

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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Decision in NB Power DISCO Electricity Rates

The Board of Commissioners of Public Utilities this morning issued its decision in the application by NB Power Distribution and Customer Service Corporation.

In order to ensure that customers of DISCO pay their fair share of the company's costs, the Board orders changes in rates that will see decreases in some power bills and increases in others.

- For residential customers, the Board orders that the service charge remain the same, that the company charge 9.2 cents per KWh for the first 1000 KW and 8.6 cents for subsequent electricity. Based on its own analysis the Board believes that half of all homeowners will experience an increase of less than 10 per cent.
- Additionally, the Board orders a 16.7 per cent decrease in rates for water heater rentals.
- The Board believes that customers in the General Service classes have paid a larger share of costs than is appropriate. As a result the Board orders a decrease for General Service 1 customers. Under the new rates the Board believes half of General Service 1 customers will receive a decrease of at least 15 per cent.
- Rates for Small Industrial customers will increase by 3.5 per cent.
- And the Board orders an increase in rates for Large Industrial customers of 15.36 per cent.

The Board ruled that the rates will be effective August 1, 2006.

In addition to setting the rates the Board also made a number of recommendations for legislative changes.

DISCO decision cont'd

Decision facts

- This was the largest hearing of any kind in at least 30 years.
- The hearing ended on March 24.
- There were 58 days of hearings
 - 16 days were held as part of the pre-hearing conference
 - 6 days for third-party pole attachments.
- There are 6,377 pages of Transcripts
- 255 exhibits were entered by the various parties
- 900 written questions from parties submitted and answered.

Illustration of Approved Rate Design				
Applied to Small and Large Monthly Bills for an Urban Customer.				
<u>Item</u>	<u>Description</u>	<u>Units</u>	<u>Values</u>	
1	Season of Energy Use	-	Summer	Winter
2	Average Monthly Energy Use	KWh	750	3100
3	Service Charge	\$ per mo.	\$17.74	\$17.74
4	1 st Block energy used	KWh per mo.	750	1000
5	1 st Block Energy Cost, @ 9.2 ¢ per KWh	\$ per mo.	\$69.00	\$92.00
6	Excess Energy used	KWh per mo.	0	2100
7	Excess Energy Cost, @ 8.6 ¢ per KWh	\$ per mo.	\$0.00	\$180.60
8	Total Bill Amount (sum of 3, 5, and 7)	\$ per mo.	\$86.74	\$290.34
9	Average Energy Price	¢ per KWh	11.6	9.4
10	Increase over Current Cost (Table 1)	%	7.7	18.1

Table 3		
Impact of Approved Rate Increase on Monthly Bills of Different Sizes		
Monthly Energy Use - KWh	Increase in Electricity Cost - %	
	Urban	Rural/Seasonal
0	0.0%	0.0%
100	3.2%	3.0%
200	4.8%	4.6%
300	5.8%	5.6%
400	6.5%	6.3%
500	7.0%	6.8%
600	7.3%	7.1%
700	7.6%	7.4%
800	7.8%	7.7%
900	8.0%	7.9%
1000	8.2%	8.0%
1100	7.8%	7.6%
1200	7.4%	7.3%
1300	7.1%	7.0%
1400	8.2%	8.1%
1500	9.2%	9.1%
1600	10.2%	10.1%
1800	11.8%	11.7%
2000	13.2%	13.0%
2500	15.8%	15.7%
3000	17.8%	17.6%
4000	20.3%	20.2%
5000	22.0%	21.9%