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Newfoundland Power receives approval of 2007 Amortization and Cost Deferral Application

For immediate release:

December 6, 2006

(St. John's, NL): Newfoundland Power Inc. (TSX:FTS) has received approval of its 2007 Amortization and Cost Deferral Application from the Newfoundland and Labrador Board of Commissioners of Public Utilities ("Public Utilities Board").

In its Order, the Public Utilities Board approved the recognition in 2007 of approximately \$2.7 million of a one-time accounting accrual to offset increased income taxes in 2007 arising from the 2005 tax settlement with the Canada Revenue Agency.

The Public Utilities Board also ordered the deferred recovery of approximately \$6.9 million related to increased depreciation expense and forecast replacement energy costs in 2007. Recovery of these amounts are expected to be dealt with at Newfoundland Power's next general rate proceeding, which is expected in 2007.

With a customer base of over 228,000 accounts, Newfoundland Power is dedicated to providing the highest level of customer service and reliability in the most cost-efficient manner possible. All the common shares of Newfoundland Power are owned by Fortis Inc., a diversified, international electric utility holding company with assets of approximately \$5 billion and annual revenues of more than \$1.4 billion. The Common Shares, First Preference Shares, Series C; First Preference Shares, Series E and First Preference Shares, Series F of Fortis are traded on the Toronto Stock Exchange under the symbols FTS, FTS.PR.C, FTS.PR.E and FTS.PR.F, respectively. Fortis information can be accessed at www.fortisinc.com. For more information on Newfoundland Power's programs and services, visit www.newfoundlandpower.com.

Newfoundland Power may include forward-looking statements in this release. By their very nature, forward-looking statements are based on underlying assumptions and are subject to inherent risks and uncertainties surrounding future expectations generally. Such events include, but are not limited to, general economic, market and business conditions, regulatory developments, weather and competition. Newfoundland Power cautions readers that should certain events or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected.

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