



For Immediate Release:

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Distribution of RSP Refund for Current Customers to Begin

(St. John's, NL): Newfoundland Power and Newfoundland and Labrador Hydro (Hydro) wish to advise that the distribution of the Rate Stabilization Plan (RSP) refund to current customers will begin on February 15, 2017. Approximately 200,000 current customers will initially receive refunds, representing approximately 85% of the RSP balance.

All Newfoundland Power customers and Hydro's Island Interconnected customers who have used, and paid for, electricity between January 1, 2007, and August 31, 2013, are eligible for this refund. Current customers will receive their RSP refund first, and then attention will shift to former customers who had electricity accounts during the refund period.

The actual amount of the refund for each customer will be variable since the refund will be calculated based on an individual customer's electricity usage during the refund period. Eligible customers will receive a refund of 0.364 cents per kilowatt hour (kWh) used. Both utilities have developed online and phone self-service options for customers with active electricity accounts to provide them with the actual amount of energy used during the refund period and the refund amount. By way of example, a residential customer with electric heat uses, on average, approximately 1,534 kWhs of electricity per month and would receive an average monthly refund of approximately \$5.58 for each electricity bill that was paid during the refund period. A residential customer without electric heat uses, on average, approximately 837 kWhs of electricity each month and would receive an average monthly refund of approximately \$3.05 for each electricity bill that was paid during the refund period.

The refund for each customer will first be credited against any existing balance on their electricity account. A cheque will be issued to the customer whose name is on the electricity bill for any remaining amount. Refunds will be adjusted for the amount of Harmonized Sales Tax (HST) and the Provincial Government's Residential Energy Rebate (RER) that was in effect during a portion of the refund period.

Hydro's RSP surplus refund to customers is forecast to be an estimated \$138 million as of January 31, 2017, including interest. Approximately \$129 million of this is attributable to Newfoundland Power's customers, and approximately \$9 million is attributable to Hydro's customers. The taxes associated with the RSP refund represent an additional amount of approximately \$16 million for customers.

For more information regarding the RSP refund or to access the self-service tools, please visit newfoundlandpower.com/refund or call 1-800-663-2802 OR visit nlhydro.com/refund or call 1-888-737-1296. Information will also be included in customers' electricity bills.



Newfoundland Power is the primary distributor of electricity on the island portion of Newfoundland and Labrador, and purchases 93% of its energy needs from Hydro. With a customer base of approximately 264,000 accounts, Newfoundland Power is committed to safety, dedicated to the highest level of customer service and delivers reliable electricity at the lowest possible cost.

Newfoundland and Labrador Hydro is the primary generator of electricity in Newfoundland and Labrador. The company has an installed generating capacity of 1,792 megawatts. Over 80% of the energy generated is clean, hydroelectric generation. Hydro sells its power to utility, industrial and 38,000 residential and commercial customers in over 200 communities across the province. The company is committed to operational excellence while delivering safe, reliable, least-cost electricity.

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For further information, please contact:

Michele Coughlan, Manager, Public Affairs

Newfoundland Power Inc.

Phone: (709) 737-2821 / Cell: (709) 682-1470

mcoughlan@newfoundlandpower.com

Erin Squires, Manager, Communications

Newfoundland and Labrador Hydro

Phone: (709) 737-1311 / Cell (709) 697-1186

erinsquires@nlh.nl.ca

Backgrounder

- Electricity rates are set based on a forecast of how much electricity is anticipated to be needed and the corresponding price of oil. Because these two things are subject to change, Hydro has a Rate Stabilization Plan (RSP) so rates can be adjusted annually to account for the actual amount and cost of oil used to generate electricity at the Holyrood Thermal Generating Station.
- The amount of electricity that was expected to be required by certain industrial customers on the island was significantly reduced with closures related to the pulp and paper industry. This produced significant savings in anticipated fuel costs. As a result, a balance accumulated in Hydro's RSP account between 2007 and 2013. The balance continues to earn interest until customers are refunded. This balance is now owed to eligible Newfoundland Power and Hydro customers.
- Approximately 268,000 Newfoundland Power customers and approximately 25,000 Hydro customers are eligible for a refund under the RSP Customer Refund Plan.
- Neither utility has previously undertaken a refund plan of this size or complexity considering the number of customers impacted, the length of time the RSP balance has been growing and the significant amount of money involved.