

Newfoundland Power Inc. Electric Rates Remain Unchanged

Press Release

Board of Commissioners of Public Utilities

Monday, December 04, 2000

In 1998, following extensive public hearings, the Board approved an Automatic Adjustment Formula to be utilized in determining Newfoundland Power's electrical rates charged to its various customer classes. The Automatic Adjustment Formula is reviewed by the Board each November and any resultant rate changes take effect January 1 following.

The components of the formula include the company's Rate Base, its Invested Capital and the Estimated Cost of Capital based on the daily closing yields of selected Government of Canada Bonds for the last 5 trading days in October and the first 5 trading days of November.

The Board has conducted its 2000 review of the Automatic Adjustment Formula and has issued Order # P.U. 30 (2000-2001) setting the Rate of Return on Rate Base for Newfoundland Power at 10.13% in the range of 10.10% to 10.46%

Consumers of electricity in the Province of Newfoundland and Labrador will not see any change in electrical rates during 2001 based on the operation of the Automatic Adjustment Formula.

Inquiries should be directed to the Board's Director, Regulatory and Advisory Services, at 709 726-0742 or by e-mail to <rbyrne@pub.nf.ca> or by fax to 709 726-9604. A copy of the Order may be found at the Board's website, www.pub.nf.ca.