February 10, 2017

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: FIN-3-2017]

On January 13, 2017, the Department of Finance received your request for access to the following records/information:

"Please provide ALL correspondence between any or all of the following: the Premier and his staff (both past and current), The Natural Resources Minister/officials/staff, Minister of Finance/officials/staff and/or Fortis/NL Hydro/Newfoundland Power related to the rate stabilization plan and refund. This request would cover the period of July 1, 2016 to January 12, 2017."

The Department is pleased to advise that access has been granted in part to the above request and is attached. It is important to note the following when reviewing this information:

- As per our telephone conversation on January 17, 2017, the Department of Finance does not have within its custody or control, correspondence between the Premier and his staff; and the Natural Resources Minister, officials, and staff. At that time you advised that you had submitted a similar request to these offices. As such, the response provided in the attached includes only correspondence between the Minister of Finance/officials/staff and/or Fortis/NL Hydro/ and Newfoundland Power, related to the rate stabilization plan and refund, for the time frame indicated above.
- Some information is considered Policy Advice or Recommendations and has been severed pursuant to section 29.(1)(a) of the Access to Information and Protection of Privacy Act, 2015 (ATIPPA).
- Some information is considered Legal Advice and has been severed pursuant to section 30.(1) of the Access to Information and Protection of Privacy Act, 2015.
- Some information is considered Harmful to Business Interests of a Third Party and has been severed pursuant to section 39.(2) of the Access to Information and Protection of Privacy Act, 2015.
Some information is considered Harmful to Personal Privacy and has been severed pursuant to section 40.(1) of the *Access to Information and Protection of Privacy Act, 2015*.

Some information contained within the records is non-responsive. As such, this information has been severed accordingly.

For additional information pertaining to the exemptions cited above and used in this response (Sections 29, 39, and 40 of ATIPPA), please consult the online version of the Act ([http://www.assembly.nl.ca/legislation/sr/statutes/a01-2.htm](http://www.assembly.nl.ca/legislation/sr/statutes/a01-2.htm)).

Please note Orders in Council (OC’s) are referenced in the attached and may also be viewed in more detail online ([http://www.exec.gov.nl.ca/exec/cabinet/oic/index.html](http://www.exec.gov.nl.ca/exec/cabinet/oic/index.html)).

For your convenience, provided in the table below is a listing of the page numbers that have been completely removed due to exemptions pursuant to ATIPPA (as described above). It is important to note when referencing the page numbers, please refer to the number located at the top right hand corner of the page.

<table>
<thead>
<tr>
<th>Page Number Removed</th>
<th>Exemption Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page 2-4, and 95-96</td>
<td>Non-responsive</td>
</tr>
<tr>
<td>Page 41-55, 85-98, 113-114, 152-159, &amp; 164</td>
<td>Sections 39.(2)</td>
</tr>
</tbody>
</table>

Additionally, duplicate copies of documents referenced in the attached e-mails have been removed for your convenience.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the *Access to Information and Protection of Privacy Act* (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner  
2 Canada Drive  
P. O. Box 13004, Stn. A  
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309  
Toll-Free: 1-877-729-6309  
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.
The responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact the undersigned by telephone at 709-729-2082, or by email at bethbartlett@gov.nl.ca.

Sincerely,

Beth Bartlett
ATIPP Coordinator

Attachment
Not that I’m aware of.

From: Whalen, Cathy M
Sent: Wednesday, July 06, 2016 10:12 AM
To: Martin, Craig
Subject: FW: Treatment of RER overpayments in relation to an accumulated surplus by Hydro from Jan 2007 to Aug 2013

Hi Craig

Can you check your email to see if you sent the below email to Julie Avery. Myself and Lisa Waren did not send it and we were not copied.

Cathy this is the last I have on this. Not sure if ever sent to Julie Avery - I have nothing in my sent email....

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca
Hi Cathy, thanks for the discussion this morning. Can you please remember to forward me the correspondence sent to NP in relation to the RER as it related to the RSP rebate.

Thanks,

Fred Murphy, B. Comm (Hon) Co-op
Tax Specialist
Newfoundland and Labrador Hydro
A Nalcor Energy Company
Ph: (709) 737-1391
Ce: (709) 689-1399
Fx: (709) 737-1901
email: fmurphy@nlh.nl.ca
From: Martin, Craig
Sent: Thursday, July 07, 2016 10:38 AM
To: Whalen, Cathy M
Subject: Power Rebates

Cathy,

Article from today’s Telegram.

http://www.thetelegram.com/Business/2016-07-06/article-4580555/%24128.8-M-in-NL-Power-rebates-in-the-works/1

Need to get that Decision Note asap.

Craig

Craig Martin, CPA, CMA
Assistant Deputy Minister of Finance
Taxation and Fiscal Policy

📞: (t.) 729-2944  📞: (f.) 729-2070
✉️: cmartin@gov.nl.ca
Please see attached updated.

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

Cathy, See attached for a first draft. Not really sure the intention here, so please let me know what else/edits you need.... I have still not heard back from Julie at NL Power. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
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Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

In the note you can include that

Hydro has 35,000 customers and Power has 240,000.
Let me know if you want to discuss.

Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

No they are actuals done on proration. Can you check them for me?

Cathy Whalen, CPA, CA, CGA
Director of Tax Administration
Government of Newfoundland and Labrador
Finance
Taxation and Fiscal Policy Branch
3rd Floor Confederation Building
East Block
P.O. Box 8700
St. John's, NL, Canada A1B 4J6
Phone (709) 729-6307 Fax (709) 729-2856
CathyWhalen@gov.nl.ca

Cathy, See a few small edits in attached with track changes. I assume figures in table were just made up – I was not able to recalculate. Lisa
From: Whalen, Cathy M
Sent: Tuesday, July 12, 2016 3:36 PM
To: Warren, Lisa
Subject: REROverpayment2.docx

Please review
Please note section of the note dealing with legislation. Do you concur with my interpretation?

From: Whalen, Cathy M  
Sent: Tuesday, July 19, 2016 11:00 AM  
To: Martin, Craig  
Cc: Warren, Lisa  
Subject: REROverpayment2.docx

As requested please find attached an Information note with respect to the RER overpayments relating to the accumulated surplus in the rate stabilization plan.
Cathy I have reviewed the Note and the Revenue Administration Regulations relating to the Residential Energy Rebate as well as the Amendment that repealed those regulations and included the transitional provision. I will give you a call tomorrow to discuss. Sorry for the delay. I don’t think there is an issue but wanted to confirm another point with you before responding.

Thanks
Meg

Out from 2 15 to 3:15

I will look at this after lunch but may need a bit of background. Will you be around for a call?
Thanks
Meg

Please note section of the note dealing with legislation. Do you concur with my interpretation?
From: Whalen, Cathy M  
Sent: Tuesday, July 19, 2016 11:00 AM  
To: Martin, Craig  
Cc: Warren, Lisa  
Subject: REROverpayment2.docx

As requested please find attached an Information note with respect to the RER overpayments relating to the accumulated surplus in the rate stabilization plan.
Hi Cathy are you around this afternoon for me to stop down or call on the RER Note? I am heading for a bit but will be back by 2.

Thanks
Meg
Cathy, Please see attached updated (see track changes) based upon Meg’s comments received below. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
☎ Phone (709) 729-6254
☎ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

Can you update the note accordingly.

 thanks

Cathy, I have reviewed the draft Information Note dated July 8, 2016 relating to the treatment of the residential energy rebate (RER) by Newfoundland Power as well as the Revenue Administration Regulations (RAR) that implemented the RER and the Revenue Administration Regulations (Amendment) (RAR Amendment) that repealed the RER. My comments are as follows:
The reference to “Revenue Administration Regulations” should be the “Revenue Administration Regulations (Amendment)”.

Please let me know if you want to discuss further or if you want me to review another draft of the Note.

Thanks
Meg
Hi Craig

You will find attached the updated BN on RER overpayments by NP and Hydro. Do you want this action in trim, or do you just want it for your own purpose?
Hi Jay

The attached note has been prepared for the executive.
Great. I will advise Julie and have her contact Donna to coordinate the scheduling/logistics. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
📞 Phone (709) 729-6254
📠 Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

Lisa, Will have to be sometime Friday afternoon. Currently open for the PM, but the AM is booked out.

Craig

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
📞 Phone (709) 729-6254

Just received a phone call from Julie Avery at NL Power. She advised that they received approval from the PUB of the refund this past Friday. She has requested a meeting with the Department for this Friday, Sept 9th to discuss treatment of the RER in relation to this. She requested that ADM level attend. She indicated 3 or 4 people on their side would attend, including herself and a member of their executive. Please advise if Friday works and if so, what time and who you would want to attend so I can advise Julie. Thanks, Lisa
Hi Lisa/Donna,

We are available to meet on Friday afternoon. Please let us know the time and location and we’ll be there.

Thanks,

Julie

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From: Warren, Lisa [mailto:LisaWarren@gov.nl.ca]
Sent: Tuesday, September 06, 2016 3:21 PM
To: Avery, Julie
Cc: Holloway, Donna; Whalen, Cathy M
Subject: Meeting Friday

Hi Julie, Craig Martin our ADM has confirmed availability for Friday afternoon, Sept 9th. Please confirm with Donna Holloway, copied on this email, availability on your end. Donna can then proceed to arrange the meeting. Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

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Yes.

Got clarification.

Craig

From: Warren, Lisa
Sent: Thursday, September 08, 2016 12:51 PM
To: Martin, Craig
Subject: RE: RER Overpayment.docx

So, you were able to speak with Meg on this afterwards?

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

From: Martin, Craig
Sent: Thursday, September 08, 2016 11:29 AM
To: Skinner, Thomas; Haynes, Dale
Cc: Whalen, Cathy M; Warren, Lisa
Subject: RER Overpayment.docx

Thomas and Dale,

Please see the attached Information note.

Thomas, could you please confirm on the last bullet under the Analysis section with respect to the impact on 39.(2)

Dale, can you please confirm on the language in the 4th Bullet under the Analysis section with respect 39.(2)

Please advise ASAP.

Thanks

Craig
Craig,

I would suggest changing bullet 3 page 2 to the following:

•

If you have any questions please advise.

Thomas

Thomas Skinner
Fiscal Policy Division
Department of Finance, Taxation and Fiscal Policy Branch
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
Tel: (709) 729-2982
Fax: (709) 729-2070

From: Martin, Craig
Sent: Thursday, September 08, 2016 11:29 AM
To: Skinner, Thomas; Haynes, Dale
Cc: Whalen, Cathy M; Warren, Lisa
Subject: RER Overpayment.docx

Thomas and Dale,

Please see the attached Information note.

Thomas, could you please confirm on the last bullet under the Analysis section with respect to the impact on

39.(2)

Dale, can you please confirm on the language in the 4th Bullet under the Analysis section with respect to

39.(2)

Please advise ASAP.

Thanks

Craig
Hi Craig: As requested. The edits are done in tracked changes. Happy to discuss.

Thomas and Dale,

Please see the attached Information note.

Thomas, could you please confirm on the last bullet under the Analysis section with respect to the impact on ----39.(2)

Dale, can you please confirm on the language in the 4th Bullet under the Analysis section with respect ----39.(2)

Please advise ASAP.

Thanks

Craig
No problem

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration Taxation and Fiscal Policy Branch Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

-----Original Message-----
From: Avery, Julie [mailto:javery@newfoundlandpower.com]
Sent: Friday, September 09, 2016 1:51 PM
To: Warren, Lisa
Subject:

We'll be a few minutes late. Stuck in traffic. Thanks

Sent from my iPhone

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Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

Lisa, as discussed, please find attached [RE: residential energy rebate and the effect on a refund of overpayments to customers]

We can discuss this in our meeting on Monday.

Thanks,
Hi Fred, Based on your availability indicated below, Donna Holloway, copied on this email, will arrange a meeting for us with Craig Martin our ADM.

Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca
Good morning Fred. I have copied Lisa Warren, Lisa will contact you regarding the meeting and the appropriate representation from our office. Have a good day.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: FMurphy@nlh.nl.ca
Sent: Tuesday, September 13, 2016 4:52AM
To: Whalen, Cathy M
Cc: Warren, Lisa; SonaliRoy@nalcorenergy.com
Subject: Re: FW: residential energy rebate and the effect on a refund of overpayments to customers

Cathy, we would like to get together with your group to discuss the RER issue. Although NP is in the process of obtaining a ruling NLH has already received a written interpretation on the distribution of the surplus funds. I am available Friday and Monday afternoon but then ______. Feel free to contact myself or Sonali Roy (copied on this email) to discuss.

Thanks,

Fred Murphy, B. Comm (Hon) Co-op
Tax Specialist
Newfoundland and Labrador Hydro
A Nalcor Energy Company
Ph: (709) 737-1391
Ce: (709) 689-1399
Fx: (709) 737-1901
email: fmurphy@nlh.nl.ca

From: "Whalen, Cathy M" <cathywhalen@gov.nl.ca>
To: "FMurphy@nlh.nl.ca" <FMurphy@nlh.nl.ca>
Cc: "Warren, Lisa" <LisaWarren@gov.nl.ca>
Date: 09/09/2016 03:00 PM
Subject: FW: residential energy rebate and the effect on a refund of overpayments to customers
regarding this matter. The Department will be in a position to provide final direction and the results are shared with the Province.

Have a nice weekend.

Cathy

From: Whalen, Cathy M  
Sent: Friday, July 22, 2016 10:30 AM  
To: 'FMurphy@nlh.nl.ca'  
Cc: Warren, Lisa  
Subject: residential energy rebate and the effect on a refund of overpayments to customers

Good Morning Fred

To follow up on our call this morning I wanted to advise you that the Department is in the process of determining NL Hydro's responsibilities under the Revenue Administration Act as it relates to refunding electricity overpayments to customers.

I will provide you an update when I receive more information.

Thank you for your cooperation in this matter.

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Sounds good. Fred had mentioned that in a voice mail he left me on Friday. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

Hi Lisa,

Hope your Monday is off to a good start!

Just wanted to give you a head's up that Fred & I will have a few of our Hydro Finance/Regulatory folks in tow this afternoon, as they are more familiar with the RSP surplus refund and its mechanics - I didn't want anything to get lost in translation after our meeting, so thought it would be best to have them at the table.

Looking forward to meeting you this afternoon.

Thanks,
Sonali
Hi Fred, Based on your availability indicated below, Donna Holloway, copied on this email, will arrange a meeting for us with Craig Martin our ADM.

Regards, Lisa

---

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
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Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

---

From: Whalen, Cathy M
Sent: Tuesday, September 13, 2016 11:44 AM
To: FMurphy@nlh.nl.ca
Cc: Warren, Lisa
Subject: Re: residential energy rebate and the effect on a refund of overpayments to customers

Good morning Fred. I have copied Lisa Warren, Lisa will contact you regarding the meeting and the appropriate representation from our office. Have a good day.

Sent from my BlackBerry 10 smartphone on the Bell network.

---

From: FMurphy@nlh.nl.ca
Sent: Tuesday, September 13, 2016 4:52 AM
To: Whalen, Cathy M
Cc: Warren, Lisa; SonaliRoy@nalcorenergy.com
Subject: Re: FW: residential energy rebate and the effect on a refund of overpayments to customers

Cathy, we would like to get together with your group to discuss the RER issue. Although NP is in the process of obtaining a ruling NLH has already received a written interpretation on the distribution of the surplus funds. I am available Friday and Monday afternoon but then feel free to contact myself or Sonali Roy (copied on this email) to discuss.

Thanks,
From: "Whalen, Cathy M" <cathywhalen@gov.nl.ca>
To: "FMurphy@nlh.nl.ca" <FMurphy@nlh.nl.ca>
Cc: "Warren, Lisa" <LisaWarren@gov.nl.ca>
Date: 09/09/2016 03:00 PM
Subject: FW: residential energy rebate and the effect on a refund of overpayments to customers

Good afternoon Fred

regarding this matter. The Department will be in a position to provide final direction and the results are shared with the Province.

Have a nice weekend

Cathy

From: Whalen, Cathy M
Sent: Friday, July 22, 2016 10:30 AM
To: 'FMurphy@nlh.nl.ca'
Cc: Warren, Lisa
Subject: residential energy rebate and the effect on a refund of overpayments to customers
Good Morning Fred

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I will provide you an update when I receive more information.

Thank you for your cooperation in this matter.

Government of Newfoundland and Labrador

Finance
Taxation and Fiscal Policy Branch
Tax Administration Division
3rd Floor Confederation Building
East Block
P.O. Box 8700
St. John's, NL, Canada A1B 4J6
t 709.729.6307 f 709.729.2856
e CathyWhalen@gov.nl.ca

Cathy Whalen, CPA, CGA
Director of Tax Administration

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Hi Lisa,

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Just wanted to give you a head's up that Fred & I will have a few of our Hydro Finance/Regulatory folks in tow this afternoon, as they are more familiar with the RSP surplus refund and its mechanics - I didn't want anything to get lost in translation after our meeting, so thought it would be best to have them at the table.

Looking forward to meeting you this afternoon.

Thanks,
Sonali
Hi Fred, Based on your availability indicated below, Donna Holloway, copied on this email, will arrange a meeting for us with Craig Martin our ADM.

Regards, Lisa

---

From: Whalen, Cathy M  
Sent: Tuesday, September 13, 2016 11:44 AM  
To: FMurphy@nlh.nl.ca  
Cc: Warren, Lisa  
Subject: Re: residential energy rebate and the effect on a refund of overpayments to customers

Good morning Fred. I have copied Lisa Warren, . Lisa will contact you regarding the meeting and the appropriate representation from our office. Have a good day.

Sent from my BlackBerry 10 smartphone on the Bell network.

---

From: FMurphy@nlh.nl.ca  
Sent: Tuesday, September 13, 2016 4:52 AM  
To: Whalen, Cathy M  
Cc: Warren, Lisa; SonaliRoy@nalcorenergy.com  
Subject: Re: FW: residential energy rebate and the effect on a refund of overpayments to customers

Cathy, we would like to get together with your group to discuss the RER issue. Although NP is in the process of obtaining a ruling NLH has already received a written interpretation on the distribution of the surplus funds. I am available Friday and Monday afternoon but then. Feel free to contact myself or Sonali Roy (copied on this email) to discuss.

Thanks,
Good afternoon Fred

I understand [redacted] regarding this matter. The Department will be in a position to provide final direction [redacted] and the results are shared with the Province.

Have a nice weekend

Cathy

From: Whalen, Cathy M
Sent: Friday, July 22, 2016 10:30 AM
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Cc: Warren, Lisa
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Good Morning Fred

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I will provide you an update when I receive more information.

Thank you for your cooperation in this matter.

Government of Newfoundland and Labrador

Finance
Taxation and Fiscal Policy Branch
Tax Administration Division
3rd Floor Confederation Building
East Block
P.O. Box 8700
St. John’s, NL, Canada A1B 4J6
t 709.729.6367 f 709.729.2856
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Newfoundland Labrador

Cathy Whalen, CPA, CGA
Director of Tax Administration

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Hi Cathy, Lisa, Craig,

Thanks again for setting up today's meeting, it was great to meet your team in person.

As discussed, this is the list of today's attendees from our end:

- Kevin Fagan: Manager, Rates & Regulation (Regulatory Affairs, NL Hydro)
- Tracey Pennell: Senior Legal Counsel (Regulatory Affairs, NL Hydro)
- Michael Conway: Manager, Regulatory Finance (Finance, NL Hydro)
- Fred Murphy: Tax Specialist (Finance, NL Hydro)
- Sonali Roy: Manager, Tax (Finance, Nalcor Energy)

The refund of the RSP surplus falls under Kevin's jurisdiction & he is certainly the expert when it comes to the regulatory world. The rest of us form part of a working group tasked with determining how the various pieces will come together. I appreciate you hosting all of us, which ensures the message doesn't get lost in translation between our teams.

I apologize for not having some of the detailed accounting answers figured out prior to our meeting, as I realize it added an element of inefficiency - I have started working with both our Customer Service & Hydro Finance departments on confirming the original accounting treatment, however, that is still in progress so I was not in a position to provide any definitive comments today on how it was accounted for. That will hopefully be sorted out in the near future.

As discussed, the next step will be for us to submit a formal request to your department for interpretation on the RER - this request will include a description of the accounting treatment in the original processing of the RER.

If you have any questions/concerns/thoughts on this in the meantime, please reach out to me - my contact information is below.

Kind regards,
Sonali
Hi Cathy,

I hope all is well. Since our meeting on September 9 on the RSP Surplus refund.

We are now in the midst of drafting a letter to the Department of Finance to clarify the application of the RER with respect to the RSP Surplus refund.

I was hoping to touch base with you on what would be helpful to include in this letter — specifically, legislation references.

If you like, we can set up a time for a telephone discussion. Though, feel free to call me any time.

Thanks,

Brian

Brian Menchenton, CPA, CA // Manager, Revenue

55 Kenmount Road, St. John’s, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com
Hi Sonali,

It is Subsection 23.4(7) of the Revenue Administration Regulations which applies:

Where the amount of a reimbursement made by the minister to a supplier under this section is greater than the amount of the reimbursement to which the supplier was entitled, the minister may require the supplier to pay to the minister, or the minister may deduct from any reimbursement of rebates subsequently made to the supplier, an amount equal to the difference between the entitled amount and the rebate credited.

Link to the addition of the RER program to the Regulations in 2012:
http://www.assembly.nl.ca/legislation/sr/annualregs/2012/nr120047.htm

Link to the current Regulations:
http://www.assembly.nl.ca/Legislation/sr/Regulations/rc110073.htm

Note, the RER program provisions were repealed in 2015 when the program ended, but the transitional provisions in the Revenue Administration Regulations (Amendment) apply, subsection 3(1). Follow the link for the current Regulations to Part V.I and click on 85/15 S2 to view the transitional provisions.
Hope this helps.

Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
☎ Phone (709) 729-6254
✉ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Tuesday, October 04, 2016 11:12 AM
To: Warren, Lisa
Subject: RSP Refund/RER implications (question)

Hi Lisa,

Hope your week is off to a good start!

I've drafted a formal request for interpretation on the RER issue, as discussed in our meeting a few weeks back. However, before I submit for our internal review, I wanted to confirm the sections of the RAA & Regs that potentially apply in this situation so I can reference them in my request.

Part X, Sections 107 (f.1) & (f.2) of the RAA allow for the LGIC to make regulations around the rebate, but I can't seem to find the corresponding regs. Is the reg already in effect or is it to be drafted? Part V of the Regs seems to be the only place that references overpayment of rebates, but is in relation to the rebate of gasoline tax specifically. Could you please direct me the appropriate sections which we fall under?

Thanks,
Sonali

Sonali Roy
Manager of Tax Finance
Nalcor Energy
t. 709 733-5287 c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

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Mr. Martin,

Please find attached an electronic version of Newfoundland Power’s request for an interpretation of the Revenue Administration Regulations as it relates to the Residential Energy Rebate Program.

The original, along with two copies of the request, are being hand delivered this afternoon to your attention.

If you have any questions regarding the request, please contact me at your convenience.

Sincerely,

Brian

Brian Menchenton, CPA, CA // Manager, Revenue

55 Kenmount Road, St. John’s, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com
Request for a RER Interpretation
Attachment 1, Item 3
Page 1 of 1

NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5R2

E-mail: traceypennell@nlh.nl.ca

2016-09-07

Ms. Tracey Pennell
Senior Counsel
Newfoundland and Labrador Hydro
P.O. Box 12400
Hydro Place, Columbus Drive
St. John’s, NL A1B 4K7

Re: Newfoundland and Labrador Hydro - Newfoundland and Labrador Hydro -
Application for the Approval of a Plan for the Rate Stabilization Plan ("RSP")
Surplus to Customers - Order

Enclosed is a copy of Order No. P.U. 36(2016) issued by the Board in relation to the above
subject matter.

If you have any questions, please do not hesitate to contact the Board.

Yours truly,

Cheryl Blundon
Board Secretary

/encl./

cc: Newfoundland & Labrador Hydro
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Mr. Geoff Young, E-mail: gyoung@nlh.nl.ca
Newfoundland Power Inc.
Mr. Gerard Hayes, E-mail: ghayes@newfoundlandpower.com
Consumer Advocate
Mr. Thomas Johnson, Q.C., E-mail: tjohnson@odeaearle.ca
Ms. Colleen Lacey, E-mail: clacey@odeaearle.ca

Cheryl Blundon, Director of Corporate Services and Board Secretary, Tel: 709-726-8600, E-Mail: cblundon@pub.nl.ca
Website: www.pub.nl.ca
NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

AN ORDER OF THE BOARD

NO. P.U. 36(2016)

IN THE MATTER OF the Electrical Power Control Act, 1994, SNL 1994, Chapter E-5.1 (the “EPCA”) and the Public Utilities Act, RSNL 1990, Chapter P-47 (the “Act”), as amended, and regulations thereunder; and

IN THE MATTER OF a proposal by Newfoundland and Labrador Hydro for the refund to its customers of a surplus balance in Newfoundland and Labrador Hydro’s Rate Stabilization Plan.

WHEREAS Newfoundland and Labrador Hydro (“Hydro”) and Newfoundland Power Inc. (“Newfoundland Power”) are corporations duly organized and existing under the laws of the province of Newfoundland and Labrador, are public utilities within the meaning of the Act, and are subject to the provisions of the EPCA; and

WHEREAS Hydro’s Rate Stabilization Plan (the “RSP”) is a mechanism that limits volatility in customer rates related to variations in several factors, one of them being the cost of fuel used at the Holyrood Thermal Generating Station; and

WHEREAS between January 2007 and August 31, 2013 a surplus balance accumulated in the load variation account of the RSP as a result of a reduction in the load of certain industrial customers on the Island interconnected electrical system (the “RSP Surplus”); and

WHEREAS by Orders in Council OC2013-089, OC2013-091, OC2013-207 and OC2013-208 (the “Orders in Council”) the Government of Newfoundland and Labrador directed the Board and Hydro’s board of directors regarding, among others things, the disposition of a portion of the RSP Surplus by means of a direct payment or rebate to ratepayers; and

WHEREAS in Order No. P.U. 9(2014) the Board found that refunds of the RSP Surplus should be made as a direct payment to Newfoundland Power’s customers and customers on each of Hydro’s systems, except the Industrial Customers; and

WHEREAS upon appeal of Order No. P.U. 9(2014) by the Consumer Advocate and Hydro, the Newfoundland and Labrador Court of Appeal determined that the refund is to be made to Newfoundland Power’s customers and to Hydro’s Island grid customers, and referred the matter back to the Board; and
WHEREAS on June 30, 2016 Newfoundland Power filed an application for approval of a plan (the “Newfoundland Power Customer Refund Plan”) to refund to Newfoundland Power’s customers a portion of the RSP Surplus, which was approved by the Board in Order No. P.U. 35(2016); and

WHEREAS on July 12, 2016 Hydro filed an application for approval of a plan (the “Hydro Customer Refund Plan”) to refund a portion of the RSP Surplus to Newfoundland Power and to those Hydro Island Interconnected Rural customers whose rates are based on the rates charged by Newfoundland Power and who received, and paid for, electrical service between January 2007 and August 31, 2013 (the “Application”); and

WHEREAS the Hydro Customer Refund Plan provides for: i) calculation and payment of the refund of Newfoundland Power’s allocated portion of the RSP Surplus; ii) calculation and payment of the refund of a portion of the RSP Surplus to eligible Hydro customers on the same basis as set out in the Newfoundland Power Customer Refund Plan; iii) transfers of funds from the RSP Surplus to permit Hydro to provide the refunds; and iv) recovery from the RSP Surplus of Hydro’s reasonable costs of administering the refunds to customers; and

WHEREAS Hydro has also set out a detailed customer communications plan to provide notice and information about the RSP Surplus refund to existing and former customers of Hydro; and

WHEREAS Hydro states that it has received an interpretation from Canada Revenue Agency (CRA) that HST would be applicable to refunds; and

WHEREAS Hydro states that, following Board approval of the Hydro Customer Refund Plan, it will have discussions with the Government of Newfoundland and Labrador on whether the tax refund will reflect the residential energy rebate that was in place for the period October 1, 2011 through August 31, 2013; and

WHEREAS the Board published notice of the Application on July 27, 2016 and requested that any comments be filed with the Board by August 17, 2016; and

WHEREAS the Board did not receive any comments on the Application; and

WHEREAS by letters dated July 25 and August 12, 2016 the Board requested clarification from Hydro on certain aspects of the Application, to which Hydro provided responses on July 29 and August 18, 2016; and

WHEREAS by letter dated August 24, 2016 the Board requested the Consumer Advocate and Newfoundland Power to advise in writing whether they support the Application; and

WHEREAS by letter dated August 30, 2016 Newfoundland Power advised that it supported approval of the Application but submitted that the Board’s approval should include an adjustment to reconcile any difference in the amount calculated in accordance with section 2.2 and section 4 of the Hydro Customer Refund Plan to ensure that funds transferred from Hydro to
WHEREAS on August 30, 2015 the Consumer Advocate advised that he supported approval of 
the Application and agreed with Newfoundland Power that an adjustment was required to ensure 
the transfer of funds was sufficient to fund the refunds to Newfoundland Power’s customers; and 

WHEREAS the Board is satisfied that Hydro should transfer to Newfoundland Power only the 
amount calculated and requested by Newfoundland Power to fund its customer refunds; and 

WHEREAS the Hydro Customer Refund Plan does not contain a provision in relation to the 
termination of the plan and the Board finds that the following section should be added: 

SECTION 6 PLAN TERMINATION 

Upon closure of the Hydro Customer Refund Plan Hydro will transfer any 
remaining balance in the RSP Surplus, including any variance between the total 
refund amount calculated under the Newfoundland Power Customer Refund Plan 
and the total amount of the Newfoundland Power Refund as calculated in the 
Hydro Customer Refund Plan, to Newfoundland Power’s current balance in the 
Rate Stabilization Plan. 

and; 

WHEREAS the Board finds that a further application for approval of final refund rates to apply 
in disposition of the RSP Surplus as proposed in the Application is not necessary but will require 
Hydro to provide updates on the status of customer refunds in its quarterly reporting to the 
Board; and 

WHEREAS the Board is satisfied that the Hydro Customer Refund Plan should be approved 
with the noted change; and 

WHEREAS Hydro will be required to file with the Board: i) copies of correspondence with the 
Government of Newfoundland and Labrador with respect to confirmation of the applicability of 
the residential energy rebate in determining the refunds; ii) a report on the status of the refunds in 
its quarterly reporting to the Board throughout the refund process; and iii) a final report once all 
refunds have been issued in accordance with the Hydro Customer Refund Plan.
IT IS THEREFORE ORDERED THAT:

1. The Hydro Customer Refund Plan as set out in Schedule A to this Order is approved.

2. Hydro shall file with the Board:
   a. copies of correspondence with the Government of Newfoundland and Labrador with respect to the applicability of the residential energy rebate in determining the refunds;
   b. a report on the status of the refunds in its quarterly reporting to the Board throughout the refund process; and
   c. a final report once all refunds have been issued in accordance with the Hydro Customer Refund Plan.

3. Hydro shall pay the expenses of the Board incurred in connection with the Application.
DATED at St. John’s, Newfoundland and Labrador, this 7th day of September, 2016.

[Signature]
Andy Wells
Chair & Chief Executive Officer

[Signature]
Darlene Whalen, P.Eng.
Vice-Chair

[Signature]
Dwanda Newman, LL.B.
Commissioner

[Signature]
James Oxford
Commissioner

[Signature]
Cheryl Blundon
Board Secretary
NEWFOUNDLAND AND LABRADOR HYDRO RSP SURPLUS:

CUSTOMER REFUND PLAN
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**Schedule A**  
Order No. P.U. 36(2016)  
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SECTION 1 INTERPRETATION

1.1 Definition
In this Newfoundland and Labrador Hydro RSP Surplus Customer Refund Plan, the following definitions shall apply:


(b) “Board” means the Board of Commissioners of Public Utilities of Newfoundland and Labrador.

(c) “Customer” means any person, corporation, or organization on the Island Interconnected System (excluding Island Industrial Customers) that accepted or agreed to accept the contract for Service from Hydro, including Newfoundland Power.

(d) “Customer Refund Plan” means this Newfoundland and Labrador Hydro RSP Surplus Customer Refund Plan.

(e) “Designated Account” means an account of Newfoundland Power maintained at a bank in the City of St. John’s for the purposes of providing Refunds to Newfoundland Power under this Customer Refund Plan.

(f) “HST” means harmonized sales tax levied under the Excise Tax Act (Canada).

(g) “Hydro” means The Newfoundland and Labrador Hydro-Electric Corporation continued pursuant to the Hydro Corporation Act, 2007, SNL 2007, c. H-17 as amended.

(h) “Hydro Rural Customer” means a Hydro Rural Island Interconnected customer.
(i) Hydro Rural Customer Refund means an amount payable to eligible Hydro Rural Customers pursuant to the Customer Refund Plan calculated in accordance with Section 2.2.

(j) "Newfoundland Power" means Newfoundland Power Inc.

(k) "Newfoundland Power Refund" means an amount payable to Newfoundland Power pursuant to the Customer Refund Plan calculated in accordance with Section 2.2.

(l) "Refunds" means collectively the Hydro Rural Customer Refund and the Newfoundland Power Refund.

(m) "RSP Surplus" means the Newfoundland Power allocated amount of the RSP surplus as provided for in Section F of the Hydro RSP Rules as approved by the Board.

(n) "Refund Period" means the period from January 1, 2007 to August 31, 2013.

(o) "Release Date" means a day or dates upon which Refunds are released for disposition.

(p) "RER Program" means the Residential Energy Rebate program established by Newfoundland and Labrador Regulation 47/12.

(q) "RSP" means Hydro’s Rate Stabilization Plan as approved by the Board.

(r) "Service" means electrical service provided by Hydro under rules and regulations approved by the Board pursuant to the Act.

(s) "Taxes" means HST on the Refunds, less any applicable rebated amounts under the RER Program.
1.2 Interpretation
(a) Unless the context clearly requires otherwise, this Customer Refund Plan shall be interpreted such that:
   (i) words importing persons include corporations and organizations; and
   (ii) words importing the singular include the plural and *vice versa*.

(b) The Customer Refund Plan shall be interpreted in a manner consistent with the Rules and Regulations governing Hydro’s provision of electrical service as approved by the Board.

(c) Any dispute concerning the interpretation of this Customer Refund Plan shall be determined:
   (i) in the first instance, by Hydro, acting reasonably; and
   (ii) if required, by the Board whose decision shall be considered final.

SECTION 2 CUSTOMER REFUND ELIGIBILITY
2.1 Customers Entitled to Refund
(a) Newfoundland Power is eligible for the Newfoundland Power Refund.

(b) A Hydro Rural Customer is eligible for a Hydro Rural Customer Refund if that Customer
   (i) paid the same rates as those approved for billing by Newfoundland Power and (ii) was
   billed for electrical energy usage during the Refund Period.

(c) Customers on Hydro Rural Rate 1.3 are not eligible for the Hydro Rural Customer Refund.
2.2 Determining the Refund Amount
(a) The Hydro Rural Customer Refund shall be calculated in accordance with Schedule 1 to the Newfoundland Power Customer Refund Plan.

(b) The Newfoundland Power Refund shall be calculated in accordance with Schedule 1 to Hydro's Customer Refund Plan.

2.3 Taxes
Taxes on the Refund that were billed to the Customer for Service will be provided in addition to the Refund.

2.4 Informing Customers of the Plan
(a) Hydro shall take reasonable steps to inform Customers of the terms of the Customer Refund Plan and their entitlement to receive Refunds thereunder.

(b) For Customers who are no longer receiving electrical service from Hydro, reasonable notice of the terms of the Customer Refund Plan may include, amongst other things, public advertisements throughout Canada.

2.5 Proof of Eligibility
(a) Hydro shall be entitled to request a Customer provide reasonable proof of that Customer's eligibility to receive a Refund under the Customer Refund Plan.

(b) Where Hydro has requested a Customer provide reasonable proof of that Customer's eligibility to receive a Refund under the Customer Refund Plan, such Customer shall not be entitled to a Refund (or associated Taxes) until provision of such reasonable proof.
(c) Should a Customer be delayed in the provision of reasonable proof of that Customer's eligibility to receive a Refund under the Customer Refund Plan, that Customer shall not be entitled to receive interest on a Refund for the period of delay.

2.6 Special Cases
For Customers entitled to a Refund under the terms of the Customer Refund Plan that have died, have become legally incapacitated, or are bankrupt, Hydro shall be entitled to pay the Refund to the Customer's estate, legal representative or trustee as appropriate. Payment of the Refund (and associated Taxes) to such an estate, legal representative, or trustee, as the case may be, shall be conclusively considered to be payment of the Refund (and associated Taxes) to the Customer.

SECTION 3 REFUND TO HYDRO RURAL CUSTOMERS
3.1 Determination of Release Date
Hydro and Newfoundland Power shall agree from time to time on a Release Date for payment of Refunds (and associated Taxes) to Customers.

3.2 Credit to Existing Balance
Hydro will be entitled to credit the Refund (and associated Taxes) to which a Customer is entitled under the Customer Refund Plan against an existing balance owing by that Customer to Hydro.

3.3 Payments by Cheque
Any Refund and Taxes, or portion of a Refund (and associated Taxes) remaining following the issuance of a credit against an existing balance owing under Section 3.2, will be paid by cheque issued within three business days of the Release Date, to the Customer entitled thereto.

3.4 Other Forms of Payment
Hydro may agree with its Customers to other forms of payment of a Refund (and associated Taxes), where practicable.
SECTION 4  REFUND TO NEWFOUNDLAND POWER

4.1  Refund Amount to Newfoundland Power
Hydro will refund from the RSP Surplus to Newfoundland Power an amount specified by Newfoundland Power pursuant to Newfoundland Power's RSP Refund Plan as approved by the Board.

4.2  Taxes on Refund
In addition to the transfer of funds from the RSP Surplus to Newfoundland Power made under Section 4.1, Hydro shall also transfer an amount from an account outside of the RSP to Newfoundland Power to provide a refund of the appropriate Taxes with respect to the RSP Surplus that were paid by Newfoundland Power to Hydro through monthly billings during the Refund Period.

SECTION 5  PLAN ADMINISTRATION

5.1  Plan Costs
The Customer Refund Plan has been created to disburse amounts due to Customers as directed by Orders in Council. Both Refunds payable to Customers under the Customer Refund Plan and the costs incurred to administer the Customer Refund Plan shall be funded by amounts in the RSP Surplus.

5.2  Recovery of Plan Administration Costs
(a) Hydro shall be entitled to recover its reasonable costs of administering the Customer Refund Plan from the RSP Surplus.

(b) Hydro will provide the Board with a report at the end of each fiscal quarter indicating its incremental costs incurred in administering the Customer Refund Plan.
(c) Hydro will transfer the funds to recover its incremental costs of administration from the RSP Surplus 30 days from filing the report with Board.

(d) Hydro will transfer funds to Newfoundland Power to recover plan administration costs as set out in Section 5.2 of Newfoundland Power's Customer Refund Plan.

5.3 Liability
Hydro shall not be liable to any party for any reason whatsoever associated with the good faith administration of the Customer Refund Plan.

SECTION 6 PLAN TERMINATION
Upon closure of the Hydro Customer Refund Plan Hydro will transfer any remaining balance in the RSP Surplus, including any variance between the total refund amount calculated under the Newfoundland Power Customer Refund Plan and the total amount of the Newfoundland Power Refund as calculated in the Hydro Customer Refund Plan, to Newfoundland Power's current balance in the Rate Stabilization Plan.
SCHEDULE 1

CALCULATION OF THE NEWFOUNDLAND POWER REFUND

1. The Newfoundland Power Refund will be calculated by multiplying (i) the kWh Refund Rate in the Newfoundland Power Customer Refund Plan by (ii) the Newfoundland Power kWh sales to its customers during the Refund Period. The Newfoundland Power Refund (expressed in dollars to the nearest $0.01) shall be calculated as follows:

\[ A \times B = C \]

Where:
\[ A = \text{the kWh Refund Rate in the Newfoundland Power Customer Refund Plan.} \]
\[ B = \text{the Newfoundland Power kWh sales to its customers during the Refund Period.} \]
\[ C = \text{the Newfoundland Power Refund.} \]

2. The Wholesale Refund Rate (expressed in cents per kWh and calculated to the nearest 0.001) shall be calculated as follows:

\[ \frac{C}{D} = E \]

Where:
\[ D = \text{the total firm energy (in kWh) purchased by Newfoundland Power from Hydro during the Refund Period.} \]
\[ E = \text{the Wholesale Refund Rate.} \]
2016-09-02

Newfoundland Power Inc.
Mr. Gerard Hayes
55 Kenmount Road
P.O. Box 8910
St. John's, NL A1B 3P6

Dear Mr. Hayes:

Re: Newfoundland Power Inc. – Approval of a Plan for the Refund to Newfoundland Power's Customers of a Surplus Balance in Newfoundland and Labrador Hydro's Rate Stabilization Plan (RSP) – Order

Enclosed are two copies of Order No. P.U. 35(2016) issued by the Board in relation to the above subject matter.

If you have any questions, please do not hesitate to contact the Board.

Yours truly,

Cheryl Blundon
Board Secretary

cc
Newfoundland Power Inc.
Mr. Liam O'Brien, E-mail: lobrien@curtisdawe.com

Newfoundland & Labrador Hydro
Ms. Tracey Pennell, E-mail: traceypennell@nlh.nl.ca
Mr. Geoff Young, E-mail: gyoung@nlh.nl.ca
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca

Consumer Advocate
Mr. Thomas Johnson, QC, E-mail: tjohnson@odeaearle.ca
Ms. Colleen Lacey, E-mail: clacey@odeaearle.ca
IN THE MATTER OF the Electrical Power Control Act, 1994, SNL 1994, Chapter E-5.1 (the "EPCA") and the Public Utilities Act, RSNL 1990, Chapter P-47 (the "Act"), as amended, and regulations thereunder; and

IN THE MATTER OF a proposal by Newfoundland Power Inc. for the refund to its customers of a surplus balance in Newfoundland and Labrador Hydro's Rate Stabilization Plan.

WHEREAS Newfoundland Power Inc. ("Newfoundland Power") and Newfoundland and Labrador Hydro ("Hydro") are corporations duly organized and existing under the laws of the province of Newfoundland and Labrador, are public utilities within the meaning of the Act, and are subject to the provisions of the EPCA; and

WHEREAS Hydro’s Rate Stabilization Plan (the “RSP”) is a mechanism that limits volatility in customer rates related to variations in several factors, one of them being the cost of fuel used at the Holyrood Thermal Generating Station; and

WHEREAS between January 1, 2007 and August 31, 2013 a surplus balance accumulated in the load variation account of the RSP as a result of a reduction in the load of certain industrial customers on the Island Interconnected system (the “RSP Surplus”); and

WHEREAS by Orders in Council OC2013-089, OC2013-091, OC2013-207 and OC2013-208 (the “Orders in Council”) the Government of Newfoundland and Labrador directed the Board and Hydro’s Board of Directors regarding, among others things, the disposition of a portion of the RSP Surplus by means of a direct payment or rebate to ratepayers; and

WHEREAS in Order No. P.U. 9(2014) the Board found that refunds of the RSP Surplus should be made as a direct payment to Newfoundland Power customers and customers on each of Hydro’s systems, except the Industrial Customers; and

WHEREAS upon appeal of Order No. P.U. 9(2014) by the Consumer Advocate and Hydro, the Newfoundland and Labrador Court of Appeal determined that the refund is to be made to
Newfoundland Power's customers and to Hydro's Island grid customers, and referred the matter back to the Board; and

WHEREAS on June 30, 2016 Newfoundland Power filed an application for approval of a plan (the “Newfoundland Power Customer Refund Plan”) to refund to its customers a portion of the RSP Surplus (the “Application”); and

WHEREAS the Newfoundland Power Customer Refund Plan provides for: i) calculation and payment of refunds of a portion of the RSP Surplus to eligible Newfoundland Power customers; ii) transfers of funds from the RSP to permit Newfoundland Power to provide the refunds to customers; and iii) recovery from the RSP of Newfoundland Power’s reasonable costs of administering the refunds to customers; and

WHEREAS under the Newfoundland Power Customer Refund Plan each customer of Newfoundland Power who received, and paid for, electrical service between January 1, 2007 and August 31, 2013 is entitled to a refund, and the calculation and payment of the refund to each eligible customer will be based on the customer’s electricity usage during that period and the refund rate to be determined based on the utility surplus balance (the “RSP Surplus Refund”); and

WHEREAS Newfoundland Power has also set out a detailed customer communications plan to provide notice and information regarding the RSP Surplus Refund to existing and former customers; and

WHEREAS Newfoundland Power states that, following Board approval of the Newfoundland Power Customer Refund Plan, it will seek formal confirmation from Canada Revenue Agency (the “CRA”) of the applicability of the HST to refunds and from the Government of Newfoundland and Labrador of the applicability of the residential energy rebate for the period October 1, 2011 through August 31, 2013 in determining refunds; and

WHEREAS the Board published notice of the Application on July 6, 2016 and requested that any comments be filed with the Board by July 20, 2016; and

WHEREAS by letter dated July 12, 2016 the Board requested clarification from Newfoundland Power on certain aspects of the Application, to which Newfoundland Power provided a response on July 13, 2016; and

WHEREAS the Board received a number of comments from interested persons, primarily expressing concern with the refund process and the proposed recovery by Newfoundland Power of the administration costs associated with issuing the refunds to customers; and

WHEREAS by letter dated August 15, 2016 the Board requested the Consumer Advocate and Hydro to advise in writing whether they support the Application; and

WHEREAS by letter dated August 15, 2016 the Consumer Advocate advised that he supports approval of the Application with the request that Newfoundland Power take all necessary steps to
expedite its receipt of formal confirmation from CRA of the applicability of the HST to refunds so that payments to customers are not delayed; and

WHEREAS by letter dated August 19, 2016 Hydro advised that it supports the Consumer Advocate’s comments and his request that Newfoundland Power take all reasonable steps to expedite the confirmation process with CRA; and

WHEREAS the Board is satisfied that Newfoundland Power should have recovery of reasonable costs associated with issuing the refunds which were directed by the Government of Newfoundland and Labrador; and

WHEREAS the Board is satisfied that the proposed Newfoundland Power Customer Refund Plan is reasonable in the circumstances and should be approved as filed; and

WHEREAS Newfoundland Power will be required to file with the Board: i) copies of correspondence with CRA with respect to confirmation of the applicability of the HST to the refunds; ii) copies of correspondence with the Government of Newfoundland and Labrador with respect to confirmation of the applicability of the residential energy rebate in determining the refunds; iii) a report on the status of the refunds in its quarterly reporting to the Board throughout the refund process; and iv) a final report once all refunds have been issued in accordance with the Newfoundland Power Customer Refund Plan.

IT IS THEREFORE ORDERED THAT:

1. The Newfoundland Power Customer Refund Plan as set out in Schedule A to this Order is approved.

2. Newfoundland Power shall file with the Board:
   a. copies of correspondence with Canadian Revenue Agency with respect to the applicability of the Harmonized Sales Tax (HST) to the refunds;
   b. copies of correspondence with the Government of Newfoundland and Labrador with respect to the applicability of the residential energy rebate in determining the refunds;
   c. a report on the status of the refunds in its quarterly reporting to the Board throughout the refund process; and
   d. a final report once all refunds have been issued in accordance with the Newfoundland Power Customer Refund Plan.

3. Newfoundland Power shall pay the expenses of the Board incurred in connection with this Application.
DATED at St. John’s, Newfoundland and Labrador, this 2\textsuperscript{nd} day of September, 2016.

Andy Wells  
Chair & Chief Executive Officer

Dwanda Newman, LL.B.  
Commissioner

James Oxford  
Commissioner

Cheryl Blundon  
Board Secretary
NEWFOUNDLAND POWER CUSTOMER REFUND PLAN
# NEWFOUNDLAND POWER CUSTOMER REFUND PLAN

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SECTION 1  INTERPRETATION

1.1 Definitions

In this Newfoundland Power Customer Refund Plan, the following definitions shall apply:

(a) "Act" means The Public Utilities Act, RSNL 1990, Ch. P-47, as amended from time to time.

(b) "Basic Refund Amount" means an amount calculated in accordance with Section 2.2 and Schedule 1.

(c) "Board" means the Board of Commissioners of Public Utilities of Newfoundland and Labrador.

(d) "Company" means Newfoundland Power Inc.

(e) "Customer" means any person, corporation, or organization that accepted or agreed to accept Service and actually received Service from the Company in the period from January 1, 2007 to August 31, 2013.

(f) "Designated Account" means an account of the Company maintained at a Bank in the City of St. John's for the purposes of providing Refunds to Customers under the Plan.

(g) "HST" means harmonized sales tax levied under the Excise Tax Act (Canada).

(h) "Hydro" means The Newfoundland and Labrador Hydro-Electric Corporation continued pursuant to the Hydro Corporation Act, SNL 2007, CL H-17 as amended.

(i) "Payment Date" means a day agreed by the Company and Hydro upon which Refunds are to be paid by the Company to Customers.

(j) "Plan" means this Newfoundland Power Customer Refund Plan.

(k) "Refund" means an amount payable to a Customer pursuant to the Plan and includes the Basic Refund Amount and Taxes.

(l) "RER Program" means the Residential Energy Rebate program established by Newfoundland and Labrador Regulation 47/12.

(m) "RSP" means Hydro's Rate Stabilization Plan as approved by the Board.
1.2 Interpretation

(a) Unless the context clearly requires otherwise, this Plan shall be interpreted such that:
   
   (i) words importing persons include corporations and organizations; and
   
   (ii) words importing the singular include the plural and vice versa.

(b) The Plan shall be interpreted in a manner consistent with the Rules and Regulations governing the Company’s provision of electrical service as approved by the Board.

(c) Any dispute concerning the interpretation of this Plan shall be determined:
   
   (i) in the first instance, by the Company, acting reasonably; and
   
   (ii) if required, by the Board whose decision shall be considered final.

SECTION 2 CUSTOMER REFUND ELIGIBILITY

2.1 Customers Entitled to Refund

Each Customer that (i) received Service during the period from January 1, 2007 to August 31, 2013, and (ii) paid for that Service is entitled to a Refund under the terms of the Plan.

2.2 Determining the Basic Refund Amount

The Basic Refund Amount to which a Customer is entitled under the Plan shall be calculated in accordance with Schedule 1 to the Plan.

2.3 Taxes to be Included in Refund

Taxes on the Basic Refund Amount that were paid by a Customer for Service will be included in that Customer’s Refund.
2.4 Informing Customers of the Plan

(a) The Company shall take reasonable steps to inform Customers of the terms of the Plan and their entitlement to receive Refunds thereunder.

(b) For Customers who are no longer receiving electrical service from the Company, reasonable notice of the terms of the Plan may include amongst other things, public advertisements throughout Canada.

2.5 Proof of Eligibility

(a) The Company shall be entitled to request a Customer provide reasonable proof of that Customer's eligibility to receive a Refund under the Plan.

(b) Should a Customer be delayed in the provision of reasonable proof of that Customer's eligibility to receive a refund under the Plan, that Customer shall not be entitled to (i) receive a Refund during the period of delay, or (ii) receive interest on a Refund for the period of delay.

2.6 Special Cases

For Customers entitled to a Refund under the terms of the Plan that have died, have become legally incapacitated, or are bankrupt, the Company shall be entitled to pay the Refund to the Customer's estate, legal representative or trustee as appropriate. Payment of the Refund to such an estate, legal representative, or trustee, as the case may be, shall be conclusively considered to be payment of the Refund to the Customer.

SECTION 3 PAYMENT OF CUSTOMER REFUNDS

3.1 Determination of Payment Date

The Company and Hydro shall agree from time to time on a Payment Date or Payment Dates for payment of Refunds to Customers entitled to Refunds under the Plan.

3.2 Credit to Existing Balance

The Company will be entitled to credit a Refund to which a Customer is entitled under the Plan against an existing outstanding balance owed by that Customer to the Company.
3.3 Payments by Cheque

Any Refund, or portion of a Refund, following credit against an outstanding balance under Section 3.2 hereof, will be paid by cheque issued within 3 days of the Payment Date to the Customer entitled thereto.

3.4 Other Forms of Payment

The Company may agree with its Customers to other forms of payment of a Refund.

SECTION 4 TRANSFERS FROM RSP

4.1 Requests for Transfers from the RSP

No later than 10 business days prior to a Payment Date, the Company shall request Hydro to transfer immediately available funds from the RSP to the Designated Account to permit the Company to provide Refunds to Customers on the Payment Date.

4.2 Taxes on Fund Transfer

Transfers of funds from the RSP to the Designated Account made under Section 4.1, shall include appropriate Taxes.

4.3 Timing of Funds Transfer

Upon receipt of a request made under Section 4.1, Hydro shall transfer immediately available funds from the RSP to the Designated Account no later than 2 business days before the Payment Date.

SECTION 5 PLAN ADMINISTRATION

5.1 Plan Costs

The Plan has been created to disburse amounts due to Customers as requested by Orders in Council O.C. 2013-089 and O.C. 2013-207. Both Refunds payable to Customers under the Plan and the costs incurred to administer the Plan shall be funded by amounts in the RSP.
5.2 Recovery of Plan Administration Costs

(a) The Company shall be entitled to recover its reasonable costs of administering the Plan from the RSP.

(b) The Company shall provide Hydro with quarterly accounts indicating the costs incurred in administering the Plan.

(c) Hydro shall reimburse the Company for costs of administering the Plan within 30 days of receipt of an account indicating the Company costs of administering the Plan for a quarter.

5.3 Liability

The Company shall not be liable to any party for any reason whatsoever associated with the administration of the Plan associated with the good faith administration of the Plan.

5.4 Directions

The Company may, by application to the Board, seek directions on any matter related to the administration of the Plan, amendments to the Plan, or any matter related to the provision of Refunds to Customers under the Plan.
SCHEDULE 1  CALCULATION OF BASIC REFUND AMOUNT

1. The Basic Refund Amount for each Customer will be based on that Customer’s kilowatt-hour ("kWh") energy consumption. For each Customer, the Basic Refund Amount will be calculated by multiplying (i) the kWh Refund Rate by (ii) the Customer’s kWh Usage.

2. The kWh Refund Rate (expressed in cents per kWh and calculated to the nearest 0.001) shall be calculated as follows:

\[
\frac{(A-B)}{C} = D
\]

Where:
- \(A\) = the estimated balance of the Utility RSP Surplus in the Rate Stabilization Plan (in dollars) at the end of the month prior to the first Payment Date.
- \(B\) = the estimated costs for the Utilities to administer and provide the Refund to each Customer.
- \(C\) = the total energy usage (in kWhs) billed to all Newfoundland Power Customers and Hydro’s Customers on the Island Interconnected System for the period of January 1, 2007 to August 31, 2013.
- \(D\) = the kWh Refund Rate.

3. A Customer’s kWh Usage shall be calculated as the sum of the kWh energy usage reflected on that Customer’s electric bills (or, in the case of Street and Area Lighting Service, calculated in accordance with Section II (3) of the Company’s Rate Stabilization Clause in effect) for the period of January 1, 2007 to August 31, 2013.

4. The Basic Refund Amount for each Customer (expressed in dollars to nearest $0.01) shall be calculated as follows:

\[
D \times E = F
\]

Where:
- \(D\) = the kWh Refund Rate.
- \(E\) = the Customer’s kWh Usage.
- \(F\) = the Basic Refund Amount.
Cathy, see below. Please advise re. response.

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
☎ Phone (709) 729-6254
✉ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Tuesday, November 01, 2016 12:08 PM
To: Warren, Lisa
Subject: RER request

Hi Lisa,

Hope your week is going well - we’re all in a sugar coma over here from left-over treats :)

I just wanted to touch base & see whether your team had any comments/questions on the RER Request for Interpretation we submitted. I realize it’s busy times & perhaps you haven’t gotten into it yet, but thought I would check-in.

Thanks,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com
From: Whalen, Cathy M  
Sent: Wednesday, November 09, 2016 5:59 PM  
To: Whalen, Cathy M  
Cc: Miller, Ann Marie; Warren, Lisa  
Subject: RE: NL Power and Hydro Electricity Refund  

Cathy,

Thought I already advised Brian that it was our intention to hold issuing the interpretation 39.2. 

Craig

From: Whalen, Cathy M  
Sent: Wednesday, November 09, 2016 5:16 PM  
To: Martin, Craig  
Cc: Miller, Ann Marie; Warren, Lisa  
Subject: RE: NL Power and Hydro Electricity Refund  

Hi Craig

Brian Menchinton left his # for me to call him back on the status of their request. Is the file with you or do you want Tax Admin to complete for OCG sign off

From: Whalen, Cathy M  
Sent: Monday, October 31, 2016 1:58 PM  
To: Martin, Craig  
Cc: Miller, Ann Marie; Warren, Lisa  
Subject: NL Power and Hydro Electricity Refund  

Craig the correspondence with NL Power and Hydro relating to the refund on the surplus is currently with Tax Admin. This was currently being looked at more from a policy perspective as opposed to administrative. Do you want to continue with this file or do you want Tax Admin to strictly look at it strictly from a legislative perspective.
Hi Cathy,

Yes that is correct. Just looking to provide an update and have a general discussion on the RER Interpretation process.

I called this morning. Feel free to give me a call when you’re available. We could also schedule a time for a call for today or tomorrow if that would be more convenient for you.

Thanks!

Brian

---

Hi Brian

Based on the meeting notes I have, we agreed the interpretation would not be issued until you [redacted] Can we call me on Monday, so we can discuss.

---

Hi Cathy,

I called today to touch base regarding the RER Interpretation request. I also have an update [redacted] I can call on Monday if you’re available?

Thanks,

Brian
Anne Marie,

Attached is the Draft Note on the RER issue.

Craig
Title: Treatment of Residential Energy Rebates (RER) overpayments in relation to an accumulated surplus by Hydro from January 1, 2007 to August 31, 2013

Background and Current Status:

• An accumulated surplus of $141.7 million is estimated in the Rate Stabilization Plan by October 31, 2016 as a result of customers being overcharged for fuel costs, mainly Newfoundland and Labrador Hydro’s costs for fuel at Holyrood.

• NL Power and NL Hydro have an estimated 240,000 and 35,000 customers respectively who will be entitled to a rebate.

• Currently, $128.8 million is estimated to be refunded by NL Power to its customers.

• On November 13, 2015 and July 6, 2016 NL Power and NL Hydro, respectively, made initial inquiries as to the treatment of the RER overpayment. NL Power and NL Hydro indicated that the 13% HST will be repaid to the customers and

• NL Power has requested a meeting with Government of NL on September 9, 2016 as the PUB has provided approval for its plan to refund its customers who paid for power from the island’s main grid between January 1, 2007 and August 31, 2013. This plan indicates that NL Power will seek formal confirmation of the treatment of the HST and RER in relation to amounts to be refunded upon the PUB’s approval.

Analysis:

• During the period impacted, customers overpaid on their bills, including the HST. Since the bills were overpaid, they received a higher RER rebate than they should have from Government.

• NL Power has indicated a preliminary estimate of the RER overpayment to their customers is $1.5 million to $1.7 million.
This has to be made within two years after the day that the HST was paid in error. The HST is a federal tax that is governed by federal legislation and administered by the Canada Revenue Agency.

Next Steps:

- Provincial officials are scheduled to meet with representatives of NL Power on September 9, 2016 to discuss these matters.

Prepared/approved by: L. Warren/C. Whalen/C. Martin

Ministerial Approval: Received from the Hon. Cathy Bennett

September 8, 2016
From: Beth Bartlett

Sent: Tuesday, November 22, 2016 12:34 PM

To: Whalen, Cathy M

Subject: FW: RER request

Follow Up Flag: Follow up
Flag Status: Flagged

Please advise how I should respond. Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Tuesday, November 22, 2016 11:59 AM
To: Warren, Lisa
Subject: Re: RER request

Hi Lisa,

Are you able to provide me with an update on this? Or should I reach out to Cathy or Craig? I can give you a call to discuss if that works for you.

Kind regards,
Sonali
Hi Lisa,

Hope your week is going well - we're all in a sugar coma over here from left-over treats :) 

I just wanted to touch base & see whether your team had any comments/questions on the RER Request for Interpretation we submitted. I realize it's busy times & perhaps you haven't gotten into it yet, but thought I would check-in.

Thanks,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
c. 709 733-5287
c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com
No prob, I will pull something together for you - the folks who know the accounting are quite comfortable with it & unfortunately, questions were raised in our meeting with your team that should have been raised & resolved internally.

Sent from my iPad

On Nov 29, 2016, at 8:54 AM, Warren, Lisa <LisaWarren@gov.nl.ca> wrote:

Sonali, Just wanted to follow up with you with regards to the accounting treatment in relation to the refund and RER as this was raised as an issue when we met. Has this been resolved on your end? Are you able to provide me with a brief understanding of it as I don’t believe it is addressed in your request? Thanks, Lisa

---

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com
Hi Sonali, This is request still in progress and we anticipate providing a response over the next week or two. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
☎ Phone (709) 729-6254
✉ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

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"This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender."
Hi Lisa,

The team has put together the information in the attached memo. Let me know if you have any questions/concerns/etc.

Thanks,
Sonali

Sonali Roy  
Manager of Tax Finance  
Nalcor Energy  
t. 709 733-5287  c. 709 699-0406  
e. SonaliRoy@nalcorenergy.com  
w. nalcorenergy.com

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Lisa Warren, CPA, CA  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
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Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Tuesday, November 22, 2016 3:07 PM
To: Warren, Lisa
Cc: Whalen, Cathy M
Subject: RE: RER request

Sounds good - thanks for the update Lisa.
Let me know if you need anything from me.

Sonali
Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287 c. 709 699-0406
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Hi Lisa,

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Hi Lisa,

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Thanks,
Sonali

---

From: Sonali Roy/NLHydro
To: "Warren, Lisa" <LisaWarren@gov.nl.ca>
Date: 11/01/2016 12:07 PM
Subject: RER request

Kind regards,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287 c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

---

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Hi Lisa,
The Hydro Finance/Reg team has this info - I will get & forward along.
Sonali

Hi Sonali, Just wondering if Hydro has estimated at this point the amount to be refunded under the RSP to its direct customers, excluding NL Power, and approx. how many direct Hydro customers are impacted? Also is there an estimate available of the approximate RER involved for these? Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca
The team has put together the information in the attached memo. Let me know if you have any questions/concerns/etc.

Thanks,
Sonali

Sonali Roy  
Manager of Tax Finance  
Nalcor Energy  
t. 709 733-5287  c. 709 699-0406  
e. SonaliRoy@nalcorenergy.com  
w. nalcorenergy.com

---

From: "Warren, Lisa" <LisaWarren@gov.nl.ca>  
To: "SonaliRoy@nalcorenergy.com" <SonaliRoy@nalcorenergy.com>  
Date: 11/29/2016 08:54 AM  
Subject: RE: RER request

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Lisa Warren, CPA, CA  
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Sent: Tuesday, November 22, 2016 3:07 PM  
To: Warren, Lisa  
Cc: Whalen, Cathy M  
Subject: RE: RER request

Sounds good - thanks for the update Lisa.  
Let me know if you need anything from me.

Sonali
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**Lisa Warren, CPA, CA**  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
Government of Newfoundland and Labrador  
P.O. Box 8700, St. John's, NL A1B 4J6  
☎ Phone (709) 729-6254  
✉ Fax (709) 729-2856  
✉ lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com  
Sent: Tuesday, November 22, 2016 11:59 AM  
To: Warren, Lisa  
Subject: Re: RER request

Hi Lisa,

Are you able to provide me with an update on this? Or should I reach out to Cathy or Craig? I can give you a call to discuss if that works for you.

Kind regards,  
Sonali
Hi Lisa,

Hope your week is going well - we're all in a sugar coma over here from left-over treats :)

I just wanted to touch base & see whether your team had any comments/questions on the RER Request for Interpretation we submitted. I realize it's busy times & perhaps you haven't gotten into it yet, but thought I would check-in.

Thanks,
Sonali

---

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287 c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

---

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Cathy, The draft responses to NL Power and Hydro are now actioned to you in Trim for your review. Wanted to mention that their requests and my draft response does not address non-POS RER recipients.

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca
I had no further edits - both letters are actioned back to you. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
📞 Phone (709) 729-6254
📠 Fax (709) 729-2856
✉️ lisawarren@gov.nl.ca
Hi Ann Marie

Attach you will find draft letters to Power and HYDRO that are located in Trim. We want to issue these letters as soon as Power _______ Which can come at any day now. 

Craig mention he would like Meg to review the letters. I will leave that decision up to you.

Cathy Whalen, CPA, CGA
Director of Tax Administration
3rd Floor Confederation Building, East Block
Box 8700, St. John’s, NL, A1B 4J6
t. 709-729-6307
f. 709-729-2856
No problem, Lisa. And I certainly will.

Have a great weekend.

Brian

Brian, Thanks for the update. Yes, please just send along an updates you have on Lisa Warren, CPA, CA

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

Hi Lisa,

I just wanted to provide an update re. our discussion last week.

We have not received... We are reaching out to get an idea of timing. I'll provide any information out of that update early next week.

Thanks,

Brian
Fyi. Please see below.

**Lisa Warren, CPA, CA**
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
📞 Phone (709) 729-6254
📞 Fax (709) 729-2856
✉️ lisanwarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Friday, December 09, 2016 5:54 PM
To: Warren, Lisa
Subject: RE: RER request

Hi Lisa,

Sorry for the delay in this - took some time to get the most up-to-date info.
Hopefully this answers your questions - happy to have a call to discuss any of this next week if you like.

Have a great weekend,
Sonali

From: "Warren, Lisa" <LisaWarren@gov.nl.ca>
To: "SonaliRoy@nalcorenergy.com" <SonaliRoy@nalcorenergy.com>
Date: 12/05/2016 11:24 AM
Subject: RE: RER request

Hi Sonali, Just wondering if Hydro has estimated at this point the amount to be refunded under the RSP to its direct customers, excluding NL Power, and approx. how many direct Hydro customers are impacted? Also is there an estimate available of the approximate and RER involved for these? Thanks, Lisa

Lisa Warren, CPA, CA
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Department of Finance
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P.O. Box 8700, St. John’s, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Thursday, December 01, 2016 11:42 AM
To: Warren, Lisa
Subject: RE: RER request

Hi Lisa,

The team has put together the information in the attached memo. Let me know if you have any questions/concerns/etc.
Sonali, Just wanted to follow up with you with regards to the accounting treatment in relation to the refund and RER as this was raised as an issue when we met. Has this been resolved on your end? Are you able to provide me with a brief understanding of it as I don’t believe it is addressed in your request? Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
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Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
✉ Phone (709) 729-6254
✉ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

Sounds good - thanks for the update Lisa.
Let me know if you need anything from me.

Sonali
Hi Sonali, This is request still in progress and we anticipate providing a response over the next week or two. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
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Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Tuesday, November 22, 2016 11:59 AM
To: Warren, Lisa
Subject: Re: RER request

Hi Lisa,

Are you able to provide me with an update on this? Or should I reach out to Cathy or Craig? I can give you a call to discuss if that works for you.

Kind regards,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t: 709 733-5287  c: 709 699-0406
e: SonaliRoy@nalcorenergy.com
w: nalcorenergy.com
Hi Lisa,

Hope your week is going well - we're all in a sugar coma over here from left-over treats :) 

I just wanted to touch base & see whether your team had any comments/questions on the RER Request for Interpretation we submitted. I realize it's busy times & perhaps you haven't gotten into it yet, but thought I would check-in.

Thanks,

Sonali
Ann Marie, In follow up to our meeting yesterday, please see below for Meg’s legal opinion re. RER. I am sending it by email as I will be delayed in getting it trimmed. 40.(1)

Regarding your question on the recording of the RER program in the G/L, it was recorded in account 01-0541-540-9940-2108. I can confirm for the purpose of the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund it was included in Schedule 1 - Current Account Revenue, netted against the Taxation – Harmonized Sales Tax figure.

Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
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☎ Phone (709) 729-6254
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Kathy, Can you please trim this email and attach to the following 2 documents already in TRIM (Ann Marie requires this for her review):

- COR/02287/2016 - Hydro
- COR/02254/2016 – NL Power

Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
From: Whalen, Cathy M  
Sent: Monday, August 29, 2016 11:53 AM  
To: Warren, Lisa  
Subject: FW: Comments regarding RER

Can you update the note accordingly.

thanks

From: Gillies, Margaret  
Sent: Friday, August 26, 2016 2:42 PM  
To: Whalen, Cathy M  
Subject: Comments regarding RER

Cathy, I have reviewed the draft Information Note dated July 8, 2016 relating to the treatment of the residential energy rebate (RER) by Newfoundland Power as well as the Revenue Administration Regulations (RAR) that implemented the RER and the Revenue Administration Regulations (Amendment) (RAR Amendment) that repealed the RER. My comments are as follows:

Also, in the bullet that refers to the transitional provision the reference to “Revenue Administration Regulations” should be the “Revenue Administration Regulations (Amendment)”.  

Please let me know if you want to discuss further or if you want me to review another draft of the Note.  

Thanks  
Meg
I received a call from Brian at NL Power. Brian advised me that they are waiting for final review. They were unable to provide a timeframe for the review, but he is thinking 2 weeks.

I also asked when they will be prepared to send out the overpayments after receiving the ruling and he said, about 6 to 8 weeks.

Cathy Whalen, CPA, CGA
Director of Tax Administration
3rd Floor Confederation Building, East Block
Box 8700, St. John's, NL, A1B 4J6
t. 709-729-6307
f. 709-729-2856
From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Friday, December 16, 2016 10:37 AM
To: Warren, Lisa
Subject: RE: RER request

Hi Lisa,

Happy Friday!

Can you let me know where things are with your RER review on the RSP surplus? We have a team meeting first thing Tuesday morning & I will need to provide an update and if available, expected date for receiving your response (an estimated date would be fine).

Thanks & hope you have a great weekend,
Sonali
Hopefully this answers your questions - happy to have a call to discuss any of this next week if you like.

Have a great weekend,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com
Hi Sonali, Just wondering if Hydro has estimated at this point the amount to be refunded under the RSP to its direct customers, excluding NL Power, and approx. how many direct Hydro customers are impacted? Also is there an estimate available of the approximate SPM and RER involved for these? Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
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P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

Hi Lisa,

The team has put together the information in the attached memo. Let me know if you have any questions/concerns/etc.

Thanks,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287 c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com
Sonali, Just wanted to follow up with you with regards to the accounting treatment in relation to the refund and RER as this was raised as an issue when we met. Has this been resolved on your end? Are you able to provide me with a brief understanding of it as I don’t believe it is addressed in your request? Thanks, Lisa

Lisa Warren, CPA, CA
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Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Tuesday, November 22, 2016 3:07 PM
To: Warren, Lisa
Cc: Whalen, Cathy M
Subject: RE: RER request

Sounds good - thanks for the update Lisa.
Let me know if you need anything from me.

Sonali Roy
Manager of Tax Finance
Nalcor Energy
t. 709 733-5287 c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

Hi Sonali, This is request still in progress and we anticipate providing a response over the next week or two. Lisa
Hi Lisa,

Are you able to provide me with an update on this? Or should I reach out to Cathy or Craig? I can give you a call to discuss if that works for you.

Kind regards,
Sonali

---

Hi Lisa,

Hope your week is going well - we're all in a sugar coma over here from left-over treats :)

I just wanted to touch base & see whether your team had any comments/questions on the RER Request for Interpretation we submitted. I realize it's busy times & perhaps you haven't gotten into it yet, but thought I would check-in.
Thanks,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy

t. 709 733-5287  c. 709 699-0406
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Okay; thanks Lisa. We've been in close contact with NP through the process & are aware of the delays they are experiencing. The team had wondering if you might look at the cases stand-alone, but understand that you want to ensure consistency given the situation.

Thanks for the update,
Sonali
Hi Lisa,

Happy Friday!

Can you let me know where things are with your RER review on the RSP surplus? We have a team meeting first thing Tuesday morning & I will need to provide an update and if available, expected date for receiving your response (an estimated date would be fine).

Thanks & hope you have a great weekend,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
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w. nalcorenergy.com

Hi Lisa,

Sorry for the delay in this - took some time to get the most up-to-date info.
Hopefully this answers your questions - happy to have a call to discuss any of this next week if you like.

Have a great weekend,
Sonali

---

Hi Sonali, Just wondering if Hydro has estimated at this point the amount to be refunded under the RSP to its direct customers, excluding NL Power, and approx. how many direct Hydro customers are impacted? Also is there an estimate available of the approximate and RER involved for these? Thanks, Lisa

Lisa Warren, CPA, CA
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P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca
Hi Lisa,

The team has put together the information in the attached memo. Let me know if you have any questions/concerns/etc.

Thanks,
Sonali

---

Sonali Roy  
Manager of Tax  
Finance  	Nalcor Energy  
t. 709 733-5287  c. 709 699-0406  
e. SonaliRoy@nalcorenergy.com  
w. nalcorenergy.com

---

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Lisa Warren, CPA, CA  
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☎ Fax (709) 729-2856  
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---

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]  
Sent: Tuesday, November 22, 2016 3:07 PM  
To: Warren, Lisa  
Cc: Whalen, Cathy M  
Subject: RE: RER request
Sounds good - thanks for the update Lisa.
Let me know if you need anything from me.

Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

Hi Sonali, This is request still in progress and we anticipate providing a response over the next week or two. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
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Department of Finance
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lisawarren@gov.nl.ca

Hi Lisa,

Are you able to provide me with an update on this? Or should I reach out to Cathy or Craig? I can give you a call to discuss if that works for you.

Kind regards,
Sonali
Hi Lisa,

Hope your week is going well - we're all in a sugar coma over here from left-over treats ;)

I just wanted to touch base & see whether your team had any comments/questions on the RER Request for Interpretation we submitted. I realize it's busy times & perhaps you haven't gotten into it yet, but thought I would check-in.

Thanks,
Sonali
Kathy, Could you please trim and link the below email as requested below. Thanks, Lisa

Lisa Warren, CPA, CA
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Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
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✉️ lisawarren@gov.nl.ca

Kathy, Can you please trim this email and attach to the following 2 documents already in TRIM (Ann Marie requires this for her review):

- COR/02287/2016 - Hydro
- COR/02254/2016 – NL Power

Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
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✉️ lisawarren@gov.nl.ca
Can you update the note accordingly.

thanks

Cathy, I have reviewed the draft Information Note dated July 8, 2016 relating to the treatment of the residential energy rebate (RER) by Newfoundland Power as well as the Revenue Administration Regulations (RAR) that implemented the RER and the Revenue Administration Regulations (Amendment) (RAR Amendment) that repealed the RER. My comments are as follows:

Also, in the bullet that refers to the transitional provision the reference to “Revenue Administration Regulations” should be the “Revenue Administration Regulations (Amendment)”. 

Please let me know if you want to discuss further or if you want me to review another draft of the Note.

Thanks
Meg
From: Warren, Lisa  
Sent: Monday, December 19, 2016 1:42 PM  
To: Cooper, Kathy  
Cc: Whalen, Cathy M  
Subject: RE: RER request

Follow Up Flag: Follow up  
Flag Status: Flagged

Cathy, This email too please as requested below. Thanks, Lisa

Lisa Warren, CPA, CA  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
Government of Newfoundland and Labrador  
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☎ Fax (709) 729-2856  
✉️ lisawarren@gov.nl.ca

From: Warren, Lisa  
Sent: Tuesday, December 13, 2016 9:41 AM  
To: Cooper, Kathy  
Cc: Whalen, Cathy M  
Subject: FW: RER request

Kathy, Can you also please trim the below email and link to COR/02287/2016 – Hydro already in trim. Thanks, Lisa

Lisa Warren, CPA, CA  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
Government of Newfoundland and Labrador  
P.O. Box 8700, St. John's, NL A1B 4J6  
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✉️ lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]  
Sent: Friday, December 09, 2016 5:54 PM  
To: Warren, Lisa  
Subject: RE: RER request

Hi Lisa,

Sorry for the delay in this - took some time to get the most up-to-date info.
Hi Sonali, Just wondering if Hydro has estimated at this point the amount to be refunded under the RSP to its direct customers, excluding NL Power, and approx. how many direct Hydro customers are impacted? Also is there an estimate available of the approximate
Sonali, Just wanted to follow up with you with regards to the accounting treatment in relation to the refund and RER as this was raised as an issue when we met. Has this been resolved on your end? Are you able to provide me with a brief understanding of it as I don’t believe it is addressed in your request? Thanks, Lisa

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✉ lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Thursday, December 01, 2016 11:42 AM
To: Warren, Lisa
Subject: RE: RER request

Hi Lisa,

The team has put together the information in the attached memo. Let me know if you have any questions/concerns/etc.

Thanks,
Sonali

---

Sonali Roy
Manager of Tax Finance
Nalcor Energy
t. 709 733-5287 c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com
Sounds good - thanks for the update Lisa.
Let me know if you need anything from me.

Sonali
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

Hi Sonali, This is request still in progress and we anticipate providing a response over the next week or two. Lisa

Lisa Warren, CPA, CA
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Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Tuesday, November 22, 2016 11:59 AM
To: Warren, Lisa
Hi Lisa,

Are you able to provide me with an update on this? Or should I reach out to Cathy or Craig? I can give you a call to discuss if that works for you.

Kind regards,
Sonali

From: Sonali Roy/NLHydro
To: "Warren, Lisa" <LisaWarren@gov.nl.ca>
Date: 11/01/2016 12:07 PM
Subject: RER request

Hi Lisa,

Hope your week is going well - we’re all in a sugar coma over here from left-over treats :)

I just wanted to touch base & see whether your team had any comments/questions on the RER Request for Interpretation we submitted. I realize it’s busy times & perhaps you haven’t gotten into it yet, but thought I would check-in.

Thanks,
Sonali
We will need a direction note with options and a recommendation for Donna and Minister.

Hi Ann Marie

Brian Menchinton of NL Power advised me today that they have identified $2.8 million owing to core gov. for the electricity overpayment and $5 million to the boards and agencies. They are wondering how Gov. would like this paid. Do you require one cheque for 8.8 million and Gov. will distribute it, do you want them to send a cheque to each department and agency, or is there another manner Gov. would like it paid.

Funds could be released around mid Feb.
Bartlett, Beth

_____

From: Warren, Lisa
Sent: Wednesday, January 04, 2017 10:04 AM
To: Miller, Ann Marie
Subject: FW: Newfoundland Power
Attachments: 2017 01 03, NP Correspondence Re Residential Energy Rebate Program.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Ann Marie, Please see attached — NL Power has received their [redacted]. I wanted to make sure you were aware [redacted] I will review today and I’m sure Cathy will review as soon as possible as well, and advise accordingly. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
📞 Phone (709) 729-6254
팩스 (709) 729-2856
✉️ lisawarren@gov.nl.ca

From: Menchenton, Brian [mailto:bmenchenton@newfoundlandpower.com]
Sent: Tuesday, January 03, 2017 3:08 PM
To: Martin, Craig
Cc: Whalen, Cathy M; Warren, Lisa; Alteen, Peter; Avery, Julie
Subject: Newfoundland Power

Mr. Martin,

Please see attached [redacted].

If you have any questions regarding the ruling, please contact me at your convenience.

Sincerely,

Brian

Brian Menchenton, CPA, CA // Manager, Revenue

55 Kenmount Road, St. John’s, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com
Ann Marie, Did you send your edits back to Cathy? I didn’t receive anything back. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
📞 Phone (709) 729-6254
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✉️ lisawarren@gov.nl.ca

Lisa

As per below are we ready to issue our ruling. I believe I reviewed the letter and asked for a couple of slight modifications to it.

Ann Marie

Brian,

Thank you for your correspondence. Tax Administration should be able to issue your interpretation ruling on the Residential Energy Rebate application to the transaction shortly.

Effective this past October, 2016 the Department of Finance reorganized and Tax Administration Division is no longer within my Branch. I have copied Ann Marie Miller, Comptroller General on your correspondence as Tax Administration Division falls within her Branch.
If you have any questions regarding the ruling, please contact me at your convenience.

Sincerely,

Brian Menchenton, CPA, CA // Manager, Revenue

55 Kenmount Road, St. John's, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com
Were there edits to the Hydro letter as well?

Lisa Warren, CPA, CA  
Manager of Client and Support Services, Tax Administration Taxation and Fiscal Policy Branch Department of Finance  
Government of Newfoundland and Labrador P.O. Box 8700, St. John's, NL A1B 4J6  
Phone (709) 729-6254  
Fax (709) 729-2856  
lisawarren@gov.nl.ca

-----Original Message-----
From: Ivany, Elaine  
Sent: Wednesday, January 04, 2017 1:18PM  
To: Warren, Lisa  
Subject: FW: Emailing: scan0001.pdf

-----Original Message-----
From: Ivany, Elaine  
Sent: Tuesday, January 03, 2017 9:55AM  
To: Whalen, Cathy M  
Subject: Emailing: scan0001.pdf

Hi Cathy,

Please have edits made as per Ann Marie's comments and letter placed on letterhead. Thanks.

Elaine

Your message is ready to be sent with the following file or link attachments:

scan0001.pdf

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.
Hi Lisa,

Further to our conversation, please see attached revised debit note mentioned in the ruling. It was a simple revision to include the business # of Hydro on the debit memo.

If you have any other question, just let me know.

Thanks,

Brian

Brian Menchenton, CPA, CA // Manager, Revenue

55 Kenmount Road, St. John's, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com
Ann Marie/Cathy, Please see attached for updated letters for your final review. I have reviewed the [redacted] received by NL Power and am now fine with the letters as attached. I have asked Kathy Cooper to have these trimmed. In speaking with Brian at NL Power this afternoon, they are anxious for the release of our ruling and hoping for it tomorrow if at all possible. He has requested that we provide any update mid-day.

Cathy, I met with Ann Marie this afternoon and she will hold off on final release at this point until you have a chance to review ruling and letters in morning.

Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
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P.O. Box 8700, St. John's, NL A1B 4J6
☎ Phone (709) 729-6254
☎ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

From: Miller, Ann Marie
Sent: Wednesday, January 04, 2017 11:24 AM
To: Warren, Lisa
Subject: FW: Newfoundland Power - 39.(2)

Lisa

As per below are we ready to issue our ruling. I believe I reviewed the letter and asked for a couple of slight modifications to it.

Ann Marie

From: Martin, Craig
Sent: Tuesday, January 3, 2017 4:56 PM
To: 'Menchenton, Brian' <bmenchenton@newfoundlandpower.com>
Cc: Whalen, Cathy M <cathywhalen@gov.nl.ca>; Miller, Ann Marie <millera@gov.nl.ca>
Subject: RE: Newfoundland Power - 39.(2)

Brian,
Thank you for your correspondence. Tax Administration should be able to issue your interpretation ruling on the Residential Energy Rebate application to the transaction shortly.

Effective this past October, 2016 the Department of Finance reorganized and Tax Administration Division is no longer within my Branch. I have copied Ann Marie Miller, Comptroller General on your correspondence as Tax Administration Division falls within her Branch.

If you have any further questions, please let us know.

Regards

Craig

Craig Martin, CPA, CMA
Assistant Deputy Minister of Finance
Fiscal and Economic Policy

From: Menchenton, Brian [mailto:bmenchenton@newfoundlandpower.com]
Sent: Tuesday, January 03, 2017 3:08 PM
To: Martin, Craig
Cc: Whalen, Cathy M; Warren, Lisa; Alteen, Peter; Avery, Julie
Subject: Newfoundland Power

Mr. Martin,

Please see attached.

If you have any questions regarding the ruling, please contact me at your convenience.

Sincerely,

Brian

Brian Menchenton, CPA, CA // Manager, Revenue

55 Kenmount Road, St. John's, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com
Kathy, Ann Marie requires these for review ASAP. Can you please trim these as soon as possible this morning and link as follows:

- COR/02287/2016 - Hydro
- COR/02254/2016 - NL Power

Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
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Fax (709) 729-2856
lisawarren@gov.nl.ca
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<tr>
<th>From:</th>
<th>Miller, Ann Marie</th>
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<tr>
<td>Sent:</td>
<td>Thursday, January 05, 2017 12:07 PM</td>
</tr>
<tr>
<td>To:</td>
<td>Warren, Lisa; Ivany, Elaine</td>
</tr>
<tr>
<td>Subject:</td>
<td>RE: RER Letters</td>
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<td>Follow Up Flag:</td>
<td>Follow up</td>
</tr>
<tr>
<td>Flag Status:</td>
<td>Flagged</td>
</tr>
</tbody>
</table>

Yes no problem.

From: Warren, Lisa
Sent: Thursday, January 5, 2017 12:04 PM
To: Miller, Ann Marie <millera@gov.nl.ca>; Ivany, Elaine <eivany@gov.nl.ca>
Subject: RE: RER Letters

Perfect. Brian just called inquiring. Are you okay with me sending copies in pdf by email to both NL Power and Hydro.

**Lisa Warren, CPA, CA**  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
Government of Newfoundland and Labrador  
P.O. Box 8700, St. John’s, NL A1B 4J6  
📞 Phone (709) 729-6254  
Fax (709) 729-2856  
✉️ lisawarren@gov.nl.ca

From: Miller, Ann Marie  
Sent: Thursday, January 05, 2017 12:01 PM  
To: Warren, Lisa; Ivany, Elaine  
Subject: RE: RER Letters

I have both letters signed and they are being actioned back in TRIM. The originals are being sent out.

From: Warren, Lisa  
Sent: Thursday, January 5, 2017 11:11 AM  
To: Ivany, Elaine <eivany@gov.nl.ca>  
Cc: Miller, Ann Marie <millera@gov.nl.ca>  
Subject: RER Letters

Elaine, Both letters are now in Trim COR/00044/2017 and COR/00045/2017.

**Lisa Warren, CPA, CA**  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
Government of Newfoundland and Labrador  
P.O. Box 8700, St. John’s, NL A1B 4J6
Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
☎ Phone (709) 729-6254
✉ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca
January 5, 2017

Dear Mr. Alteen:

Re: Residential Energy Rebate (RER) Interpretation -
Application of the RER to the Refund of the Rate Stabilization Plan Surplus

Thank you for your request of October 14, 2016 concerning the application of the RER under the Revenue Administration Act (the “Act”) and Revenue Administration Regulations (the “Regulations”) to the refund of surplus funds held in Newfoundland and Labrador Hydro’s (“Hydro’s”) Rate Stabilization Plan (“RSP”).

We understand based upon your submission for an RER interpretation that:

1. Hydro’s RSP is an electricity rate smoothing methodology introduced in 1986 to address the impact of volatile fuel prices on electricity rates, which is directly correlated to the cost of fuel used at Hydro’s Holyrood Generating Station and the overall electricity consumption on the system serving the island of Newfoundland.

2. Since 2007, Hydro experienced a significant reduction in its industrial customer consumption, primarily due to a reduction in electricity use within the pulp and paper industry. As a result of this and other RSP variances, a significant positive balance has accumulated in the RSP account (“RSP Surplus”).

3. On September 2, 2016, the Board approved a plan to refund the RSP Surplus to Newfoundland Power’s customers. The RSP Surplus relates to electricity supplied to customers on the island of Newfoundland during January 1, 2007 to August 31, 2013 (the “Refund Period”).

4. Newfoundland Power intends to issue credit memos to customers upon payment of the RSP Surplus refund which detail the amount of the RSP refund, along with the amount of HST being refunded and amount of RER being withheld.
6. The RER program under the Act and the Regulations provided a rebate equivalent to the provincial portion of the HST charged on consumption of electricity for residential purposes for the period of October 1, 2011 to June 30, 2015. On a monthly basis, the RER was provided to residential customers at the point of sale by energy suppliers, including Newfoundland Power and Hydro, and reimbursed directly to the suppliers by the Government of Newfoundland and Labrador (the “Province”). In terms of the RSP Surplus, the RER only impacts the portion of the Refund Period when the RER was in effect, that being October 1, 2011 to August 31, 2013.

Interpretation Request

Newfoundland Power has requested that the Province provide an interpretation to the effect that its proposed withholding of the RER and remittance to the Province are consistent with the Act and the Regulations.

Interpretation Response

While Part V.1 of the Regulations covering the RER was repealed following the elimination of the program effective July 1, 2015, the following transitional provision of section 3 of the Revenue Administration Regulations (Amendment) applies as follows:

3(1) Where an application or a return respecting a rebate for an eligible product was submitted before the coming into force of these regulations, the application or return shall be administered as though these regulations were not in force.

As a result of the application of the above, the following provisions of the Regulations apply in respect of the RSP refund:
23.4(2) Notwithstanding subsection (1), the minister may order a supplier to make a return in respect of a period prescribed in the order and the supplier shall make that return within the period prescribed in the order.

23.4(7) Where the amount of a reimbursement made by the minister to a supplier under this section is greater than the amount of the reimbursement to which the supplier was entitled, the minister may require the supplier to pay to the minister, or the minister may deduct from any reimbursement of rebates subsequently made to the supplier, an amount equal to the difference between the entitled amount and the rebate credited.

During the period impacted, residential customers overpaid on their electricity bills, including the HST, and thus received a higher RER than they should have from the Province. On the basis of subsection 23.4(2) of the Regulations, the minister has authority to require a return for the relevant time period which would result in the overpayment of the RER being identified in the return and repaid to the Province.

Subsection 23.4(7) of the Regulations establishes a mechanism through which the minister can collect an overpayment including requiring a supplier to pay to the minister the amount of the reimbursement that they were not entitled as a result of the RSP refund.

As a result, an overpayment will be due to the Province on the RER portion of the RSP refunds issued. Customers overpaid on their eligible purchases, including the HST, and thereby received a higher RER at the point of sale for the period October 1, 2011 to August 31, 2013. The RER should be deducted from the RSP credit memos and repayments and be reported and remitted to the Province in the same period as it is recovered from customers through the RSP refund process.

The RSP refund credit memo issued should reflect details similar to below, using a $200 electricity overpayment as an example.

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<td>(4.60)</td>
</tr>
<tr>
<td>Net Overpayment - RSP Surplus Refund</td>
<td>$221.70</td>
</tr>
</tbody>
</table>

If you require clarification or have additional questions on the interpretation and application of the RER, please do not hesitate to contact me at the number below or Lisa Warren directly at lisawarren@gov.nl.ca or 709-729-6254.

Sincerely,

Ann Marie Miller, CPA, CMA  
Comptroller General

P.O. Box 8700, St. John's, NL, Canada A1B 4J6  	t 709.729.5926  	f 709.729.7627
Hi Lisa, Cathy,

Happy New Year to you both! Hope you had the opportunity to take a break and enjoyed the Holidays.

Wondering if you are able to provide a status update on our request (re: RER on RSP refund).

Kind regards,
Sonali
Hi Lisa,

Happy Friday!

Can you let me know where things are with your RER review on the RSP surplus? We have a team meeting first thing Tuesday morning & I will need to provide an update and if available, expected date for receiving your response (an estimated date would be fine).

Thanks & hope you have a great weekend,
Sonali

---

Hi Lisa,

Sorry for the delay in this - took some time to get the most up-to-date info.
Hi Sonali, Just wondering if Hydro has estimated at this point the amount to be refunded under the RSP to its direct customers, excluding NL Power, and approx. how many direct Hydro customers are impacted? Also is there an estimate available of the approximate and RER involved for these? Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

From: "Warren, Lisa" <LisaWarren@gov.nl.ca >
To: "SonaliRoy@nalcorenergy.com" <SonaliRoy@nalcorenergy.com>
Date: 12/05/2016 11:24 AM
Subject: RE: RER request
Hi Lisa,

The team has put together the information in the attached memo. Let me know if you have any questions/concerns/etc.

Thanks,
Sonali

---

Sonali, Just wanted to follow up with you with regards to the accounting treatment in relation to the refund and RER as this was raised as an issue when we met. Has this been resolved on your end? Are you able to provide me with a brief understanding of it as I don't believe it is addressed in your request? Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

---

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Tuesday, November 22, 2016 3:07 PM
To: Warren, Lisa
Cc: Whalen, Cathy M
Subject: RE: RER request
Sounds good - thanks for the update Lisa.
Let me know if you need anything from me.

Hi Sonali,

This request is still in progress and we anticipate providing a response over the next week or two.

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
☎ Phone (709) 729-6254
☎ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com
Sent: Tuesday, November 22, 2016 11:59 AM
To: Warren, Lisa
Subject: Re: RER request

Hi Lisa,

Are you able to provide me with an update on this? Or should I reach out to Cathy or Craig? I can give you a call to discuss if that works for you.

Kind regards,
Sonali
Hi Lisa,

Hope your week is going well - we’re all in a sugar coma over here from left-over treats :)

I just wanted to touch base & see whether your team had any comments/questions on the RER Request for Interpretation we submitted. I realize it’s busy times & perhaps you haven’t gotten into it yet, but thought I would check-in.

Thanks,
Sonali

“"This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.""
Sonali, Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
📞 Phone (709) 729-6254
📠 Fax (709) 729-2856
✉️ lisawarren@gov.nl.ca
Dear Ms. Roy:

Re: Residential Energy Rebate (RER) Interpretation -
Application of the RER to the Refund of the Rate Stabilization Plan Surplus

Thank you for your request of October 17, 2016 concerning the application of the RER under the Revenue Administration Act (the “Act”) and Revenue Administration Regulations (the “Regulations”) to the refund of surplus funds held in Newfoundland and Labrador Hydro’s (“Hydro’s”) Rate Stabilization Plan (“RSP”).

It is understood from your submission for an RER interpretation that:

1. Hydro’s RSP is an electricity rate smoothing methodology introduced in 1986 to address the impact of volatile fuel prices on electricity rates, which is directly correlated to the cost of fuel used at Hydro’s Holyrood Generating Station and the overall electricity consumption on the system serving the island of Newfoundland.

2. Since 2007, Hydro experienced a significant reduction in its industrial customer consumption, primarily due to a reduction in electricity use within the pulp and paper industry. As a result of this and other RSP variances, a significant positive balance has accumulated in the RSP account (“RSP Surplus”).

3. Through Orders-In-Council OC2013-89, OC2013-91, OC2013-207, and OC2013-208 Hydro has been directed to refund a portion of the RSP Surplus as a direct payment or rebate to eligible ratepayers, and not in the form of an electricity rate adjustment. A portion of the RSP Surplus is expected to be refunded by Hydro to Newfoundland Power and, in turn, refunded by Newfoundland Power to approximately 268,000 of its customers based upon customer electricity consumption (in kilowatt hours) during the period January 1, 2007 to August 31, 2013 (“Refund Period”). Hydro will also directly refund a portion to its own customers in relation to the Refund Period.
4. On September 7, 2016, under Board Order P.U. 36 (2016), the Board approved a plan to refund a portion of the RSP Surplus to Newfoundland Power and Hydro’s Island Interconnected Rural customers who received and paid for electricity during the Refund Period.

5. Hydro intends to issue credit memos to customers upon payment of the RSP Surplus refund which detail the amount of the RSP refund, along with the amount of HST being refunded and amount of RER being withheld.

6. The RER program under the Act and the Regulations provided a rebate equivalent to the provincial portion of the HST charged on consumption of electricity for residential purposes for the period of October 1, 2011 to June 30, 2015. On a monthly basis, the RER was provided to residential customers at the point of sale by energy suppliers, including Hydro and Newfoundland Power, and reimbursed directly to the suppliers by the Government of Newfoundland and Labrador (the “Province”). In terms of the RSP Surplus, the RER only impacts the portion of the Refund Period when the RER was in effect, that being October 1, 2011 to August 31, 2013.

Interpretation Request

Hydro has requested that the Province provide an opinion and guidance of the following:

1. Whether the refund transactions outlined above and in the Customer Refund Plan will be consistent to include an overpayment of the RER such that a recovery of such overpayment would be required under subsection 23.4(7) of the Regulations and/or other relevant legislation.
2. Assuming the refund transactions are considered to include an overpayment of RER that will be required to be recovered from applicable customers by Hydro and subsequently submitted to Finance, specific guidance on how the recovery of the overpayment is expected to be implemented by Hydro.

**Interpretation Response**

While Part V.1 of the Regulations covering the RER was repealed following the elimination of the program effective July 1, 2015, the following transitional provision of section 3 of the Revenue Administration Regulations (Amendment) applies as follows:

3(1) Where an application or a return respecting a rebate for an eligible product was submitted before the coming into force of these regulations, the application or return shall be administered as though these regulations were not in force.

As a result of the application of the above, the following provisions of the Regulations apply in respect of the RSP refund:

23.4(2) Notwithstanding subsection (1), the minister may order a supplier to make a return in respect of a period prescribed in the order and the supplier shall make that return within the period prescribed in the order.

23.4(7) Where the amount of a reimbursement made by the minister to a supplier under this section is greater than the amount of the reimbursement to which the supplier was entitled, the minister may require the supplier to pay to the minister, or the minister may deduct from any reimbursement of rebates subsequently made to the supplier, an amount equal to the difference between the entitled amount and the rebate credited.

During the period impacted, residential customers overpaid on their electricity bills, including the HST, and thus received a higher RER than they should have from the Province. On the basis of subsection 23.4(2) of the Regulations, the minister has authority to require a return for the relevant time period which would result in the overpayment of the RER being identified in the return and repaid to the Province.

Subsection 23.4(7) of the Regulations establishes a mechanism through which the minister can collect an overpayment including requiring a supplier to pay to the minister the amount of the reimbursement that they were not entitled as a result of the RSP refund.

As a result, an overpayment will be due to the Province on the RER portion of the RSP refunds issued. Customers overpaid on their eligible purchases, including the HST, and thereby received a higher RER at the point of sale for the period October 1, 2011 to August 31, 2013. The RER should be deducted from the RSP credit memos and repayments and be reported and remitted to the Province in the same period as it is recovered from customers through the RSP refund process.
The RSP refund credit memo issued should reflect details similar to below, using a $200 electricity overpayment as an example.

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If you require clarification or have additional questions on the interpretation and application of the RER, please do not hesitate to contact me at the number below or Lisa Warren directly at lisawarren@gov.nl.ca or 709-729-6254.

Sincerely,

Ann Marie Miller, CPA, CMA
Comptroller General
Thank-you Lisa.

I will forward your request to review communication materials along to the customer service folks.

Kind regards,
Sonali

Sonali, Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Lisa, Cathy,

Please see attached a sample of our Refund Statement for the RSP which outlines all the details of the customer's refund, including the RER amount to be recovered. Let me know if you have any questions/concerns regarding this. I will note that this sample has been shared internally and with NP, however, will not be seen publicly until release date (which is still to be determined, to my understanding).

With the tax pieces now in place, we are expecting the remainder of the refund process to happen swiftly, so we'd appreciate your comments at your earliest convenience. I expect there to also be a Hydro website update to include the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

Kind regards,
Sonali

--- Forwarded by Sonali Roy/NLHydro on 01/06/2017 01:32 PM ---

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Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
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lisawarren@gov.nl.ca

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Ann Marie, Please see attached and below from NL Hydro.

Brian at NL Power left me a voice mail late yesterday and indicated they were having team meetings today on this and would provide an update following that re. our request to review communication materials.

Please let me know if you require anything further on this at this point on my end. In the meantime, I will review the attached.

Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
☎ Phone (709) 729-6254
☎ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Friday, January 06, 2017 1:39 PM
To: Warren, Lisa; Whalen, Cathy M
Subject: Fw: Newfoundland Labrador Hydro RER Interpretation

Lisa, Cathy,

Please see attached a sample of our Refund Statement for the RSP which outlines all the details of the customer’s refund, including the RER amount to be recovered. Let me know if you have any questions/concerns regarding this. I will note that this sample has been shared internally and with NP, however, will not be seen publicly until release date (which is still to be determined, to my understanding).

With the tax pieces now in place, we are expecting the remainder of the refund process to happen swiftly, so we’d appreciate your comments at your earliest convenience. I expect there to also be a Hydro website update to include the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

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Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.” [attachment "Sonali Roy from Ann Marie Miller - Residential Energy Rebate (RER) ~ Application of the RER to the Refund of the Rate Stabilization Plan Surplus.PDF" deleted by Sonali Roy/NLHydro]
Thanks Sonali. We will review and share with our communication folks. We will advise if any questions/concerns. Lisa

Lisa Warren, CPA, CA  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
Government of Newfoundland and Labrador  
P.O. Box 8700, St. John’s, NL A1B 4J6  
Phone (709) 729-6254  
Fax (709) 729-2856  
lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com  
Sent: Friday, January 06, 2017 1:39 PM  
To: Warren, Lisa; Whalen, Cathy M  
Subject: Fw: Newfoundland Labrador Hydro RER Interpretation

Lisa, Cathy,

Please see attached a sample of our Refund Statement for the RSP which outlines all the details of the customer’s refund, including the RER amount to be recovered. Let me know if you have any questions/concerns regarding this. I will note that this sample has been shared internally and with NP, however, will not be seen publicly until release date (which is still to be determined, to my understanding).

With the tax pieces now in place, we are expecting the remainder of the refund process to happen swiftly, so we’d appreciate your comments at your earliest convenience. I expect there to also be a Hydro website update to include the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

Kind regards,

Sonali
Sonali, Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

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I am not seeing an attachment.

---

**From:** Warren, Lisa  
**Sent:** Friday, January 6, 2017 1:58 PM  
**To:** Miller, Ann Marie <millera@gov.nl.ca>  
**Cc:** Whalen, Cathy M <cathywhalen@gov.nl.ca>  
**Subject:** FW: Fw: Newfoundland Labrador Hydro RER Interpretation

fyi

Lisa Warren, CPA, CA  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
Government of Newfoundland and Labrador  
P.O. Box 8700, St. John's, NL A1B 4J6  
☎ Phone (709) 729-6254  
✉ Fax (709) 729-2856  
▷ lisawarren@gov.nl.ca

---

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]  
**Sent:** Friday, January 06, 2017 1:57 PM  
**To:** Warren, Lisa  
**Cc:** Whalen, Cathy M  
**Subject:** Re: Fw: Newfoundland Labrador Hydro RER Interpretation

My apologies ladies; I just learned this document has NOT yet been shared with NP. It is currently undergoing final review internally prior to sending to NP - as such, please consider it an internal working draft. I will let you know if any changes are made.

Thanks,  
Sonali

Sonali Roy  
Manager of Tax  
Finance  
Nalcor Energy  
l. 709 733-5287  c. 709 699-0406  
e. SonaliRoy@nalcorenergy.com  
w. nalcorenergy.com
Lisa, Cathy,

Please see attached a sample of our Refund Statement for the RSP which outlines all the details of the customer’s refund, including the RER amount to be recovered. Let me know if you have any questions/concerns regarding this. I will note that this sample has been shared internally and with NP, however, will not be seen publicly until release date (which is still to be determined, to my understanding).

With the tax pieces now in place, we are expecting the remainder of the refund process to happen swiftly, so we'd appreciate your comments at your earliest convenience. I expect there to also be a Hydro website update to include the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

Kind regards,

Sonali

[attachment "01 06 2017 Refund Statement sample.pdf" deleted by Sonali Roy/NLHydro]
Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
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Sounds good, I’ll hold off for now then. If I don’t hear back from NL Power today, I will follow up with Brian on Monday morning. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
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We can get Cathy’s comments and look at NL Power’s and then send back feedback. We would ask to see a revised communication once feedback was incorporated and if we were good with revisions we would get Tansy to do a final review. If they are adverse to that approach we would need to change what they sent us to incorporate our comments and flow through Tansy before we send back to them.

I definitely can if you want, just was wondering what the plan was – if you wanted to review NL Power’s too first, get any input from communications, Cathy’s comments.

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
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P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Yes I agree. Are you going back with that feedback.

I agree. Perhaps too refer to it as a recovery of a residential energy rebate overpayment versus just a reversal to help ensure customers realize that this relates directly to a benefit they previously received under the RER program and is not just a new charge. Try to be clear that because residential customers overpaid on their electricity bills, including HST, during the refund period and the RER was equivalent to the provincial portion of the HST charged, residential customers received a higher rebate from the Province too which as a result of the RSP refund is now due back to the province and must be withheld from their refund.

Hopefully we receive a copy of NL Power’s version soon to compare for consistency.

Lisa

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I believe they could provide more explanation on why RER is due back to Province in order to avoid confusion and a lot of calls.
Brian at NL Power left me a voice mail late yesterday and indicated they were having team meetings today on this and would provide an update following that re. our request to review communication materials.

Please let me know if you require anything further on this at this point on my end. In the meantime, I will review the attached.

Lisa

Lisa Warren, CPA, CA
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From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Friday, January 06, 2017 1:39 PM
To: Warren, Lisa; Whalen, Cathy M
Subject: Fw: Newfoundland Labrador Hydro RER Interpretation

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Kind regards,
Sonali

Sonali Roy
Manager of Tax Finance
Nalcor Energy
t. 709 733-5287 c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

----- Forwarded by Sonali Roy/NLHydro on 01/06/2017 01:32 PM -----
Sonali, Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
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Once we know the refund for each RHA we can confirm with Minister.
My suggestion is one cheque for GNL accounts and refund to TW.

For smaller ABCs lump in with the GNL.
And if the amounts for RHAs are large – let them have it provided it goes toward their deficit not to be spent.

Donna
<table>
<thead>
<tr>
<th>Department</th>
<th>Refund Estimates ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPT OF ENVIRONMENT &amp; CONSERVA</td>
<td>11</td>
</tr>
<tr>
<td>DEPT OF FINANCE CORP. SERVICES</td>
<td>33</td>
</tr>
<tr>
<td>DEPT OF TRANS &amp; WORKS (AVALON)</td>
<td>599</td>
</tr>
<tr>
<td>DEPT OF TRANS &amp; WORKS (CENTRAL)</td>
<td>501</td>
</tr>
<tr>
<td>DEPT OF TRANS &amp; WORKS (WESTERN)</td>
<td>280</td>
</tr>
<tr>
<td>DEPT OF TRANS &amp; WORKS (AVALON)</td>
<td>1,069</td>
</tr>
<tr>
<td>DEPT OF TRANSPORTATION &amp; WORKS</td>
<td>10</td>
</tr>
<tr>
<td>PUBLIC WORKS &amp; GOVERNMENT SERV</td>
<td>329</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,832</strong></td>
</tr>
</tbody>
</table>

For the breakdown of the agencies and board’s refunds, I’ll have to clear the release of that information through legal. Just want to clear any concern of breach of privacy for those accounts. Though I can provide that the refund amounts associated with agencies and board’s range from a low of ~$7,000 to a high of ~$1.5 million, with the average refund being about $200,000 (excluding those 2 amounts).

Hope this is helpful. Please let know if you would like to discuss further.

I was also hoping to touch base with you on the communication materials request. Feel free to give me a call on that, or I can try Lisa in the morning.

Thanks,

Brian

**Brian Menchenton, CPA, CA** // Manager, Revenue

55 Kenmount Road, St. John’s, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com

---

From: Whalen, Cathy M [mailto:cathywhalen@gov.nl.ca]
Sent: Monday, January 09, 2017 4:27 PM
To: Menchenton, Brian
Subject: RSP surplus payments

Good Day Brian

In relation to your earlier request on cheque preparations for the RSP surplus funds, could you provide me a breakdown of the amounts of 2.8 million owing to core gov. and $5 million to the boards and agencies, by dept and agency/board

Cathy Whalen, CPA, CGA
Director of Tax Administration
3rd Floor Confederation Building, East Block
Cathy, Not sure if you spoke with Brian at NL Power yesterday afternoon or not. He did have a voice mail on my phone from yesterday afternoon indicating that the media release is pushed out the Thursday afternoon now. Please let me know if you need me to do anything in relation to this or Hydro. Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
☎ Phone (709) 729-6254
☎ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

Good Morning Ann Marie

We never asked HYDRO or Power to include us in their drafting of their communication materials. We have not been involved in any previous materials they have released which mentioned our programs.

I do not believe their approach includes consulting us on these materials as they are very close to releasing and has not asked for our feedback.

As seen below in NL Powers materials, they plan to release the materials tomorrow.

Hi Lisa,

Broad communication materials related to the RSP will have very minimal mention of the residential energy rebate ("RER"). For example, the media release and print ad will simply note that the refund amount has been adjusted for HST and RER.

What I think is most helpful to provide to you is the Frequently Asked Questions ("FAQs"), that will be updated on our website tomorrow afternoon, specific to HST and RER – which provides more detail on these items. I can hopefully provide this...
tomorrow morning in advance of that update and any broad communications going out. This is the material our communication folks use to answer inquiries related to HST and RER, as well as on the RSP refund in general.

Finally, HST and RER will be detailed in the calculation of the refund on the credit memo the customer receives. An explanatory excerpt of the calculation is below:

<table>
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<tr>
<th>RSP Refund</th>
<th>HST Refund</th>
<th>RER Repayment</th>
<th>Total RSP Refund</th>
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<tbody>
<tr>
<td>$200.00</td>
<td>$26.30</td>
<td>$-4.60</td>
<td>$221.70</td>
</tr>
</tbody>
</table>

The “RER Repayment” will be footnoted to state that this is a repayment of the provincial government’s 8% Residential Energy Rebate (RER) that was in effect from October 1, 2011 to June 30, 2015.

Customers will also be able to look up their refund amounts, in advance of the receiving the credit memo, if they have an online account. The detail shown would be similar to the credit memo.

I hope this is helpful. Please give me a call if you would like to discuss further. As mentioned above, I will strive to provide the FAQs tomorrow morning.

Brian

Brian Menchenton, CPA, CA // Manager, Revenue

55 Kenmount Road, St. John’s, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com

Cathy Whalen, CPA, CGA
Director of Tax Administration
3rd Floor Confederation Building, East Block
Box 8700, St. John’s, NL, A1B 4J6
t. 709-729-6307
f. 709-729-2856

From: Warren, Lisa
Sent: Friday, January 06, 2017 4:07 PM
To: Miller, Ann Marie
Cc: Whalen, Cathy M
Subject: RE: Newfoundland Labrador Hydro RER Interpretation

Sounds good, I’ll hold off for now then. If I don’t hear back from NL Power today, I will follow up with Brian on Monday morning. Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
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We can get Cathy's comments and look at NL Power's and then send back feedback. We would ask to see a revised communication once feedback was incorporated and if we were good with revisions we would get Tansy to do a final review. If they are adverse to that approach we would need to change what they sent us to incorporate our comments and flow through Tansy before we send back to them.

I definitely can if you want, just was wondering what the plan was – if you wanted to review NL Power’s too first, get any input from communications, Cathy’s comments.

Yes I agree. Are you going back with that feedback.

I agree. Perhaps too refer to it as a recovery of a residential energy rebate overpayment versus just a reversal to help ensure customers realize that this relates directly to a benefit they previously received under the RER program and is not just a new charge. Try to be clear that because residential customers overpaid on their electricity bills, including HST, during the refund period and the RER was equivalent to the provincial portion of the HST charged, residential customers received a higher rebate from the Province too which as a result of the RSP refund is now due back to the Province and must be withheld from their refund.

Hopefully we receive a copy of NL Power’s version soon to compare for consistency.
From: Miller, Ann Marie  
Sent: Friday, January 06, 2017 2:21 PM  
To: Warren, Lisa  
Cc: Whalen, Cathy M  
Subject: RE: Newfoundland Labrador Hydro RER Interpretation

I believe they could provide more explanation on why RER is due back to Province in order to avoid confusion and a lot of calls.

From: Warren, Lisa  
Sent: Friday, January 6, 2017 1:54PM  
To: Miller, Ann Marie <millera@gov.nl.ca>  
Cc: Whalen, Cathy M <cathywhalen@gov.nl.ca>  
Subject: FW: Newfoundland Labrador Hydro RER Interpretation

Ann Marie, Please see attached and below from NL Hydro.

Brian at NL Power left me a voice mail late yesterday and indicated they were having team meetings today on this and would provide an update following that re. our request to review communication materials.

Please let me know if you require anything further on this at this point on my end. In the meantime, I will review the attached.

Lisa

Lisa Warren, CPA, CA  
Manager of Client and Support Services, Tax Administration  
Taxation and Fiscal Policy Branch  
Department of Finance  
Government of Newfoundland and Labrador  
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✉ lisawarren@gov.nl.ca  

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]  
Sent: Friday, January 06, 2017 1:39 PM  
To: Warren, Lisa; Whalen, Cathy M  
Subject: Fw: Newfoundland Labrador Hydro RER Interpretation

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With the tax pieces now in place, we are expecting the remainder of the refund process to happen swiftly, so we’d appreciate your comments at your earliest convenience. I expect there to also be a Hydro website update to include the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

Kind regards,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

----- Forwarded by Sonali Roy/NL:Hydro on 01/06/2017 01:32 PM -----
From: "Warren, Lisa" <lisawarren@gov.nl.ca>
To: "SonaliRoy@nalcorenergy.com" <SonaliRoy@nalcorenergy.com>
Cc: "Whalen, Cathy M" <cathwhalen@gov.nl.ca>, "Miller, Ann Marie" <millera@gov.nl.ca>
Date: 01/05/2017 02:12 PM
Subject: Newfoundland Labrador Hydro RER Interpretation

Sonali, Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

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* Phone (709) 729-6254
* Fax (709) 729-2856
* lisawarren@gov.nl.ca
Hi Lisa,

Broad communications/website updates have been pushed to Thursday afternoon. I’ll provide the HST/RER FAQs when they’re available, but it may not until tomorrow morning.

Brian

---

From: Menchenton, Brian
Sent: Tuesday, January 10, 2017 10:13 AM
To: 'Warren, Lisa'
Cc: Whalen, Cathy M
Subject: RE: Newfoundland Power RER Interpretation

Hi Lisa,

Broad communication materials related to the RSP will have very minimal mention of the residential energy rebate ("RER"). For example, the media release and print ad will simply note that the refund amount has been adjusted for HST and RER.

What I think is most helpful to provide to you is the Frequently Asked Questions ("FAQs"), that will be updated on our website tomorrow afternoon, specific to HST and RER – which provides more detail on these items. I can hopefully provide this tomorrow morning in advance of that update and any broad communications going out. This is the material our communication folks use to answer inquiries related to HST and RER, as well as on the RSP refund in general.

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Customers will also be able to look up their refund amounts, in advance of the receiving the credit memo, if they have an online account. The detail shown would be similar to the credit memo.

I hope this is helpful. Please give me a call if you would like to discuss further. As mentioned above, I will strive to provide the FAQs tomorrow morning.

Brian

Brian Menchenton, CPA, CA // Manager, Revenue
From: Warren, Lisa [mailto:LisaWarren@gov.nl.ca]
Sent: Monday, January 09, 2017 2:46 PM
To: Menchenton, Brian
Cc: Whalen, Cathy M
Subject: RE: Newfoundland Power RER Interpretation

Brian, Just wondering if you are able to provide any update at this time on our request below in relation to communication materials? Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
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✉ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

From: Warren, Lisa
Sent: Thursday, January 05, 2017 12:29 PM
To: 'Menchenton, Brian'; Alteen, Peter; Avery, Julie
Cc: Whalen, Cathy M; Miller, Ann Marie
Subject: Newfoundland Power RER Interpretation

Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

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☎ Phone (709) 729-6254
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✉ lisawarren@gov.nl.ca
FYI. We are unable to get a break down of the refund owing to ABC’s so these refunds will have to go directly to the ABC’s.

From: Whalen, Cathy M  
Sent: Wednesday, January 11, 2017 11:24 AM  
To: Miller, Ann Marie <millera@gov.nl.ca>  
Subject: FW: RSP surplus payments

For privacy reasons NL Power is unable to provide a breakdown of the amount due to agencies/corps. I am assuming without this information you would want cheques issued to each agency/corp.

So a decision only has to be made on the remaining amount owing to Government departments

Cathy Whalen, CPA, CGA  
Director of Tax Administration  
3rd Floor Confederation Building, East Block  
Box 8700, St. John’s, NL, A1B 4J6  
t. 709-729-6307  
f. 709-729-2856

From: Menchenton, Brian [mailto:bmenchenton@newfoundlandpower.com]  
Sent: Wednesday, January 11, 2017 10:49 AM  
To: Whalen, Cathy M  
Subject: RE: RSP surplus payments

Hi Cathy,

As a follow up, I have heard back from legal and there are privacy concerns releasing the individual refund amounts of the boards and agencies. This would be at an overall legal principles level rather than to do with Newfoundland Power policies.

From what I gather, the usual Acts that might apply to a situation like this (Access to Information and Protection of Privacy Act, Privacy Act) and others (Executive Council Act and Financial Administration Act) do not explicitly permit the disclosure requested. And per the federal act (PIPEDA), prohibition of the release of the information without consent of the boards and agencies may apply.

I realize this may seem overly cautious given the boards and agencies are effectively wholly owned by the provincial government, however our thought is there technically could be objections.

If you have any suggestions, or if there was something that could be done on government’s end to help in the release of information, please let me know and we can discuss that. In the same light, I’d suspect something of a similar nature would also be required if all refund payments from the boards and agencies were to be on one cheque to the provincial government.
Apologies for not identifying this issue earlier. To note, there would be no issues in providing the core government amounts on one cheque.

I’m available all day if you would like to discuss further.

Brian

From: Menchenton, Brian  
Sent: Monday, January 09, 2017 5:21 PM  
To: 'Whalen, Cathy M'  
Subject: RE: RSP surplus payments

Hi Cathy,

I was actually hoping to touch base with you on this today.

See below a breakdown of the $2.8 million owing to the provincial government (note that these were earlier estimates and only provide the customers with refunds greater than $5,000 – however, they would provide for reasonable ball parks refund amounts for this purpose).

<table>
<thead>
<tr>
<th>Department</th>
<th>Refund Estimates ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPT OF ENVIRONMENT &amp; CONSERVA</td>
<td>11</td>
</tr>
<tr>
<td>DEPT OF FINANCE CORP. SERVICES</td>
<td>33</td>
</tr>
<tr>
<td>DEPT OF TRANS &amp; WORKS (AVALON)</td>
<td>599</td>
</tr>
<tr>
<td>DEPT OF TRANS &amp; WORKS (CENTRAL)</td>
<td>501</td>
</tr>
<tr>
<td>DEPT OF TRANS &amp; WORKS (WESTERN)</td>
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</tr>
<tr>
<td>DEPT OF TRANS &amp; WORKS( AVALON)</td>
<td>1,069</td>
</tr>
<tr>
<td>DEPT OF TRANSPORTATION &amp; WORKS</td>
<td>10</td>
</tr>
<tr>
<td>PUBLIC WORKS &amp; GOVERNMENT SERV</td>
<td>329</td>
</tr>
<tr>
<td>$ 2,832</td>
<td></td>
</tr>
</tbody>
</table>

For the breakdown of the agencies and board’s refunds, I’ll have to clear the release of that information through legal. Just want to clear any concern of breach of privacy for those accounts. Though I can provide that the refund amounts associated with agencies and board’s range from a low of ~$7,000 to a high of ~$1.5 million, with the average refund being about $200,000 (excluding those 2 amounts).

Hope this is helpful. Please let know if you would like to discuss further.

I was also hoping to touch base with you on the communication materials request. Feel free to give me a call on that, or I can try Lisa in the morning.

Thanks,

Brian

Brian Menchenton, CPA, CA // Manager, Revenue
From: Whalen, Cathy M [mailto:cathywhalen@gov.nl.ca]
Sent: Monday, January 09, 2017 4:27 PM
To: Menchenton, Brian
Subject: RSP surplus payments

Good Day Brian

In relation to your earlier request on cheque preparations for the RSP surplus funds, could you provide me a breakdown of the amounts of 2.8 million owing to core gov. and $5 million to the boards and agencies, by dept and agency/board

Cathy Whalen, CPA, CGA
Director of Tax Administration
3rd Floor Confederation Building, East Block
Box 8700, St. John's, NL, A1B 4J6
t. 709-729-6307
f. 709-729-2856

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Hi Lisa,

Broad communication materials related to the RSP will have very minimal mention of the residential energy rebate ("RER"). For example, the media release and print ad will simply note that the refund amount has been adjusted for HST and RER.

What I think is most helpful to provide to you is the Frequently Asked Questions ("FAQs"), that will be updated on our website tomorrow afternoon, specific to HST and RER – which provides more detail on these items. I can hopefully provide this tomorrow morning in advance of that update and any broad communications going out. This is the material our communication folks use to answer inquiries related to HST and RER, as well as on the RSP refund in general.

Finally, HST and RER will be detailed in the calculation of the refund on the credit memo the customer receives. An explanatory excerpt of the calculation is below:

<table>
<thead>
<tr>
<th>RSP Refund</th>
<th>HST Refund</th>
<th>RER Repayment Recovery</th>
<th>Total RSP Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200.00</td>
<td>$26.30</td>
<td>$-4.60</td>
<td>$221.70</td>
</tr>
</tbody>
</table>

The “RER Repayment Recovery” will be footnoted to state that this is a repayment recovery of the Residential Energy Rebate, equivalent to the 8% provincial portion of the HST, provided from October 1, 2011 to June 30, 2015. This is necessary to reflect the correct rebate due under this program.

Customers will also be able to look up their refund amounts, in advance of the receiving the credit memo, if they have an online account. The detail shown would be similar to the credit memo.

I hope this is helpful. Please give me a call if you would like to discuss further. As mentioned above, I will strive to provide the FAQs tomorrow morning.

Brian
From: Warren, Lisa [mailto:LisaWarren@gov.nl.ca]
Sent: Monday, January 09, 2017 2:46 PM
To: Menchenton, Brian
Cc: Whalen, Cathy M
Subject: RE: Newfoundland Power RER Interpretation

Brian, Just wondering if you are able to provide any update at this time on our request below in relation to communication materials? Thanks, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
☎ Phone (709) 729-6254
☎ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

From: Warren, Lisa
Sent: Thursday, January 05, 2017 12:29 PM
To: 'Menchenton, Brian'; Alteen, Peter; Avery, Julie
Cc: Whalen, Cathy M; Miller, Ann Marie
Subject: Newfoundland Power RER Interpretation

Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
☎ Phone (709) 729-6254
☎ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca
Thanks for the feedback Lisa. I will forward along to the customer service team to request these changes.

Sonali, Please see suggested edits noted in the attached refund statement with regards to the RER for consideration.

Hoping this will help ensure customers realize that the RER adjustment relates directly to correcting a benefit they previously received under the RER program during the RSP Refund Period.

Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com
Sent: Friday, January 06, 2017 1:57 PM
To: Warren, Lisa  
Cc: Whalen, Cathy M  
Subject: Re: Fw: Newfoundland Labrador Hydro RER Interpretation

My apologies ladies; I just learned this document has NOT yet been shared with NP. It is currently undergoing final review internally prior to sending to NP - as such, please consider it an internal working draft. I will let you know if any changes are made.

Thanks,
Sonali

---

Lisa, Cathy,

Please see attached a sample of our Refund Statement for the RSP which outlines all the details of the customer's refund, including the RER amount to be recovered. Let me know if you have any questions/concerns regarding this. I will note that this sample has been shared internally and with NP, however, will not be seen publicly until release date (which is still to be determined, to my understanding).

With the tax pieces now in place, we are expecting the remainder of the refund process to happen swiftly, so we'd appreciate your comments at your earliest convenience. I expect there to also be a Hydro website update to include the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

Kind regards,
Sonali

[attachment "01 06 2017 Refund Statement sample.pdf" deleted by Sonali Roy/NLHydro]
Sonali, Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

_________

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
✦ Phone (709) 729-6254
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✦ lisawarren@gov.nl.ca

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Hi Lisa,

Customer service already had a few of the suggested edits made since the last sample I received & they were able to quickly adjust for the others.

Attached is a copy of our revised refund statement with the incorporated revisions.

You will note the RER recovery amount has decreased from the previous version - this is due to the fact the first sample was calculating the RER on the full RSP refund period, while this revised version correctly calculates the RER recovery only on the period in which the RER was applicable.

I haven't received any updates from the communications team on further public announcements, but will keep you in the loop when I do.

Kind regards,
Sonali
Sonali, Please see suggested edits noted in the attached refund statement with regards to the RER for consideration.

Hoping this will help ensure customers realize that the RER adjustment relates directly to correcting a benefit they previously received under the RER program during the RSP Refund Period.

Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
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P.O. Box 8700, St. John's, NL A1B 4J6
★ Phone (709) 729-6254
★ Fax (709) 729-2856
info lisawarren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Friday, January 06, 2017 1:57PM
To: Warren, Lisa
Cc: Whalen, Cathy M
Subject: Re: Fw: Newfoundland Labrador Hydro RER Interpretation

My apologies ladies; I just learned this document has NOT yet been shared with NP. It is currently undergoing final review internally prior to sending to NP - as such, please consider it an internal working draft. I will let you know if any changes are made.

Thanks,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com

From: Sonali Roy/NL Hydro
To: "Warren, Lisa" <LisaWarren@gov.nl.ca>, "Whalen, Cathy M" <cathywhalen@gov.nl.ca>
Date: 01/06/2017 01:39 PM
Subject: Fw: Newfoundland Labrador Hydro RER Interpretation

Lisa, Cathy,
Please see attached a sample of our Refund Statement for the RSP which outlines all the details of the customer's refund, including the RER amount to be recovered. Let me know if you have any questions/concerns regarding this. I will note that this sample has been shared internally and with NP, however, will not be seen publicly until release date (which is still to be determined, to my understanding).

With the tax pieces now in place, we are expecting the remainder of the refund process to happen swiftly, so we'd appreciate your comments at your earliest convenience. I expect there to also be a Hydro website update to include the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

Kind regards,
Sonali

--- Forwarded by Sonali Roy/NLHydro on 01/06/2017 01:32 PM ---

From: "Warren, Lisa" <lisawarren@gov.nl.ca>
To: "SonaliRoy@nalcenergy.com" <SonaliRoy@nalcenergy.com>
Cc: "Whalen, Cathy M" <cathynwhalen@gov.nl.ca>, "Miller, Ann Marie" <annmiller@gov.nl.ca>
Date: 01/05/2017 02:12 PM
Subject: Newfoundland Labrador Hydro RER Interpretation

Sonali, Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

Lisa Warren, CPA, CA
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Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
 Phone (709) 729-6254
 Fax (709) 729-2856
lisa_warren@gov.nl.ca
Thanks for the suggestions, Lisa. Certainly understand wanting to help ensure customers understand the RER.

We have updated the wording to call it a “RER Recovery” rather than repayment. It has also been updated to more clearly note that it is equivalent to the 8% provincial portion of HST.

So, on the credit note, the RER Recovery amount will be footnoted to state: “This is a recovery of the provincial government’s Residential Energy Rebate (RER), equivalent to the 8% provincial portion of HST, that was in effect from October 1, 2011 to June 30, 2015.”

Also, please see attached FAQs related to HST and RER and the below link to the FAQs on our website for all RSP related items. The website will be updated this afternoon. The media release will also be going out this afternoon.


I hope this is helpful. Please let me know if you would like to discuss further.

Brian

**Brian Menchenton, CPA, CA // Manager, Revenue**

55 Kenmount Road, St. John’s, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com

---

Brian, Please see suggested edits below to the credit memo with regards to the RER for consideration.

Hoping this will help ensure customers realize that the RER adjustment relates directly to correcting a benefit they previously received under the RER program during the RSP Refund Period.

Lisa

**Lisa Warren, CPA, CA**
Hi Lisa,

Broad communication materials related to the RSP will have very minimal mention of the residential energy rebate (“RER”). For example, the media release and print ad will simply note that the refund amount has been adjusted for HST and RER.

What I think is most helpful to provide to you is the Frequently Asked Questions (“FAQs”), that will be updated on our website tomorrow afternoon, specific to HST and RER – which provides more detail on these items. I can hopefully provide this tomorrow morning in advance of that update and any broad communications going out. This is the material our communication folks use to answer inquires related to HST and RER, as well as on the RSP refund in general.

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<tr>
<td>$200.00</td>
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Customers will also be able to look up their refund amounts, in advance of the receiving the credit memo, if they have an online account. The detail shown would be similar to the credit memo.

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Brian

Brian Menchenton, CPA, CA // Manager, Revenue

55 Kenmount Road, St. John’s, NL • A1B 3P6
Telephone 709-737-5223
Mobile 709-725-0012
bmenchenton@newfoundlandpower.com
From: Warren, Lisa [mailto:LisaWarren@gov.nl.ca]
Sent: Monday, January 09, 2017 2:46 PM
To: Menchenton, Brian
Cc: Whalen, Cathy M
Subject: RE: Newfoundland Power RER Interpretation

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Lisa Warren, CPA, CA
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P.O. Box 8700, St. John's, NL A1B 4J6
☎ Phone (709) 729-6254
☎ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

From: Warren, Lisa
Sent: Thursday, January 05, 2017 12:29 PM
To: 'Menchenton, Brian'; Alteen, Peter; Avery, Julie
Cc: Whalen, Cathy M; Miller, Ann Marie
Subject: Newfoundland Power RER Interpretation

Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

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FAQS – HST AND RER

HOW WAS MY REFUND CALCULATED?

Your RSP refund is determined by multiplying your electricity usage (kWh) during the refund period by the RSP Refund Rate of 0.364 cents/kWh. Your refund will also be adjusted for HST and recovery of the provincial government’s Residential Energy Rebate (RER), equivalent to the 8% provincial portion of HST that was in effect from October 1, 2011, to June 30, 2015.

THE MATH

\[ \text{kWh} \times 0.00364 = \text{RSP Refund} \]
\[ \text{RSP Refund} + \text{HST Refund} - \text{RER Recovery} = \text{Total Refund} \]

The refund will be applied against any balance on your account(s) at the time your refund is issued. A cheque will be sent to you for any remaining amount.

For specific details on how your RSP refund was calculated, please visit our self-service webpage, or refer to your next monthly electricity bill statement(s) that will arrive after your refund has been issued.

If you had accounts that were active during the refund period but are no longer active today, you will receive a separate RSP Refund Statement. This will be sent by mail (or by email for ebills customers) at the time your refund is issued.

WILL THE REFUND INCLUDE HST?

Yes. Refunds will be adjusted for HST (a combination of the 14% paid on electricity used between January 1, 2007, and December 31, 2007, and the 13% paid on electricity used between January 1, 2008, and August 31, 2013). Refunds will also be adjusted for the Provincial Government’s 8% Residential Electricity Rebate, which was in effect from October 1, 2011, through the end of the refund period.
<table>
<thead>
<tr>
<th>From</th>
<th>Brewer, Donna <a href="mailto:dbrewer@gov.nl.ca">dbrewer@gov.nl.ca</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent</td>
<td>Thursday, January 12, 2017 1:29 PM</td>
</tr>
<tr>
<td>To</td>
<td>Martin, Craig; Miller, Ann Marie</td>
</tr>
<tr>
<td>Cc</td>
<td>Bennett, Cathy (Minister); Mundon, Tansy</td>
</tr>
<tr>
<td>Subject</td>
<td>FYI</td>
</tr>
<tr>
<td></td>
<td>Note reference to HST and home heat rebates.</td>
</tr>
</tbody>
</table>

Sent from my BlackBerry 10 smartphone on the Bell network.
Distribution of RSP Refund for Current Customers to Begin

(St. John’s, NL): Newfoundland Power and Newfoundland and Labrador Hydro (Hydro) wish to advise that the distribution of the Rate Stabilization Plan (RSP) refund to current customers will begin on February 15, 2017. Approximately 200,000 current customers will initially receive refunds, representing approximately 85% of the RSP balance.

All Newfoundland Power customers and Hydro’s Island Interconnected customers who have used, and paid for, electricity between January 1, 2007, and August 31, 2013, are eligible for this refund. Current customers will receive their RSP refund first, and then attention will shift to former customers who had electricity accounts during the refund period.

The actual amount of the refund for each customer will be variable since the refund will be calculated based on an individual customer’s electricity usage during the refund period. Eligible customers will receive a refund of 0.364 cents per kilowatt hour (kWh) used. Both utilities have developed online and phone self-service options for customers with active electricity accounts to provide them with the actual amount of energy used during the refund period and the refund amount. By way of example, a residential customer with electric heat uses, on average, approximately 1,534 kWhs of electricity per month and would receive an average monthly refund of approximately $5.58 for each electricity bill that was paid during the refund period. A residential customer without electric heat uses, on average, approximately 837 kWhs of electricity each month and would receive an average monthly refund of approximately $3.05 for each electricity bill that was paid during the refund period.

The refund for each customer will first be credited against any existing balance on their electricity account. A cheque will be issued to the customer whose name is on the electricity bill for any remaining amount. Refunds will be adjusted for the amount of Harmonized Sales Tax (HST) and the Provincial Government’s Residential Energy Rebate (RER) that was in effect during a portion of the refund period.

Hydro’s RSP surplus refund to customers is forecast to be an estimated $138 million as of January 31, 2017, including interest. Approximately $129 million of this is attributable to Newfoundland Power’s customers, and approximately $9 million is attributable to Hydro’s customers. The taxes associated with the RSP refund represent an additional amount of approximately $16 million for customers.

For more information regarding the RSP refund or to access the self-service tools, please visit newfoundlandpower.com/refund or call 1-800-663-2802 OR visit nlhydro.com/refund or call 1-888-737-1296. Information will also be included in customers’ electricity bills.
Newfoundland Power is the primary distributor of electricity on the island portion of Newfoundland and Labrador, and purchases 93% of its energy needs from Hydro. With a customer base of approximately 264,000 accounts, Newfoundland Power is committed to safety, dedicated to the highest level of customer service and delivers reliable electricity at the lowest possible cost.

Newfoundland and Labrador Hydro is the primary generator of electricity in Newfoundland and Labrador. The company has an installed generating capacity of 1,792 megawatts. Over 80% of the energy generated is clean, hydroelectric generation. Hydro sells its power to utility, industrial and 38,000 residential and commercial customers in over 200 communities across the province. The company is committed to operational excellence while delivering safe, reliable, least-cost electricity.

For further information, please contact:

Michele Coughlan, Manager, Public Affairs
Newfoundland Power Inc.
Phone: (709) 737-2821 / Cell: (709) 682-1470
mcoughlan@newfoundlandpower.com

Erin Squires, Manager, Communications
Newfoundland and Labrador Hydro
Phone: (709) 737-1311 / Cell (709) 697-1186
erinsquires@nlh.nl.ca

**Backgrounder**

- Electricity rates are set based on a forecast of how much electricity is anticipated to be needed and the corresponding price of oil. Because these two things are subject to change, Hydro has a Rate Stabilization Plan (RSP) so rates can be adjusted annually to account for the actual amount and cost of oil used to generate electricity at the Holyrood Thermal Generating Station.
- The amount of electricity that was expected to be required by certain industrial customers on the island was significantly reduced with closures related to the pulp and paper industry. This produced significant savings in anticipated fuel costs. As a result, a balance accumulated in Hydro’s RSP account between 2007 and 2013. The balance continues to earn interest until customers are refunded. This balance is now owed to eligible Newfoundland Power and Hydro customers.
- Approximately 268,000 Newfoundland Power customers and approximately 25,000 Hydro customers are eligible for a refund under the RSP Customer Refund Plan.
- Neither utility has previously undertaken a refund plan of this size or complexity considering the number of customers impacted, the length of time the RSP balance has been growing and the significant amount of money involved.
I didn’t notice that

Cathy Whalen, CPA, CGA
Director of Tax Administration
3rd Floor Confederation Building, East Block
Box 8700, St. John’s, NL A1B 4J6
t. 709-729-6307
f. 709-729-2856

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s, NL A1B 4J6
☎ Phone (709) 729-6254
✉ Fax (709) 729-2856
✉ lisawarren@gov.nl.ca

Hi Sonali

I also notice “G” refers to “reversal of the RER Payment” is it possible to change this to “recovery of the Residential Energy Rebate”
Hi Lisa,

Customer service already had a few of the suggested edits made since the last sample I received & they were able to quickly adjust for the others.

Attached is a copy of our revised refund statement with the incorporated revisions.

You will note the RER recovery amount has decreased from the previous version - this is due to the fact the first sample was calculating the RER on the full RSP refund period, while this revised version correctly calculates the RER recovery only on the period in which the RER was applicable.

I haven't received any updates from the communications team on further public announcements, but will keep you in the loop when I do.

Kind regards,
Sonali
My apologies ladies; I just learned this document has NOT yet been shared with NP. It is currently undergoing final review internally prior to sending to NP - as such, please consider it an internal working draft. I will let you know if any changes are made.

Thanks,
Sonali
the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

Kind regards,
Sonali

[attachment "01 06 2017 Refund Statement sample.pdf" deleted by Sonali Roy/NLHydro]

Sonali Roy
Manager of Tax
Finance
Nalcor Energy

Sonali Roy
Manager of Tax
Finance
Nalcor Energy

----- Forwarded by Sonali Roy/NLHydro on 01/06/2017 01:32 PM -----

From: "Warren, Lisa" <LisaWarren@gov.nl.ca>
To: "Sonali Roy@nalcorenergy.com" <SonaliRoy@nalcorenergy.com>
Cc: "Whalen, Cathy M" <cathywhalen@gov.nl.ca>, "Miller, Ann Marie" <millera@gov.nl.ca>
Date: 01/05/2017 02:12 PM
Subject: Newfoundland Labrador Hydro RER Interpretation

Sonali, Please see attached for the Residential Energy Rebate interpretation ruling, original will follow by mail. Please let me know if you have any questions in relation to this. We are also requesting that the Department be provided the opportunity, prior to final release, to review communication materials regarding the residential energy rebate in relation to the RSP surplus refunds. Please advise.

Regards, Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6

Phone (709) 729-6254
Fax (709) 729-2856
lisawarren@gov.nl.ca

“\This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.” [attachment "Sonali
Lisa, Cathy,

Here is another revision incorporating Cathy’s comment below. Also attaching the version that was shared with NP - this version was prepared prior to the changes made over the past few days, but wanted to include so you had a copy of what we’ve shared with them.

On a side note, we’ve just received notice that a joint (NP/Hydro) press release was done at 2pm today. I’ve included the link to the posting on the Hydro website so you can take a look. Unfortunately, I didn’t receive anything in advance to be able to forward along for your review/comments - not sure if this might have been done on the NP side instead? The wording around the RER is very limited.

https://www.nlhydro.com/distribution-rsp-refund-current-customers-begin/

Reach out if you have any further comments.

Thanks,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy

t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com
Hi Sonali,

I also notice “G” refers to “reversal of the RER Payment” is it possible to change this to “recovery of the Residential Energy Rebate”

Cathy Whalen, CPA, CGA
Director of Tax Administration
3rd Floor Confederation Building, East Block
Box 8700, St. John’s, NL, A1B 4J6
t. 709-729-6307
f. 709-729-2856

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Thursday, January 12, 2017 11:27 AM
To: Warren, Lisa
Cc: Whalen, Cathy M
Subject: RE: Fw: Newfoundland Labrador Hydro RER Interpretation

Hi Lisa,

Customer service already had a few of the suggested edits made since the last sample I received & they were able to quickly adjust for the others.

Attached is a copy of our revised refund statement with the incorporated revisions.

You will note the RER recovery amount has decreased from the previous version - this is due to the fact the first sample was calculating the RER on the full RSP refund period, while this revised version correctly calculates the RER recovery only on the period in which the RER was applicable.

I haven't received any updates from the communications team on further public announcements, but will keep you in the loop when I do.

Kind regards,
Sonali

Sonali Roy
Manager of Tax
Finance
Nalcor Energy
t. 709 733-5287  c. 709 699-0406
e. SonaliRoy@nalcorenergy.com
w. nalcorenergy.com
Sonali, Please see suggested edits noted in the attached refund statement with regards to the RER for consideration.

Hoping this will help ensure customers realize that the RER adjustment relates directly to correcting a benefit they previously received under the RER program during the RSP Refund Period.

Lisa

Lisa Warren, CPA, CA
Manager of Client and Support Services, Tax Administration
Taxation and Fiscal Policy Branch
Department of Finance
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Fax (709) 729-2856
lisa.warren@gov.nl.ca

From: SonaliRoy@nalcorenergy.com [mailto:SonaliRoy@nalcorenergy.com]
Sent: Friday, January 06, 2017 1:57PM
To: Warren, Lisa
Cc: Whalen, Cathy M
Subject: Re: Fw: Newfoundland Labrador Hydro RER Interpretation

My apologies ladies; I just learned this document has NOT yet been shared with NP. It is currently undergoing final review internally prior to sending to NP - as such, please consider it an internal working draft. I will let you know if any changes are made.

Thanks,
Sonali

From: Sonali Roy/NLHydro
To: "Warren, Lisa" <LisaWarren@gov.nl.ca>, "Whalen, Cathy M" <cathywhalen@gov.nl.ca>
Date: 01/06/2017 01:39 PM
Subject: Fw: Newfoundland Labrador Hydro RER Interpretation
Lisa, Cathy,

Please see attached a sample of our Refund Statement for the RSP which outlines all the details of the customer's refund, including the RER amount to be recovered. Let me know if you have any questions/concerns regarding this. I will note that this sample has been shared internally and with NP, however, will not be seen publicly until release date (which is still to be determined, to my understanding).

With the tax pieces now in place, we are expecting the remainder of the refund process to happen swiftly, so we'd appreciate your comments at your earliest convenience. I expect there to also be a Hydro website update to include the RER and a general public info release to happen in the coming week - communications team is aware that you wish to review materials prior to release - so expect that over the coming days.

Kind regards,
Sonali

[attachment "01 06 2017 Refund Statement sample.pdf" deleted by Sonali Roy/NLHydro]
Rate Stabilization Plan (RSP) Refund Statement

IF A CHEQUE IS ISSUED FOR ALL OR PART OF YOUR RSP REFUND, YOU SHOULD EXPECT TO RECEIVE IT WITHIN 10 BUSINESS DAYS OF THIS REFUND STATEMENT.

You are receiving this RSP statement because you are eligible to receive an RSP refund. The table below provides details of your RSP refund, which was calculated based on your billed kilowatt hour (kWh) usage for the refund period January 1, 2007 to August 31, 2013. The Total RSP Refund amount will be applied against any existing balance owing on your account(s), for both active and inactive accounts. Customers with multiple accounts will receive one cheque for the total combined credit of all accounts. Cheques will be issued in the mail to customers with a remaining credit balance that is greater than $2.00. An account credit will apply to amounts of $2.00 or less.

<table>
<thead>
<tr>
<th>Account</th>
<th>A Metered Consumption (kWh)</th>
<th>B Street Light Consumption (kWh)</th>
<th>C Total Consumption (kWh)</th>
<th>D RSP Refund Amount</th>
<th>E HST Refund (HST# R121194928)</th>
<th>F Residential Energy Rebate</th>
<th>G Total RSP Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive Summary</td>
<td>31,848</td>
<td>0</td>
<td>31,848</td>
<td>$115.93</td>
<td>$15.15</td>
<td>($2.06)</td>
<td>$129.02</td>
</tr>
<tr>
<td>Active Summary</td>
<td>31,848</td>
<td>0</td>
<td>31,848</td>
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<td>$129.02</td>
</tr>
</tbody>
</table>

* Represents an inactive account.

A. Metered Consumption is the total metered amount (kWhs) billed to the account during the refund period of January 1, 2007 to August 31, 2013.
B. Only applicable for customers with street lights on their account and billed to the account during the refund period of January 1, 2007 to August 31, 2013.
C. The RSP Refund Amount is calculated using a rate of 0.364 cents per kWh.
D. The HST Refund (Harmonized Sales Tax) is calculated at 14% for 2007 and 13% for following years.
E. The RER (Residential Energy Rebate) program was established by the Provincial Government and commenced on October 1, 2011 and provided a rebate equivalent to the 8% provincial portion of the HST charged on residential bills. The Total RSP Refund will be reduced by the reversal of the RER payment which will then be remitted to the Provincial Government.
F. Total RSP Refund Amount equals RSP Refund Amount plus HST Refund, less the reversal of the RER payment.

If you have any questions concerning your RSP refund statement please refer to our frequently asked questions on our website (http://www.nlhydro.com/customer-service/refund/) or contact a Customer Service Representative toll-free at 1-(888)-737-1296 from Monday to Friday 8:30am - 4:00pm NST.
Rate Stabilization Plan (RSP) Refund Statement

IF A CHEQUE IS ISSUED FOR ALL OR PART OF YOUR RSP REFUND, YOU SHOULD EXPECT TO RECEIVE IT WITHIN 10 BUSINESS DAYS OF THIS REFUND STATEMENT.

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<th>F Recovery Of Residential Energy Rebate</th>
<th>G Total RSP Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive Summary</td>
<td>147,377</td>
<td>0</td>
<td>147,377</td>
<td>$536.45</td>
<td>$69.90</td>
<td>$(15.02)</td>
<td>$591.34</td>
</tr>
<tr>
<td>Active Summary</td>
<td>147,377</td>
<td>0</td>
<td>147,377</td>
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D. The RSP Refund Amount is calculated using a rate of 0.364 cents per kWh.

E. The HST Refund (Harmonized Sales Tax) is calculated at 14% for 2007 and 13% for following years.

F. The RER (Residential Energy Rebate) program was established by the Provincial Government and commenced on October 1, 2011 and provided a rebate equivalent to the 8% provincial portion of the HST charged on residential bills. The Total RSP Refund will be reduced by the recovery of the RER payment which will then be remitted to the Provincial Government.

G. Total RSP Refund equals RSP Refund Amount plus HST Refund, less the recovery of the Residential Energy Rebate.

If you have any questions concerning your RSP refund statement please refer to our frequently asked questions on our website (http://www.nlhydro.com/customer-service/refund/) or contact a Customer Service Representative toll-free at 1-(888)-737-1296 from Monday to Friday 8:30am - 4:00pm NST.