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Newfoundland Power receives ruling on 2010 General Rate Application

For immediate release:

December 11, 2009

(St. John's, NL): Newfoundland Power Inc. (TSX:FTS) today received a ruling on its 2010 General Rate Application (GRA) from the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB).

"There were a number of financial issues addressed in this ruling and it will take several days to determine the full impact on our customers' electricity rates and the operations of the Company," said Earl Ludlow, President and Chief Executive Officer, Newfoundland Power Inc. "However, based on our initial review we expect that there will be an overall average increase of 3.5% in electricity rates on January 1, 2010. Given the average 6.6% decrease in electricity rates on July 1, 2009, the impact on our customer rates will be, on average, a 3.1% decrease year over year."

The PUB has ruled for the purposes of rate setting that the Company's capital structure be set at a maximum of 45% common equity, with an allowed return on equity of 9.0% for 2010. The Company's cost of capital will be set using an Automatic Adjustment Formula in 2011 and 2012. The PUB has also ordered that changes in accounting practices for retirement costs not proceed at this time and that the Company file a proposal to deal with these matters as of January 1, 2011.

"We are committed to helping all of our customers save energy and money with enhanced programs and practical tips from our new energy efficiency partnership with Newfoundland and Labrador Hydro, takeCHARGE – Saving Energy Starts Here!," concluded Ludlow.

Visit newfoundlandpower.com to review the PUB order regarding Newfoundland Power's 2010 GRA.

With a customer base of approximately 239,000 accounts, Newfoundland Power is committed to safety and dedicated to providing the highest level of customer service and reliability of electricity in the most cost-efficient manner possible. For more information on Newfoundland Power's programs, services and community partnerships, please visit newfoundlandpower.com.

All the common shares of Newfoundland Power are owned by Fortis Inc., the largest investor-owned distribution utility in Canada, with total assets approaching \$12 billion and annual revenues totaling \$3.9 billion. The Corporation serves more than 2,000,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and three Caribbean countries and a natural gas utility in British Columbia. Fortis owns and operates non-regulated generation assets across Canada and in Belize and Upper New York State. It also owns hotels and commercial real estate across Canada. Fortis Inc. shares are listed on the Toronto Stock Exchange and trade under the symbol FTS.

Certain information herein is forward-looking and reflects management's current expectations regarding Newfoundland Power Inc.'s future financial and related performance. Wherever possible, the words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify the forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on information currently available to the Company's management. Certain material factors, estimates and assumptions, which are subject to inherent risks and uncertainties surrounding future expectations generally, have been applied in drawing the conclusions contained in the forward-looking statements. These are related to, but are not limited to, regulation; energy supply; competition; general economic conditions; health, safety and the environment; interest rates; insurance; weather; labour relations; licences and permits; capital resources and liquidity. Readers are cautioned to not place undue reliance on forward-looking statements because actual results could differ materially from the results discussed or implied in those statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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