



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
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2014-12-03

**ELECTRONIC DISTRIBUTION**

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Dear Sirs/Madams:

**Re: Newfoundland and Labrador Hydro - 2013 General Rate Application - Hydro's 2014 Cost Recovery Application, dated November 28, 2014**


The Board is writing in relation to the process which will be followed for the *2014 Cost Recovery Application*, which Hydro filed on November 28, 2014.

Normally upon receipt of an application the Board will establish a schedule which includes the opportunity for requests for information and the filing of additional evidence and submissions. As Hydro filed this application on November 28, 2014 seeking relief by December 31, 2014 there is insufficient time to follow normal regulatory process. Therefore the schedule must be compressed and the application will proceed without requests for information or the filing of additional evidence. The application will be considered based on the evidence which was filed by Hydro with an opportunity for interested persons to make submissions as to the appropriate resolution in the circumstances. In this context the Board will receive submissions on the application filed by Wednesday, December 10, 2014. In addition to any other areas of interest, the Board asks that submissions address the following:

What are the implications or issues which should be considered in relation to an Order of the Board which approves only the creation of the deferral account and the transfer of the amount of \$45.9 million from Hydro's income statement to the deferral account and denies all of Hydro's other requests. For clarity, there would be no approval at this time of Hydro's request i) to use the 2014 Test Year Cost of Service Study as a basis for allocating the revenue deficiency, ii) to use the credit balance in the RSP Hydraulic Variation Account balance at December 31, 2014 to provide recovery, and iii) to revise Section A of the RSP Rules to segregate the 2014 year-end balance in the RSP Variation Account.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, [jgylmn@pub.nl.ca](mailto:jgylmn@pub.nl.ca) or telephone (709) 726-6781.

Yours truly,



Cheryl Blundon  
Board Secretary

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