

June 8, 2012

The 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:

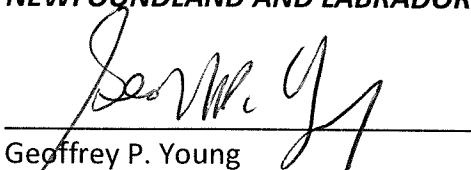
Re: Newfoundland Power's 2012 Cost of Capital Application

By its Notice of Intervention dated April 20, 2012 Newfoundland and Labrador Hydro (Hydro) indicated that its participation would be limited in scope. Please be advised that Hydro has reviewed the Settlement Agreement for the Proposed Resolution of Issues Arising from the Application and takes no objection with the Agreement. Further, Hydro does not intend to participate in the proceeding whereby the Settlement proposal will be considered by the Board, which we understand will be heard on June 12, 2012, provided the Agreement is approved in the form provided under cover of the Board's letter dated June 6, 2012.

We trust this is satisfactory,

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Geoffrey P. Young
Senior Legal Counsel

GPY/jc

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
Ian F. Kelly Q.C. - Curtis, Dawe

Thomas Johnson – Consumer Advocate
Dean Porter – Poole Althouse