

December 18, 2012

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 - 2013 Capital Budget Application

Please be advised that Hydro is withdrawing four projects from its 2013 Capital Budget Application. These are all Holyrood Thermal Generating Station projects and are being withdrawn from Hydro's 2013 application due to refinements and changes in the anticipated deployment of Holyrood with the sanctioning of the Muskrat Falls project. Hydro provided information to the Intervenors earlier today as to these projects being withdrawn.

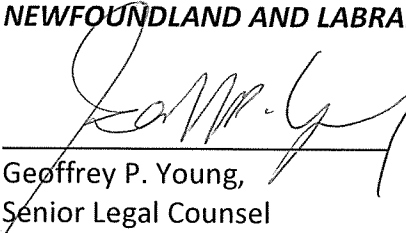
The projects that Hydro is withdrawing are:

- Page C-8 - Upgrade Governor Controls on Units 1 and 2 - Holyrood;
- Page C-20 - Upgrade Vibration Monitoring System - Holyrood;
- Page D-2 - Install Cold-Reheat Condensate Drains and High Pressure Heater Trip Level Unit 3 - Holyrood; and
- Page D-84 - Install Fire Protection Upgrades - Holyrood.

We ask that you please contact the undersigned if there are any questions or comments on this matter.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO


Geoffrey P. Young,
Senior Legal Counsel

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales

Thomas Johnson – Consumer Advocate
Dean Porter – Poole Althouse