

PRESS RELEASE
October 12, 2007

**Newfoundland Power files Amended General Rate Application;
Public Hearing to begin on Monday, October 22, 2007**

The Board of Commissioners of Public Utilities yesterday received an amended filing from Newfoundland Power Inc. (NP) concerning its previously submitted 2008 general rate application. This filing is a revision to the original application filed with the Board on May 10, 2007 and follows a Board facilitated negotiation process involving NP and the Consumer Advocate which began in late summer.

The amended application before the Board reflects a settlement agreement between NP and the Consumer Advocate, which addresses a number of regulatory and financial matters including NP's cost of capital, and sets out the issues that remain outstanding. In its original application NP proposed an average rate increase of 5.3% based on rates in effect at the time. The amended application proposes an average increase to existing rates of 2.8% effective January 1, 2008. Existing rates were established on July 1, 2007 as a result of the operation of the Rate Stabilization Account. The changes to individual customer rates resulting from NP's revised proposals will vary, depending on the class of service and the amount of electricity used. For example, excluding discounts and taxes, a domestic customer using 1,000 kWh per month will pay \$3.86 or 3.8% more per month as of January 1, 2008, while a customer using 2,000 kWh per month will see an increase of \$7.72 or 4.1% per month, compared to existing rates.

The Board has scheduled a public hearing to begin on Monday, October 22, 2007 at which time the revised application will be considered by a panel of Board Commissioners. The settlement agreement and all outstanding issues will be addressed during this hearing. Notice of the hearing and an invitation for public participation has been published in newspapers throughout the Province.

For more information on NP's 2008 General Rate Application and the scheduled public hearing contact the Board's office or view the Board's website at www.pub.nl.ca.

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