



NEWFOUNDLAND AND LABRADOR HYDRO

Lower Churchill Project

P. O. Box 12400, St. John's, NL A1B 4K7

Telephone (709) 737-1805; Fax (709) 737-1829

March 22, 2007

Ms. Chantal Guimont
Marketing Director
Hydro-Québec TransÉnergie
2 Complexe Desjardins
Tour Est, 9e étage
Montréal, PQ H5B 1H7

Dear Ms. Guimont:

Re: Amendment to OASIS Requests #101 and #107

NLH is in receipt of your letter dated March 22, 2007, and wishes to provide the following comments in response.

Request 101

We understand from your letter of March 22, 2007 that you accept the amendment to Study 101, and that you will provide us with an amended SIS Agreement shortly. We understand that this amendment does not affect the priority of our reservation.

Request 107

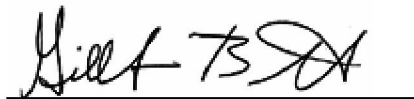
We would like to take this opportunity to formally object to your position that the clarification letter provided by NLH on March 20th constitutes a major modification to the request that was submitted on February 5, 2007. We reserve all of our rights with respect to this decision.

We accept your position under protest, and we direct you to take the deposit originally provided for Request 107 and to apply it immediately to the new request that replaces Request 107.

We request that you post the new application immediately before cancelling Request 107 on the OASIS.

Please let me know at your convenience if you have any questions or require further clarification.

Regards,

A handwritten signature in black ink, appearing to read "Gilbert Bennett". The signature is written in a cursive style with some stylized flourishes.

Gilbert Bennett, P. Eng.
Vice President – Lower Churchill Project