

April 10, 2017

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

**Attention: Ms. Cheryl Blundon**  
**Director of Corporate Services & Board Secretary**

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro – Amended General Rate Application –  
Compliance Application – Order No. P.U. 49 (2016)**

We have reviewed Newfoundland Power's April 7, 2017 submission. Newfoundland Power's **Comments Regarding Costs** concludes that Hydro's Compliance Application includes costs which do not reflect determinations of the Board in the GRA Order. These conclusions require scrutiny by the Board. The appropriate adjustments should follow.

Newfoundland Power's **Comments regarding the July 1, 2017 Rate Implementation** are reasonable. We support the position of Newfoundland Power that final rates arising out of the GRA will require a revised Hydro Compliance Application reflecting a July 1, 2017, implementation date.

We note Newfoundland Power's concerns that implementation of the final rates arising out of the GRA will coincide with the annual July 1, 2017 rate adjustment relating to the operation of the RSP. Any matters related therein require appropriate evidence before Hydro can recovery any costs. The appropriate record is required.

Finally, the utilities and the Board are required to follow the policy established under the *Electrical Power Control Act* in that sources and facilities for the production, transmission, and distribution of power in the province are required to be managed and operated in a manner that would result in the most efficient production, transmission, and distribution of that power, resulting in power being delivered to customers in the province at the **lowest possible cost** consistent with reliable service. Prior to implementing any rates on July 1, 2017, the PUB must be satisfied that the evidence presented will ensure the lowest possible cost for power being delivered to consumers.

Ultimately, it is the Board's obligation to ensure that each component of implemented rates has complied with the above-referenced legislation.

Yours truly,



**Dennis Browne, Q.C.**  
**Consumer Advocate**

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CC

**Newfoundland and Labrador Hydro**

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