



NEWFOUNDLAND AND LABRADOR

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

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2017-05-02

Ms. Tracey Pennell  
Senior Counsel  
Newfoundland and Labrador Hydro  
P.O. Box 12400  
St. John's, NL A1B 4K7

Dear Ms. Pennell:

**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**

In Order No. P.U. 14(2017) related to Hydro's compliance application arising from Order No. P.U. 49(2016) the Board expressed concern in relation to the proposed rate increases for customers arising from the operation of the RSP for Newfoundland Power for July 1, 2017. While the Board acknowledged that the anticipated rate increase is largely the result of the normal operation of the RSP, the Board found that the information filed was insufficient to reach a determination on the July 1 RSP adjustment and whether measures should be adopted to mitigate the impact of these rate increases. The Board did not address the Newfoundland Power RSP adjustment in its order, stating that it would be addressed in separate order of the Board.

In addition, the Board did not address the issues raised in relation to the operation of the Industrial Customer RSP in Order No. P.U. 14(2017), noting that the Industrial Customer Group requested that Hydro provide more information with respect to deferred balances and associated class liabilities and potential offsets. The Board has established a process and issued a further information request to Hydro in relation to the Industrial Customer RSP.

To allow consideration of a fair and balanced approach to rate implementation on July 1, 2017 the Board requests that Hydro provide further information on available options to mitigate the expected rate increases arising from the operation of the Newfoundland Power RSP in 2017, as well as the combined rate impacts for Newfoundland Power and retail customers for identified options and new rates arising from the general rate application.

In addition, to assist the Board in its determinations related to both the Newfoundland Power and the Industrial Customer RSP, Hydro should provide an update of estimated outstanding balances and Hydro's plans for disposition, for all deferral accounts and any other recoveries for each customer class, as well as any offsetting credit balances that may be available to offset these liabilities.

This information should be provided on a priority basis to allow for the orderly implementation of rates on July 1, 2017.

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

CB/cj

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