

Q. What was the rate impact of the annual review of the Rate Stabilization Account (the R.S.A.) on July 1, 2008?

A. The July 1, 2008 rate change incorporated (i) a reduction in Newfoundland Power's base rates for the 2008 income tax true-up as approved in Order No. P.U. 10 (2008), and (ii) a change in the RSA Factor and the MTA Factor to be used in customer billings for the period July 1, 2008 to June 30, 2009 as approved in Order No. P.U. 15 (2008).

The customer impact of the reduction in base rates for the 2008 income tax true-up was about 0.2% while the customer impact of the RSA/MTA change was an increase of about 6.1%. The cumulative customer impact was an average increase in Customer Rates of 5.9%. Table 1 provides the cumulative impacts by rate class.

Rate Class	Average July 1, 2008 Customer Impact
Domestic	5.8%
General Service 0 - 10 kW	4.3%
General Service 10 - 100 kW	5.6%
General Service 110 - 1000 kVA	6.7%
General Service 1000 kVA and Over	7.9%
Street and Area Lighting	1.4%