



DELIVERED BY HAND

December 13, 2012

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

Re: 2013/2014 General Rate Application

A. Introductory

Enclosed are the original and 12 copies of an application for an interim order pursuant to Section 75 of the *Public Utilities Act* (the "Act") approving Newfoundland Power's current rates on an interim basis effective January 1, 2013. Copies of a draft Interim Rates Order are also enclosed.

Newfoundland Power filed the 2013/2014 General Rate Application on September 14, 2012 and public hearing of the application is scheduled to commence on January 10, 2013. The 2013/2014 General Rate Application requests the Board approve revised customer rates effective March 1, 2013.

The enclosed application (the "Interim Application") is made to alleviate any impacts associated with the timing of the Board's final order on the 2013/2014 General Rate Application.

B. Interim Rates

Section 75 of the Act provides the Board with the latitude to deal with uncertainty such as that presented by the current circumstances through an interim order.

A final order on the 2013/2014 General Rate Application may not be available in time to permit the implementation of final rates by March 1, 2013. If this were to occur, the interim nature of the Company's rates since January 1, 2013 would provide the Board the latitude to ensure the delay does not deprive the Company of a reasonable opportunity to earn the return approved by the Board in 2013. Such relief could take the form of a reserve account or deferred recovery or some other form as the circumstances may, in the Board's view, warrant.



Newfoundland Power Inc.

55 Kenmount Road
P.O. Box 8910
St. John's, NL A1B 3P6
Business: (709) 737-5600
Facsimile: (709) 737-2974
www.newfoundlandpower.com

Given the nature of the Interim Application, and the provisions of Section 75 of the *Public Utilities Act*, a separate public notice and hearing would not appear necessary.

C. Concluding

A copy of this letter and enclosures has been forwarded directly to Geoffrey Young, Newfoundland and Labrador Hydro and Thomas Johnson, Consumer Advocate.

We trust the foregoing and enclosed are found to be in order. However, please feel free to contact the undersigned if you have any questions.

Yours very truly,



Peter Alteen
Vice President,
Regulation & Planning

Enclosures

c. Geoffrey Young (1 copy)
Newfoundland and Labrador Hydro

Thomas Johnson (3 copies)
Consumer Advocate



IN THE MATTER OF the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47, as amended, (the “Act”); and

IN THE MATTER OF a general rate application by Newfoundland Power Inc. (“Newfoundland Power”) to establish customer electricity rates for 2013 and 2014 (the “2013/2014 General Rate Application”).

TO: The Board of Commissioners of Public Utilities (the “Board”)

THE APPLICATION OF Newfoundland Power **SAYS THAT:**

A. Introductory:

1. Newfoundland Power is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act and is subject to the provisions of the *Electrical Power Control Act, 1994*.
2. The Act provides that the Board has the general supervision of public utilities and requires, in effect, that a public utility submit for approval of the Board, the rates, tolls and charges for the service provided by the public utility and the rules and regulations which relate to that service.
3. By Order No. P.U. 43 (2009), the Board, in effect, ordered Newfoundland Power to file its next general rate application no later than May 31, 2012 with a 2013 test year. In Order No. P.U. 25 (2011), the Board, in effect, ordered that the process and timing with respect to the Company’s next general rate application would be established by a further direction of the Board. On May 29, 2012, the Board directed Newfoundland Power to file its next general rate application, with a 2013 test year, by September 14, 2012.
4. By filing the 2013/2014 General Rate Application on September 14, 2012, Newfoundland Power complied with the Orders and direction of the Board as described in paragraph 3 hereof.

B. Interim Rates:

5. By Order No. P.U. 20 (2012) Newfoundland Power’s current customer rates, tolls and charges (“current customer rates”) were approved by the Board.
6. The 2013/2014 General Rate Application requests, amongst other things, that the Board approve an overall average increase in current customer rates of 6.0%, with effect from March 1, 2013.

7. By Order No. P.U. 32 (2012), the Board, amongst other things, established a schedule for the 2013/2014 General Rate Application which provides for commencement of public hearing of the application on January 10, 2013.
8. It is currently uncertain whether the Board will reasonably be in a position to make the necessary determinations on the 2013/2014 General Rate Application in a time which will reasonably permit Newfoundland Power to implement a change in current customer rates, with effect from March 1, 2013. If Newfoundland Power was unable to implement a change in the current customer rates in a timely manner, it might be deprived of the opportunity to earn a just and reasonable return on rate base for 2013 as required under Section 80 of the Act.
9. Section 75 of the Act provides the Board with the ability to declare customer rates to be interim pending its decision on the 2013/2014 General Rate Application.
10. Section 75 of the Act provides that the Board may make an interim order unilaterally and without public hearing or notice, approving with or without modification, a schedule of rates, tolls and charges submitted by a public utility upon the terms and conditions that it may decide. A public hearing of this application is therefore not necessary.

C. Order Requested:

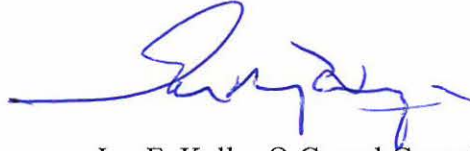
11. Newfoundland Power requests that the Board make an interim order pursuant to Section 75 of the Act approving:
 - (a) the continued use of the current customer rates approved by Order No. P.U. 20 (2012) on an interim basis with effect from January 1st, 2013; and
 - (b) such further or other matters as may appear just and reasonable in the circumstances.

D. Communications:

12. Communication with respect to this application should be forwarded to the attention of Ian Kelly, Q.C. and Gerard Hayes, Counsel to Newfoundland Power.

DATED at St. John's, Newfoundland and Labrador, this 13th day of December, 2012.

NEWFOUNDLAND POWER INC.

A handwritten signature in blue ink, appearing to read 'Gerard M. Hayes', is written over the printed name.

Ian F. Kelly, Q.C. and Gerard M. Hayes
Newfoundland Power Inc.
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6

Telephone: (709) 737-5609
Telecopier: (709) 737-2974
Email : ghayes@newfoundlandpower.com

IN THE MATTER OF the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47, as amended, (the “Act”); and

IN THE MATTER OF a general rate application by Newfoundland Power Inc. (“Newfoundland Power”) to establish customer electricity rates for 2013 and 2014 (the “2013/2014 General Rate Application”).

AFFIDAVIT

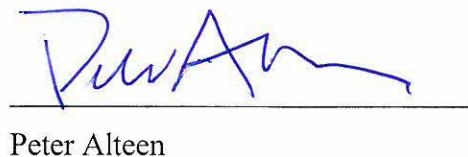
I, Peter Alteen, of St. John’s in the Province of Newfoundland and Labrador, make oath and say as follows:

1. That I am Vice-President, Regulation and Planning, of Newfoundland Power.
2. To the best of my knowledge, information and belief, all matters, facts and things set out in this Application are true.

SWORN at St. John's
in the Province of Newfoundland and Labrador
this 13th day of December, 2012,
before me:



Barrister



Peter Alteen

NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

No. P.U. (2012)

INTERIM RATES ORDER

IN THE MATTER OF the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47, as amended, (the “Act”); and

IN THE MATTER OF a general rate application by Newfoundland Power Inc. (“Newfoundland Power”) to establish customer electricity rates for 2013 and 2014 (the “2013/2014 General Rate Application”).

WHEREAS Newfoundland Power filed the 2013/2014 General Rate Application with the Board on September 14, 2012; and

WHEREAS by Order No. P.U. 32 (2012), the hearing of the Application is scheduled to commence on January 10, 2013; and

WHEREAS the 2013/2014 General Rate Application proposed new customer rates to be effective March 1, 2013; and

WHEREAS Newfoundland Power has advised the Board that a delayed implementation of the rate increase proposed in the Application beyond March 1, 2013 might deprive the Company of the opportunity to earn a just and reasonable return on rate base for 2013, as required under Section 80 of the Act; and

WHEREAS Newfoundland Power filed an application with the Board on December 13th, 2012 proposing that the Board make an order approving on an interim basis effective January 1, 2013, Newfoundland Power’s current schedule of rates, tolls and charges approved by Order No. P.U. 20 (2012) which order would remain in effect until the final order of the Board on the 2013/2014 General Rate Application (the “Interim Rates Order”); and

WHEREAS Section 75 of the Act provides that the Board may make an interim order unilaterally and without public hearing or notice, approving with or without modification, a

schedule of rates, tolls and charges submitted by a public utility, upon the terms and conditions that it may decide; and

WHEREAS the Board is satisfied that granting the Interim Rates Order is necessary and appropriate in the circumstances.

IT IS THEREFORE ORDERED THAT:

1. Pursuant to Section 75 of the *Public Utilities Act* RSN 1990, Chapter P-47, the Board approves from January 1, 2013, the current schedule of rates, tolls and charges of Newfoundland Power, on an interim basis, to remain in effect until superseded by a final order of the Board.
2. Newfoundland Power shall pay all expenses of the Board arising from this application.

DATED at St. John's, Newfoundland and Labrador this _____ day of December, 2012.