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May 5, 2017

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Via Electronic Mail and Courier

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

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

Dear Ms. Blundon:

**Re: PUB Request (time sensitive) - Comments on Hydro's May 3 response - NLH
Amended General Rate Application - Compliance Application - Order No. P.U.
14(2017) - Direction regarding July 1, 2017 Rate Implementation**

By this correspondence, the Island Industrial Customer (IIC) Group (Corner Brook Pulp and Paper Limited, NARL Refining Limited Partnership) is responding to the Board's request that comments on Hydro's May 3, 2017 Reply in the above matter be filed with the Board today.

We note that although the primary focus of Hydro's May 3, 2017 Reply was on available options to mitigate the expected rate increases arising from the operation of the Newfoundland Power RSP in 2017, Hydro's Reply also contains an analysis of the estimated outstanding balances and Hydro's plans for disposition, for all deferral accounts and any other recoveries for each customer class, including the industrial class, as well as any offsetting credit balances that may be available to offset these liabilities.

We also note that the Board has established a separate process with respect to the operation of the Industrial Customer RSP, and that there remains outstanding in relation to that process Hydro's responses to Requests for Information (RFIs) issued by the IIC Group, and by NARL Refining Limited Partnership separately, on May 3, 2017. Although we acknowledge that Hydro's May 3, 2017 Reply provides some of the information sought by the May 3, 2017 RFIs, there remains further information to be provided for a full response to those RFIs. Even if Hydro were to provide full responses to the May 3, 2017 RFIs before the Board's deadline of 4:00 pm today (we acknowledge that per the Board's schedule for the separate process, Hydro's responses to the May 3, 2017 RFIs are not due until Monday, May 8, 2017), this would be insufficient time to review and consider those responses, consult with the members of the IIC Group, and formulate comments, before that deadline.

We can comment at this time that, in the circumstances of the amended 2013 GRA and in light of the balances presently existing in the applicable Supply Cost Deferral Accounts (Energy Supply, Holyrood Conversion), the IIC Group does not object to Hydro's proposal to allocate those balances on the basis of energy consumption, as proposed by Hydro's May 3, 2017 Reply.

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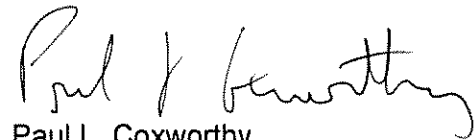
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Otherwise, however, the IIC Group respectfully submit that it would be premature for them to provide their comments on Hydro's May 3, 2017 Reply, in respect of Hydro's plans for disposition, for all deferral accounts and any other recoveries from the industrial customers, as well as any offsetting credit balances that may be available to offset these liabilities, and that comment on same is appropriately reserved until their submissions are made in the separate process, which submissions are scheduled to be filed on Wednesday, May 10, 2017.

We trust this is in order.

Yours truly,

Stewart McKelvey



Paul L. Coxworthy

PLC/kmcd

- c. Kevin J. Fagan, Manager, Regulatory Affairs, Newfoundland and Labrador Hydro
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