

**1996 Canadian Bond Rating Service (CBRS) Report**

October 7, 1996

(For subsequent rating information, please refer to the CBRS Quarterly Update report.)

Volume II - Utilities - Gas &amp; Electrical

Filing Instructions: Replaces Credit Analysis dated October 18, 1995

**RATING OPINION**

CBRS has reaffirmed the ratings on Newfoundland Light and Power's (Newfoundland Power) First Mortgage Bonds and Preferred Shares at **A** and **P-2(High)**, respectively. The rating outlook remains **Stable**. Newfoundland Power's good quality ratings reflect its relatively low competitive risk, fair regulatory environment and stable financial position. These factors mitigated the risk associated with the Company's relatively small size (in relation to other "A rated" utilities), high electric rates and weak franchise area. The province of Newfoundland has been amongst the lowest rated provincial credit in Canada (currently rated BBB with a Negative rating outlook) and the economic outlook for the province is for continued low growth. In addition, the Newfoundland economy does not provide the Company with a diversified customer base while the slow economic growth will have a direct impact on the Company's rate base and revenue growth. Because of the higher risk primarily associated with the provincial economic base, we expect Newfoundland Power to maintain a strong level of financial ratios which should measure at the upper range of our financial benchmarks to retain its current ratings.

The Company has been experiencing slow sales growth in recent years due to continued weakness in the provincial economy, strong competition from oil and propane gas and due to improved energy efficiencies. Nevertheless, Newfoundland Power has been able to maintain a stable financial position as a result of downsizing in recent years and due to management's strict control over operating expenses and capital expenditures. Competitive pressures combined with electricity rates which are already amongst the highest in the country, have forced Newfoundland Power to contain its consumer rates. As a result, notwithstanding minor annual adjustments for the Rate Stabilization Plan, basic electricity rates have not increased since 1992 and the company's ROE has remained stable at 12% which is in line with industry standards. The Company is currently seeking a 2.92% rate increase, effective November 1, 1996.

Overall, the Company's debt and interest coverage ratios continue to measure within the parameters of the current rating category, while the near term operating and financial outlook remains **Stable**. Looking forward, low sales growth and relatively flat earnings are expected to persist, while low capital expenditures and minimum refinancing requirements combined with good cash flow should allow the Company to maintain a sound balance sheet and satisfactory level of coverage ratios. In 1995, the Company's debt:equity and interest coverage ratios were 50:50% and 2.7X, respectively.

**FINANCING ACTIVITY**

In April 1996, the Company issued \$40 million of 9% First Mortgage Sinking Fund Bonds, Series AH (rated 'A' by CBRS), of which proceeds were used to reduce short-term bank

**CREDIT RATINGS**

 First Mortgage Bonds ..... **A**  
 Preferred Shares ..... **P-2(High)**
**Rating Outlook: Stable**
**PRELIMINARY RESULTS** (Six Months Ended June 30)

| (\$000's)                | 1996    | 1995    | % Chg.  |
|--------------------------|---------|---------|---------|
| Revenues                 | 194,464 | 193,033 | +0.74%  |
| Net Earnings             | 22,227  | 21,664  | +2.60%  |
| Long Term Debt           | 240,923 | 207,741 | +15.97% |
| Debt/Equity              | 48.34%  | 45.63%  | +5.93%  |
| Cash Flow (as reported)  | 31,586  | 19,964  | +58.21% |
| EBITDA Interest Coverage | 5.30    | 5.38    | -1.59%  |

**CORPORATE PROFILE**

Newfoundland Power, a wholly-owned subsidiary of Fortis Inc., is the principal distributor of electricity in the Province of Newfoundland, providing service to more than 207,000 customers, or approximately 85% of the Newfoundland population. The Company customer base consisting primarily of residential customers and small commercial establishments. The balance of the population live in more remote areas served by Newfoundland and Labrador Hydro ("Hydro"), a Crown Corporation which also serves several of the larger industrial operations in the Province.

Newfoundland Power owns and operates 32 small generating plants, with a total installed capacity of about 148,400 kilowatts. The Company also owns some 2,000 km of transmission lines and 7,500 km of distribution lines. The Company generates about 10% of the energy sold to its customers, and purchases the balance from Hydro. Newfoundland Power, is subject to regulation by the Board of Commissioners of Public Utilities of Newfoundland (PUB).

indebtedness of the Company. No further debt financing is projected for the balance of 1996 and 1997. The Company has \$330 million in operating and short-term money market lines of credit available. The Company relies on this extensive facility for short-term liquidity. On July 12, 1996 a special dividend of \$15.5 million was paid to its parent, Fortis Inc., a measure taken to stabilize the level of equity invested in Newfoundland Power in response to the reduced level of capital expenditures. The Company also paid a special dividend of \$12.3 million to Fortis in 1994.

Capital expenditures are planned to be below \$30 million 1996 (\$30.8 million in 1995) and will be met primarily by internally generated funds. Capital expenditures have declined significantly since 1990 (\$68 million) due primarily to low load growth. Capital spending will primarily be used to expand and upgrade the power distribution system. Based on current sales projections, the Company plans to build a 5 MW hydro plant in 1997, at a cost of approximately \$10-15 million.

# Analysis

## COMPETITION

The space and water heating markets continue to face increased competition from other energy sources, with the oil companies, in particular, undertaking an aggressive advertising campaign aimed at encouraging people to convert away from electricity. Currently, both low oil prices combined with traditionally high electricity rates in Newfoundland, have compelled Newfoundland Power to control costs and deliver reliable service while holding the line on consumer rates. Basic electricity rates have not increased since 1992, except for minor annual adjustments on July 1st of each year reflecting the operation of the Rate Stabilization Plan. The Company has, however, filed for a 2.92% rate increase effective November 1, 1996. Electric rates in Newfoundland are amongst the highest in Canada, and therefore, the Company's principal objective is to minimize future power rate increases. In 1995, the average cost of electricity to customers was 7.7 cents per kWh. Of this, 55% was attributable to the expense of purchased power from Newfoundland and Labrador Hydro ("Hydro") and 15% was attributable to finance charges. The remaining 30% was related to the cost of operations within Newfoundland Power. Although the commodity cost of oil is currently cheaper than electricity for space and water heating, electricity still remains the preferred choice for most applications, due to the cheaper capital cost of an electric heating system. Newfoundland Power continues to capture over 70% of the new housing market, and currently services over 50% of the total heating market in the province.

In the near term, the Company is projecting slow growth in electric sales due to the weak economy and increased competition in the heating market. Consumer and business confidence remains weak in Newfoundland due to continued adverse economic conditions including high unemployment, fishery closures and continued economic uncertainty. Alternatively, the Hibernia oil development will continue to generate economic benefits and recent mineral discoveries of significant sizes at Voisey's Bay, Labrador may prove economically substantial over the long term.

## RATING HISTORY

### First Mortgage Bonds

|                    |     |
|--------------------|-----|
| 1981-present ..... | A   |
| 1972-80 .....      | B++ |

### Preferred Shares

|                        |           |
|------------------------|-----------|
| Sept/90 -present ..... | P-2(High) |
| 1983-90 .....          | P-2       |

## POWER SUPPLY

The Company purchases most of its electric power supply from Newfoundland and Labrador Hydro and Deer Lake Power Company Limited. The principal terms governing Hydro's supply of power to the Company are regulated by the Public Utilities Commission of Newfoundland (PUB). A contract with no specific term between Deer Lake Power and the Company governing Deer Lake Power's supply of power to the Company is terminable upon three years' notice or by order of the PUB. In 1995, Newfoundland Power purchased approximately 90% of its requirements from Hydro and obtained the remainder from its own generating facilities. Normal growth in electric demand over the next five years can be satisfied by the development of small hydro stations and extensions to existing thermal stations.

## REGULATORY MATTERS

The Company is regulated under the provisions of The Public Utilities Act (Newfoundland) in respect of rates, capital expenditures, issuance of securities, terms of service and related matters. The Company has filed an application to the Board of Commissioners of Public Utilities of Newfoundland for an average rate increase of 2.92% effective November 1, 1996. This increase would permit the Company to earn a return on average common equity of 12% in 1996 and 1997. A decision is pending. In its last decision (December 1991) the PUB authorized a range of rate of return on common equity between 13.0% to 13.5%, with a corresponding range of rate of return of 10.96% to 11.19% on average rate base.

## PREFERRED SHARES (As at Sep 30/96)

| SER | DESCRIPTION              | DIVIDEND | FREQ | CURR | ISSUED | SHARES O/S | O/S\$ (000) | TRADING  | RATING    |
|-----|--------------------------|----------|------|------|--------|------------|-------------|----------|-----------|
| A   | CUM. RED. VOT. 1st PREF. | 5.50%    | Q    | CDN  | 1956   | 179,225    | 1,792       | MTL      | P-2(High) |
| B   | CUM. RED. VOT. 1st PREF. | 5.25%    | Q    | CDN  | 1956   | 337,983    | 3,380       | MTL      | P-2(High) |
| D   | CUM. RED. VOT. 1st PREF. | 7.25%    | Q    | CDN  | 1973   | 229,765    | 2,298       | CDN      | P-2(High) |
| G   | CUM. RED. VOT. 1st PREF. | 7.60%    | Q    | CDN  | 1979   | 241,950    | 2,420       | TO/MTL/V | P-2(High) |

## LONG TERM DEBT (As at Sep 30/96)

| SER | TYPE | CUSIP     | CPN    | MATURITY    | CURR | FREQ | DAY CNT | ISSUED | O/S(MM) | OPTIONS    | LEAD | RATING |
|-----|------|-----------|--------|-------------|------|------|---------|--------|---------|------------|------|--------|
| W   | FMB  | 6513508X1 | 11.500 | 15-Nov-99   | C\$  | S    | ACT/ACT | 1979   | 4.7     | CALL/SF    | ML   | A      |
| AB  | FMB  | 6513508U7 | 11.500 | 01-Dec-2005 | C\$  | S    | ACT/ACT | 1985   | 14.25   | PP/CALL/SF | ML   | A      |
| AC  | FMB  | 651350BC3 | 11.875 | 16-Dec-2007 | C\$  | S    | ACT/ACT | 1987   | 36.7    | CALL/SF    | WG   | A      |
| AD  | FMB  | 651350BD1 | 10.550 | 01-Aug-2014 | C\$  | S    | ACT/ACT | 1989   | 36.15   | CALL/SF    | WG   | A      |
| AE  | FMB  | 651350BE9 | 10.900 | 02-May-2016 | C\$  | S    | ACT/ACT | 1991   | 38.4    | CALL/SF    | WG   | A      |
| AG  | FMB  | 651350BG4 | 9.000  | 01-Oct-2020 | C\$  | S    | ACT/ACT | 1992   | 39.6    | CALL/SF    | WG   | A      |
| AF  | FMB  | 651350BF6 | 10.125 | 15-Jun-2022 | C\$  | S    | ACT/ACT | 1992   | 38.8    | CALL/SF    | WG   | A      |
| AH  | FMB  | 651350BH2 | 8.900  | 07-May-2026 | C\$  | S    | ACT/ACT | 1996   | 40      | CALL/SF    | WG   | A      |

### Protective Covenants - First Mortgage Bonds

- Negative Pledge
- New Issue Test:

**Earnings Test** - No Additional Bonds shall be issued unless the Net Earnings of the Company for the Earnings Period selected by the Directors shall have been at least 2.0 times the maximum annual

interest charges on all Bonds to be outstanding after the proposed issue of Additional Bonds.

**Additional Property Test** - Additional Bonds shall not be issued in an aggregate principal amount which shall exceed 60% of the Fair Value of Additional Property.

# NEWFOUNDLAND LIGHT & POWER CO. LIMITED

## CONSOLIDATED STATEMENT OF EARNINGS

For the Period Ending December 31 (\$ 000s)

|                             | 1991           | 1992           | 1993           | 1994           | 1995           |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>REVENUE</b>              |                |                |                |                |                |
| Sales                       | 328,695        | 344,293        | 329,024        | 334,224        | 335,334        |
| Other Income                | 1,576          | 1,773          | 6,259          | 5,535          | 5,280          |
|                             | <u>330,271</u> | <u>346,066</u> | <u>335,283</u> | <u>339,759</u> | <u>340,614</u> |
| <b>EXPENSES</b>             |                |                |                |                |                |
| Operating Expenses          | 240,190        | 251,384        | 236,305        | 239,707        | 245,946        |
| Depreciation & Amortization | 24,555         | 25,878         | 26,921         | 28,141         | 28,896         |
| Interest - Long Term Debt   | 20,276         | 21,319         | 23,563         | 23,473         | 22,559         |
| - Other                     | 2,785          | 2,082          | 645            | 891            | 1,860          |
| Allowance for Funds         | 0              | 0              | 0              | 0              | 0              |
| Other Expenses (Net)        | (118)          | 18             | 0              | 0              | 0              |
|                             | <u>287,688</u> | <u>300,681</u> | <u>287,434</u> | <u>292,212</u> | <u>299,261</u> |
| <b>PRE-TAX INCOME</b>       | <u>42,583</u>  | <u>45,385</u>  | <u>47,849</u>  | <u>47,547</u>  | <u>41,353</u>  |
| Income Taxes                | 14,784         | 15,723         | 18,667         | 19,745         | 13,120         |
| Minority Interest           | 0              | 0              | 0              | 0              | 0              |
| Unusual Items               | 0              | 0              | 0              | 0              | 0              |
| Equity in Earnings          | 0              | 0              | 0              | 0              | 0              |
| <b>NET EARNINGS (LOSS)</b>  | <u>27,799</u>  | <u>29,662</u>  | <u>29,182</u>  | <u>27,802</u>  | <u>28,233</u>  |

## TRENDS

Compound Annual Growth

|                             | 1YR    | 3YR   | 5YR    |
|-----------------------------|--------|-------|--------|
| REVENUE                     |        |       |        |
| Sales                       | 0.3%   | -0.9% | 1.9%   |
| Other Income                | -4.6%  | 43.9% | 24.5%  |
|                             | 0.3%   | -0.5% | 2.1%   |
| EXPENSES                    |        |       |        |
| Operating Expenses          | 2.6%   | -0.7% | 2.3%   |
| Depreciation & Amortization | 2.7%   | 3.7%  | 3.7%   |
| Interest - Long Term Debt   | -3.9%  | 1.9%  | 4.6%   |
| - Other                     | 108.8% | -3.7% | -14.5% |
| Allowance for Funds         | N/A    | N/A   | N/A    |
| Other Expenses (Net)        | N/A    | N/A   | N/A    |
|                             | 2.4%   | -0.2% | 2.3%   |
| PRE-TAX INCOME              | -13.0% | -3.1% | 0.2%   |
| Income Taxes                | -33.6% | -5.9% | -2.3%  |
| Minority Interest           | N/A    | N/A   | N/A    |
| Unusual Items               | N/A    | N/A   | N/A    |
| Equity in Earnings          | N/A    | N/A   | N/A    |
| NET EARNINGS (LOSS)         | 1.6%   | -1.6% | 1.5%   |

## CONSOLIDATED BALANCE SHEET

As at December 31 (\$ 000s)

|   | 1991           | 1992           | 1993           | 1994           | 1995           |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>ASSETS</b>                               |                |                |                |                |                |
| <b>CURRENT ASSETS</b>                       |                |                |                |                |                |
| Cash & Short Term Investments               | 465            | 7,610          | 9,543          | 2,080          | 0              |
| Accounts Receivable                         | 37,070         | 33,291         | 31,914         | 36,303         | 38,052         |
| Inventories                                 | 8,013          | 4,897          | 4,192          | 4,416          | 4,236          |
| Other                                       | 6,030          | 12,132         | 8,478          | 7,569          | 6,921          |
| <b>TOTAL CURRENT ASSETS</b>                 | <u>49,578</u>  | <u>57,930</u>  | <u>54,127</u>  | <u>50,368</u>  | <u>49,209</u>  |
| Fixed Assets (Net)                          | 464,900        | 477,711        | 483,220        | 489,400        | 489,418        |
| Investments                                 | 0              | 0              | 0              | 0              | 0              |
| Other Assets                                | 7,597          | 11,393         | 11,817         | 13,204         | 29,923         |
| <b>TOTAL ASSETS</b>                         | <u>522,075</u> | <u>547,034</u> | <u>549,164</u> | <u>552,972</u> | <u>568,550</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                |                |                |                |                |
| <b>CURRENT LIABILITIES</b>                  |                |                |                |                |                |
| Short Term Debt                             | 60,374         | 11,275         | 12,288         | 24,351         | 46,020         |
| Accounts Payable                            | 40,375         | 47,597         | 44,918         | 48,955         | 45,465         |
| Other                                       | 8,563          | 8,452          | 13,098         | 10,714         | 8,397          |
| <b>TOTAL CURRENT LIABILITIES</b>            | <u>109,312</u> | <u>67,324</u>  | <u>70,304</u>  | <u>84,020</u>  | <u>99,882</u>  |
| Long Term Debt                              | 157,312        | 218,906        | 216,631        | 207,706        | 201,323        |
| Deferred Income Taxes                       | 9,335          | 8,360          | 7,097          | 5,689          | 3,053          |
| Minority Interest                           | 0              | 0              | 0              | 0              | 0              |
| Other Liabilities                           | 17,145         | 17,244         | 18,173         | 19,557         | 19,623         |
| <b>SHAREHOLDERS' EQUITY</b>                 |                |                |                |                |                |
| Share Capital - Preferred                   | 29,889         | 22,296         | 10,905         | 10,902         | 9,890          |
| - Common                                    | 65,414         | 67,172         | 69,007         | 70,321         | 70,321         |
| Retained Earnings                           | 133,668        | 145,732        | 157,047        | 154,777        | 164,458        |
|   | <u>228,971</u> | <u>235,200</u> | <u>236,959</u> | <u>236,000</u> | <u>244,669</u> |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>       | <u>522,075</u> | <u>547,034</u> | <u>549,164</u> | <u>552,972</u> | <u>568,550</u> |

## SELECTED SOURCES AND USES OF FUNDS

For the Period Ending December 31 (\$ 000s)

|                                      | 1991          | 1992          | 1993          | 1994          | 1995          |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Cash Flow From Operations</b>     | <u>53,023</u> | <u>54,740</u> | <u>57,079</u> | <u>54,752</u> | <u>55,111</u> |
| Proceeds from L.T. Debt              | 39,461        | 78,973        | 1,013         | 0             | 0             |
| Proceeds from Equity Issues          | 387           | 1,758         | 1,835         | 1,314         | 0             |
| Sales of Investments/Assets          | 0             | 0             | 0             | 0             | 0             |
| Capital Expenditure (Net)            | 42,479        | 40,327        | 34,072        | 36,048        | 30,759        |
| Investments/Acquisitions             | 0             | 0             | 0             | 0             | 0             |
| Repayment of Debt                    | 5,468         | 56,505        | 2,281         | 1,875         | 13,558        |
| Conversion/Redemption of Pfd. Shares | 1,049         | 7,593         | 11,391        | 3             | 925           |
| Dividends Paid                       | 17,669        | 17,598        | 17,867        | 30,072        | 18,552        |
| Net Change in Working Capital        | (8,142)       | 50,340        | (6,783)       | (17,475)      | (17,021)      |

|                                      | 1YR      | 3YR    | 5YR    |
|--------------------------------------|----------|--------|--------|
| Cash Flow From Operations            | 0.7%     | 0.2%   | 2.5%   |
| Proceeds from L.T. Debt              | N/A      | N/A    | N/A    |
| Proceeds from Equity Issues          | N/A      | N/A    | N/A    |
| Sales of Investments/Assets          | N/A      | N/A    | N/A    |
| Capital Expenditure (Net)            | -14.7%   | -8.6%  | -14.5% |
| Investments/Acquisitions             | N/A      | N/A    | N/A    |
| Repayment of Debt                    | 623.1%   | -37.9% | -2.1%  |
| Conversion/Redemption of Pfd. Shares | 30733.3% | -50.4% | -11.0% |
| Dividends Paid                       | -38.3%   | 1.8%   | 2.4%   |
| Net Change in Working Capital        | 2.6%     | N/A    | 5.5%   |

# NEWFOUNDLAND LIGHT & POWER CO. LIMITED

## CAPITALIZATION (\$ 000,000s)

|                    | 1991 %            | 1992 %            | 1993 %            | 1994 %            | 1995 %            |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Short Term Debt    | 60.4- 13%         | 11.3- 2%          | 12.3- 3%          | 24.4- 5%          | 46.0- 9%          |
| Long Term Debt     | 157.3- 34%        | 218.9- 46%        | 216.6- 46%        | 207.7- 44%        | 201.3- 41%        |
| Deferred Taxes     | 9.3- 2%           | 8.4- 2%           | 7.1- 2%           | 5.7- 1%           | 3.1- 1%           |
| Minority Interest  | 0.0- 0%           | 0.0- 0%           | 0.0- 0%           | 0.0- 0%           | 0.0- 0%           |
| Equity - Preferred | 29.9- 7%          | 22.3- 5%          | 10.9- 2%          | 10.9- 2%          | 9.9- 2%           |
| - Common           | 199.1- 44%        | 212.9- 45%        | 226.1- 48%        | 225.1- 48%        | 234.8- 47%        |
| <b>TOTAL</b>       | <b>456.0-100%</b> | <b>473.7-100%</b> | <b>473.0-100%</b> | <b>473.7-100%</b> | <b>495.1-100%</b> |

## FINANCIAL RATIOS

### COVERAGE RATIOS

|                                 |        |        |        |        |        |
|---------------------------------|--------|--------|--------|--------|--------|
| Net Tangible Assets             | 2.2x   | 2.0x   | 2.1x   | 2.1x   | 2.1x   |
| Total Debt:Equity               | 49:51% | 49:51% | 49:51% | 50:50% | 50:50% |
| Interest Coverage               | 2.8x   | 2.9x   | 2.9x   | 2.9x   | 2.7x   |
| Cash Flow % Total Debt          | 24.4%  | 23.8%  | 24.9%  | 23.6%  | 22.3%  |
| Preferred Dividend Coverage     | 12.0x  | 15.4x  | 19.7x  | 39.0x  | 47.5x  |
| Pft. & Common Dividend Coverage | 1.6x   | 1.7x   | 1.6x   | 0.9x   | 1.5x   |
| All Fixed Charges               | 2.4x   | 2.6x   | 2.7x   | 2.8x   | 2.6x   |

### LIQUIDITY RATIOS

|                                    |       |        |       |       |       |
|------------------------------------|-------|--------|-------|-------|-------|
| STD % Total Debt                   | 27.7% | 4.9%   | 5.4%  | 10.5% | 18.6% |
| Current Liabilities % Revenue      | 33.1% | 19.5%  | 21.0% | 24.7% | 29.3% |
| Available Cash Flow % Construction | 67.9% | -66.8% | 75.0% | 63.3% | 71.8% |

### PROFITABILITY RATIOS

|                              |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|
| Net Margin                   | 8.5%  | 8.6%  | 8.9%  | 8.3%  | 8.4%  |
| Asset Turnover               | 0.63x | 0.63x | 0.60x | 0.60x | 0.59x |
| E.B.I.T. % of Total Assets   | 12.0% | 12.2% | 13.0% | 12.8% | 11.2% |
| Return on Avg. Common Equity | 13.2% | 13.5% | 12.6% | 12.0% | 12.0% |

## OTHER STATISTICS

|                                 | 1991   | 1992   | 1993   | 1994   | 1995 |
|---------------------------------|--------|--------|--------|--------|------|
| <b>REGULATORY DATA</b>          |        |        |        |        |      |
| Average rate base (\$ millions) | 435.0  | 450.4  | 459.6  | 465.3  | N/A  |
| Return on avg. rate base        | 11.41% | 11.43% | 11.37% | 10.97% | N/A  |

### OPERATING STATISTICS

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| Sources of energy (in millions of kWh) |              |              |              |              |              |
| Purchased                              | 4,008        | 4,066        | 4,093        | 4,178        | 4,186        |
| Generated                              | 417          | 417          | 420          | 420          | 423          |
| <b>Total</b>                           | <b>4,425</b> | <b>4,483</b> | <b>4,513</b> | <b>4,598</b> | <b>4,609</b> |
| Sales (in millions of kWh)             |              |              |              |              |              |
| Domestic                               | 692          | 644          | 623          | 634          | 630          |
| Domestic all-electric                  | 1,770        | 1,865        | 1,918        | 1,960        | 1,970        |
| General service all-electric           | 763          | 780          | 807          | 858          | 879          |
| General service and street lighting    | 971          | 955          | 938          | 919          | 903          |
| <b>Total</b>                           | <b>4,196</b> | <b>4,244</b> | <b>4,286</b> | <b>4,371</b> | <b>4,382</b> |
| Customers (year-end)                   | 195,730      | 199,292      | 202,246      | 205,716      | 207,780      |
| Annual degree days - % normal          | 107          | 108          | 107          | 101          | 101          |
| Number of employees                    | 957          | 950          | 815          | 807          | 800          |

## NEWFOUNDLAND LIGHT & POWER CO. LIMITED

Head Office:  
55 Kenmount Road  
P.O. Box 8910  
St. John's, Nfld. A1B 3P6

Inquiries: Karl W. Smith  
Vice-President, Finance  
Tel: (709) 737-2488  
Fax: (709) 737-5832

### For more information on this report, contact:

Damian Di Perna, Senior Analyst  
CBRS Inc.  
Tel: (514) 937-9557  
Fax: (514) 937-0676