

Board of Commissioners of Public Utilities

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PRESS RELEASE

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Rate Decrease 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 Order No. P.U. 26(2009), approving an average decrease in electricity rates of approximately 6.6% for Newfoundland Power's residential and general service customers, effective July 1, 2009. The Board also issued Order No. P.U. 27(2009), which approves rate decreases for Newfoundland and Labrador Hydro's Island Interconnected customers and Isolated Rural customers (excluding government departments) to be effective July 1, 2009. Since these rates are based on Newfoundland Power's rates, they are automatically adjusted as Newfoundland Power's rates are changed.

The rate decreases are a result of the annual operation of the retail Rate Stabilization Plan, which reflects variations in significant cost 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, variations in system load, and municipal taxes charged each year to Newfoundland Power by municipalities throughout the province.

The specific impact on both Newfoundland Power's customers and Newfoundland and Labrador Hydro's Island Interconnected customers of this rate decrease will depend on energy usage levels. For example, non-electric heat customers on the Island Interconnected system using 1000 kWh of electricity per month will see an estimated decrease of 6.38% in their monthly bills, excluding HST and early payment discounts. Electric heat customers using 2000 kWh per month will see a decrease of 6.86% in their monthly bills. Newfoundland and Labrador Hydro's Isolated Rural Customers with the same usage amounts will see estimated decreases of approximately 6.18% and 6.40% respectively in their monthly bills.

Additional information concerning electricity costs for residential customers can be found in the attached backgrounder.

The Orders can be viewed on the Board's website at www.pub.nl.ca.

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Board of Commissioners of Public Utilities

*Press Release
Attachment I*

Re: Board Order Nos. P. U. 26(2009) and P. U. 27(2009)

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

	Average Monthly Consumption*	Newfoundland Power & Hydro Island Interconnected	Hydro Isolated Rural**	Hydro Happy Valley - Goose Bay***	Hydro Labrador City and Wabush***
Existing Rates As of January 1, 2009	1000 kWh	\$ 111.87	\$ 116.06	\$ 39.50	\$ 34.13
	2000 kWh	\$ 208.18	\$ 265.57	\$ 72.00	\$ 61.43
New Rates Effective - July 1, 2009	1000 kWh	\$ 104.73	\$ 108.89	\$ 39.50	\$ 34.13
	2000 kWh	\$ 193.89	\$ 248.58	\$ 72.00	\$ 61.43

* 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.

** Calculations are based on a lifeline block of 700 kWh and a 2nd block of 300 kWh with anything over 1,000 kWh in the 3rd block.

*** Rates for these customers are not affected by Order Nos. P. U. 26(2009) and P. U. 27(2009).

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*Press Release
Attachment II*

Re: Board Order Nos. P. U. 26(2009) and P. U. 27(2009)

NEWFOUNDLAND & LABRADOR COMPARISON OF RESIDENTIAL ELECTRICITY RATES

RETAIL CUSTOMER CLASS		CURRENT RATES January 1, 2009	NEW RATES July 1, 2009
NEWFOUNDLAND POWER & NEWFOUNDLAND & LABRADOR HYDRO RURAL INTERCONNECTED (Customers whose rates are based on NP rates)	Basic Monthly Charge	\$ 15.56	\$ 15.57
	Energy Rate (per kWh)	9.631¢	8.916¢
NEWFOUNDLAND & LABRADOR HYDRO ISOLATED RURAL (Coastal Labrador & Isolated Island Systems)	Basic Monthly Charge	\$ 15.56	\$ 15.57
	Energy Rate (per kWh)		
	<i>Usage per/month</i>		
	<i>First Block</i>	9.631¢	8.916¢
	<i>Second Block</i>	11.028¢	10.303¢
	<i>Over 1000 kWh</i>	14.951¢	13.969¢
NEWFOUNDLAND & LABRADOR HYDRO HAPPY VALLEY-GOOSE BAY*	Basic Monthly Charge	\$ 7.00	\$ 7.00
	Energy Rate (per kWh)	3.25¢	3.25¢
NEWFOUNDLAND & LABRADOR HYDRO LABRADOR CITY and WABUSH*	Basic Monthly Charge	\$ 6.83	\$ 6.83
	Energy Rate (per kWh)	2.730¢	2.730¢

* Rates for these customers are not affected by Order Nos. P. U. 26(2009) and P. U. 27(2009).