

PRESS RELEASE

December 24, 2009

**Newfoundland Power's General Rate Application
Public Utilities Board approves final rates for January 1, 2010**

The Board of Commissioners of Public Utilities today issued Order Nos. P.U. 46(2009) and P.U. 47(2009), as well as its Reasons for Decision in connection with Order No. P.U. 43(2009), approving final rates for Newfoundland Power and certain Newfoundland and Labrador Hydro customers. These final rates will take effect January 1, 2010 and reflect an overall average increase of 3.5% in Newfoundland Power's rates.

These Orders conclude the regulatory process that began on May 28, 2009 when Newfoundland Power filed a general rate application proposing an overall average rate increase of 6.1%. Registered intervenors were the Government appointed Consumer Advocate, Mr. Thomas Johnson, and Newfoundland and Labrador Hydro. On September 28, 2009, following a Board facilitated negotiated settlement process, Newfoundland Power amended its application to reflect updated forecasts and changes arising from a settlement agreement and intervening Board orders, including the annual July 1st rate adjustment to reflect variances in the cost of fuel at the Holyrood Thermal Generating Station. The amended application proposed an overall average increase of 7.2% in the rates that were established on July 1, 2009.

On December 11, 2009 following a public hearing the Board issued Order No. P.U. 43(2009) directing Newfoundland Power to file revised rates. On December 16, 2009 Newfoundland Power filed an application setting out revised rates in accordance with the Order of the Board. On December 18, 2009 Newfoundland and Labrador Hydro also filed an application for approval of revisions to rates for certain customers since rates for its Island Interconnected customers (excluding Burgeo School and Library) and Isolated Rural Customers (excluding Government departments) are based on Newfoundland Power's rates.

The specific impact of these Orders on electricity customers' bills will vary depending on the class of service and the amount of electricity used. For example, excluding discounts and taxes, a Newfoundland Power residential customer using 1,000 kWh per month will pay \$4.23 or 4.0% more monthly as of January 1, 2010, while a customer using 2,000 kWh per month will see an increase of \$8.46 or 4.4%, compared to existing rates. Additional information on the rates and customer impacts is attached.

Copies of Order Nos. P.U. 46(2009), P.U. 47(2009), P.U. 43 (2009) and the Reasons for Decision issued in connection therewith can be viewed on the Board's website at www.pub.nl.ca.

Board of Commissioners of Public Utilities

*Press Release – December 24, 2009
Attachment I*

Re: Board Order Nos. P.U. 43 (2009), P.U.46 (2009) and P.U. 47 (2009)

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

	Average Monthly Consumption*	Newfoundland Power & Hydro Island Interconnected	Hydro Isolated Diesel**	Hydro Happy Valley - Goose Bay	Hydro Labrador City and Wabush
Rates in Effect on Jan. 1, 2009	1000 kWh	\$ 111.87	\$ 111.87	\$ 39.50	\$ 34.13
	2000 kWh	\$ 208.18	\$ 261.38	\$ 72.00	\$ 61.43
	3000 kWh	\$ 304.49	\$ 410.89	\$ 104.50	\$ 88.73
Rates in Effect on Jul. 1, 2009	1000 kWh	\$ 104.73	\$ 104.73	\$ 39.50	\$ 34.13
	2000 kWh	\$ 193.89	\$ 244.42	\$ 72.00	\$ 61.43
	3000 kWh	\$ 283.05	\$ 384.11	\$ 104.50	\$ 88.73
Rates in Effect on Jan. 1, 2010	1000 kWh	\$ 108.96	\$ 108.96	\$ 39.50	\$ 37.05
	2000 kWh	\$ 202.35	\$ 254.52	\$ 72.00	\$ 66.95
	3000 kWh	\$ 295.74	\$ 400.08	\$ 104.50	\$ 96.85

* 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.

**Lifeline block structure for month of December.

Board of Commissioners of Public Utilities

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Attachment II

Re: Board Order Nos. P.U. 43 (2009), P.U.46 (2009) and P.U. 47 (2009)

NEWFOUNDLAND & LABRADOR RESIDENTIAL ELECTRICITY RATES

		Rates in Effect January 1, 2009	Rates in Effect July 1, 2009	Rates in Effect January 1, 2010
Newfoundland Power & Newfoundland and Labrador Hydro Island Interconnected	Basic Customer Charge	\$15.56	\$15.57	\$15.57
	Energy Rate (cents per kWh)	9.631	8.916	9.339
Newfoundland and Labrador Hydro Isolated Diesel (December Month)	Basic Customer Charge	\$15.56	\$15.57	\$15.57
	Energy Rate (cents per kWh):			
	First Block	9.631	8.916	9.339
	Second Block	11.028	10.303	10.736
	Over 1000 kWhs/Month	14.951	13.969	14.556
Newfoundland and Labrador Hydro Happy Valley - Goose Bay	Basic Customer Charge	\$7.00	\$7.00	\$7.00
	Energy Rate (cents per kWh)	3.25	3.25	3.25
Newfoundland and Labrador Hydro Labrador City and Wabush	Basic Customer Charge	\$6.83	\$6.83	\$7.15
	Energy Rate (cents per kWh)	2.73	2.73	2.99

Board of Commissioners of Public Utilities

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Attachment III

Re: Board Order Nos. P.U. 43 (2009), P.U.46 (2009) and P.U. 47 (2009)

NEWFOUNDLAND & LABRADOR GENERAL SERVICE CLASS 2.1 ELECTRICITY RATES

		Rates in Effect January 1, 2009	Rates in Effect July 1, 2009	Rates in Effect January 1, 2010
Newfoundland Power & Newfoundland and Labrador Hydro Island Interconnected	Basic Customer Charge	\$17.85	\$17.86	\$17.86
	Energy Rate (cents per kWh)	11.609	10.896	11.098
Newfoundland and Labrador Hydro Isolated Diesel December Month	Basic Customer Charge	\$19.76	\$18.78	\$19.06
	Energy Rate (cents per kWh)	16.845	16.009	16.249
Newfoundland and Labrador Hydro Happy Valley - Goose Bay	Basic Customer Charge	\$9.10	\$9.10	\$9.10
	Energy Rate (cents per kWh)	4.945	4.945	4.945
Newfoundland and Labrador Hydro Labrador City and Wabush	Basic Customer Charge	\$9.10	\$9.10	\$9.10
	Energy Rate (cents per kWh)	4.501	4.501	4.929