



NEWFOUNDLAND AND LABRADOR HYDRO

Head Office: St. John's, Newfoundland P.O. Box 12400 A1B 4K7
Telephone (709) 737-1400 • Fax (709) 737-1231 • Website: www.nlh.nf.ca

By E-Mail and By Hand

February 22, 2006

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road
St. John's, Newfoundland & Labrador
A1A 5B2

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

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro
2006 General Rate Application –
Burgeo School and Library Preferential Rate**

In late January of 2007 Hydro was contacted by Mr. Thomas Johnson, the Consumer Advocate appointed in this matter, as to the issue of the discontinuation of the preferential rate for the Burgeo School and Library. As you are aware, in Hydro's August 3, 2006 application, Hydro had specifically proposed that this rate class be closed on the basis that the school to which this rate class applied had closed and that the new school in Burgeo had a different owner. On a closer consideration of the facts, it was determined that the 2003 Order in Council affecting this customer class was issued shortly before the new school was to open and therefore that the intent was that this preferential rate be continued and that it be applicable to this new school.

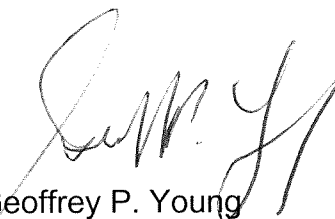
Hydro indicated to the Board in its written submission dated February 9, 2007 that it was withdrawing its proposal to close this rate class and would propose to reinstate it and to rectify the matter. Hydro confirmed this position in its oral argument before the Board on February 13, 2007. Hydro therefore hereby proposes that this rate class be continued and has attached here the "rate sheet" for this customer. This rate has been calculated by escalating the previous rate in accordance with the manner prescribed by previous Orders in Council. This calculation is shown below:

	End Consumer Base Rate		
	Existing Rate	Increase (%)	Proposed Rate
Rate 1.3			
Energy Charge (cents/kWh)	4.841	15.10%	5.572

Upon the approval by the Board of this rate, we will contact the customer to discuss any credit or refund that will arise from this change. We trust that you will find the enclosed and the foregoing to be satisfactory.

Yours truly,

**NEWFOUNDLAND AND
LABRADOR HYDRO**


 Geoffrey P. Young
 Senior Legal Counsel

Enclosure

cc: Messrs. P. Alteen, G. Hayes and I. Kelly, Q.C. - Newfoundland Power
 Messrs. J. Hutchings, Q.C. and P. Coxworthy - Industrial Customers
 Mr. Thomas Johnson - Consumer Advocate
 Mr. Michael Harrington, Q.C., Stewart McKelvey
 Mr. Donald Brown, Western School District

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.3

BURGEO SCHOOL AND LIBRARY

Availability:

For Service to Burgeo School and Library.

Rate:

Energy Charge:

All kilowatt-hours @5.572¢ per kWh

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.