

**Board of Commissioners of Public Utilities**

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**PRESS RELEASE**

**December 20, 2007**

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**Newfoundland Power's 2008 Amended General Rate Application**

**Public Utilities Board approves final rates for January 1, 2008  
Newfoundland Power Customers will see average rate increase of 2.8%**

The Board of Commissioners of Public Utilities (the "Board") issued Order No. P.U. 32(2007) today approving final rates for Newfoundland Power's ("NP") customers which will take effect January 1, 2008. This Order relates to a General Rate Application ("GRA") filed earlier this year by NP and follows a Board facilitated negotiated settlement of certain issues and a subsequent public hearing which concluded on November 5, 2007. Registered intervenors for the proceeding were the Government appointed Consumer Advocate, Mr. Thomas Johnson, and Newfoundland and Labrador Hydro ("Hydro").

NP's 2008 GRA, filed on May 10, 2007, proposed an average increase of 5.3% for rates in effect at that time. On July 1, 2007 rates were reduced by an average of 2.9% as a result of the Rate Stabilization Plan adjustment which accounts for annual variances between forecast and actual fuel costs at Hydro's Holyrood Thermal Generating Station.

NP filed an Amended Application on October 11, 2007 incorporating the impacts of a negotiated Settlement Agreement which, among other things, reduced the 2008 revenue requirement to be recovered in customer rates by approximately \$14.6 million. The Amended Application filed by NP proposed an average increase of 2.8% in existing rates established as of July 1, 2007. The Board has approved this 2.8% increase in this Order.

Depending on the class of service and the amount of electricity used, the changes to customer rates as a result of this Order will vary. 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. Certain general service customers will actually see rate decreases as a result of this Order. For example, a customer in the 2.1 General Service 0-10 kW rate class using an average of 4,000 kWh per month will pay \$6.36 or 1.4% less per month, compared to existing rates.

A Summary of the Board Decision and Order is included with this Press Release. A complete copy of Order No. P. U. 32(2007) is 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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