

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

Expense Group	Approved		Increase (Decrease)	2002	
	2001 Budget	2001 As Filed		As Filed	Increase (Decrease)
Salaries & Fringe Benefits	\$	\$		\$	\$
Permanent Salaries	15,916	15,916	0	15,883	(33) ⁽²⁾
Capitalized Expenses	(1,894)	(1,894)	0	(1,909)	(15) ⁽³⁾
Hourly Wages	1,852	1,852	0	1,679	(173) ⁽⁴⁾
Overtime	1,353	1,353	0	1,343	(10)
Fringe Benefits	2,245	2,245	0	2,245	0
Materials Maintenance					
Maintenance Materials	8,493	9,180	687 ⁽¹⁾	8,063	(1,117) ⁽⁵⁾
Tools & Operating Supplies	189	189	0	184	(5)
Lubricants & Chemicals	415	415	0	265	(150) ⁽⁶⁾
Freight	7	7	0	10	3
Office Supplies & Expenses	444	444	0	445	1
Professional Services	2,623	2,623	0	2,657	34 ⁽⁷⁾
Equipment Rentals	1,323	1,323	0	1,393	70 ⁽⁸⁾
Travel	516	516	0	639	123 ⁽⁹⁾
Miscellaneous	481	481	0	462	(19) ⁽¹⁰⁾
Property Rentals	170	178	8	142	(36) ⁽¹¹⁾
Transportation	241	241	0	244	3
	<u>34,374</u>	<u>35,069</u>	<u>695</u>	<u>33,745</u>	<u>(1,324)</u>
Allocations					
Recoveries	<u>(621)</u>	<u>(420)</u>	<u>201</u>	<u>(420)</u>	<u>0</u>
Net Operating Expenses	<u><u>33,753</u></u>	<u><u>34,649</u></u>	<u><u>896</u></u>	<u><u>33,325</u></u>	<u><u>(1,324)</u></u>

Explanations

- (1) Additional maintenance at the Holyrood Plant primarily due to Air Heater repairs (\$254,000), higher cost of services as per manufacturers' partnering agreements (\$290,000), install insulating blankets on Unit 3 (\$81,000) plus other miscellaneous amounts.
- (2) Adjustment to Hydro Generation.
- (3) Increased involvement in capital projects for Hydro Generation partially offset by a reduced requirement in Thermal Generation.
- (4) Less temporary help in Hydro Generation due to a reduced maintenance program plus a reduced requirement for Thermal Generation.
- (5) Decrease due to the absence of a major overhaul in Thermal Generation which took place in 2001.
- (6) Reduced requirements for the Holyrood Thermal Plant mainly due to a reduction in treated water requirements and efficiency gains.
- (7) Increase mainly due to higher requirement for the IS&T Department for a new security program, partially offset by a reduction in System Planning related to the Rural Customer Survey and Data Base update which is to be completed in 2001.
- (8) Additional equipment required by the IS&T Department to support the diasaster recovery program.
- (9) Mainly related to the IS&T department where there is increased emphasis on client services and support in rural areas plus extra technical users conferences.
- (10) Mainly due to reduced fuel requirements in Hydro Generation partially offset by employee expenses which were previously recorded under property rentals.
- (11) Cost of protective clothing and other safety gear now recorded as employee expenses under the miscellaneous category.