

- 1 **Q. Please provide copies of correspondence in files relating to D.B.R.S. Reports for the**
2 **period 1996 to current.**
3
4 A. Attachment A contains copies of correspondence in Newfoundland Power's files related
5 to DBRS reports for the period 1996 to current.

Correspondence Re: DBRS Reports
1996 to Current

DOMINION BOND RATING SERVICE LIMITED

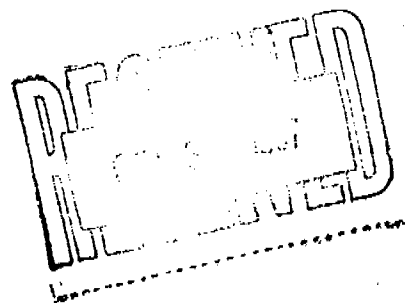
DBRS

200 King Street West, Suite 1304,
Sun Life Centre, West Tower, P.O. Box 34,
Toronto, Ontario M5H 3T4

Telephone (416) 593-5577
Fax (416) 593-8432

October 28, 1997

Newfoundland Light & Power Co. Limited
Research Centre
Mr. Karl Smith
Chief Financial Officer
Station A, P.O. Box 8910
St. John's, Newfoundland
A1B 3P6



Dear Mr. Smith:

The purpose of this letter is to inform you of changes in the DBRS fee structure. In recent years, our company has significantly increased and improved our services and has plans for further enhancements in the future, such as being fully operational on the Internet.

Since 1990, DBRS has made major strides in providing more frequent and more informative rating reports; added increased backup data through an increasingly wide number of industry studies; played a key marketing and information role by spending considerable time in one-on-one investor meetings; added experienced analysts to reduce the number of credits followed per analyst and provide a higher level of expertise as credits become increasingly more complex; and we have increased our commitment to provide timely rating opinions on new debt issues or major events which affect ratings. Many of these changes were initiated by client suggestions, and subsequent feedback has been positive. Directly and indirectly, all of these factors provide for a more informed, efficient and higher value service to the companies we rate. Like many companies, DBRS has also been faced with rising costs in technology, staffing and other areas. An increasingly litigious environment also demands that we factor a higher level of legal provisions into our fee structure. Despite all of these considerations, DBRS has increased its prices only modestly since 1990.

As a consequence, higher fees are necessary. The increase in fees actually started in 1996 for new DBRS clients, and fees for first time issuers have already been increased. In raising fees for our historical base of clients, we recognize the budget concerns with a major one-time increase and, as such, we propose to phase in our new fee structure over a three/four year period.

For the long term debt rating which we provide for your company, our plan is to reach an annual maintenance fee of \$25,000 by the year 2001. To achieve this, fees will be increased by \$5,000 yearly starting with this current billing.

As part of DBRS's policy to provide improving services to you, we expect to have our Website fully operational by the end of 1997 and this service will be provided free to your company with your subscription(s). This will give you access to all of the rating reports and industry research as they are released by DBRS on almost a real time basis. Also, your one annual fee will continue to be the only rating fee you will see from DBRS. There will continue to be no additional fees related to higher dollar levels of debt outstanding or additional work we do in tracking your credit. Lastly, note that, upon reaching our new fee structure in the year 2000, price increases thereafter are expected to be modest.

We have worked diligently in the past to earn credibility and support from our clients, subscribers and the investment community. You have our assurance that we will continue this in the future. If you have any comments on how DBRS could improve on our present services, or if you have any questions regarding the issues addressed in this letter, please call me directly or, in my absence, contact Sean Mason.

DBRS values the relationship we have with your company and we look forward to providing quality service to you in the future.

Yours truly,

A handwritten signature in cursive script, reading "W. Schroeder". The signature is written in black ink and is positioned above the printed name.

Walter J. Schroeder
President

December 9, 1997

Mr. Walter J. Schroeder
President
Dominion Bond Rating Service Limited
200 King Street West, Suite 1304
Sun Life Centre, West Tower, P.O. Box 34
Toronto, Ontario
M5H 3T4

Dear Mr. Schroeder:

Thank you for your letter dated October 28, 1997, informing Newfoundland Power of the changes in the DBRS fee structure. We understand the cost pressures that led you to the decision to increase your fees. We face those pressures ourselves and must make some difficult decisions regarding the services we employ.

We have assessed the revised DBRS fee structure and have concluded that we cannot renew our agreement.

I would like to express our appreciation to your firm for the service provided in the past. I also wish you continued success in the future.

Yours truly,



K. W. Smith
Vice-President, Finance
and Chief Financial Officer



P.O. Box 8910
St. John's, NF
A1B 3P6

December 16, 1997

Ms. Jenny Catalfo
Financial Analyst
Dominion Bond Rating Service Limited
200 King Street West, Suite 1304
Sun Life Centre, West Tower, P. O. Box 34
Toronto, ON
M5H 3T4

Dear Ms. Catalfo:

Attached please find a copy of the 1996 Annual Report for Newfoundland Power. If you have any questions, please do not hesitate to contact me.

Yours truly,

K. W. Smith
Vice-President, Finance
and Chief Financial Officer

December 23, 1997

K.W. Smith
Vice-President, Finance and
Chief Financial Officer
Newfoundland Power
P.O. Box 8910
St. John's, Newfoundland
A1B 3P6

Dear Mr. Smith:

To confirm our recent discussions and proposals, Dominion Bond Rating Service is prepared to maintain the rating fee at the current rate of \$12 500 annually, until such time that Newfoundland Power returns to a more active role in the securities marketplace. This would be defined as a new issue, a substantial change in the composition of the capital structure of the Company, a significant alteration of the quality of the credit rating based on Newfoundland Power or other events of this and similar nature.

With the occurrence of such events, the annual rating maintenance fee would be liable for a review, and possible increase to current prices. This proposal is being offered as the current passive role of Newfoundland Power in the debt markets greatly reduces DBRS' legal liability to those relying on the rating.

Thank you for your patience and time, I hope to speak with you soon.



**Dominion
Bond
Rating
Service
Limited**

200 King Street West, Suite 1304
Sun Life Centre, West Tower, P.O. Box 34
Toronto, Ontario, Canada M5H 3T4

Telephone 416-593-5577
Fax 416-593-8452
Website www.dbrs.com

September 13, 2002

BY FAX

Mr. Barry Perry
Vice President, Finance & Chief Financial Officer

Newfoundland Power Inc.
55 Kenmount Road
P.O. Box 8910
St. John's, Newfoundland
A1B 3P6

Dear Mr. Perry:

Re: First Mortgage Bonds

As requested, Dominion Bond Rating Service Limited hereby confirms the rating on the First Mortgage Bonds of Newfoundland Power Inc. at "A", with a Stable trend.

Yours sincerely,
Dominion Bond Rating Service Limited

Matthew Kolodzie, P.Eng.
Financial Analyst