



Cabot Place, 1100 – 100 New Gower Street, P.O. Box 5038  
St. John's NL A1C 5V3 Canada tel: 709.722.4270 fax: 709.722.4565 [stewartmckelvey.com](http://stewartmckelvey.com)

May 8, 2017

Paul L. Coxworthy  
Direct Dial: 709.570.8830  
[pcoxworthy@stewartmckelvey.com](mailto:pcoxworthy@stewartmckelvey.com)

**Via Electronic Mail and Courier**

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

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

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro - Amended General Rate Application, Order  
No. P.U. 49(2016) - Compliance Application, Order No. P.U. 14(2017) - Direction  
Regarding July 1, 2017 Rate Implementation - Hydro's May 5, 2017 Filing**

We write further to the Board's correspondence of late Friday, May 5, 2017, requesting comments on Hydro's proposal, presented that same afternoon, of a new rate mitigation option (Option 5) for Newfoundland Power's customers, which, as presented by Hydro, would also result in a mitigation of rates charged to Island Industrial Customers.

Hydro has repeatedly made a point, in its May 5, 2017 correspondence presenting the Option 5 proposal, of referring to "the Island Industrial Customer's inability to comment on the previously proposed options". We feel obliged to reiterate that it was the position of the IIC Group, expressed in our correspondence of May 5, 2017, that it would be premature to provide their full comment on the other rate mitigation options previously presented by Hydro until the IIC Group had had the opportunity to review and consult regarding Hydro's responses to the IIC Group (and separate NARL) Requests for Information (RFIs) issued in the separate process established by the Board. It was anticipated the IIC Group's full comment would be provided with the submissions which had been scheduled in the separate process for May 10, 2017. However, the IIC Group notes that Hydro (by other May 5, 2017 correspondence) asked the Board for an extension to respond to the IIC Group (and separate NARL) RFIs, and that the Board granted that extension to May 10, 2017, resulting in a schedule that would not see submissions in the separate process completed before May 15, 2017.

The IIC Group acknowledges the time-sensitivity involved in establishing July 1, 2017 rates for Newfoundland Power's customers, and in that context we have expedited our review of Hydro's proposed Option 5, within the the short time that is available. As we understand it, Hydro's May 5, 2017 correspondence proposes the elimination of the fuel rider, for both Newfoundland Power and the Island Industrial Customers, on July 1, 2017. The IIC Group does not object to that limited measure, provided that it is understood that Option 5 does not settle, or pre-decide, any of the issues in respect of GRA compliance implementation and Hydro's proposal for recovery of revenue deficiencies, Energy Supply Cost Deferral, Holyrood Efficiency Deferral, use of deferred RSP balances, use of RSP hydraulic balance which remain to be addressed, in

May 8, 2017  
Page 2

the separate process established by the Board for industrial customer specific issues and (we presume, insofar as Option 5 leaves issues of interest to Newfoundland Power and its customers to be addressed) by other processes before the Board.

We trust this is in order.

Yours truly,

Stewart McKelvey

A handwritten signature in black ink, appearing to read "Paul L. Coxworthy". The signature is written in a cursive style with a large initial "P" and "C".

Paul L. Coxworthy

PLC/kmcd

- c. Tracey L. Pennell, Senior Counsel, Regulatory, Newfoundland and Labrador Hydro
- Gerard Hayes, Newfoundland Power
- Dennis Browne, Q.C. Consumer Advocate
- Dean A. Porter, Poole Althouse
- Thomas J. O'Reilly Q.C., Cox & Palmer
- Genevieve M. Dawson, Benson Buffett
- Yvonne Jones, MP Labrador
- Senwung Luk, Olthuis, Kleer, Townshend LLP