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FOR IMMEDIATE RELEASE // November 9, 2023

Newfoundland Power files General Rate Application

(St. John's, NL): Newfoundland Power Inc. today filed a General Rate Application (GRA) with the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB). As a regulated utility, Newfoundland Power is required to file a GRA about every three years. This process includes a full and comprehensive review of the Company's costs and customer rates.

In the Application, the Company is proposing the following changes to electricity rates for 2024 through 2026 for both residential and commercial customers:

- An overall average increase of approximately 1.5%, or \$1.50 on a \$100 electricity bill, effective July 1, 2024; and,
- An overall average increase of approximately 5.5%, or \$5.50 on a \$100 electricity bill, effective July 1, 2025.

"We know that these are challenging times for our customers and we understand that reliable service at affordable rates is more important now than ever," said Gary Murray, President and Chief Executive Officer, Newfoundland Power. "Since 2016, our rate applications have resulted in no increase in base electricity rates for our customers related to our operations. By effectively managing our costs, we serve more customers more efficiently than we did ten years ago and have reduced our operating cost per customer by almost 10% when adjusted for inflation."

As the primary distributor of electricity in our province, we operate and maintain over 11,500 kilometres of transmission and distribution lines, 131 substations and more than 250,000 poles across the largest service territory in Atlantic Canada. Providing safe, reliable electricity service largely depends on maintaining the quality and condition of the electricity system. A significant portion of the Company's assets were built in the 1960s and 1970s, and need to be replaced.

"Even though we operate in a harsh environment, Newfoundland Power has a proven history of reliable service. The average length of outages for our customers has been approximately 40% shorter than the Canadian average over the last decade," said Murray. "We are focused on replacing aging assets and ensuring that our electricity system will withstand the increasing frequency and severity of storms. Ongoing, strategic upgrades are crucial to maintaining current levels of reliability for our customers."

This Application reflects all changes in the costs to deliver electricity to Newfoundland Power's customers, including continued investment in the electricity system. Establishing a fair return on this investment is also a component of this application. Even after the proposed rate changes, electricity rates for residential customers will remain among the lowest in Atlantic Canada.

"We are not immune to the impacts of external factors such as the increasing cost of materials and supplies, and higher interest rates," added Murray. "Rest assured, we remain committed to doing everything we can to minimize the impact of these increasing costs on our customers' electricity rates."

Newfoundland Power's GRA will be thoroughly reviewed over the coming months and is subject to approval by the PUB. Visit newfoundlandpower.com to review the Company's GRA in further detail.

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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 275,000 accounts, Newfoundland Power is committed to safety, dedicated to the highest level of customer service, and delivers reliable electricity at the lowest possible cost in an environmentally responsible manner. For more information on Newfoundland Power's programs, services, energy efficiency rebates and community partnerships, please visit newfoundlandpower.com.

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