

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

NOTICE OF APPLICATION

**NEWFOUNDLAND POWER INC. APPLICATION
FOR ADOPTION 2011 OF ACCRUAL ACCOUNTING FOR OTHER POST
EMPLOYMENT BENEFITS AND RECOVERY OF ASSOCIATED COSTS**

On June 30, 2010 the Board of Commissioners of Public Utilities (the “Board”) received an application (the “Application”) from Newfoundland Power Inc. (“Newfoundland Power”) requesting an Order of the Board approving Newfoundland Power's proposals:

- i) to adopt as of January 1, 2011, for regulatory purposes, the accrual method of accounting for Other Post Employment Benefits (“OPEBs”) costs and income tax related to OPEBs;
- ii) to recover the transitional balance of approximately \$68.6 million, as of January 1, 2011, associated with the adoption of accrual accounting for OPEBs costs over a 15-year period;
- iii) to adopt an OPEBs Cost Variance Deferral Account; and
- iv) to revise rates, tolls and charges that will reflect the determinations of the Board on the Application.

TAKE NOTICE THAT implementation of the proposals contained in the Application will result in an average increase in Newfoundland Power's base rates of approximately 1.04% effective January 1, 2011.

TAKE FURTHER NOTICE that all customers of Newfoundland Power as well as customers of Newfoundland and Labrador Hydro whose rates are based on Newfoundland Power's rate schedules may be affected by this Application.

HOW TO SEE THE APPLICATION

Copies of the Application and supporting documentation, along with the legislation and regulations, are available for viewing on the Board's website at www.pub.nl.ca or by request from the Board Secretary at (709) 726-8600.

A copy of the Application can also be viewed at any of Newfoundland Power's regional offices located throughout the Province and on its website at www.newfoundlandpower.com.

HOW TO PARTICIPATE

An interested person or organization can participate in the Application in one of three ways: either by becoming an intervenor, by making an oral presentation, or by submitting a letter of comment.

Interested person(s) wishing to become a registered intervenor must apply to the Board by way of an intervenor's submission, submitted in accordance with Section 9 of the *Board of Commissioners of Public Utilities Regulations, 1996*.

Intervenor submissions, requests to make an oral presentation and letters of comment must be filed with the Board by 3:00 p.m., Wednesday, September 22, 2010. Further communication as to the Application process and timing will be made directly with participants.

HOW TO CONTACT THE BOARD

All correspondence and requests for further information should be submitted to the Board Secretary at:

Office: Suite E210, Prince Charles Building, 120 Torbay Road, St. John's
Mail: P.O. Box 21040, St. John's, NL, A1A 5B2
Telephone: 709-726-8600 or 1-866-782-0006 (toll free)
Facsimile: 709-726-9604
E-mail: ito@pub.nl.ca

Dated at St. John's, Newfoundland and Labrador, this 8th day of September 2010.

Cheryl Blundon
Board Secretary