

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**NOTICE OF APPLICATION
and
PRE-HEARING CONFERENCE**

**NEWFOUNDLAND POWER INC.
2010 GENERAL RATE APPLICATION**

On May 28, 2009 the Board of Commissioners of Public Utilities (the “Board”) received a General Rate Application (the “Application”) from Newfoundland Power Inc. to establish new rates for its customers. The specific proposals contained in the Application are set out in Schedule A below. Newfoundland Power is requesting that the Board approve, among other things, an overall average increase in current electricity rates of 6.1% as of January 1, 2010, which includes:

- (1) proposed increases ranging from 4.1% to 6.1% for commercial customers; and
- (2) proposed average increases of 6.8% for residential customers.

The specific impacts on customers’ rates will vary depending on individual circumstances, including electrical consumption and rate classification. All customers of Newfoundland Power as well as customers of Newfoundland and Labrador Hydro whose rates are based on Newfoundland Power’s rate schedules may be affected by the outcome of this Application. The hearing of the general rate application will include a full review of forecast 2010 costs and any or all aspects of Newfoundland Power’s regulated activities.

HOW TO SEE THE APPLICATION

Copies of the Application, the legislation and regulations are available for public viewing at the offices of the Board between the hours of 8:30 a.m. to 12:30 p.m. and 1:30 p.m. to 4:00 p.m. or upon request from the Board Secretary at (709) 726-8600 or on the Board’s website at www.pub.nl.ca.

A copy of the Application can also be viewed at any of Newfoundland Power’s regional offices located throughout the Province and can be viewed on its website at www.newfoundlandpower.com.

PRE-HEARING CONFERENCE

The Board will hold a public hearing to consider the Application. A pre-hearing conference will convene at **10:00 A.M. on Wednesday, June 17, 2009** in the Board’s hearing room, Prince Charles Building, 120 Torbay Road, St. John’s to identify intervenors and to set the schedule and procedures for the public hearing.

HOW TO PARTICIPATE

An interested person or organization can participate in the Application in one of three ways: either by becoming an intervenor in the hearing, by making an oral submission, or by submitting a letter of comment to the Board.

Interested person(s) wishing to be made a party to the hearing and become a registered intervenor must apply to the Board by way of an intervenor's submission. Intervenor submissions shall be submitted in accordance with Section 9 of the *Board of Commissioners of Public Utilities Regulations, 1996*.

Copies of all intervenor submissions and supporting documents must be filed with the Board by 3:00 p.m., Monday, June 15, 2009.

Following the pre-hearing conference the Board will publish a further notice of the dates and schedule for the proceeding.

HOW TO CONTACT THE BOARD

All correspondence and requests for further information should be submitted to the Board Secretary at:

Office: Suite E210, Prince Charles Building, 120 Torbay Road, St. John's

Mail: P.O. Box 21040, St. John's, NL, A1A 5B2

Telephone: 709-726-8600 or 1-866-782-0006 (toll free)

Facsimile: 709-726-9604

E-mail: ito@pub.nl.ca

Dated at St. John's, Newfoundland and Labrador, this 1st day of June 2009.

Cheryl Blundon
Board Secretary

SCHEDULE A

Newfoundland Power Proposals:

1. Newfoundland Power proposes that the Board discontinue use of the Formula for setting the allowed rate of return on rate base for Newfoundland Power as set out in the evidence filed in support of the Application.
2. Newfoundland Power proposes that the Board approve, with effect from January 1, 2010, the adoption of the accrual method of accounting for other post employment benefits and for income tax related to other post employment benefits as set out in the evidence filed in support of the Application.
3. Newfoundland Power proposes that the Board approve, with effect from January 1, 2010, the Pension Expense Variance Deferral Account as set out in the evidence filed in support of the Application.
4. Newfoundland Power proposes that the Board approve amortizations, with effect from January 1, 2010, to:
 - (a) amortize the recovery over a four year period of certain 2009 conservation costs associated with implementation of the Conservation Plan; and
 - (b) recover over one year an estimated \$750,000 in Board and Consumer Advocate costs related to the Application;as set out in the evidence filed in support of the Application.
5. Newfoundland Power proposes that the Board approve that the next depreciation study relate to plant in service as of December 31, 2009 as set out in the evidence filed in support of the Application.
6. Newfoundland Power proposes that the Board approve continued use of the Energy Supply Cost Variance clause beyond 2010, and the Demand Management Incentive Account until further Order of the Board.
7. Newfoundland Power proposes that the Board approve an overall average increase in current customer rates of 6.1 percent, with effect from January 1, 2010, based upon:
 - (a) a forecast average rate base for 2010 of \$867,396,000;
 - (b) a rate of return on average rate base for 2010 of 9.15 percent in a range of 8.97 percent to 9.33 percent; and
 - (c) a forecast revenue requirement for 2010 of \$545,312,000 to be recovered from electrical rates;as set out in the evidence filed in support of the Application.

8. Newfoundland Power proposes that the Board approve rates, tolls and charges effective for service provided on and after January 1, 2010, which result in average increases in current customer rates by class as follows:

<i>Rate Class</i>	<i>Average Increase</i>
Domestic	6.8%
General Service 0-10kW	4.1%
General Service 10-100 kW (110 kVA)	4.1%
General Service 110-1000 kVA	5.1%
General Service 1000 kVA and Over	6.1%
Street and Area Lighting	6.1%

as set out in Schedule A to the Application.