

Q. Assuming NP's proposed rates, tolls and charges are approved as filed, please confirm the percentage by which customer rates will have increased on a compounded basis since 2004 as of January 1, 2010.

A. Assuming Newfoundland Power's proposed rates, tolls and charges are approved as filed, customer rates will have increased by approximately 27 percent since 2004 as of January 1, 2010 on a compounded basis.

Table 1 shows electricity price changes for Newfoundland Power customers in the period 2004 to July 2008, updated to include the July 1, 2009 RSA/MTA change and the change proposed for January 1, 2010.

Table 1
Rate Changes: 2002 to 2008
(percent)

	2004	2005	2006	2007	July 1 2007	2008	July 1 2008	2009	2010F	Total ¹
Newfoundland Power	-	-0.5	-	-0.5	-	2.8	-0.2	-	6.6 ²	8.3
Newfoundland and Labrador Hydro	5.3	-	-	3.1 ³	-	-	-	-	-	8.6
RSP/RSA/MTA	4.5	5.2	4.8	-2.5 ³	-2.9	-	6.1	-6.6	-	8.1

¹ The total reflects the *compounded* change in rates from 2004 to 2010F.

² The 6.6% increase for 2010F is determined based on the 2010 proposed revenue requirement applied to a lower total revenue reflecting the reduction in the RSA factor on July 1, 2009. The 6.1% provided in the Company's 2010 GRA Evidence excludes the effects of the RSA factor for July 1, 2009 which was approved after the company filed the 2010 General Rate Application.

³ These rate changes reflect the offsetting effects of rebasing fuel costs from the RSP/RSA fuel rider into Hydro base rates (see Order Nos. P.U. 19 (2004) Amended and P.U. 8 (2007)).