

NEWFOUNDLAND AND LABRADOR HYDRO

2004 CAPITAL BUDGET

SUBMISSION TO PUBLIC UTILITIES BOARD



NEWFOUNDLAND AND LABRADOR HYDRO 2004 CAPITAL BUDGET

Page 1 of 2

TABLE OF CONTENTS

PAGE

APPLICATION

SECTION A

Capital Budget Overview	A - 1
-------------------------------	-------

Capital Budget Summary by Category:

Generation	A - 2
Transmission & Rural Operations	A - 2
General Properties	A - 3
Allowance for Unforeseen Events	A - 3

Capital Budget Detail:

Generation	
Hydro Plants	A - 4
Thermal Plant	A - 5
Transmission & Rural Operations	
Transmission	A - 6
System Performance and Protection	A - 6
Terminals	A - 6
Distribution	A - 7
Generation	A - 7
General	A - 7
General Properties	
Information Systems and Telecommunications	A - 8
Administrative	A-10

SECTION B

Projects over \$50,000 - Overview	B-1
---	-----

Projects over \$50,000 - By Category:

Generation	B-2
Transmission & Rural Operations	B-3
General Properties	B-4

Projects over \$50,000 - Explanations	B-5 to B-86
---	-------------

NEWFOUNDLAND AND LABRADOR HYDRO 2004 CAPITAL BUDGET

Page 2 of 2

TABLE OF CONTENTS

PAGE

SECTION C

Projects Subject to Minimum Filing Requirements - Overview	C-1
Projects Subject to Minimum Filing Requirements - Commentary	
Purchase and Install Transformer - Happy Valley Terminal Station	C-2 - C-5

SECTION D

2004 Leasing Costs	D-1
---------------------------------	------------

SECTION E

Schedule of Capital Expenditures 1998 - 2007	E-1
---	------------

SECTION F

Status Report 2003 Capital Expenditures at February 28	F-1 to F-11
---	--------------------

SECTION G

Schedule of Reports:

- | | |
|------------|--|
| Appendix 1 | - Condition Assessment of Governor Controls for Upper Salmon and Cat Arm Units |
| 2 | - Distributed Control System Lifecycle Planning |
| 3 | - Evaluation of Options to Refurbish Stack Liner #2 |
| 4 | - Business Case for VHF Mobile Radio System Replacement |

APPLICATION

IN THE MATTER OF the *Public Utilities Act*, (the “Act”); and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for approval of: (1) its 2004 capital budget pursuant to s.41(1) of the Act; (2) its 2004 capital purchases, and construction projects in excess of \$50,000 pursuant to s.41 (3) (a) of the Act; and (3) its estimated contributions in aid of construction for 2004 pursuant to s.41 (5) of the Act.

TO: The Board of Commissioners of Public Utilities (“the Board”)

THE APPLICATION of Newfoundland and Labrador Hydro (“Hydro”) (“the Applicant”)

STATES that:

1. The Applicant is a corporation continued and existing under the *Hydro Corporation Act*, is a public utility within the meaning of the Act and is subject to the provisions of the *Electrical Power Control Act, 1994*.
2. Section A to this Application is Hydro’s proposed 2004 Capital Budget in the amount of \$34.5 million prepared in accordance with the guidelines and conditions outlined in Order No. P.U. 7 (2002-2003).

3. Section B to this Application is a list of the proposed 2004 Construction Projects and Capital Purchases in excess of \$50,000 prepared in accordance with Order No. P.U. 7 (2002-2003).
4. Section C to this Application contains a description of a project, located in Labrador, in a format consistent with the Guidelines for Minimum Filing Requirements for New Generation and Transmission Projects on the Island Interconnected System as set out in the Board's letter of August 19, 1999.
5. No new Leases in excess of \$5,000 per year have been identified for 2004 in Section D.
6. Section E to this Application is a Schedule of Hydro's Capital Expenditures for the period 1998 to 2007.
7. Section F to this Application is a report on the status of the 2003 capital expenditures including those approved by Orders Nos. P.U. 29 (2002-2003), and P.U. 3 (2003), projects under \$50,000 not included in these Orders, and the 2002 capital expenditures carried forward to 2003.
8. Section G to this Application contains the supplementary reports referred to in various capital budget proposals.
9. The proposed capital expenditures for 2004 as set out in this Application are required to allow Hydro to continue to provide service and facilities for its customers which are reasonably safe, adequate and reliable.

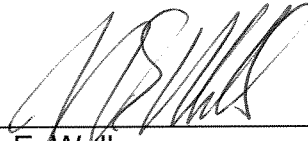
10. The Applicant has estimated the total of contributions in aid of construction for 2004 to be approximately \$240,000. The information contained in the 2004 Capital Budget (Section A) takes into account this estimate of the contributions in aid of construction to be received from customers. All contributions to be recovered from customers shall be calculated in accordance with the relevant policies as approved by the Board.
11. Communications with respect to this Application should be forwarded to Maureen P. Greene, Q.C., Vice-President and General Counsel, P.O. Box 12400, St. John's, Newfoundland and Labrador, A1B 4K7, Telephone: (709) 737-1465.

The Applicant requests that the Board make an Order as follows:

- (1) Approving Hydro's 2004 Capital Budget as set out in Section A hereto, pursuant to Section 41 (1) of the Act;
- (2) Approving 2004 Capital Purchases and Construction Projects in excess of \$50,000 as set out in Sections B and C hereto, pursuant to Section 41 (3) (a) of the Act; and
- (3) Approving the proposed estimated contributions in aid of construction as set out in paragraph 10 hereof for 2004 as required by Section 41 (5) of the Act, with all such contributions to be calculated in accordance with the policies approved by the Board.

DATED at St. John's, Newfoundland, this ~~28~~²⁹ day of March, 2003.

NEWFOUNDLAND AND LABRADOR HYDRO



W. E. Wells
President and Chief Executive Officer

Newfoundland and Labrador Hydro
P.O. Box 12400
500 Columbus Drive
St. John's, Newfoundland and Labrador
A1B 4K7
Telephone: (709) 737-1291

IN THE MATTER OF the *Public Utilities Act*, (the "Act"); and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for approval of: (1) its 2004 capital budget pursuant to s.41(1) of the Act; (2) its 2004 capital purchases, and construction projects in excess of \$50,000 pursuant to s.41 (3) (a) of the Act; and (3) its estimated contributions in aid of construction for 2004 pursuant to s.41 (5) of the Act.

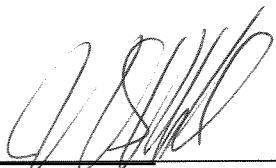
TO: The Board of Commissioners of Public Utilities ("the Board")

AFFIDAVIT

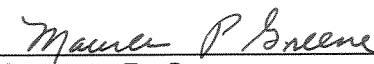
I, William E. Wells, Business Executive, make oath and say as follows:

1. That I am the President and Chief Executive Officer of Hydro and as such I have knowledge of and responsibility for the matters arising in the within matter.
2. That I have read the contents of the attached application and those contents are correct and true to the best of my knowledge, information and belief.

SWORN TO in the)
City of St. John's, in the)
Province of Newfoundland and Labrador))
this 28th day of March, 2003,)
before me:)



William E. Wells



Maureen P. Greene
Barrister (Nfld.)