qui a pour effet

19 d'augmenter le coût de faire des affaires ou de réduire

20 la capacité des agriculteurs de soutenir la concurrence.

21 L'Alliance agricole du Nouveau-Brunswick désire faire part

22 des graves préoccupations que suscitent les répercussions

23 potentielles de la hausse des tarifs d'électricité

24 envisagée par Énergie NB. D'après ce que comprend

25 l'Alliance, une étude montre que la plupart des

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2 fermes du Nouveau-Brunswick, bien qu'elles comptent pour
3 seulement 2% de la population de la province, entrent dans
4 la catégorie des tarifs résidentiels et sont de grands
5 consommateurs d'énergie dans cette catégorie. Cependant,
6 la marge de profit de l'industrie n'est pas suffisamment
7 élevée pour justifier une hausse des tarifs d'électricité.
8 Je crois qu'il est déjà arrivé dans le passé que les
9 tarifs commerciaux soient inférieurs aux tarifs
10 résidentiels. Et non seulement je crois mais j'ai vécu
11 l'expérience. Un de nos collègues agriculteurs avait
12 alors essayé d'obtenir le tarif commercial, et sa demande
13 avait été refusée. Maintenant que les tarifs commerciaux
14 sont plus élevés, vous voulez transférer toutes les fermes
15 dans cette catégorie.

16 Le gouvernement du Nouveau-Brunswick parle
17 d'autosuffisance. Notre économie dépend de la rentabilité
18 et de la durabilité de nos fermes. Étant donné les
19 nombreux défis auxquels les agriculteurs font face
20 aujourd'hui, y compris les répercussions de l'augmentation
21 des tarifs de l'électricité, la diminution graduelle du
22 nombre de fermes se poursuivra. L'Alliance soutient que
23 les exploitations agricoles du Nouveau-Brunswick ne sont
24 pas en mesure d'absorber une hausse des tarifs
25 d'électricité tout en demeurant concurrentiels.

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2 Les défis sont nombreux, et il est de plus en plus
3 difficile pour les agriculteurs de rester en affaires et
4 d'attirer de nouveaux agriculteurs. Le revenu monétaire
5 net baisse, tandis que les dépenses agricoles nettes
6 augmentent.

7 On ne devrait pas demander aux exploitations agricoles de
8 payer pour l'inefficacité d'Énergie NB. Si des
9 augmentations de tarif sont imminentes, alors des mesures
10 incitatives doivent être offertes pour aider les fermes à
11 adopter des technologies qui permettent d'économiser
12 l'énergie. Il y aurait peut-être lieu aussi d'examiner
13 les seuils établis entre les différentes catégories de
14 tarif.

15 L'Alliance est d'avis qu'il est dans l'intérêt public de
16 trouver des moyens de réduire ou de différer les
17 répercussions des hausses prévues sur la communauté
18 agricole du Nouveau-Brunswick.

19 Il est bien connu que l'énergie la moins chère est celle
20 qu'on économise, et ce concept devrait être appliqué avant
21 que toute hausse de tarif soit même considérée pour les
22 fermes du Nouveau-Brunswick. Des vérifications de la
23 consommation d'énergie devraient être prévues et des
24 solutions pour réduire la consommation devraient être
25 trouvées. Des programmes d'aide devraient être offerts

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aux agriculteurs avant quelles aient accès à des technologies plus efficaces sur leur ferme et qu'ils aient le temps de les mettre en oeuvre. L'augmentation ne devrait jamais dépasser les économies moyennes possibles sur des fermes du Nouveau-Brunswick.

Pour une raison ou une autre, la richesse de la province est enue pour acquise. J'entends par richesse la diversité des denrées agricoles que les agriculteurs produisent et la qualité de la nourriture qu'ils produisent. C'est curieux : il suffit que quelque chose qu'on tenait pour acquis soit enlevé pour que les gens paniquent.

L'Alliance est prête à représenter les agriculteurs du Nouveau-Brunswick et à ax et à explorer avec les responsables publics des solutions de rechange qui pourraient mieux servir l'industrie agricole.

En conclusion, quand les fermes auront toutes disparues, comment pourrons-nous être autosuffisants et nous nourrir? Nous allons actuellement avoir du manger sur la table. Et vous voyez, c'est l'expression de ce que offrent les agriculteurs à tous nos concitoyens provinciaux.

On cherche à atteindre l'autosuffisance mais la première autosuffisance commence par se nourrir et il est

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important que l'on conserve la capacité de nos fermes à
nourrir nos concitoyens.

Avant d'enlever la nourriture, nous allons être forcés de
fermer nos affaires, alors la nourriture va devenir rare.
Alors, soyez-en conscient. Merci.

VICE CHAIRMAN: Merci beaucoup pour votre présentation. Je
m'excuse au début, je ne peux pas lire mes notes, est-ce
que c'est Thériault ou Thibeault.

MR. THÉRIAULT: Thériault.

VICE CHAIRMAN: Thériault. Excusez-moi. Monsieur

Thériault, merci de nouveau pour votre présentation, tout
de même je veux discuter quelque chose que vous avez dit.
La phrase que vous avez utilisée c'est que, excusez-moi,
vous voulez transférer toutes les fermes dans cette ca.,
catégorie, c'est-à-dire, la catégorie commerciaux.

Je veux être nettement claire que Énergie NB ne propose
pas dans la requête devant la Commission de transférer des
fermes de la catégorie résidentielle à la catégorie
commerciaux, mais, cette, ce sujet a été discuté pas des
experts qui ont témoigné devant la Commission. Alors, je
ne peux pas dire que il y a personne qui propose cette
idée mais certainement pas Énergie NB ni la Commission.
Je pense que c'est important de comprendre, mais, en

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2 même temps je pense que, il faut discuter les commentaires que
3 nous avons reçus déjà qui sont, essentiellement que, au
4 moins certains -- certaines des fermes dans la province
5 sont énormes et qui sont essentiellement des usines de
6 transformations au lieu d'être des fermes comme, on, on,
7 au, historiquement, quand les décisions ont été prises et
8 je me demande si vous avez des commentaires à répondre à,
9 aux experts qui suggèrent que peut-être c'est le temps de
10 changer la catégorie pour les fermes?

11 MR. THÉRIAULT: Si, à la, à la question que vous posez, si
12 l'intention c'est de viser les fermes qui sont à la fois
13 intégrées, c'est-à-dire, qui produisent la matière
14 première et qui la transforme de façon à perdre son état
15 naturel, c'est une autre affaire. Parce que là on parle
16 de l'industrie de transformation. Si on parle de
17 l'industrie primaire agricole, c'est une autre affaire.
18 Ce n'est pas la grandeur des fermes. On l'a exprimé
19 d'ailleurs, que les fermes continuent à s'agrandir pour
20 essayer de demeurer viable. Si les fermes ne s'étaient
21 pas agrandies, à l'heure actuelle, on aurait pratiquement
22 plus de producteurs sauf dans les productions
23 contingentées.
24 Donc, il faut être claire que la, les, ce qui se comprime
25 au niveau du revenu net de l'agriculture est en

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train d'être récupéré en agrandissant l'unité.

Puis en agrandissant l'unité, bien, on augmente aussi certains risques. Parce que plus tu as une grosse entreprise à regarder et avec la difficulté de main d'oeuvre qualifié qu'on a en agriculture, tu t'exposes également à ne pas pouvoir accomplir, dans le temps que la nature nous permet, certaines opérations.

Donc, on a d'un côté cette tendance à vouloir agrandir pour assurer la viabilité, mais d'un autre côté, on se place face à un risque aussi.

L'autre problème, c'est le problème de la relève.

À l'heure actuelle, avec l'agrandissement des fermes qui se fait, ça pose vraiment un problème. Un problème social et un problème de sécurité alimentaire au Nouveau-Brunswick et, dans quelques années, on va y faire face parce que l'âge moyen des agriculteurs au Nouveau-Brunswick aujourd'hui est de 58 ans.

Ily'a pas un jeune aujourd'hui avec la capitalisation qui est nécessaire dans les grandes entreprises et même dans celles qui sont contingentées qui est capables d'absorber le financement d'une telle opération.

Donc, le transfert de fermes, de, de, de niveau si vous voulez commerciales qui assurent la viabilité de l'opérateur, cette, cette valeur là est si grande que à

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2 moins que le père transfère à son enfant la propriété, i'y'a
3 pu personne qui peut l'accéder.

4 Donc, ça pose vraiment un problème majeur. Et ce
5 problème-là est causé justement par l'incapacité de
6 l'industrie à justifier un tel financement pour générer si
7 peu de profit. Hors vous savez, les agents financiers,
8 les banques, lorsque vous allez emprunter, vous demandez
9 toujours un, un plan de projection. Comment est-ce que
10 vous allez réussir à repayer ça?

11 Alors, dans l'incertitude actuelle, personne ne peut
12 répondre aux banques. Alors on est pris avec un fichu de
13 problèmes. Et ça représente un gros pourcentage de
14 l'économie du Nouveau-Brunswick et c'est un problème qui
15 concerne l'ensemble social. Pas seulement que le secteur
16 agricole.

17 VICE CHAIRMAN: J'aimerais poursuivre un peu vos
18 commentaires au sujet des programmes possibles du
19 gouvernement pour aider des -- l'industrie agricole avec
20 cette transformation.

21 MR. THÉRIAULT: À atteindre plus de productivité? Est-ce
22 que c'est ça l'élément?

23 VICE CHAIRMAN: Oui, oui. Est-ce qu'il existe des
24 programmes gouvernementaux ou autres qui aident des, les
25 industries agricoles pour être, je ne sais pas, plus

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efficaces avec l'énergie.

MR. THÉRIAULT: Je dois vous dire, à ma grande déception,

qu'aujourd'hui, avec l'agrandissement des fermes et la

nécessité d'énergie que ça commande davantage que même

dans les régions rurales, le service des trois phases est

même pas rendu là. Et que ça coûte 200, jusqu'à 200 000

dollars pour l'apporter dans un troisième rang d'une

campagne. Aujourd'hui, si on se situe au niveau mondial

où le service, l'accessibilité au service est disponible,

on fait piètre figure à mon avis.

Donc, à ce niveau-là, pour accroître la productivité, pour

permettre également de, d'utiliser l'énergie électrique

plutôt que motrice, à travers des moteurs à gaz, et pour

éviter certains contaminent dans l'air, on serait beaucoup

plus efficaces de faire tourner des moteurs trois phases

qui peuvent nous donner énormément de capacité comparée à

un tracteur qui lui va produire constamment et qui ne

seront pas proportionnelles à la force requise.

Donc, quand on parle d'efficacité d'énergie, on parle

d'offrir un service de base qui permette d'atteindre

cette efficacité. À l'heure actuelle, c'est hors

d'atteinte des producteurs qui sont dynamiques et qui

veulent développer de façon plus économique.

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2 VICE CHAIRMAN: Merci beaucoup.

3 MS. MORRISON: Bonsoir Monsieur Thériault.

4 MR. THÉRIAULT: Bonsoir.

5 MS. MORRISON: Vous avez parlé que l'Alliance représente à
6 peu près 8 000 fermiers au Nouveau-Brunswick ?

7 MR. THÉRIAULT: Non.

8 MS. MORRISON: Non? J'ai mal compris. Voulez-vous s'il
9 vous plaît.

10 MR. THÉRIAULT: I'y'a 2 000, les statistiques de 2006
11 repéraient 2 776 fermes au Nouveau-Brunswick et il faut
12 reconnaître que c'est, cette identification de fermes
13 viens de l'expression du, de Revenu Canada, qui dit que
14 toute ferme qui vend plus de 5 000 dollars, dollar brut,
15 est considérée comme une ferme au niveau de l'impôt.
16 Et, au niveau de l'Alliance aussi, on reconnaît
17 l'équivalent que reconnaît le fédéral, pour arriver à une
18 équité.

19 MS. MORRISON: Les personnes que vous représentez, ça
20 représente quel pourcentage de tous là?

21 MR. THÉRIAULT: J'avais pas fini de répondre.

22 MS. MORRISON: Ah, je m'excuse, j'm'excuse.

23 MR. THÉRIAULT: Vous allez voir que ça va expliquer un peu
24 votre question. De ce 2 776 fermes qui étaient existantes
25 en 2006, i'y'a peut-être un tiers de ça qui ne sont, qui

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2 sont des fermes commerciales. Le reste, c'est des débutants
3 ou des gentlemen farmer qui se qualifient quand même sous
4 la réglementation fédérale.

5 Donc, si vous prenez un tiers de 2 776, ben vous avez, 800
6 quelque vous avez pas 900 fermiers au Nouveau-Brunswick.

7 Donc, c'est dire que le nombre est restreint et il est,
8 il est en train de diminuer de façon flagrante.

9 MS. MORRISON: L'Alliance agricole du Nouveau-Brunswick, ça
10 existe depuis combien de temps?

11 MR. THÉRIAULT: Depuis août 2006.

12 MS. MORRISON: Vous aviez un autre nom avant?

13 MR. THÉRIAULT: Nous étions deux organismes agricoles au
14 Nouveau-Brunswick dans le temps. C'était APNB,
15 Agricultural Produceurs of New Brunswick, puis la
16 Fédération francophone des agriculteurs et agricultrices
17 francophones du Nouveau-Brunswick qui était le versant
18 francophone. On s'est fusionnés en août 2006.

19 MS. MORRISON: Merci.

20 MR. NORMANDEAU: Monsieur Thériault, je vous félicite pour
21 votre présentation. J'aurais juste une ou deux petites
22 questions là en complémentarité à la question que madame a
23 posée. Est-ce que vous avez un membership ou est-ce que
24 vous avez décidé que vous représentez tout le monde?

25 MR. THÉRIAULT: Non, on a un membership.

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MR. NORMANDEAU: Vous avez un membership.

MR. THÉRIAULT: On a un membership puis, avec la loi sur le financement stable, on a rattaché au privilège de la carte de membre, certains bénéfiques qui relèvent du gouvernement de différents ministères, en particulier la taxe sur l'assurance "inaudible"

MR. NORMANDEAU: On peut penser que vous représentez à peu près tout le monde dans les secteurs que vous avez mentionnez?

MR. THÉRIAULT: On représente du monde dans tous les secteurs puis, à l'heure actuelle, puisque la loi sur le financement stable vient d'être restaurée, et que l'enregistrement a seulement débuté au premier décembre, il est trop tôt pour dire ce que sera le nombre mais on espère que on aura le support des agriculteurs.

MR. NORMANDEAU: Vous avez aussi mentionné qu'il y avait trois problèmes majeurs, la capitalisation des entreprises, moi j'aimerais savoir là, par rapport à la capitalisation, qui est de l'argent, par rapport au coût de l'énergie sur les fermes, je sais qu'il y a des modifications qui se font puis ainsi de suite mais, parce que quelque part là dans le document vous dites aussi qu'on est, nos fermes sont plus endettées qu'ailleurs là.

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2 Ça veut dire qu'on manque de l'équité dans nos fermes pour
3 fonctionner aussi, puis la relation avec le coût de
4 l'énergie qui la raison d'être, tel que vous êtes ici
5 aujourd'hui.

6 MR. THÉRIAULT: Mais, si on regarde le coût de l'énergie
7 depuis, l'augmentation du coût de l'énergie depuis trois
8 ans puis là je ne parlerais pas seulement que de l'énergie
9 électrique mais également de l'énergie fossile.

10 MR. NORMANDEAU: Mais par rapport dans vos paramètres
11 financiers là.

12 MR. THÉRIAULT: Ben, j'va te poser, je vais te répondre de
13 la façon suivante. Si tu fais avec une opération pour 500
14 000 dollars de ventes que tu réussit à sortir un bénéfice
15 net de 50 000 dollars pour ta ferme, puis, c'est pas
16 beaucoup einh, sur une capitalisation de 4 à 5 millions,
17 tu vois tout de suite que ça ne rencontre pas, les
18 intérêts ne peuvent pas être absorbés par un tel
19 "inaudible".

20 MR. NORMANDEAU: Il y a pas juste l'énergie qui, l'énergie
21 est un problème mais il y a d'autres problèmes.

22 MR. THÉRIAULT: Il y a l'énergie mais il y a toutes les
23 autres facteurs qui entrent. On parle des intrances en
24 ce moment-là, tout ce qui sert à faire la production, ils
25 sont tous en augmentation aussi. De telle sorte que on

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2 est pris, le prix des denrées sur le marché ne suit pas la
3 courbe de l'augmentation des coûts des intrants. De telle
4 sorte que le revenu net se comprime et c'est plus, dans
5 bien des cas, c'est plus des revenus nets, c'est des
6 pertes nettes.

7 Puis, on a le programme "inaudible" ou le programme du
8 protection du revenu mais c'est un programme qui prend un
9 pourcentage d'une marge qui diminue. Mais, si tu prends
10 un pourcentage d'une marge qui diminue, lorsqu'il y a plus
11 de marge, il y a plus rien.

12 MR. NORMANDEAU: C'est bien compris. Merci beaucoup.

13 MS. MORRISON: Monsieur Thériault, vous avez parlé des
14 fermes abandonnées, avez-vous des statistiques là-dessus?
15 Combien de fermes ont peut-être été fermées, abandonnées
16 dans les derniers cinq ans environ au Nouveau-Brunswick?

17 MR. THÉRIAULT: On a perdu beaucoup d'acrage dans la
18 production agricole mais beaucoup ont été rescapés par
19 d'autres producteurs qui se sont agrandis. C'est
20 d'ailleurs ce qui explique l'agrandissement des opérations
21 agricoles au Nouveau-Brunswick pour dire que on a des
22 fermes à peu près les plus grandes dans l'Atlantique mais,
23 c'est dû à ce phénomène-là et plus particulièrement dans
24 le secteur de la pomme de terre et des céréales.
25 Quoique, le secteur des céréales, pour les neuf à dix

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2 dernières années à connu des déboires un peu rares là mais,
3 depuis 2007, depuis le début de l'année 2007, les prix ont
4 tendance à vouloir se refaire. Ça fait que, ce secteur-
5 là, pris isolément, peut peut-être donner certains espoirs
6 mais, pour combien longtemps.

7 Parce que, c'est à cause de la transformation des produits
8 agricoles en énergie qu'on a réussi à diminuer le volume
9 de production qui fait que, il y a plus d'équilibre entre
10 l'offre et la demande de telle sorte que les prix se
11 rétablissent.

12 MS. MORRISSON: Oui, puis avec l'âge moyen de 58 ans vous
13 avez dis? Les propriétaires de?

14 MR. THÉRIAULT: Oui madame.

15 MS. MORRISON: Oui? Au Nouveau-Brunswick? Toujours au
16 Nouveau-Brunswick?

17 MR. THÉRIAULT: J'ai 65 ans madame. J'ai un fils qui veut
18 prendre la relève et pour qu'il puisse prendre la relève,
19 il va falloir que je lui passe les clefs.

20 MS. MORRISON: Je comprends. Merci.

21 CHAIRMAN: Thank you very much Mr. Thériault for taking the
22 time to prepare this excellent presentation and for taking
23 the time to attend here in Fredericton today so, our
24 thanks to you.

25 MR. THÉRIAULT: Merci beaucoup de l'occasion que vous nous

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avez offert.

CHAIRMAN: Thank you. Jolly Farmer.

MR. ENGLISH: Good evening, everyone. First of all I wish to thank you for giving me the opportunity to represent Jolly Farmer products here tonight.

Jolly Farmer is one of the largest greenhouse operations in Atlantic Canada and has recently been placed the ninth largest young plant producer in all of Canada and the United States.

We export 80 percent of our product to the U. S. And the remaining 20 percent is sold in Canada. We employ up to 286 people and provide a significant positive economic impact on local businesses and surrounding communities. Times are very tough indeed. The high Canadian dollar, or you might say the weak U. S. dollar, has made a huge negative impact on our business. Import and export regulations are becoming more costly and restrictive. We have already endured several significant electricity increases. The proposal before the Board tonight to change the farms from a residential rate to some separate rate is intolerable. This may well be the final nail in the farmer's coffin.

Eleven years ago we made a corporate decision to move our large greenhouse and agricultural operation from New

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England to New Brunswick. One of the deciding factors was the reasonable and affordable electricity rates for farms.

I repeat one of the deciding factors to relocate to New Brunswick was the affordable power rates. Is NB Power trying to drive out businesses from New Brunswick? Is it trying to reduce the customer base by putting farmers on welfare?

Our forefathers in New Brunswick made a very wise decision after World War II. They wanted to rebuild the farms by putting them on the residential rate. Are we forgetting who feeds the province?

This is a historic moment. The power to destroy farms and the power to save our heritage, our farms, rests in this honorable Board tonight. Whatever decision is reached by this Board will have a major impact on generations to come.

I would hate to tell my children and grandchildren that in 2008 we had to sell the farm because among other things we could no longer afford the cost of power.

I sincerely hope that this Board understands the critical nature of the issues at hand and decides to keep farms on the residential rate.

Thank you very much.

CHAIRMAN: Just for the record I don't think that you

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introduced yourself when you started. Is it Jonathan English?

MR. ENGLISH: Yes. Sorry about that.

CHAIRMAN: Okay. No. That is okay. Thank you.

Where is your operation? Is it in the Woodstock area?

MR. ENGLISH: Yes. Northhampton which is near Woodstock.

CHAIRMAN: And I think you indicated you have about 286 people that work there?

MR. ENGLISH: Correct.

CHAIRMAN: You describe yourself as a greenhouse. How is that different from a normal agricultural enterprise?

MR. ENGLISH: Well, first of all we have two operations.

One is a greenhouse operation which we have 10 1/2 acres under plastic and grow young plants, whether it be vegetables or flowers, for the wholesalers or other growers all over North America. And we ship them air freight or by truck from our farm.

And we also have an agricultural division which we have approximately 400 acres of farmland. We grow grain. We grow hay. We have beef. We have a small dairy. We have a small pork operation. We have a small egg operation and a small boiler operation. So it is two divisions.

CHAIRMAN: And your concern is that there is the possibility

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2 of farms being moved out of the residential rate into the
3 General Service category? Is that essentially what I
4 think you are telling us here today?

5 MR. ENGLISH: Yes. Correct.

6 VICE CHAIRMAN: Mr. English, I want to make the same comment
7 so that we are all on the same page here, is that the NB
8 Power proposal before the Board does not request to move
9 farms out of residential. I made this comment with
10 respect to Mr. Theriault.

11 What is far to say is that there has been some discussion
12 by witnesses who appear before us in a hearing who have
13 talked about the somewhat anomalous situation of large
14 power users falling within the residential class.

15 MR. ENGLISH: Right.

16 VICE CHAIRMAN: But I corrected the previous speaker to a
17 certain extent -- and "corrected" is probably the wrong
18 word -- but clarified that that is not part of the rate
19 proposal that NB Power is putting forward. But it is a
20 topic of discussion before the Board.

21 MR. ENGLISH: Thank you.

22 MR. BARNETT: Now just put it in context for me if you could
23 and the Board. You have this large acreage of
24 greenhouses.

25 Is electricity your primary source of energy in your

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2 operation? Or do you use other forms of energy as well, like
3 oil, like wood or anything like that?

4 MR. ENGLISH: We use biomass for heating the plant. But we
5 have hundreds of motors in the operation as well as a
6 massive number of HID lighting for grow lights for winter
7 like conditions in New Brunswick.

8 MR. BARNETT: And have you looked at any possibilities, some
9 policies that the utility has like net metering and things
10 like that, looked at possibly some self-generation as
11 well? Or is that something that --

12 MR. ENGLISH: We have to a certain extent. But that seemed
13 to be quite involved and not really practical for us.
14 That is how much I can say.

15 MR. BARNETT: And I guess the final question would relate to
16 -- you have obviously considered the economics of a change
17 in rate class from residential to the General Service
18 class?

19 MR. ENGLISH: Definitely.

20 MR. BARNETT: Do you have any number percentagewise in terms
21 of your operating cost in fact that would be made?
22 And as Mr. Johnston said, this is not part of the
23 utility's or DISCO's application before the Board. But
24 several intervenors have in fact raised that matter.

25 MR. ENGLISH: Well, I don't know the exact facts. But I

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2 understand it could be up to 25 percent increase.

3 MR. BARNETT: That is -- I'm not asking for an exact number.

4 MR. ENGLISH: Yes.

5 MR. BARNETT: That is fair enough. Thank you.

6 MR. ENGLISH: Thank you.

7 VICE CHAIRMAN: Mr. English, this is an informal proceeding.

8 And you can -- I would certainly respect your privacy if
9 you don't want to address this.

10 But can you give us a general idea of what kind of
11 electricity use your operation has?

12 MR. ENGLISH: You mean in dollar volume say per month or
13 something like that?

14 VICE CHAIRMAN: Well, any measure which you would if you
15 wish to share with us. I'm just curious. Because in our
16 hearing we have been told about some farm operations, not
17 by name of course.

18 But certain experts have identified certain farms and
19 their energy use. And if you wish I'm just curious as to
20 what --

21 MR. ENGLISH: Maybe 20' to 30,000 a month.

22 VICE CHAIRMAN: Thank you very much. That is certainly very
23 substantial.

24 CHAIRMAN: Thank you very much for your attendance here
25 tonight, Mr. English, and for your presentation.

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MR. ENGLISH: Thank you.

CHAIRMAN: The next presentation that I have on the schedule is from Roger Duguay.

MR. HANRATTY: My name is Pat Hanratty. And I'm filling in for Roger Duguay who is the leader of the New Brunswick New Democratic Party. I would like to thank you for the opportunity to appear before you tonight.

The New Brunswick New Democrats believe in promoting energy conservation, fair prices for electricity and respecting human rights. I would like to address the human rights issue first.

Approximately 16 percent of the coal burned in NB Power generating stations comes from Colombia. Most of it is mined at Cerrejon, a huge open pit mine.

When this mine was opened, and as it continues to expand, many families and whole communities have been displaced with little or no compensation. The mine currently produces 22,000,000 metric tons a year and is targeted to reach 40,000,000 by the end of 2008.

It is encouraging that New Brunswick Power CEO David Hay has written to officials at the Cerrejon mine expressing his concerns about union negotiations and dealing with community displacement. Much more needs to be done to protect the local people in Colombia.

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Long term, it only makes sense that we in New Brunswick start to look seriously at producing electricity from local sources of energy.

Just outside Sussex, we have a natural gas field, which is estimated to have reserves as large as those at Sable Island. Why couldn't this province tap into this local resource as a way to cut greenhouse gas emissions, and avoid costly and unnecessary transportation of foreign fossil fuels?

In terms of fair prices for electricity, we would like to see the declining block rate abolished. This system does not encourage conservation, and rewards larger users of power, when their power really costs as much or more to produce.

We would like to see a pilot project introduced in New Brunswick which would monitor a select number of users and record their off peak usage of power. Such a trial is now under way in Ontario, and could encourage off peak usage when power demands and loads are down.

To truly promote energy conservation and efficiency in our province, NB Power and the provincial government both need to promote community power generation. Small scale facilities are less costly to maintain, and can often include the added benefits of co-generation.

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2 Agricultural facilities, small industries, hockey arenas
3 and even small communities are examples of applications
4 where community power generation could benefit NB Power
5 and consumers.

6 In closing, I would like to add our support to those who
7 have been advocating that a special fund be set up to
8 assist those who may be having difficulty paying power
9 bills, especially in the wintertime, when heating costs
10 are high.

11 It was mentioned by the Board in response to an earlier
12 request that such an idea would be best handled by
13 government. But I would suggest that as a public entity,
14 NB Power has an obligation to ensure that all citizens of
15 the province, rich or poor, business or individual have
16 reasonable access to electricity at a fair price.

17 After all, NB Power was created in the first place to
18 allow this fairness and equal access to take place.

19 Thank you.

20 CHAIRMAN: Thank you, Mr. Hanratty. I'm sure that all of
21 the Board members are likely to have some questions for
22 you. But I'm interested in the declining block rate
23 issue. And I will leave the other issues perhaps to Board
24 members.

25 And you are suggesting that it be abolished. And we

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2 have heard a lot in the course of our hearings on this very
3 topic.

4 Do you have any thoughts on how aggressive you think that
5 DISCO should be in abolishing that declining block rate?
6 Do you think it should happen all at once? Or do you
7 think it should happen over a period of time?

8 Do you have any thoughts for us on that issue?

9 MR. HANRATTY: Well, I can understand from a business
10 perspective that it would be a real rate shock to have,
11 you know, after a certain amount of power your discount
12 would be gone.

13 And it is something that would have to be made up over
14 time I would suggest. But that would have to be blended
15 into a total rate. And I wouldn't be advocating that it
16 be done tomorrow.

17 But I think a definite plan has to be put in place so
18 people can see down the road that if they use less
19 electricity, you know, it is going to help conservation.
20 And it is not going to encourage people to use more.

21 CHAIRMAN: So I think maybe -- are you suggesting that
22 something of a gradual implementation, this sort of thing,
23 for example implementing a little bit at a time, is that
24 essentially what you are saying?

25 MR. HANRATTY: I would suggest that, you know, as I say, you

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would need a definite time frame. I wouldn't want to just leave it at the whim of some board or commission to say well, we will look at it later.

CHAIRMAN: Well, the previous Board had actually spoken to this issue in the sense of looking to eliminate it over perhaps three separate rate years for example. Is that the kind of plan that you would advocate?

What I'm really just trying to determine is whether or not you think it should be so aggressive as to eliminate it completely all at one time or whether you would support this idea of doing it on a gradual basis?

MR. HANRATTY: I think it would be accomplished on a gradual basis.

CHAIRMAN: Okay. Thank you.

MR. BARNETT: Mr. Hanratty, you are aware that there are certain policies in place now which go towards supporting what we would call direct distributed generation or small generation. There are policies already that the utility has.

Are you advocating incentives to accelerate that? You know, I would like to get your views in regards to that.

MR. HANRATTY: Sure. I think that could be one component of it. I believe that through the Power Commission and through the government, whether it be in terms of tax

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incentives for somebody that comes up with an alternate means of generation.

But I also think that as an NB Power policy that, you know, just as there is with wind power there is a certain amount of power that you project that you are going to have on as wind power by a certain time, that perhaps in terms of co-generation, whether it is for communities or businesses, that there could be a target set.

MR. BARNETT: You are aware with co-generation there really has to be a balance, some sort of steam host with it as well --

MR. HANRATTY: Sure.

MR. BARNETT: -- in regard to achieve that.

MR. HANRATTY: Right.

VICE CHAIRMAN: Mr. Hanratty, were you here for the earlier presentations this evening?

MR. HANRATTY: No, I wasn't.

VICE CHAIRMAN: Well, there was some quite moving testimony from a poverty group from Moncton. And to paraphrase, I think that one of their arguments was that New Brunswick Power Corporation was created as sort of a social trust. That was their view of the company.

And there is another view of the company, that it should be a profit-making entity. And I think among the

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citizenry of this province people sort of take both views.

I'm just curious as to where you see it falling within that spectrum. I think there is a real application to this answer in terms of trying to assess appropriate rates of return and that sort of thing.

So if you would comment on that I would appreciate it.

MR. HANRATTY: Sure. Well, I think everybody realizes that the utility needs to operate as a business. And you know, it has to show that it is running things in a responsible manner.

And when I suggested that some sort of a special fund could be set up, I think it could be encouraged by our utility. But it wouldn't necessarily have to be financed by it.

And I know there is one in Nova Scotia that is very well funded. And it comes from a number of community groups, businesses. Anybody can donate to it.

But the point of it is is that it actually takes some of the heat off the utilities, because they are not being asked to provide power free or, you know, let somebody hang on for three or four months or six months.

This fund is there for genuine emergencies. And it probably creates less of a nuisance for your company as well. Because you are not going in and disconnecting and

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hooking somebody back up in two months and that type of thing.

VICE CHAIRMAN: Thank you.

MR. BARNETT: Just a question. You mentioned energy efficiency. And I think you are probably aware, and certainly we have heard from witnesses from the distribution company, that in fact this has to a large extent been devolved off to Energy Efficiency and Conservation Agency of New Brunswick, although the utility does have, particularly the residential sector, a number of energy advisers, I think less than 10.

I would just like to get your views in that regard in terms of -- it is in another agency now. It is not the utility.

What role do you see for the utility under those circumstances? Or do you see a role for the utility in the area of energy efficiency, demand side management?

MR. HANRATTY: I think -- I can understand where you would see less of the utility's involvement on a householder basis or encouraging small businesses to be more energy efficient.

But looking at the utility itself, now is a great opportunity to, you know, look down the road and say well, how can we make our own facilities more energy efficient?

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2 And is the utility -- should the utility be in the business of
3 creating more power all the time?

4 Is that the idea, that you just generate more power? Or
5 do you look at ways of saying can we limit how much power
6 we make? Because it costs money to invest in new
7 facilities all the time.

8 MR. BARNETT: I guess that leads into another question then.

9 Do you see a role for the utility?

10 I mean, clearly some people advocate that certain energy
11 forms have optimum use in certain areas, certain -- for
12 example space heating. And it has been advocated that
13 natural gas where it is available is a good option in that
14 area, as is high efficiency oil furnaces I might add.

15 Do you see a role for the utility in that area as well.

16 We have a very strong dependence on electric heat,
17 particularly in the electricity sector in New Brunswick.

18 Do you see anything the utility could do to enhance -- and
19 maybe this is a competitor -- but enhance their
20 competitors in moving into that spacing heating market for
21 example?

22 MR. HANRATTY: Well, I think it would be a real benefit to
23 your utility. Because there are certain areas of the
24 province where it costs a lot to move electricity to where
25 you need it.

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And if the population base is fairly scattered, everybody knows that the farther you push electricity along a line, the more load you lose, you know. It is not 100 percent efficient.

And if you were to encourage in particular say towards the northern part of the province this idea of co-generation, then again it is taking a load off some of these larger facilities that may be, at certain times of the year, maxxed out.

MR. BARNETT: Thank you. No more questions, Mr. Chairman.

CHAIRMAN: Thank you, Mr. Hanratty.

I would like to just follow up on one issue. And that is this special fund that you suggested to handle energy emergencies. I think that that concept I think was brought forward I believe in the previous rate hearing, I think by Mr. Peacock of Vibrant Communities Saint John. One question that always seems to be raised with respect to that kind of fund is who would you see as administering it and on what criteria? I think that may well be somewhat of a very difficult situation for example for the utility itself to manage it.

So if such a fund existed how would you see it being administered? Who would make the decisions for example as to what people might meet the criteria to benefit from the

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2 fund?

3 MR. HANRATTY: Well, just using the example in Nova Scotia,
4 and the fund that they have, I can't quote the name of it
5 offhand, but I think what they have done is they have
6 taken a group of people that have been involved with
7 different social agencies. And they are aware of the
8 situation of different clients, how they could be best
9 served.

10 And I would suggest that it not become just another wing
11 of government or your utility. I think obviously you
12 would have input because you would know who the players
13 were. And you could be referring people to this agency on
14 a needed basis.

15 CHAIRMAN: But you wouldn't see the utility being the party
16 responsible for managing it. It would be an outside
17 group, is that what you are indicating?

18 MR. HANRATTY: That is right. And I wouldn't suggest that
19 it be a draw on your budget necessarily.

20 CHAIRMAN: I did want to just correct you on one thing. You
21 said to us "your utility". We are not with NB Power. I'm
22 sure you are aware of that.

23 MR. HANRATTY: Yes.

24 CHAIRMAN: Just in case there is any confusion on that
25 issue.

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MR. HANRATTY: Right.

CHAIRMAN: I can assure you that it is not our utility.

MR. HANRATTY: Maybe I should be saying our utility.

CHAIRMAN: I think that probably fits much better.

MR. HANRATTY: Sure.

CHAIRMAN: Well, thank you very much for your attendance,
Mr. Hanratty. It is much appreciated.

MR. HANRATTY: Thank you.

CHAIRMAN: Is there anyone else present that wishes to make
a presentation this evening? Come forward.

MR. CRONK: Thank you. My name is Ervan Cronk. I am the
Atlantic Region Vice-President for the Communications
Energy and Paperworkers Union of Canada. And I want to
thank you for the opportunity to be here and to speak with
you tonight.

I just found out about this meeting late in the day
yesterday. And in fact would not have otherwise been
here, but for the fact that I was -- just left an hour or
so ago from a meeting with our Premier and talking about
this very same issue and how it impacts on the people that
I represent.

Communications Energy and Paperworkers Union is a fairly
diverse union in Atlantic Canada and across Canada. We
represent roughly 15,000 members in four Atlantic

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province. I would say about half of that membership is -- or at least was half of our membership was in New Brunswick when I became vice-president a year ago. And I can tell you that in the last year, and I certainly don't take credit for this, but we have lost somewhere in the area of about 2,500 good paying jobs and members, who were doing those jobs, in and around New Brunswick. And I would say that that figure I think quite accurately is really closer to about 6,000 in terms of overall jobs that have been lost in the past year in this province. And although I will qualify this by saying that certainly not all of the reason for those job losses relates to the cost of doing business in this province and particularly the cost of power, it certainly is a big contributing factor.

Just to refresh peoples' memories, it's only two and a half years ago, they closed the Stone Consolidated mill in Bathurst, New Brunswick.

I was at the New Brunswick Federation of Labour convention early this summer and in fact was asked to put together an emergency resolution about the fact that the Energy Utilities Board was considering raising rates again and then retroactively correcting any misjudgment on their part. And I remember at the time thinking to myself how are they going to retroactively correct the job losses?

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That isn't doable.

And so I put together an emergency resolution that day that I heard that. And in the following day UPM Kymmene in Miramichi announced that it was closing their mill, a significant job loss again, the very next day after that decision was made.

Subsequently, Weyerhaeuser sawmill, an OSB mill in Miramichi closed. Last week, Dalhousie, the Atibiti Bowater mill announced closer. Fawcett's Lumber in Sussex is down indefinitely, but certainly for a year. Fine Yarns up on the -- the two manufacturing plants up on the Acadian Peninsula are in difficulty. And we are not really sure in the end of the day whether they will remain open. And as I speak, I believe the only two paper -- pulp and paper mills, only two companies who run pulp and paper mills in this province that remain operational are the Irvings and Frasers. And they fall into the category of the large business users. And so, you know, it's a regular conversation we are having these days with those employers about the cost of continuing to do business in this province.

It's an extremely huge piece of the cost to run a mill. I am told it's in the area of 25 percent of their overall cost to produce newsprint or, you know, fine

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2 coated paper in the province. It's understandable that people
3 who are left are scared to death about what this means for
4 them if all of a sudden their rates go up again. And I
5 certainly as a representative of the workers in those
6 mills am very nervous about that myself.

7 I read in the paper last evening, and I am certainly no
8 expert. I come here as a trade unionist for the last 25
9 years. I am no engineer. I am no accountant. I am no
10 "expert" on rate structures and what, you know, we should
11 be doing in terms of going forward. But I can almost
12 guarantee you that further increases to the large business
13 users that I am talking about are likely to result in more
14 job losses. And I think that this Power Commission of
15 ours needs to think about the consequences.

16 It seems to me that it's just the voices of the people
17 are not being heard. And it's one occasion in my long
18 career as a labour representative when I am absolutely --
19 absolutely in accord with the employers that I am dealing
20 with in that they cannot sustain these increases any
21 further.

22 It's been said all along the piece, as it closed on
23 manufacturing facility after another, that part of the
24 rationale for that closer is the high energy costs. And
25 so I don't bring anything here, I understand that this

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2 decision will not be easy. It's very complicated. I think
3 it's been complicated as a ratepayer in this province and
4 as somebody who represents significant number of
5 ratepayers and people who depend on the rates that we
6 charge as it relates to their job. I think that it has
7 been a mistake in my view in -- that was made sometime
8 ago, and I am sure that goes further afield than what you
9 are here to hear tonight. But to break up the old Power
10 Commission that we used to have, and as I said to the
11 Premier today, I think it's not too late to put Humpty-
12 Dumpty back together again and that they should in fact
13 put Humpty-Dumpty back together again and get back to at
14 least a little bit simpler process whereby the real public
15 gets to be heard about how these increases are impacting
16 on the real public in this province.
17 We cannot sustain another 2' or 3,000 job losses in this
18 province. People that I represent live in these
19 communities all around the province. They make good wages
20 and make no apologies for it. But they are in an industry
21 that is highly dependent upon reasonably costed power and
22 the availability of it. I don't know if it's just a dream
23 of mine or if it's some merit to the -- or maybe it's
24 better to describe it as a nightmare, but what is
25 happening in terms of the energy hub that's being created

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2 in Saint John. But I am very nervous. I have heard questions
3 about, you know, making a profit. And yes, I guess that -
4 - you know, that would be nice if our -- you know, NB
5 Power could make a profit and make enough profit in fact
6 to make sure that the people who live in this province and
7 pay the taxes and support it have reasonably costed power
8 both for the residents and for industry.

9 And so, you know, if there is a chance to make enough
10 money that you can subsidize that in some way, that's
11 great. But I can just -- I can just tell you without any
12 hesitation, that if these rate increases continue the way
13 they are and if this rate increase, as a so-called expert
14 yesterday suggested, it's -- some of it, you know,
15 decreased on the residential end or the middle piece of it
16 and gets shifted to the high end users, big industry, it
17 will almost certainly result in considerable more job loss
18 in this province. And I think it impacts on everybody who
19 lives in this province.

20 And so I am here tonight unprepared. Didn't come here to
21 Fredericton today to be here, but saw in the paper that I
22 had an opportunity to say what I have just said and so I
23 will leave it at that. That's my presentation.

24 I think that the members that I represent -- the
25 remaining members that I represent would expect me to be

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here and say what I have just said. They know it intimately .

And they have waited for some relief and that relief has not come. And unfortunately for many of them, that means that what used to be self-sufficiency for them is gone, the job. And significant good-paying, community-supporting tax, you know, supporting jobs.

So I thank you again for hearing me tonight, even though I am unprepared and don't have a brief of my comments to submit to you, thank you, for the opportunity to speak tonight.

CHAIRMAN: Mr. Cronk, I am glad you did show up here tonight. Certainly you bring a perspective I think to these hearings that obviously it is important for us to hear. Any questions?

MR. BARNETT: Mr. Cronk, just when you are talking about the state of the industry and we are well aware of that and certainly what we read in the papers, we won't have the detailed knowledge that you have got, but we have seen what's taken place over the last two years in this province.

But are you indicating that your members, the industry, cannot stand any increase or are you really talking about the differentials in this application which plays out, there is about 1 percent between the

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residential and the large industrial, or are we talking about the rate increase entirely?

MR. CRONK: Thank you. I guess what prompted me more than anything else to be here tonight and take the opportunity was simply that like everybody else who is too busy these days to pay enough attention to all of what's going on in our world. I read the piece in last night's -- I think it was the Times -- the Evening Times Globe or the Telegraph Journal about the hearings. And I am not even sure about the gentleman's name that was presented -- presented evidence as a witness, suggesting that somehow we can provide some relief to the middle of the road users, if I understood it correctly, but that would require somewhere where you give, you got to take. And that it would mean ultimately shifting more costs to the high end users, as I understood it.

Just by coincidence, I was in a meeting with Jim Irving that same day where he met with the union and all of his workers to essentially tell them that if this continues the way it is going, that we simply cannot continue to function the way we are or to invest in the mills that are left in any significant way.

Now I am not here promoting Jim Irving's agenda. I am here promoting the agenda of the people I represent,

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the workers in those facilities.

So I just had the fresh information, read the paper and said, oh, my god, they are talking about even more significantly increasing the cost to run those mills in Saint John and Edmundston.

I don't know if that answers your question or not, but that --

MR. BARNETT: Well, I take from your answer that it is really -- the loading onto the large end users is a concern to you and --

MR. CRONK: Absolutely.

MR. BARNETT: And I appreciate, as the Chairman said, you being here tonight on such short notice and being well prepared, as prepared as you can be under the circumstances.

CHAIRMAN: Well again, Mr. Cronk, thank you very much for taking the time to appear here tonight. The Board certainly appreciates that.

MR. CRONK: Thank you.

CHAIRMAN: Is there anybody else present in the room that wishes to make a presentation? I can see Mr. Young shaking his head in the negative.

Well we had the Public Hearing Day to go till 8:00 p.m. And I see it will be about 25 to 8:00. So we will I

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guess take a little break. I don't know that we will actually
come back and then go back on the record. But we will
wait ten minutes or so and see if anybody else shows up
and other than that this will conclude the Public Hearing
Day. Thank you.

(Adjourned)

Certified to be a true transcript
of the proceedings of this hearing,
as recorded by me, to the best
of my ability.

Reporter