

1 Q. Further to NP-64, provide details of composition and cost of supplies
2 inventory at December 31st, for 1992 through 2000 (JCR, Schedule II, Page 1
3 of 3)

4

5 A. The attached schedule provides a summary of Hydro's Supplies inventory
6 from December 31st, 1992 through 2000. This schedule is not in the same
7 format as the one attached to NP-64, which provided details of inventory at
8 December 31st, 2002. It is not available for the reasons set out below. The
9 nature and composition of the items maintained in inventory over the period
10 1992 to 2000 were similar to those listed on the attachment to
11 NP-64.

12

13 Historically, Hydro's operating regions and generating plants used their own
14 parts numbering systems. Hydro recognized the need to centralize the
15 control, classification and where possible, standardization of its parts
16 inventories throughout its system in order to consolidate its procurement
17 activities and streamline its inventories, and in 1993 established an Inventory
18 Control Group and a Materials Classification System. The manual process of
19 conversion of the existing, approximately 50,000 parts numbers to the new
20 classification codes began in 1994. This was a very labor-intensive, time
21 consuming process as each inventory part record was converted, and the
22 process was completed in April 1998 prior to implementing the new J. D.
23 Edwards, ERP computer system. This new computer system being an online
24 real time system, maintains inventory, quantities and cost transactions on a
25 real time basis.

26

27 Traditional inventory controls have been in place during the period 1992 to
28 present. These consist primarily of approved hard copy inventory control

1 forms and annual physical inventory counts. In addition, inventories were
2 subject to review by Internal & External Auditors as part of Hydro's annual
3 financial controls audit.

Newfoundland and Labrador Hydro
Summary of Supplies Inventory

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Maintenance Inventory	448,103.00	-							
Supplies Inventory	17,176,394.00	18,437,614.00	19,187,588.00	19,245,121.74	21,255,873.66	21,675,067.16	21,125,167.37	20,652,114.69	20,203,044.89
Returnable Containers	-	-					277,379.41	285,520.00	273,167.00
Aggregates, Dyke Material	-	-					649,861.50	649,861.50	616,552.88
Steel Tower-Testing	5,467.00	2,469.00	14,469.00	14,469.15	2,469.15	2,469.15	2,469.15	2,469.15	2,469.15
Wood chips - Roddickton	520,900.00	880,872.00	753,310.00	815,160.54					
Stockpiled Wood Waste	-	-		62,443.40					
Total Inventory	\$18,150,864.00	\$19,320,955.00	\$19,955,367.00	\$20,137,194.83	\$21,258,342.81	\$21,677,536.31	\$22,054,877.43	\$21,589,965.34	\$21,095,233.92