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Dear Sirs/Madams:

Re: Newfoundland and Labrador Hydro – 2016 Cost Deferral Application

In Order No. P.U. 49(2016) following Newfoundland and Labrador Hydro's Amended General Rate Application, the Board quoted the Province's Court of Appeal in stating that the setting of a

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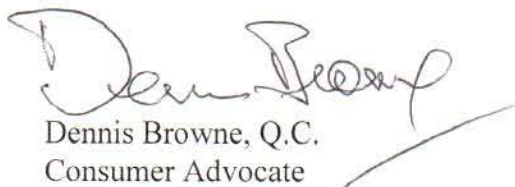
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rate of return is to the extent practicable to be done prospectively. The Board also stated that there was no entitlement to a rate of return but rather the management of the utility is responsible to manage its business effectively to earn the return which is approved in a general rate application process.

In considering this 2016 Cost Deferral Application and any recovery that the applicant may ultimately be seeking from ratepayers, the Board must be satisfied that there will be adherence to the foregoing principles.

Yours truly,



Dennis Browne, Q.C.
Consumer Advocate