

September 1, 2009

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

ATTENTION: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

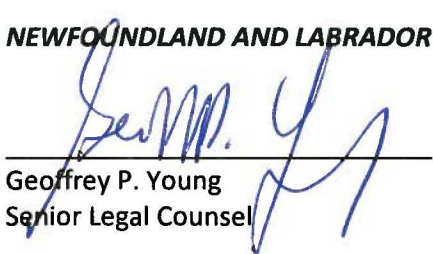
Re: Newfoundland and Labrador Hydro (Hydro) – 2010 Capital Budget Application

Enclosed please find ten copies of Revision 1 to page ix of the 2010 Capital Projects Overview section of Hydro's 2010 Capital Budget Application. The revisions are highlighted and marked with an asterisk (*) for ease of reference.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

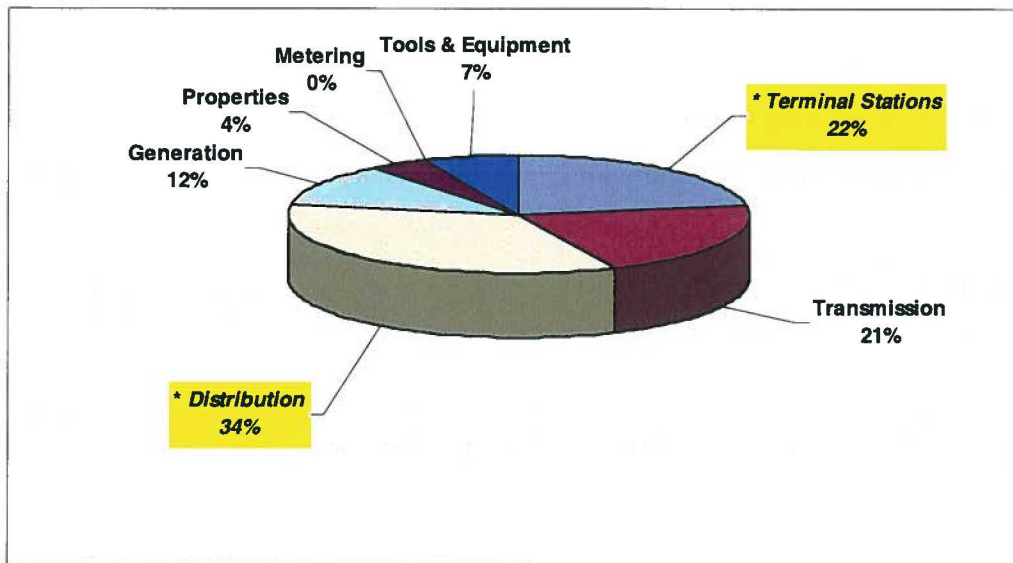


Geoffrey P. Young
Senior Legal Counsel

GPY/jc

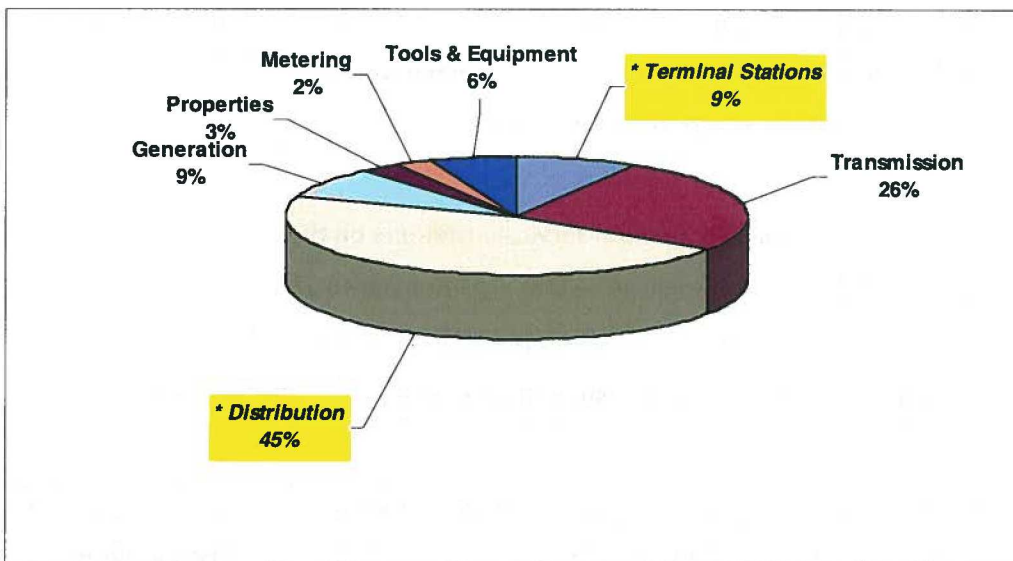
cc: Peter Alteen/Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
Joseph S. Hutchings, Q.C. – Poole Althouse
Thomas Johnson – Consumer Advocate

Chart 4: 2010 Capital Budget - Transmission and Rural Operations



Note: Metering is 0.1% so it appears as 0% in the Chart.

Chart 5: Five-year average Capital Budget – Transmission and Rural Operations (2004 - 2008)



Terminal Stations and Transmission

Many of Hydro's transmission lines were constructed in the 1960's and with expected useful lives in the 40-year range, annual reconstruction and general upgrades are needed to ensure that Hydro can continue to provide our customers with reliable electrical service. Regular capital replacement and upgrading is required