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Newfoundland Power to invest \$49 million in 2006

For immediate release:

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(*St. John's, NL*): Newfoundland Power Inc. (TSX:FTS) has received approval of its 2006 Capital Budget from the Newfoundland and Labrador Board of Commissioners of Public Utilities. The Company plans to invest approximately \$49 million in 2006 to further upgrade and enhance its electricity system.

"Approval of our \$49 million Capital Budget for 2006 allows us to continue to invest in the electricity system to enhance reliability for the benefit of our customers," said Karl Smith, President and Chief Executive Officer, Newfoundland Power Inc. "Our capital projects will focus on the replacement of aging equipment to strengthen the electricity system and responding to new service requirements to meet customer growth."

More than half of the Company's capital expenditures in 2006 will be devoted to replacing aged and deteriorated components of the electricity system to improve safety and reliability. Capital projects will include significant upgrades to transmission and distribution lines located in the areas of Bay St. George, Notre Dame Bay and the Bonavista Peninsula. Investment will also be made to replace aging components at the Petty Harbour Hydroelectric Plant.

"We are committed to providing safe, reliable service to all our customers by continuing to invest in rural areas while at the same time meeting the growth demands in larger urban centres," said Smith.

Newfoundland Power's capital investments are aimed at keeping the overall cost of service as low as reasonably possible for customers. Since 1997, the Company has invested more than \$440 million in capital projects to improve customer service, reliability and safety while effectively managing its operating costs.

Approval of the 2006 Capital Budget allows the Company to immediately begin detailed construction planning and ordering of materials so that work can commence as early as weather permits in the new year.

All the common shares of Newfoundland Power are owned by Fortis Inc., a diversified, international electric utility holding company with assets of approximately \$4.1 billion and annual revenues over \$1.2 billion. The Common Shares, Series C First Preference Shares and Series E First Preference Shares of Fortis Inc. are traded on the Toronto Stock Exchange under the symbols FTS, FTS.PR.C and FTS.PR.E, respectively. Fortis Inc. information can be accessed at www.fortisinc.com.

With a customer base of over 226,000 accounts, Newfoundland Power is dedicated to providing the highest level of customer service and reliability of electricity in the most cost-efficient manner possible. For more information on Newfoundland Power's programs, services and community partnerships, please visit www.newfoundlandpower.com.

-30-

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