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For Immediate Release // November 14, 2018

No Increase in Electricity Rates for Residential Customers: Settlement of Newfoundland Power's 2019-2020 General Rate Application

(St. John's, NL): A settlement agreement was filed today with the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) regarding Newfoundland Power Inc.'s 2019-2020 General Rate Application (GRA). Recent negotiations have resulted in the settlement of all matters related to this application. If approved by the PUB, there will be no general increase in electricity rates for residential and commercial customers.

"We understand our customers are concerned about the uncertainties surrounding increases in future electricity rates related to the Muskrat Falls Project," said Peter Alteen, President and Chief Executive Officer, Newfoundland Power. "We have worked hard to minimize our impact on electricity rates by effectively managing our costs while delivering reliable service to our customers that is among the best in the country. We have negotiated a settlement that is good for our customers and allows us to maintain Newfoundland Power's financial integrity."

As part of the normal regulatory process, Newfoundland Power was ordered by the PUB to file a GRA by June 1, 2018. The last time the Company filed a GRA was three years ago. Newfoundland Power's cost of operations has not contributed to any increase in base electricity rates for its customers since 2016. If the settlement agreement is approved by the PUB, this will continue through 2019 and 2020.

"This means there will be a five-year period with no increase in base electricity rates for our customers related to Newfoundland Power's operations," added Alteen. "This continues our long history of responsible cost management. Over the past 20 years, Newfoundland Power's costs have added only approximately half a cent per kilowatt hour to our customers' electricity rates."

Newfoundland Power's energy-efficient LED streetlight service has also been agreed to be implemented effective March 1, 2019. The adoption of LED streetlights as the standard going forward will provide better lighting quality and improved reliability while reducing overall costs to customers. All new streetlight installations and fixture replacements will use LED technology.

"We are pleased to be able to offer a new LED streetlight program that will yield savings of between 8% and 39% when compared to existing streetlight technology and bring material benefits for our municipal customers," concluded Alteen.

As a result of the proposed settlement agreement, Newfoundland Power will not be changing any of its existing electricity rates other than the basic customer charge for small commercial customers. The settlement agreement is currently being reviewed by the PUB.

Newfoundland Power is the primary distributor of electricity on the island portion of Newfoundland and Labrador, and purchases 93% of its energy needs from Newfoundland and Labrador Hydro. With a customer base of approximately 267,000 accounts, Newfoundland Power is committed to safety, dedicated to the highest level of customer service and delivers reliable electricity at the lowest possible cost. For more information on Newfoundland Power's programs, services and community partnerships, please visit newfoundlandpower.com.

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