



August 15, 2016

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon, Director of Corporate Services and Board Secretary

Ladies and Gentlemen:

Re: Newfoundland Power Inc. – Approval of Plan for Refund to Newfoundland Power's Customers of a Surplus Balance in Newfoundland and Labrador Hydro's RSP

In the Board's letter of August 9, 2016, the Board requested the Consumer Advocate and Newfoundland and Labrador Hydro to advise in writing by Friday, August 19 as to whether we supported approval of this application.

The Consumer Advocate supports the approval of the application.

The Consumer Advocate notes that in the application of Newfoundland and Labrador Hydro filed on July 12, 2016, Hydro states at p. 6 of its evidence that, "*for Newfoundland Power, Hydro will be refunding HST amounts resulting from the provision of the Newfoundland Power Refund which is calculated based on the Wholesale Refund Rate application to KWh purchases over the Refund Period.*"

Newfoundland Power states at p. C-1 of its evidence that "*Newfoundland Power will seek formal confirmation of the applicability of HST to refunds under the Plan following Board approval of the Plan.*" Given that Newfoundland and Labrador Hydro will be supplying funds to Newfoundland Power which includes monies representing HST amounts (based on CRA's July 25, 2014 interpretation) it is respectfully requested that Newfoundland Power take all steps necessary to expedite its receipt of formal confirmation from CRA of the applicability of HST to refunds under the Plan following Board approval of the Plan, so as not to delay the payment of refunds to customers.



Yours very truly,

O'DEA, EARLE

TJ THOMAS JOHNSON, Q.C.

TJ/cel

cc: Newfoundland Power
Attention: Mr. Gerard Hayes

Newfoundland and Labrador Hydro
Attention: Mr. Geoffrey Young