

IN THE MATTER OF The *Public Utilities Act*,
(R.S.N. 1990, Chapter P-47 (the "Act"))

AND

IN THE MATTER OF an Application by
Newfoundland and Labrador Hydro for approvals
of: (1) Under Section 70 of the Act, changes in the
rates to be charged for the supply of power and
energy to its Retail Customer, Newfoundland Power,
its Rural Customers and its Industrial Customers;
(2) Under Section 71 of the Act, its Rules and
Regulations applicable to the supply of electricity to
its Rural Customers; (3) Under Section 71 of the
Act, the contracts setting out the terms and
conditions applicable to the supply of electricity to
its Industrial Customers; and (4) Under Section 41
of the Act, its 2002 Capital Budget.

**REPLY TO APPLICATION OF NEWFOUNDLAND AND LABRADOR HYDRO
REGARDING EXTENSION OF INTERIM RATES AND APPROVAL OF THE 2002
CAPITAL BUDGET**

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its Rural Customers; (3) Under Section 71 of the
Act, the contracts setting out the terms and
conditions applicable to the supply of electricity to
its Industrial Customers; and (4) Under Section 41
of the Act, its 2002 Capital Budget.

TO: The Board of Commissioners of Public Utilities (the "Board")

THE REPLY of the Industrial Customers to the Application of Newfoundland and Labrador
Hydro ("Hydro") concerning the approval of the 2002 Capital Budget states:

1. With respect to page A-4 (Generation) the Industrial Customers state the following:
 - a) Under Hydro Plants - Construction the Industrial Customers object to:
 - i) Replace Sump Pump No. 2 at Powerhouse No. 1 - Bay D'Espoir - \$46,000
 - ii) Purchase Security Surveillance System - Bay D'Espoir - \$35,000
 - b) Under Thermal Plant - Tools and Equipment (Generation) the Industrial Customers object to:
 - i) 50% of Purchase and Replace Tools & Equipment Less than \$50,000 -
50% X \$77,000 = \$38,500.
2. With respect to page A-5 (Transmission) the Industrial Customers state the following:
 - a) Under Regional Operations - Tools & Equipment - Central Region the Industrial Customers object to:

- i) 50% of Purchase and Replace Tools & Equipment Less than \$50,000 -
 $50\% \times \$207,000 = \$103,500$
 - b) Under System Performance and Protection the Industrial Customers object to:
 - i) Purchase Metering Spares - Meter Shop - Hydro Place - \$28,000.
- 3. With respect to page A-8 (General Properties) the Industrial Customers state the following:
 - a) Under Information Systems & Telecommunications - Computer Operations - New Infrastructure the Industrial Customers object to the following:
 - i) Provide Three LCD Projectors - Hydro Place - \$39,000
 - b) Under Information Systems & Telecommunications - Computer Operations - Upgrade of Technology the Industrial Customers object to:
 - i) Replacement of Desktop Peripherals - \$18,000.
- 4. With respect to page A-9 (General Properties) the Industrial Customers state the following:
 - a) Under Administrative - Administration the Industrial Customers object to:
 - i) 50% Purchase and Replace Admin Office Equip less than \$50,000 -
 $50\% \times \$102,000 = \$51,000$.
- 5. With respect to page B-2 (Generation) the Industrial Customers object to the following projects:
 - a) B-7 - Perform Feasibility Study - Wind Request for Proposal
 - b) B-8 - Replace Unit 1 Exciter - Cat Arm
 - c) B-10 - Install 25 kV Distribution Line - Ebbegunbaeg
 - d) B-14 - Install Fault Recorder - Upper Salmon Generating Station
 - e) B-15 - Install Intake Stoplogs - Paradise River
 - f) B-16 - Replace Control Cables - Bay D'Espoir
 - g) B-17 - Replace Ventilation System at Powerhouse No. 1 - Bay D'Espoir
 - h) B-18 - Purchase Track Machine - Cat Arm
 - i) B-19 - Purchase and Install Continuous Emission Monitoring
 - j) B-21 - Purchase and Install Closed Circuit Surveillance System - Holyrood
 - k) B-22 - Replace Turbine Electrohydraulic Control System - Unit No. 1 - Holyrood.

6. With respect to page B-3 (Transmission) the Industrial Customers object to the following projects:
 - a) B-23 - Replace Two Air Compressors - Buchans
 - b) B-25 - Pave Parking Area - Bishop's Falls Complex
 - c) B-31 - Replacement of Poles TL215 - (69 kV Doyles - Port-Aux-Basques)
 - d) B-32 - Purchase and Install Remote Communication Equipment - BUC & STB
 - e) B-34 - Purchase and Install Digital Fault Recorder - Stony Brook.

7. With respect to page B-4 (Rural Systems) the Industrial Customers object to the following projects:
 - a) B-46 - Replace 136 kW Diesel Unit No. 284 - Hr. Deep
 - b) B-57 - Upgrade Diesel Plant - Harbour Deep.

8. With respect to page B-5 (General Properties) the Industrial Customers object to the following projects:
 - a) B-60 - Acquire Document Management & Imaging System
 - b) B-61 - Purchase Additional Corporate Applications
 - c) B-62 - Purchase and Install Uninterruptible Power Supply - Computer Room
 - d) B-63 - Replacement of Printers
 - e) B-64 - Replacement of AS400 Computers
 - f) B-66 - Replace VHF Mobile Radio System
 - g) B-67 - Replace Teleprotection - Stony Brook - Grand Falls Frequency Converter
 - h) B-68 - Replace UHF Radio - Upper Salmon
 - i) B-69 - Complete Microwave Radio System Interconnection
 - j) B-71 - Provide Global Positioning System Time Synchronization - Phase 2
 - k) B-72 - Install Interactive Voice Response System - Hydro Place
 - l) B-73 - Replace Telephone Isolation Equipment - Sunnyside & Western Avalon
 - m) B-74 - Replace Vehicles.

9. The Industrial Customers consent to an order extending the interim rates charged to Industrial Customers under Order No. P.U. 25 (2000 - 2001) until an order revising such rates is issued by the Board.

DATED at St. John's, Newfoundland this 3rd day of December, 2001.

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TO: The Board of Commissioners of Public Utilities
Prince Charles Building
P.O. Box 9188
St. John's, NF
AIA 2X9
Attention: Cheryl Blundon

TO: Newfoundland and Labrador Hydro
Columbus Drive
P.O. Box 9100
St. John's, NF
AIA 2X8
Attention: Maureen Greene & Geoffrey Young

TO: Newfoundland Light and Power Co. Limited
55 Kenmount Road
St. John's, Newfoundland
AIB 3P6
Attention: Peter Alteen & Gillian Butler Q.C.

TO: Consumer Advocate

Browne Fitzgerald Morgan & Avis
Terrace on the Square, Level II
P.O. Box 23135
St. John's, NF.
A1B 4J9
Attention: Dennis Browne Q.C. & Stephen Fitzgerald

TO: Miller & Hearn
450 Avalon Drive
P.O. Box 129
Labrador City, NF.
A2V 2K3
Attention: Edward Hearn Q.C.

TO: Town of Happy Valley - Goose Bay
P.O. Box 40, Station B
Happy Valley - Goose Bay
Labrador, NF.
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Attention: Dennis Peck