

May 16, 2017

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: **Newfoundland and Labrador Hydro – Amended 2013 General Rate Application – Compliance Application – Order No. P.U. 49 (2016) – Comments of Vale Newfoundland and Labrador Limited**

We write at this time on behalf of Vale Newfoundland and Labrador Limited (“Vale”) to provide comments on Newfoundland and Labrador Hydro’s (“Hydro”) compliance application filed on January 27, 2017 (the “Compliance Application”) and the July 1, 2017 RSP fuel rate rider.

The Compliance Application requests, *inter alia*, that past revenue deficiencies attributed to the Island Industrial Customers be recovered by a transfer of \$1,631,100 from the Island Industrial Customer segregated load variation component of the Rate Stabilization Plan (“RSP”). As noted in the letter from counsel for Island Industrial Customer Group dated May 15, 2017, Vale supports the Island Industrial Customer Group proposal to recover the balance of the revenue deficiency from the Island Industrial Customer segregated load variation component of the RSP while providing North Atlantic Refining Limited with a one time payment of \$0.174 million from the Island Industrial Customer segregated load variation component of the RSP.

With respect to Hydro’s May 5, 2017 suggestion to suspend the July 1, 2017 fuel rate rider, Vale supports this proposal subject to the issue being revisited in 90 days to ensure that the suspension of the rate rider does not result in the accrual of a significant balance owing by customers that will be collected at a time when rates are increasing for other reasons.

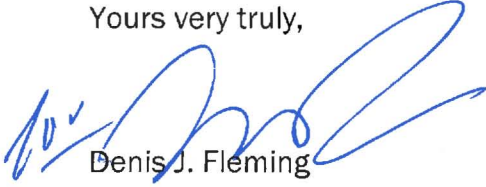
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Vale confirms that it will be filing an Application for costs on all aspects of the Amended 2013 General Rate Application.

Yours very truly,



Denis J. Fleming

DJF

cc. Peter Alteen, Q.C.
Newfoundland Power Inc.

Tracey Pennell
Newfoundland & Labrador Hydro

Thomas J. O'Reilly, Q.C.
Cox & Palmer

Senwung Luk
Olthuis, Kleer, Townshend LLP

Larry Bartlett
Teck Resources Ltd.

Dennis Browne, Q.C.
Browne Fitzgerald Morgan & Avis

Paul Coxworthy
Stewart McKelvey

Yvonne Jones, MP
Labrador

Genevieve Dawson
Benson Buffett

Dean Porter
Poole Althouse