

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**NET OPERATING EXPENSES**  
**TRO DIVISION**  
**(\$ Thousands)**

Page 1

Expense Group	Approved		Increase (Decrease)	2002 As Filed	Increase (Decrease)
	2001 Budget	2001 As Filed			
Salaries & Fringe Benefits		\$		\$	
Permanent Salaries	19,484	19,434	(50) <sup>(1)</sup>	19,603	169 <sup>(6)</sup>
Capitalized Expenses	(2,711)	(2,811)	(100) <sup>(2)</sup>	(2,861)	(50) <sup>(7)</sup>
Hourly Wages	1,954	2,004	50 <sup>(1)</sup>	1,952	(52) <sup>(8)</sup>
Overtime	1,035	1,035	0	1,144	109 <sup>(9)</sup>
Labrador Travel Benefit	98	98	0	101	3
Fringe Benefits	2,682	2,682	0	2,683	1
Materials Maintenance					
Maintenance Materials					
Regular	4,762	4,893	131 <sup>(3)</sup>	4,976	83 <sup>(10)</sup>
Projects	1,073	1,073	0	1,546	473 <sup>(11)</sup>
Tools & Operating Supplies	303	303	0	296	(7)
Lubricants & Chemicals	207	207	0	207	0
Office Supplies & Expenses	611	611	0	607	(4)
Professional Services	335	335	0	335	0
Equipment Rentals	163	163	0	163	0
Travel	1,383	1,383	0	1,335	(48) <sup>(12)</sup>
Miscellaneous	106	421	315 <sup>(4)</sup>	94	(327) <sup>(13)</sup>
Property Rentals	541	379	(162) <sup>(5)</sup>	429	50 <sup>(14)</sup>
Transportation	1,850	1,850	0	1,595	(255) <sup>(15)</sup>
	<u>33,876</u>	<u>34,060</u>	<u>184</u>	<u>34,205</u>	<u>145</u>
<b>Allocations</b>					
Recoveries	<u>(156)</u>	<u>(138)</u>	<u>18</u>	<u>(136)</u>	<u>2</u>
<b>Net Operating Expenses</b>	<u><u>33,720</u></u>	<u><u>33,922</u></u>	<u><u>202</u></u>	<u><u>34,069</u></u>	<u><u>147</u></u>

**NEWFOUNDLAND AND LABRADOR HYDRO  
NET OPERATING EXPENSES  
TRO DIVISION**

Page 2

---

**Explanations**

- (1) Adjustment for 2 vacant positions in Happy Valley Office 1 - Maternity and 1 - other.
- (2) Increased involvement in the Capital Program by Engineering and Environment Personnel.
- (3) Increase of \$154,000 related to the Crown Land Lease in (5) below, which is now recorded as Materials Maintenance instead of Property Rentals offset by \$23,000 reduced requirements in the Central Region.
- (4) Increase due to provision of an estimate for the Wabush surplus.
- (5) Reduction of \$154,000 related to the Crown Land Lease in (3) above, which is now recorded as Materials Maintenance instead of Property Rentals plus other reduced requirements of \$8,000.
- (6) Primarily associated with the reclassification of Diesel System Representatives (DSR).
- (7) Increased involvement in the Capital Program by Engineering and Environment personnel.
- (8) The backfilling of vacancies (see note 1 above) which were predicted in the 2001 Forecast were not included in the 2002 Forecast.
- (9) Increased involvement by TRO staff on various projects.
- (10) Increase mainly due to the extra software fees and other minor adjustments.
- (11) Major projects expenditures required for 2002 is approximately \$0.5 million more than required for 2001 eg. Wood pole testing and reconditioning of transformers.
- (12) Decrease due to lower travel costs as a result of the DSR initiative.
- (13) In 2002 it is anticipated that the Wabush surplus issue will be resolved.
- (14) Increase in the cost of Crown Land rentals.
- (15) Decrease due to lower helicopter costs as a result of the DSR initiative.