

# Board of Commissioners of Public Utilities

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## PRESS RELEASE

June 16, 2005

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The Newfoundland and Labrador Board of Commissioners of Public Utilities today issued Orders No. P.U. 16 (2005) and P.U. 17(2005), which will result in an average increase of approximately 5.2% in electricity rates effective July 1, 2005 for Newfoundland Power's ("NP") residential and general service customers and Newfoundland and Labrador Hydro's ("Hydro") customers on the island interconnected system. Hydro's rural residential customers on the isolated diesel systems will also see a similar increase in the lifeline block rate, which is based on NP's rates. The actual impact on customers' bills will vary by customer and by rate class. These rate changes do not apply to Hydro's customers in Happy Valley-Goose Bay and Labrador West.

The increase in rates results from two factors: i) the annual Rate Stabilization Adjustment, which recovers the difference in forecast fuel costs previously allowed in rates and the fuel costs actually paid by Hydro to operate its Holyrood generating plant; and ii) the annual Municipal Tax Adjustment to reflect taxes charged each year to NP by municipalities.

NP's Rate Stabilization Adjustment is necessary as a result of power purchased from Hydro and the operation by Hydro of the retail Rate Stabilization Plan (the "RSP"). Rate stabilization adjustments are intended to smooth rate impacts arising from cost factors that are beyond the control of the utilities. Among these annual variations are fuel costs associated with the production of thermal electricity at the Holyrood Generating Station. Approximately 90% of the 5.2% increase is attributable to the difference between the fuel prices used to set existing rates and Hydro's forecast price for the fuel to be consumed at Holyrood for the upcoming year.

The specific impact on NP's residential customers of this rate change will depend on usage levels. Non-electric heat consumers using 1000 kWh of electricity per month will see an increase of approximately \$5.00<sup>1</sup> in their monthly bills. Consumers with electric heat using 2000 kWh per month will see an increase of approximately \$10.00<sup>2</sup> in their monthly bills. These impact estimates do not include HST and the early payment discount.

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

The Orders and Press Release are available for pick-up at the Board's Office and can be viewed on the Board's website at [www.pub.nl.ca](http://www.pub.nl.ca).

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<sup>1</sup> \$4.73

<sup>2</sup> \$9.47

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## **BACKGROUND**

**June 16, 2005**

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**Attachment I:** Newfoundland and Labrador - Average Monthly Residential Electricity Bills for Existing and New Rates

**Attachment II:** Newfoundland and Labrador - Comparison of Residential Electricity Rates

# Board of Commissioners of Public Utilities

Press Release - June 16, 2005  
Attachment I

Re: Board Order Nos. P.U. 50 (2004), P.U. 52 (2004) and P.U. 16 (2005), P.U. 17 (2005)

## 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, 2005</b>	<b>1000 kWh</b>	\$ 95.54	\$ 102.56	\$ 39.50	\$ 24.44
	<b>2000 kWh</b>	\$ 175.38	\$ 242.52	\$ 72.00	\$ 43.78
<b>New Rates Effective - July 1, 2005</b>	<b>1000 kWh</b>	\$ 100.27	\$ 105.87	\$ 39.50	\$ 24.44
	<b>2000 kWh</b>	\$184.85	\$ 245.83	\$ 72.00	\$ 43.78

\* 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.

# Board of Commissioners of Public Utilities

*Press Release - June 16, 2005  
Attachment II*

*Re: Board Order Nos. P.U. 50 (2004), P.U. 52 (2004) and P.U. 16 (2005), P.U. 17 (2005)*

## NEWFOUNDLAND & LABRADOR COMPARISON OF RESIDENTIAL ELECTRICITY RATES

RETAIL CUSTOMER CLASS		CURRENT RATES January 1, 2005	NEW RATES July 1, 2005
NEWFOUNDLAND POWER & NEWFOUNDLAND & LABRADOR HYDRO RURAL INTERCONNECTED (Customers whose rates are based on NP rates)	<b>Basic Monthly Charge</b>	\$ 15.70	\$ 15.69
	<b>Energy Rate (per kWh)</b>	7.984¢	8.458¢
NEWFOUNDLAND & LABRADOR HYDRO ISOLATED DIESEL (Coastal Labrador & Isolated Island Systems)	<b>Basic Monthly Charge</b>	\$ 15.70	\$ 15.69
	<b>Energy Rate (per kWh)</b> <i>Usage per/month</i>		
	<i>First Block</i>	7.984¢	8.458¢
	<i>Second Block</i>	10.324¢	10.324¢
	<i>Over 1000 kWh</i>	13.996¢	13.996¢
NEWFOUNDLAND & LABRADOR HYDRO HAPPY VALLEY-GOOSE BAY	<b>Basic Monthly Charge</b>	\$ 7.00	\$ 7.00
	<b>Energy Rate (per kWh)</b>	3.250¢	3.250¢
NEWFOUNDLAND & LABRADOR HYDRO LABRADOR CITY and WABUSH	<b>Basic Monthly Charge</b>	\$ 5.10	\$ 5.10
	<b>Energy Rate (per kWh)</b>	1.934¢	1.934¢