

NEWFOUNDLAND AND LABRADOR BOARD OF COMMISSIONERS OF PUBLIC UTILITIES 120 Torbay Road. P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

Email: jamiesnook@happyvalley-goosebay.com

2014-02-25

Mayor Jamie Snook Town of Happy Valley-Goose Bay P.O. Box 40, Station B Happy Valley-Goose Bay Labrador, NL A0P 1E0

Dear Sir:

Re: Newfoundland and Labrador Hydro 2013 General Rate Application – Town of Happy Valley-Goose Bay request to defer application

This is in response to your letter of January 10, 2014 wherein you request that the Public Utilities Board defer Nalcor's application for a rate increase on the Labrador Interconnected system until completion of the independent review of the provincial electrical system announced by the Government on January 9, 2014. The Board acknowledges your concern that the results of this review could affect how people will intervene in the general rate application and your position that there should not be any concurrent hearing processes until there is an opportunity to examine the results of this initiative.

Further to your request, the Board canvassed the registered parties in the general rate application. Newfoundland and Labrador Hydro suggested that there is no reason to delay or defer its general rate application. Hydro argues that the application, the Board's investigation and hearing, and the Province's independent review can all proceed in the coming months in an efficient and productive manner through usual regulatory process management practices. The Industrial Customers commented that the possible deferral of the proposed rate increase on the Labrador Interconnected system should not be a determining factor with respect to the other aspects of the general rate application. The remaining parties, including the other towns on the Labrador Interconnected System, did not provide any comment.

The Board is satisfied that the review announced by Government can proceed in parallel with the general rate application process and that any regulatory impacts arising from this review can be addressed by the Board in due course. The Board is now proceeding to set the remaining schedule for Hydro's general rate application. This general rate application process will provide an opportunity for any interested person to bring forward issues of concern in relation to the rates and/or operations of the utility. The Board encourages you and other interested persons to avail of this opportunity to bring your concerns forward. If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jgylnn@pub.nl.ca or telephone, (709) 726-6781.

Yours truly,

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Cheryl Blundon Board Secretary

e.c.c.

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