



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

2014-12-24

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**Newfoundland and Labrador Hydro**

Mr. Geoffrey Young  
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Dear Sirs:

**Re: Newfoundland and Labrador Hydro – Amended General Rate Application – Proposed Interim rates for Island Industrial Customers and Newfoundland Power**

Hydro filed an amended general rate application on November 10, 2014 requesting, among other things, an Order of the Board approving revised interim rates and Rate Stabilization Plan (RSP) rules for Island Industrial customers effective January 1, 2015 and revised interim rates for Newfoundland Power and Hydro Rural customers effective February 1, 2015.

On December 4, 2014 the Board advised the parties that, because of the significant changes in the amended application and the impact of the revised rate proposals on Newfoundland Power's customers and Hydro Rural customers, notice would be published before the rate proposals could be considered. The Board also advised that a February 1, 2015 implementation date is unlikely in light of the timeframe required for implementation of revised rates at the retail level. Notice of the amended general rate application was published beginning on December 17, 2014.

The Board also advised the parties on December 4, 2014 that, given the proposed effective date of January 1, 2015 for the implementation of revised interim rates for Island Industrial Customers, the process for the review of the application would be compressed and would be considered based on the evidence filed by Hydro and submissions from the parties. On December 11, 2014 submissions were filed by Newfoundland Power, the Consumer Advocate, the Island Industrial Customer Group and Vale. Hydro filed a submission on December 12, 2014. On December 18, 2014 additional submissions were filed by the Island Industrial Customer Group and Hydro. The supplemental submissions contained proposals which differed from that proposed in the amended general rate application. The Board has not requested or received submissions from the other parties on these submissions.

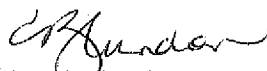
The Board notes that there are currently three different proposals for interim Island Industrial customer rates on the record: i) the amended general rate application proposal; ii) a variation of this proposal filed by Hydro on December 18, 2014; and iii) an alternative proposed by the Island Industrial Customer Group on December 18, 2014. The record does not reflect the parties' positions on the variation proposed by Hydro or on the alternative proposed by the Island Industrial Customer Group nor does the compressed schedule allow time for the Board to seek additional submissions.

The Board also notes that, in its submission on Hydro's proposals for interim Island Industrial customer rates and RSP Rule changes, Newfoundland Power states that it is not clear what implications Hydro's proposed interim revisions to the RSP rules prior to January 1, 2015 may have on Newfoundland Power's customers and requested that Hydro be required to clarify this. In its submissions Hydro proposed that, to avoid any implications on Newfoundland Power customers, the RSP adjustment on July 1 would be deferred until final rates and RSP rules are approved. Hydro requested that Newfoundland Power inform the Board if this proposal is acceptable. This remains an issue which requires further review and clarification.

The Board advises that it is unable to make a determination on the differing proposals and complex issues raised with respect to the proposed revised interim Industrial Customer rates prior to January 1, 2015. In addition the Board is of the view that these interim rates should be considered at the same time as the proposed interim rates for Newfoundland Power. The Board directs Hydro to file a comprehensive and complete application setting out proposals for interim rates for Newfoundland Power and the Island Industrial customers to be effective March 1, 2015, and setting out the implications of this proposal for interim rates for Hydro Rural customers. A process for the review will be established upon receipt of the application from Hydro.

If you have any questions please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, [jglynn@pub.nl.ca](mailto:jglynn@pub.nl.ca) or telephone (709) 726-6781.

Yours truly,

  
Cheryl Blundon  
Board Secretary

/bds  
Encl.

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