

HAND DELIVERED

October 6, 2006

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

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

Ladies & Gentlemen:

Re: Application of Newfoundland & Labrador Hydro for approval of its 2007 capital budget

Newfoundland Power submits that Newfoundland & Labrador Hydro ("Hydro") is entitled to approval of those proposed improvements or additions to its 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 *Public Utilities Act*.

Newfoundland Power does not have specific submissions with respect to any of the projects included in Hydro's proposed 2007 capital budget.

Yours very truly,

Gerard M. Hayes
Senior Counsel

Enclosure

c. Geoffrey Young
Newfoundland & Labrador Hydro

Thomas Johnson
O'Dea Earle Law Offices

Joseph Hutchings, Q.C.
Poole Althouse

Paul Coxworthy
Stewart McKelvey



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