

- 1 **Q. Further to CA-NP-139, please provide a copy of the City of St. John’s notice to**
2 **terminate NP’s lease of water rights in the Mobile River watershed.**
3
4 **A. A copy of the City of St. John’s notice to terminate Newfoundland Power’s lease of water**
5 **rights in the Mobile River watershed is included as Attachment A.**

**City of St. John's Notice to Terminate Newfoundland Power's Lease of Water
Rights in the Mobile River Watershed**



City of St. John's

P.O. Box 908 St. John's NL Canada A1C 5M2 (709) 754-2489 (CITY)

Web Site: www.stjohns.ca

PRIVATE & CONFIDENTIAL

February 9, 2006

Mr. Karl Smith
President & CEO
Newfoundland Power
P.O. Box 8910
St. John's, NL A1B 3P6

Dear Mr. Smith:

Re: Mobile River Watershed

I am writing further to section 208 of the City of St. John's Act and a lease between the City of St. John's and Newfoundland Light and Power Company Limited dated October 21, 1949 to provide the requisite three years notice to terminate the lease, effective March 1, 2009.

We are now obtaining expert advice on the value of the works and erections of the company and will provide you with our position on the valuation in due course. There is an arbitration provision under section 208 (3) which can be invoked in the event we cannot arrive at an agreed valuation.

I will be writing you again once we receive the advice on value.

Yours truly,

Ronald G. Penney, LL.B.
Chief Commissioner and City Solicitor

rgp/ja

c.c. Mr. Robert Bursey,
Senior Legal Counsel