

March 30, 2015

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, Newfoundland & Labrador
A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro (Hydro) - 2015 Interim Rates Application

Hydro's submissions at this time are limited to issues arising from the Board's Requests For Information (RFIs) as of March 5, 2015 and from the submission made on March 26, 2015 on behalf of the Towns of Labrador City, Wabush, Happy Valley-Goose Bay and North West River (the Towns).

The Towns written submissions arise from allegations of reliability concerns in Labrador West. Aside from the contents of the Towns' submission of March 26, 2015, there is no evidence or information before the Board on those reliability issues - this is the first time these issues have been raised in these or other proceedings. Hydro submits that it would be improper for these issues to be considered further at this instance, in particular, in this specific proceeding, and that it would be more efficient and appropriate to respond to these allegations at another stage of Hydro's General Rate Application (GRA) or in another matter or proceeding that is focused on this issue.

The issues raised by the Towns in its written submission of March 26, 2015, should have been restricted to issues arising from the Board's last RFIs as an opportunity to provide submissions on this application generally was already provided. In this regard, Hydro notes that the Towns did not previously object to Hydro's 2015 Interim Rates Application. Hydro also observes that the rate of increase for the Towns' service area inherent in Hydro's 2015 Interim Rates Application was not large: Hydro's response to TIR-PUB-NLH-019 shows that the increase proposed by Hydro for the Towns' service area is 2.1% but that the increase with a scenario suggested by the question TIR-PUB-NLH-019 is 14.5%.

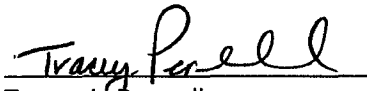
With respect to the paragraph 3 of the Towns' submission, Hydro wishes to reiterate the arguments and regulatory precedents cited in its February 25, 2015 written submission on its 2015 Interim Rates Application. Hydro submits that its application and subsequent written submission provides ample argument and authorities which establish that the presence of exigent circumstances is not a

prerequisite for the issuance of an interim rates order. The Board's discretion to order interim rates is properly triggered where doing so provides a utility with sufficient and reasonable revenues in circumstances where denying them would not accord with generally accepted sound utility practice. This requirement can arise from delays occasioned in regulatory proceedings. Moreover, Hydro submits that where, as in the present case, the interim relief is effectively not the full amount requested under its GRA (due to the timing of the rate implementation necessarily occurring long after January 1 of 2015) and given that the Board is always entitled on a final order to order a refund to customers of any amount of revenue that is determined to have been too large, the application of a test requiring that a utility show exigent circumstances before interim rates are awarded is unduly onerous.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Tracey L. Pennell
Legal Counsel

TLP/jc

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
Thomas J. O'Reilly, Q.C. – Cox & Palmer
Dennis Browne, Q.C. – Browne Fitzgerald Morgan & Avis

Thomas Johnson – Consumer Advocate
Yvonne Jones, MP Labrador
Senwung Luk – Olthuis, Kleer, Townshend LLP
Genevieve M. Dawson – Benson Buffett