

Office of the Consumer Advocate

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May 12, 2020

Board of Commissions of Public Utilities
120 Torbay Road, P.O. Box 2140
St. John's, NL A1A 5B2

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

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro – Application for
Approval to Delay the Filing of 2020 General Rate Application
- Submission of the Consumer Advocate**

This Delay Application comes during a time of transition. The Muskrat Falls debacle is upon us. The resulting financial consequences will be devastating to our economy. There are mitigation efforts to ensure affordable electricity for ratepayers; this objective is a work in progress.

This is not a normal time. The current legislation enabling a business as usual approach does not work with Muskrat Falls. The regulatory financial models employed for setting rates and funding capital expenditures are no longer feasible.

In Muskrat Falls: A Misguided Project Commission LeBlanc recommended a review of the Public Utility Board's mandate to decide whether changes to the governing legislation are required. The Commissioner also studied Performance Based Regulation and concluded that PBR could be beneficial.

Given all of the above and after carefully considering the Application and the Responses to Requests for Information, I am satisfied that the Delay Application has merit. If this Application is approved appropriate terms and conditions are required to maintain regulatory oversight and transparency during the hiatus.

Yours truly,



Dennis Browne, Q.C.

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cc

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