

October 12, 2001

G. Cheryl Blundon
Board Secretary
Board of Commissioners of Public Utilities
Suite E210, Prince Charles Building
120 Torbay Road
P.O. Box 21040
St. John's, NF
A1A 5B2

Dear Ms. Blundon:

Re: Newfoundland & Labrador Hydro's 2001 General Rate Application

As a result of an undertaking on October 12, 2001, attached please find an original plus seventeen (17) copies of a notice that has been faxed today by Newfoundland & Labrador Hydro to communities on the Labrador coast. A distribution list of these communities is also enclosed.

Yours truly,

Newfoundland and Labrador Hydro

Maureen P. Greene, Q.C.
Vice-President & General Counsel

MPG/jc

cc: Gillian Butler, Q.C. and Peter Alteen
Counsel to Newfoundland Power Inc.
55 Kenmount Road
P.O. Box 8910
St. John's, NF
A1B 3P6

Janet M. Henley Andrews and
Stewart McKelvey Stirling Scales
Cabot Place, 100 New Gower St.
P.O. Box 5038
St. John's, NF
A1C 5V3

Joseph S. Hutchings
Poole Althouse Thompson & Thomas
P.O. Box 812, 49-51 Park Street
Corner Brook, NF
A2H 6H7

Dennis Browne, Q.C.
Consumer Advocate
c/o Browne Fitzgerald Morgan & Avis
P.O. Box 23135
Terrace on the Square, Level II
St. John's, NF
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(Stephen Fitzgerald, Counsel for the
Consumer Advocate)
c/o Browne Fitzgerald Morgan & Avis
P.O. Box 23135
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Mr. Edward M. Hearn, Q.C.
Miller & Hearn
450 Avalon Drive
P.O. Box 129
Labrador City, NF
A2V 2K3

Mr. Dennis Peck
Director of Economic Development
Town of Happy Valley-Goose Bay
P.O. Box 40, Station B
Happy Valley-Goose Bay
Labrador, NF
A0P 1E0



Notice to Diesel Customers

Newfoundland and Labrador Hydro (Hydro) has filed a general rate application with the Board of Commissioners of Public Utilities (PUB). If this application is approved by the PUB it will mean the following changes in electricity rates for customers in Labrador on isolated diesel systems. Based on Hydro's present rate application, residential and small business customers will see an average increase of 3.6% effective January 1, 2002.

This will mean the following increases in monthly electricity bills for residential customers:

Monthly Kilowatt-hours	Existing Bill	Proposed Bill	Increase
100	\$ 25.39	\$ 26.35	\$ 0.96
250	37.08	38.46	1.38
500	56.53	58.62	2.09
750	75.99	78.74	2.75
1000	95.16	98.59	3.43
1250	114.34	118.46	4.12

Hydro has also proposed that rates charged to Federal and Provincial Government agencies and departments should recover the full cost of providing service to them. As this will result in a substantial increase in their rates, Hydro has applied for an initial 20% increase in rates to be effective January 1, 2002. Hydro will propose a plan to the PUB at its next rate application to recover the full cost.

A public hearing process is currently being held by the Board of Commissioners of Public Utilities to review Hydro's rate application.

**DISTRIBUTION LIST
FOR NOTICE TO LABRADOR COASTAL MUNICIPALITIES –
OCTOBER 12, 2001**

Town	Fax
Cartwright	709-938-7454
Charlottetown	709-949-0377
Forteau	709-931-2037
Hopedale	709-933-3800
Innu Nation	709-478-8833
Makkovik	709-923-2126
Mary's Harbour	709-921-6255
Nain	709-922-2295
Port Hope Simpson	709-960-0387
Rigolet	709-947-3360
St. Lewis	709-939-2210
West St. Modeste	709-927-5898