

NEWFOUNDLAND & LABRADOR HYDRO

## 2003 CAPITAL EXPENDITURES - OVERVIEW

FOR THE PERIOD ENDING MAY 31, 2003  
(\$,000)

	Expenditures Prior To 2003	PUB Approved Budget 2003	2003 Expenditures To May 31	Expected Remaining Expenditures 2003	Expected Total Expenditures 2003	Var. from Approved to Expected Expenditures
GENERATION	219	5,704	902	4,828	5,730	26
TRANSMISSION & RURAL OPERATIONS	1,055	10,276	1,965	8,465	10,430	154
GENERAL PROPERTIES	1,925	17,869	2,832	15,050	17,882	13
ALLOWANCE FOR UNFORESEEN EVENTS	0	1,000	0	1,000	1,000	0
PROJECTS APPROVED BY PUB	73	459	53	406	459	0
NEW PROJECTS LESS THAN \$50,000 APPROVED BY HYDRO	12	178	39	139	178	0
<b>TOTAL CAPITAL BUDGET</b>	<b>3,284</b>	<b>35,486</b>	<b>5,791</b>	<b>29,888</b>	<b>35,679</b>	<b>193</b>
Approved P.U. 29 (2002-2003)		33,070				
Approved P.U. 3 (2003)		281				
Approved P.U. 12 (2003)		138				
Carryover Projects 2002 to 2003		1,852				
New Projects Under \$50,000 Approved by Hydro		145				
<b>TOTAL APPROVED CAPITAL BUDGET</b>		<b>35,486</b>				

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<b>GENERATION</b>							
<b>HYDRO PLANTS</b>							
Construction Projects	64	773	167	606	773	0	4
Property Additions	0	327	0	353	353	26	4
Tools & Equipment	0	117	0	117	117	0	4
<b>THERMAL PLANT</b>							
Construction Projects	155	2,423	622	1,801	2,423	0	5
Property Additions	0	1,991	107	1,884	1,991	0	5
Tools & Equipment	0	73	6	67	73	0	5
<b>TOTAL GENERATION</b>	<b>219</b>	<b>5,704</b>	<b>902</b>	<b>4,828</b>	<b>5,730</b>	<b>26</b>	
<b>TRANSMISSION &amp; RURAL OPERATIONS</b>							
<b>TRANSMISSION</b>	1,055	782	587	303	890	108	6
<b>SYSTEM PERFORMANCE &amp; PROTECTION</b>	0	546	15	550	565	19	6
<b>TERMINALS</b>	0	581	18	506	524	(57)	6
<b>DISTRIBUTION</b>	0	6,685	1,194	5,553	6,747	62	7
<b>GENERATION</b>	0	681	8	673	681	0	7
<b>GENERAL</b>							
Metering	0	102	22	80	102	0	7
Properties	0	49	9	40	49	0	7
Tools & Equipment	0	850	112	760	872	22	7
<b>TOTAL TRANSMISSION &amp; RURAL OPERATIONS</b>	<b>1,055</b>	<b>10,276</b>	<b>1,965</b>	<b>8,465</b>	<b>10,430</b>	<b>154</b>	

**NEWFOUNDLAND & LABRADOR HYDRO****2003 CAPITAL EXPENDITURES - OVERVIEW**

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(\$,000)

	Expenditures Prior To 2003	PUB Approved Budget 2003	2003 Expenditures To May 31	Expected Remaining Expenditures 2003	Expected Total Expenditures 2003	Var. from Approved to Expected Expenditures	
<b>GENERAL PROPERTIES</b>							
<b>INFORMATION SYSTEMS &amp; TELECOMMUNICATIONS</b>	416	15,536	2,476	13,073	15,549	13	8
<b>ADMINISTRATIVE</b>	1,509	2,333	356	1,977	2,333	0	10
<b>TOTAL GENERAL PROPERTIES</b>	<u>1,925</u>	<u>17,869</u>	<u>2,832</u>	<u>15,050</u>	<u>17,882</u>	<u>13</u>	
<b>ALLOWANCE FOR UNFORESEEN EVENTS</b>	0	1,000	0	1,000	1,000	0	11
<b>PROJECTS APPROVED BY PUB</b>	73	459	53	406	459	0	11
<b>PROJECTS APPROVED FOR LESS THAN \$50,000</b>	12	178	39	139	178	0	11
<b>TOTAL CAPITAL BUDGET</b>	<u>3,284</u>	<u>35,486</u>	<u>5,791</u>	<u>29,888</u>	<u>35,679</u>	<u>193</u>	

**NEWFOUNDLAND & LABRADOR HYDRO**  
**GENERATION**  
**2003 CAPITAL EXPENDITURES - DETAIL**  
**FOR THE PERIOD ENDING MAY 31, 2003**  
**(\$,000)**

PROJECT DESCRIPTION	PUB Expenditures Prior To 2003	2003 Approved Budget 2003	2003 Expenditures To May 31	Expected Remaining Expenditures 2003	Expected Total Expenditures 2003	Var. from Approved to Expected Expenditures	Variance Explanation Reference
<b><u>HYDRO PLANTS</u></b>							
<b><u>CONSTRUCTION PROJECTS</u></b>							
Install Fault Recorder - Upper Salmon Generating Station	64	63	5	58	63	0	
Upgrade Controls Spherical Valve No. 1 - Bay d'Espoir		223	154	69	223	0	
Replace Vibration/Data System - Bay d'Espoir		153	0	153	153	0	
Replacement of Draft Tube Stoplogs at Paradise River		156	6	150	156	0	
Replace Fuel Storage Tanks at Burnt Spillway - Bay D' Espoir		97	2	95	97	0	
Install Early Warning System - Victoria Dam		40	0	40	40	0	
Frazil Ice Monitoring - Granite Canal		21	0	21	21	0	
Replace Gate Hoist No. 2 - Ebbegunbaeg Control Structure		7	0	7	7	0	
Replace Unit No. 7 Exciter - Bay d'Espoir		13	0	13	13	0	
<b>TOTAL CONSTRUCTION PROJECTS</b>	<b>64</b>	<b>773</b>	<b>167</b>	<b>606</b>	<b>773</b>	<b>0</b>	
<b><u>PROPERTY ADDITIONS</u></b>							
Replace Site fencing - Bay d'Espoir		250	0	276	276	26	
Purchase and Install Security Locks at Hydro Plants		77	0	77	77	0	
<b>TOTAL PROPERTY ADDITIONS</b>	<b>0</b>	<b>327</b>	<b>0</b>	<b>353</b>	<b>353</b>	<b>26</b>	
<b><u>TOOLS &amp; EQUIPMENT</u></b>							
Replace Loader/Backhoe - Bay d'Espoir		3	0	3	3	0	
Purchase & Replace Tools & Equipment Less than \$50,000	0	114	0	114	114	0	
<b>TOTAL TOOLS &amp; EQUIPMENT</b>	<b>0</b>	<b>117</b>	<b>0</b>	<b>117</b>	<b>117</b>	<b>0</b>	

**NEWFOUNDLAND & LABRADOR HYDRO  
GENERATION  
2003 CAPITAL EXPENDITURES - DETAIL  
FOR THE PERIOD ENDING MAY 31, 2003  
(\$,000)**

<b>PROJECT DESCRIPTION</b>	<b>Expenditures Prior To 2003</b>	<b>PUB Approved Budget 2003</b>	<b>2003 Expenditures To May 31</b>	<b>Expected Remaining Expenditures 2003</b>	<b>Expected Total Expenditures 2003</b>	<b>Var. from Approved to Expected Expenditures</b>	<b>Variance Explanation Reference</b>
<b><u>THERMAL PLANT</u></b>							
<b><u>CONSTRUCTION PROJECTS</u></b>							
Purchase and Install Continuous Emission Monitoring	132	669	490	179	669	0	
Rep. Turbine Electrohydraulic Control Syst - Unit No.1 - HRD	23	965	108	857	965	0	
Purchase and Installation of a Neutralization Pit - Holyrood		343	0	343	343	0	
Purchase Mobile Ambient Monitoring System - Holyrood		184	4	180	184	0	
Flue Gas Particulate Removal Study - Holyrood		150	0	150	150	0	
Purch/Inst Partial Discharge Analysis Equip - Unit No. 1 - Holyrood		112	20	92	112	0	
<b>TOTAL CONSTRUCTION PROJECTS</b>	<b>155</b>	<b>2,423</b>	<b>622</b>	<b>1,801</b>	<b>2,423</b>	<b>0</b>	
<b><u>PROPERTY ADDITIONS</u></b>							
Upgrade Civil Structures - Holyrood		1,991	107	1,884	1,991	0	
<b>TOTAL PROPERTY ADDITIONS</b>	<b>0</b>	<b>1,991</b>	<b>107</b>	<b>1,884</b>	<b>1,991</b>	<b>0</b>	
<b><u>TOOLS &amp; EQUIPMENT</u></b>							
Purchase & Replace Tools & Equipment Less than \$50,000	0	73	6	67	73	0	
<b>TOTAL TOOLS &amp; EQUIPMENT</b>	<b>0</b>	<b>73</b>	<b>6</b>	<b>67</b>	<b>73</b>	<b>0</b>	
<b>TOTAL GENERATION</b>	<b>219</b>	<b>5,704</b>	<b>902</b>	<b>4,828</b>	<b>5,730</b>	<b>26</b>	

**NEWFOUNDLAND & LABRADOR HYDRO  
TRANSMISSION & RURAL OPERATIONS  
2003 CAPITAL EXPENDITURES - DETAIL  
FOR THE PERIOD ENDING MAY 31, 2003  
(\$,000)**

PROJECT DESCRIPTION	PUB	2003	Expected	Expected	Var. from	Variance Explanation Reference
	Expenditures Prior To 2003	Approved Budget 2003	Expenditures To May 31	Remaining Expenditures 2003	Total Expenditures 2003	
<b>TRANSMISSION</b>						
Upgrade TL227 - (69 kV Berry Hill - Daniels Harbour)	654	179	251	1	252	73
Replacement of Insulators TL228 (230kV Buchans - Massey Drive)	401	49	69	15	84	35
Upgrade of TL203- (230kv Sunnyside - Western Avalon)		207	0	207	207	0
Replace Insulators TL209 - ( 230kV Stephenville - Bottom Brook)		236	195	41	236	0
Upgrade TL214 - (138kV Bottom Brook - Doyles)		111	72	39	111	0
<b>TOTAL TRANSMISSION</b>	<b>1,055</b>	<b>782</b>	<b>587</b>	<b>303</b>	<b>890</b>	<b>108</b>
<b>SYSTEM PERFORMANCE &amp; PROTECTION</b>						
Upgrade Circuit Switcher South Brook Terminal Station		355	2	363	365	10
Purchase and Install 138kV Breaker Fail Protection		82	13	78	91	9
Upgrade Breaker Controls - Sunnyside Terminal Station		33	0	33	33	0
Replace Digital Fault Recorder - Holyrood Terminal Station		76	0	76	76	0
<b>TOTAL SYSTEM PERFORMANCE &amp; PROTECTION</b>	<b>0</b>	<b>546</b>	<b>15</b>	<b>550</b>	<b>565</b>	<b>19</b>
<b>TERMINALS</b>						
Replace Fence - Holyrood Terminal Station		32	2	30	32	0
Upgrade Access Road - Farewell Head Terminal Station		22	1	21	22	0
Replace 125v Battery Banks		83	2	81	83	0
Upgrade Station Services - Long Harbour Terminal Station		83	5	75	80	(3)
Install Motor Drive Mechanisms on Disconnect Switches - Sunnyside T.S.		217	8	155	163	(54)
Replace Surge Arrestors		69	0	69	69	0
Replace Instrument Transformers		75	0	75	75	0
<b>TOTAL TERMINALS</b>	<b>0</b>	<b>581</b>	<b>18</b>	<b>506</b>	<b>524</b>	<b>(57)</b>

Note 1

Note 2

**NEWFOUNDLAND & LABRADOR HYDRO  
TRANSMISSION & RURAL OPERATIONS  
2003 CAPITAL EXPENDITURES - DETAIL  
FOR THE PERIOD ENDING MAY 31, 2003  
(\$,000)**

PROJECT DESCRIPTION	PUB	2003	Expected	Expected	Var. from	
	Expenditures Prior To 2003	Approved Budget 2003	Expenditures To May 31	Remaining Expenditures 2003	Total Expenditures 2003	Approved to Expected Expenditures
<b><u>DISTRIBUTION</u></b>						
Service Extensions		1,448	386	1,062	1,448	0
Distribution Upgrades		1,476	439	1,037	1,476	0
Upgrade Line - Little Bay Distribution System		317	116	201	317	0
Upgrade Line - St. Anthony Distribution Systems		557	0	557	557	0
Insulator Replacements		795	75	759	834	39
Pole Replacements		852	137	715	852	0
Protection Upgrades - Isolated Systems		720	39	704	743	23
Replace Corroded Transformers		172	2	170	172	0
Replace Voltage Regulators		176	0	176	176	0
Protection Upgrade North Diesel Plant - Goose Bay		172	0	172	172	0
<b>TOTAL DISTRIBUTION</b>	<b>0</b>	<b>6,685</b>	<b>1,194</b>	<b>5,553</b>	<b>6,747</b>	<b>62</b>
<b><u>GENERATION</u></b>						
Install Nox Emission Monitor - McCallum		103	0	103	103	0
Install Fire Alarm Systems		98	2	96	98	0
Upgrade Service Cables		60	5	55	60	0
Increase Generation - Mary's Harbour		212	0	212	212	0
Fuel Storage Upgrades		208	1	207	208	0
<b>TOTAL GENERATION</b>	<b>0</b>	<b>681</b>	<b>8</b>	<b>673</b>	<b>681</b>	<b>0</b>
<b><u>GENERAL</u></b>						
<b><u>METERING</u></b>						
Purchase Meters & Equipment - Rural System		96	20	76	96	0
Purchase Metering Spares - Bulk Electrical System		6	2	4	6	0
<b>TOTAL METERING</b>	<b>0</b>	<b>102</b>	<b>22</b>	<b>80</b>	<b>102</b>	<b>0</b>
<b><u>PROPERTIES</u></b>						
Construct Storage Shed - Harbour Breton		19	9	10	19	0
Purchase Land - Mud Lake		30	0	30	30	0
<b>TOTAL PROPERTIES</b>	<b>0</b>	<b>49</b>	<b>9</b>	<b>40</b>	<b>49</b>	<b>0</b>
<b><u>TOOLS &amp; EQUIPMENT</u></b>						
Purchase & Replace Tools & Equipment Less than \$ 50,000	0	306	112	216	328	22
Replace Light Duty Mobile Equipment Less than \$50,000		544	0	544	544	0
<b>TOTAL TOOLS &amp; EQUIPMENT</b>	<b>0</b>	<b>850</b>	<b>112</b>	<b>760</b>	<b>872</b>	<b>22</b>
<b>TOTAL GENERAL</b>	<b>0</b>	<b>1,001</b>	<b>143</b>	<b>880</b>	<b>1,023</b>	<b>22</b>
<b>TOTAL TRANSMISSION &amp; RURAL OPERATIONS</b>	<b>1,055</b>	<b>10,276</b>	<b>1,965</b>	<b>8,465</b>	<b>10,430</b>	<b>154</b>

**NEWFOUNDLAND & LABRADOR HYDRO**  
**GENERAL PROPERTIES**  
**2003 CAPITAL EXPENDITURES - DETAIL**  
**FOR THE PERIOD ENDING MAY 31, 2003**  
**(\$,000)**

PROJECT DESCRIPTION	PUB Expenditures Prior To 2003	2003 Approved Budget 2003	2003 Expenditures To May 31	Expected Remaining Expenditures 2003	Expected Total Expenditures 2003	Var. from Approved to Expected Expenditures	Variance Explanation Reference
<b><u>INFORMATION SYSTEMS &amp; TELECOMMUNICATIONS</u></b>							
<b><u>SOFTWARE APPLICATIONS</u></b>							
<b><u>INFRASTRUCTURE REPLACEMENT</u></b>							
Acquire Document Management & Imaging System		104	32	72	104	0	
Replace Energy Management System - Energy Control Centre		1,214	65	1,149	1,214	0	
<b><u>NEW INFRASTRUCTURE</u></b>							
Purchase Additional Corporate Applications	43	84	8	76	84	0	
Security Program Centralized Log Monitoring & Analysis System		57	0	57	57	0	
<b>TOTAL SOFTWARE APPLICATIONS</b>	<b>43</b>	<b>1,459</b>	<b>105</b>	<b>1,354</b>	<b>1,459</b>	<b>0</b>	
<b><u>COMPUTER OPERATIONS</u></b>							
<b><u>INFRASTRUCTURE REPLACEMENT</u></b>							
Enterprise Storage Management Infrastructure		2,049	0	2,049	2,049	0	
End User & Server Evergreen Program		893	78	815	893	0	
<b><u>NEW INFRASTRUCTURE</u></b>							
Peripheral Infrastructure Replacement		99	11	88	99	0	
<b>TOTAL COMPUTER OPERATIONS</b>	<b>0</b>	<b>3,041</b>	<b>89</b>	<b>2,952</b>	<b>3,041</b>	<b>0</b>	



**NEWFOUNDLAND & LABRADOR HYDRO**  
**GENERAL PROPERTIES**  
**2003 CAPITAL EXPENDITURES - DETAIL**  
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**(\$,000)**

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<b><u>INFORMATION SYSTEMS &amp; TELECOMMUNICATIONS</u></b>							
<b><u>NETWORK SERVICES</u></b>							
<b><u>INFRASTRUCTURE REPLACEMENT</u></b>							
Install New Microwave System Interconnection Between East/West Coast	208	8,734	2,009	6,725	8,734	0	
Replace UHF Radio Link - Abitibi - Stephenville		89	4	85	89	0	
Replace Powerline Carrier Equipment West Coast Transmission System		1,009	12	997	1,009	0	
Replace Voice, Data & Teleprotection Equip - Upper Salmon Intake		88	36	52	88	0	
Upgrade Site Grounding at Telecontrol Site - Phase 4		48	30	18	48	0	
Replace Battery System - Multiple Sites		224	66	158	224	0	
Replace Remote Terminal Unit for Hydro - Phase 4		285	9	276	285	0	
<b><u>NETWORK INFRASTRUCTURE</u></b>							
Purchase Equipment for Physical Facilities Upgrade		71	15	56	71	0	
Deer Lake Building Improvements		103	4	99	103	0	
Upgrade Local Area Networks (LANs) - Multiple Sites		47	11	36	47	0	
<b><u>UPGRADE OF TECHNOLOGY</u></b>							
Provide Global Positioning System Time Synchronization - Phase 2	165	46	71	(12)	59	13	
Replacement of Operational Data & Voice Network - Phase I		292	15	277	292	0	
<b>TOTAL NETWORK SERVICES</b>	<b>373</b>	<b>11,036</b>	<b>2,282</b>	<b>8,767</b>	<b>11,049</b>	<b>13</b>	
<b>TOTAL INFORMATION SYSTEMS &amp; TELECOMMUNICATIONS</b>	<b>416</b>	<b>15,536</b>	<b>2,476</b>	<b>13,073</b>	<b>15,549</b>	<b>13</b>	

**NEWFOUNDLAND & LABRADOR HYDRO**  
**GENERAL PROPERTIES**  
**2003 CAPITAL EXPENDITURES - DETAIL**  
**FOR THE PERIOD ENDING MAY 31, 2003**  
**(\$,000)**

PROJECT DESCRIPTION	PUB	2003	Expected	Expected	Var. from		
	Expenditures Prior To 2003	Approved Budget 2003	Expenditures To May 31	Remaining Expenditures 2003	Total Expenditures 2003	Approved to Expected Expenditures	Variance Explanation Reference
<b>ADMINISTRATIVE</b>							
<b>VEHICLES</b>							
Replace Vehicles - 2002	1,509	498	242	256	498	0	
Replace Vehicles - Hydro System	0	1,584	62	1,522	1,584	0	
<b>ADMINISTRATION</b>							
Replace Engineering Wide Format Printing System		62	52	10	62	0	
Automatic Meter Reading (AMR) - Pilot Project		52	0	52	52	0	
Purchase & Replace Admin Office Equip less than \$50,000	0	137	0	137	137	0	
<b>TOTAL ADMINISTRATIVE</b>	<b>1,509</b>	<b>2,333</b>	<b>356</b>	<b>1,977</b>	<b>2,333</b>	<b>0</b>	
<b>TOTAL GENERAL PROPERTIES</b>	<b>1,925</b>	<b>17,869</b>	<b>2,832</b>	<b>15,050</b>	<b>17,882</b>	<b>13</b>	

**NEWFOUNDLAND & LABRADOR HYDRO  
OTHER APPROVED FUNDS  
2003 CAPITAL EXPENDITURES - DETAIL  
FOR THE PERIOD ENDING MAY 31, 2003  
(\$,000)**

<b>PROJECT DESCRIPTION</b>	<b>PUB Expenditures Prior To 2003</b>	<b>2003 Approved Budget 2003</b>	<b>2003 Expenditures To May 31</b>	<b>Expected Remaining Expenditures 2003</b>	<b>Expected Total Expenditures 2003</b>	<b>Var. from Approved to Expected Expenditures</b>	<b>Variance Explanation Reference</b>
<b><u>ALLOCATION FOR UNFORESEEN EVENTS</u></b>							
Allocation for Unforeseen Events		1,000	0	1,000	1,000	0	
<b>TOTAL ALLOCATION FOR UNFORESEEN EVENTS:</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>	
<b><u>PROJECTS APPROVED BY PUB</u></b>							
<b><u>Carryover Project</u></b>							
Replace Diesel Unit #2006 with Unit #2052 - Cartwright	73	40	30	10	40	0	
<b><u>Projects Approved in 2003</u></b>							
Replacement of Timber Crib Headwall at Grey River Fish Compensation Structure		281	22	259	281	0	
Install Additional 90,000 Litre Fuel Storage - Rigolet		138	1	137	138	0	
<b>TOTAL PROJECTS APPROVED BY PUB</b>	<b>73</b>	<b>459</b>	<b>53</b>	<b>406</b>	<b>459</b>	<b>0</b>	
<b><u>NEW PROJECTS LESS THAN \$50,000 APPROVED BY HYDRO</u></b>							
<b><u>Carryover Project</u></b>							
Install Alternate 69kV Feed to Transformer SST-12 - Holyrood	12	33	1	32	33	0	
<b><u>Projects Approved in 2003</u></b>							
Purchase Auxiliary Cooling Water Pump - Holyrood		49	31	18	49	0	
Purchase 2 Global Positioning System Receivers		28	0	28	28	0	
Replace 4 Structures on TL 214 (Dolyes - Port Aux Basque)		14	7	7	14	0	
Preliminary Engineering - Replacement of Transformer - Happy Valley		7	0	7	7	0	
Asset Management Integrity and routing Project		47	0	47	47	0	
<b>TOTAL PROJECTS LESS THAN \$50,000 APPROVED BY HYDRO</b>	<b>12</b>	<b>178</b>	<b>39</b>	<b>139</b>	<b>178</b>	<b>0</b>	

**2003 CAPITAL PROJECTS OVER \$50,000  
VARIANCE EXPLANATIONS**

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**TRANSMISSION AND RURAL OPERATIONS:**

**1. Upgrade TL227 (69kV Berry Hill - Daniels Harbour)**

The cost overrun is primarily due to increased environmental requirements by Parks Canada, incremental survey costs and additional interest expense related to the delay in project completion.

**2. Install Motor Drive Mechanisms on Disconnect Switches - Sunnyside TS**

During the detail engineering design and site visit to review the work, it was determined that there were more efficient ways of completing the project which resulted in reduced construction labour, commissioning and project management.