



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

2016-05-05

Mr. Geoff Young
Newfoundland and Labrador Hydro
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7

Dear Sir:

**Re: Newfoundland and Labrador Hydro - Amended General Rate Application -
Prudence Review - Order No. P.U. 13(2016) - Engagement of Grant Thornton LLP**

On April 28, 2016 the Board of Commissioners of Public Utilities issued Order No. PU 13(2016) which ordered:

Hydro will file in accordance with the subsequent direction of the Board a revised 2014 revenue requirement and revenue deficiency calculation, a revised 2015 test year revenue requirement and revenue deficiency calculation, and supporting documentation reflecting the findings of the Board in this Decision and Order.

In accordance with the Board Order Newfoundland and Labrador Hydro is instructed to revise its 2014 revenue requirement and its 2015 test year revenue requirement to remove all capital and operating costs relating to any costs disallowed by the Board, costs related to the January 2013 outage, and Phase Two professional and salary costs, as set out in the Board Order. Only revisions directly related to these costs are permitted to be reflected in this filing.

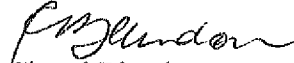
The Board has engaged its Financial Consultants, Grant Thornton LLP, to review the revisions and to advise the Board on the accuracy and appropriateness of the revisions. The Board expects Hydro to provide Grant Thornton with all requested information in a timely manner and assist Grant Thornton in the collection of all relevant information. Grant Thornton has provided a Letter of Engagement, which is attached, setting out the procedures which it recommends for the undertaking of this review. Grant Thornton is prepared to begin this review immediately and will contact you to put in place a work plan and timetable. The amount of time required to complete the review will be dependent on Hydro's responsiveness to Grant Thornton's investigation and enquiries.

Since the revenue requirement for the 2015 test year will be the basis for the determination of rates resulting from the general rate application, it is essential that this work be completed in a timely manner. Board staff will contact you within the next two weeks to verify that you, with Grant Thornton, have implemented a work plan and schedule and that a date for the filing of the revisions has been established.

As the filing requirements from Board Order No. PU 13(2016) are relevant to both the Prudence Review and Hydro's General Rate application, the Board is copying all parties in both proceedings for information purposes.

If you have any questions, please do not hesitate to contact the Board.

Yours truly,



Cheryl Blundon
Board Secretary

/cpj
Encl.

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