

HAND DELIVERED

August 14, 2006

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

Re: 2007 Hydro Capital Budget Application

Please find enclosed the original and 14 copies of Newfoundland Power's Intervenor's Submission in respect of the 2007 Hydro Capital Budget Application.

For convenience, the Intervenor's Submission is provided on three-hole punched paper.

A copy of this letter, together with enclosures, has been forwarded directly to the parties listed below. An electronic copy in pdf format will follow.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours very truly,



Peter Alteen
Vice President, Regulatory Affairs
& General Counsel

c. Geoffrey Young
Newfoundland & Labrador Hydro

Thomas Johnson
O'Dea Earle Law Offices

Joseph Hutchings, Q.C.
Poole Althouse

Paul Coxworthy
Stewart McKelvey



Join us in the fight against cancer.

IN THE MATTER OF the *Public Utilities Act*, (the "Act"); and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for an Order approving: (1) its 2007 capital budget pursuant to s. 41(1) of the Act; (2) its 2007 capital purchases, and construction projects in excess of \$50,000 pursuant to s.41 (3) (a) of the Act; (3) its leases in excess of \$5,000 pursuant to s. 41 (3) (b) of the Act; and (4) its estimated contributions in aid of construction for 2007 pursuant to s.41 (5) of the Act and for an Order pursuant to s. 78 of the Act fixing and determining its average rate base for 2005 (the "Application").

TO: The Board of Commissioners of Public Utilities ("the Board")

INTERVENOR'S SUBMISSION

A. General

1. Newfoundland Power Inc. ("Newfoundland Power") wishes to intervene in the Application.

B. Interest of Newfoundland Power

2. Newfoundland Power purchases approximately 70% of Newfoundland and Labrador Hydro's ("Hydro") annual production of electrical energy on the island of Newfoundland and therefore has an interest in Hydro's proposed capital expenditures and leasing obligations for 2007.

C. Disposition Advocated by Newfoundland Power

3. The disposition of the proceedings advocated by Newfoundland Power is that the Board is required pursuant to the Act to approve, and should approve, those proposed improvements or additions to Hydro's property for 2007 as are shown by the record before the Board to be reasonably necessary for Hydro to meet its obligations to provide electrical service as required by the Act.

D. Facts and Reasons Supporting Intervention


4. The reason for Newfoundland Power's intervention is to receive and consider materials filed in support of the Application so as to be in a position to assess whether the record before the Board indicates that Hydro's proposed capital expenditures and leasing obligations for 2007 are reasonably necessary for Hydro to meet its obligations to provide electrical service as required by the Act.

E. Participation of Newfoundland Power

5. Newfoundland Power does not currently intend to present any evidence in relation to the Application. Newfoundland Power may wish to participate in technical conferences, file requests for information as provided by the *Board of Commissioners of Public Utilities Regulations, 1996*, and to avail of the right to cross-examine witnesses or to submit argument at a public hearing of the Application, all as the circumstances may require.

DATED at St. John's, Newfoundland and Labrador this 14th day of August, 2006.

NEWFOUNDLAND POWER INC.



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