

December 9, 2013

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: Hydro's Application for Interim Rates – Proposed Changes to the RSP Rules

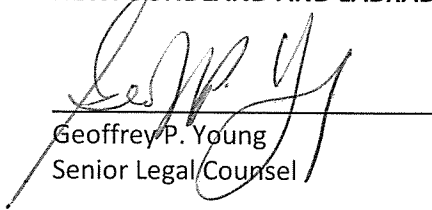
Further to the Board's email of December 6, 2013, per Ms. Jacqui Glynn, Board Counsel, wherein a change to the RSP Rules was proposed, Hydro wishes to provide the following comments:

1. In Hydro's view, the Board's proposed amendment to the RSP rules is not in keeping with the spirit and intent of Order in Council directive OC2009-089, as amended. A delay in providing rate relief for Hydro through the implementation of interim rates is not in keeping with the spirit and intent of the Order in Council directive OC2009-063 and any delay should be kept to as short a time as reasonably possible.
2. Under subsection 75(3) of the Public Utilities Act, interim rates are always risk-free to the ratepayer with regard to excess revenue to the utility. Under subsection 75(1), the Board can issue an interim order without a hearing and can do so unilaterally. In Hydro's proposal, rates would decrease for the vast majority of ratepayers when the interim rates go into effect.
3. Hydro's request is that interim rates be put into effect as soon as practicably possible, if not for January 1, 2014, then for February 1, 2014.
4. Hydro's rates charged to NP and to IC are interim at present. Further, Hydro has requested a deferral as an alternative relief to the interim order proposed. A deferral will be sought back to January 1, 2014. This outcome would be in keeping with the spirit and intent of the OC directives.

We trust this is in order and that these comments are of assistance to the Board.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Geoffrey P. Young
Senior Legal Counsel

GPY/jc

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
Thomas J. O'Reilly, Q.C. – Cox & Palmer
Stephanie Kearns – Olthuis, Kleer, Townshend LLP

Thomas Johnson – Consumer Advocate
Yvonne Jones, MP Labrador
Ed Hearn, Q.C. – Miller & Hearn