

POOLE ALTHOUSE

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April 25, 2017

Via Electronic Mail & 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: Newfoundland and Labrador Hydro – Amended 2013 General Rate
Application – Compliance Application – Order No. P.U. 49 (2016) - RSP -
Fuel Price Projection (Updated)**

1 At this time we write on behalf of the Island Industrial Customer Group (the "IIC Group"),
2 being Corner Brook Pulp and Paper Limited and NARL Refining LP, to provide the IIC
3 Group's joint submission in relation to the above noted matter.
4

5 After review of Hydro's April 21 filing regarding rate impacts, the IIC Group note that the
6 update addresses base rate and RSP changes proposed to take effect at July 1, 2017,
7 based on Hydro's Compliance Filing. It is noted that these impacts do not reflect any
8 final approvals on the Compliance Filing matters raised in the submission of intervenors,
9 which may affect these values.

10
11 The IIC Group have concerns that the compliance filing rate adjustments, and the RSP
12 adjustments noted in the April 21, 2017 filing by Hydro, do not yet fully represent to
13 customers the full scope of rate related impacts and liabilities to which they are
14 exposed. In particular, Hydro's GRA approvals include material deferred balances for

April 25th, 2017

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1 the Holyrood Conversion Factor Deferral Account, Supply Cost Deferral Account, and
2 CDM Deferral Account which are expected to be the subject of near-term applications
3 by Hydro for disposition (e.g., see Compliance Filing, Exhibit 5, page 3, line 19; also
4 Compliance Filing, Exhibit 5, page 5, lines 12-13). In addition, under this proposal there
5 remains a component of unused deferred RSP load variation amounts related to the
6 Industrial class. The Compliance Filing indicated that for 2017, these matters would be
7 subject of separate applications (normally to have been filed by March 31, 2017).

8
9 Finally, there remains a balance in the hydraulic portion of the RSP that has previously
10 been proposed to be used for assisting in rate transitions related to this GRA. Updated
11 information on this balance and the potential impacts of using this balance either in the
12 normal RSP role as at January 1, 2017 (i.e., as part of the 4 year amortization), or via
13 some one-time transfer, would be beneficial.

14
15 The IIC Group request that the above noted deferred balances, and associated class
16 liabilities and potential offsets, be updated by Hydro as available, and that a schedule
17 be established for Hydro's filings of the applications necessary to address these
18 matters.

19
20 We trust you will find the foregoing satisfactory.

21
Yours very truly,

POOLE ALTHOUSE



Dean A. Porter

DAP/lp

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cc: Tracey Pennell, Newfoundland and Labrador Hydro
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