

# Board of Commissioners of Public Utilities

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## PRESS RELEASE

June 24, 2008

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### **Rate Increase for Newfoundland Power customers and some customers of Newfoundland and Labrador Hydro**

The Newfoundland and Labrador Board of Commissioners of Public Utilities (the "Board") today issued two orders [Order Nos. P.U. 15(2008) and P.U. 16(2008)], approving an average increase in electricity rates of approximately 5.9% for residential and general service customers on the Island Interconnected system, effective July 1, 2008. The rate increases will impact some electricity customers in Labrador, excluding customers on the Labrador Interconnected System, though the amount of the increases will vary depending on rate class and usage.

These increases are as a result of applications from both Newfoundland Power and Newfoundland and Labrador Hydro associated with the operation of the retail Rate Stabilization Plan, which allows annual rate changes in certain circumstances to reflect variations in significant costs factors that are beyond the control of the utilities. Among these annual variations are fuel costs associated with the production of thermal energy at the Holyrood Thermal Generating Station and municipal taxes charged each year to Newfoundland Power by municipalities throughout the province. The rate increase is primarily associated with the significant rise in the price per barrel of No. 6 fuel burned at Holyrood, previously set in July rates at \$56.60 per barrel and forecast to increase to \$71.45 in the upcoming year.

The specific impact on individual customers of both Newfoundland Power's customers and Newfoundland and Labrador Hydro's Island Interconnected customers of this rate change will depend on usage levels. For example, Newfoundland Power's non-electric heat consumers using 1000 kWh of electricity per month will see an estimated increase of 5.6% in their monthly bills, excluding HST and early payment discounts. Newfoundland Power's electric heat customers using 2000 kWh per month will see an increase of 6.1% in their monthly bills. Newfoundland and Labrador Hydro's Isolated Rural customers with the same usage amounts will see estimated increases of approximately 5.4% and 5.6% respectively in their monthly bills.

Additional information concerning electricity costs for residential customers within the Province can be found in the attached Background.

The Orders can be viewed on the Board's website at [www.pub.nl.ca](http://www.pub.nl.ca).

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# Board of Commissioners of Public Utilities

*Press Release  
Attachment I*

*Re: Board Order Nos. P. U. 15(2008) and P. U. 16(2008)*

## NEWFOUNDLAND & LABRADOR AVERAGE MONTHLY RESIDENTIAL ELECTRICITY BILLS FOR EXISTING AND NEW RATES

	Average Monthly Consumption*	Newfoundland Power & Hydro Island Interconnected	Hydro Isolated Diesel**	Hydro Happy Valley - Goose Bay	Hydro Labrador City and Wabush
<b>Existing Rates As of January 1, 2008</b>	<b>1000 kWh</b>	\$ 105.90	\$ 110.08	\$ 39.50	\$ 31.27
	<b>2000 kWh</b>	\$ 196.20	\$ 251.39	\$ 72.00	\$ 56.27
<b>New Rates Effective - July 1, 2008</b>	<b>1000 kWh</b>	\$ 111.87	\$ 116.06	\$ 39.50	\$ 31.27
	<b>2000 kWh</b>	\$ 208.18	\$ 265.57	\$ 72.00	\$ 56.27

\* 1000 kWh - Average usage per month for customers without electric heat; includes basic customer charge, excludes prompt payment discount & HST.

2000 kWh - Average usage per month for customers with electric heat; includes basic customer charge, excludes prompt payment discount & HST.

\*\* 700 kWh - used as lowest level of lifeline rate structure.

# Board of Commissioners of Public Utilities

*Press Release  
Attachment II*

*Re: Board Order Nos. P. U. 15(2008) and P. U. 16(2008)*

## NEWFOUNDLAND & LABRADOR COMPARISON OF RESIDENTIAL ELECTRICITY RATES

RETAIL CUSTOMER CLASS		CURRENT RATES January 1, 2008	NEW RATES July 1, 2008
NEWFOUNDLAND POWER & NEWFOUNDLAND & LABRADOR HYDRO RURAL INTERCONNECTED (Customers whose rates are based on NP rates)	Basic Monthly Charge	\$ 15.60	\$ 15.56
	Energy Rate (per kWh)	9.030¢	9.631¢
NEWFOUNDLAND & LABRADOR HYDRO ISOLATED DIESEL (Coastal Labrador & Isolated Island Systems)	Basic Monthly Charge	\$ 15.60	\$ 15.56
	Energy Rate (per kWh)		
	<i>Usage per/month</i>		
	<i>First Block</i>	9.030¢	9.631¢
	<i>Second Block</i>	10.423¢	11.028¢
	<i>Over 1000 kWh</i>	14.131¢	14.951¢
NEWFOUNDLAND & LABRADOR HYDRO HAPPY VALLEY-GOOSE BAY <sup>1</sup>	Basic Monthly Charge	\$ 7.00	\$ 7.00
	Energy Rate (per kWh)	3.25¢	3.25¢
NEWFOUNDLAND & LABRADOR HYDRO LABRADOR CITY and WABUSH <sup>1</sup>	Basic Monthly Charge	\$ 6.27	\$ 6.27
	Energy Rate (per kWh)	2.500¢	2.500¢

<sup>1</sup>Previous Board Order No. P.U. 37(2005)