

SECTION A

NEWFOUNDLAND & LABRADOR HYDRO**2004 CAPITAL BUDGET - OVERVIEW**

(\$,000)

	Exp To 2003	2004	Future Years	Total
GENERATION	23	5,079	3,036	8,138
TRANSMISSION & RURAL OPERATIONS	118	12,177	0	12,295
GENERAL PROPERTIES	3,864	16,209	15,310	35,383
ALLOWANCE FOR UNFORESEEN EVENTS	0	1,000	0	1,000
TOTAL CAPITAL BUDGET	4,005	34,465	18,346	56,816

NEWFOUNDLAND & LABRADOR HYDRO
2004 CAPITAL BUDGET - SUMMARY BY CATEGORY
(\$,000)

	Exp To 2003	2004	Future Years	Total
GENERATION				
HYDRO PLANTS				
Construction Projects	20	2,507	0	2,527
Tools & Equipment	3	191	0	194
THERMAL PLANT				
Construction Projects	0	2,281	1,034	3,315
Property Additions	0	78	2,002	2,080
Tools & Equipment	0	22	0	22
TOTAL GENERATION	<u>23</u>	<u>5,079</u>	<u>3,036</u>	<u>8,138</u>
TRANSMISSION & RURAL OPERATIONS				
TRANSMISSION	111	4,216	0	4,327
SYSTEM PERFORMANCE & PROTECTION	0	303	0	303
TERMINALS	7	1,656	0	1,663
DISTRIBUTION	0	5,153	0	5,153
GENERATION	0	205	0	205
GENERAL				
Metering	0	104	0	104
Properties	0	49	0	49
Tools & Equipment	0	491	0	491
TOTAL TRANSMISSION & RURAL OPERATIONS	<u>118</u>	<u>12,177</u>	<u>0</u>	<u>12,295</u>

NEWFOUNDLAND & LABRADOR HYDRO**2004 CAPITAL BUDGET - SUMMARY BY CATEGORY****(\$,000)**

	Exp To 2003	2004	Future Years	Total
GENERAL PROPERTIES				
INFORMATION SYSTEMS & TELECOMMUNICATIONS	2,280	13,817	13,905	30,002
ADMINISTRATIVE	1,584	2,392	1,405	5,381
TOTAL GENERAL PROPERTIES	<u>3,864</u>	<u>16,209</u>	<u>15,310</u>	<u>35,383</u>
ALLOWANCE FOR UNFORESEEN EVENTS	0	1,000	0	1,000
TOTAL CAPITAL BUDGET	<u>4,005</u>	<u>34,465</u>	<u>18,346</u>	<u>56,816</u>

NEWFOUNDLAND & LABRADOR HYDRO
GENERATION
2004 CAPITAL BUDGET - DETAIL

(\$,000)

PROJECT DESCRIPTION	Exp To 2003	2004	Future Years	Total	In-Ser Date	Explanation Page Ref.
<u>HYDRO PLANTS</u>						
<u>CONSTRUCTION PROJECTS</u>						
Replace Unit No. 7 Exciter - Bay D'Espoir	13	757		770	Oct. 04	B-5
Replace Gate Hoist No. 2 - Ebbegunbaeg Control Structure	7	508		515	Sep. 04	B-8
Replace Unit 2 Governor Controls - Cat Arm		540		540	Oct. 04	B-10
Replace Unit 2 Exciter - Cat Arm		519		519	Nov. 04	B-12
Upgrade Controls Spherical Valve No. 3 - Bay D' Espoir		183		183	Aug. 04	B-14
TOTAL CONSTRUCTION PROJECTS	<u>20</u>	<u>2,507</u>	<u>0</u>	<u>2,527</u>		
<u>TOOLS & EQUIPMENT</u>						
Replace Loader/Backhoe - Bay D'Espoir	3	121		124	Nov. 04	B-16
Purchase & Replace T & E Less than \$ 50,000		70		70		
TOTAL TOOLS & EQUIPMENT	<u>3</u>	<u>191</u>	<u>0</u>	<u>194</u>		

**NEWFOUNDLAND & LABRADOR HYDRO
GENERATION
2004 CAPITAL BUDGET - DETAIL
(\$,000)**

PROJECT DESCRIPTION	Exp To 2003	2004	Future Years	Total	In-Ser Date	Explanation Page Ref.
<u>THERMAL PLANT</u>						
<u>CONSTRUCTION PROJECTS</u>						
Upgrade Control System - Holyrood		1,553	1,034	2,587	Aug. 05	B-17
Purch/Inst Ambient Monitoring System Enhancement		728		728	Oct. 04	B-19
TOTAL CONSTRUCTION PROJECTS	0	2,281	1,034	3,315		
<u>PROPERTY ADDITIONS</u>						
Upgrade Civil Structures		78	2,002	2,080	Jul. 05	B-22
TOTAL PROPERTY ADDITIONS	0	78	2,002	2,080		
<u>TOOLS & EQUIPMENT</u>						
Purchase & Replace Tools & Equipment Less than \$ 50,000	0	22	0	22		
TOTAL TOOLS & EQUIPMENT	0	22	0	22		
TOTAL GENERATION	23	5,079	3,036	8,138		

**NEWFOUNDLAND & LABRADOR HYDRO
TRANSMISSION & RURAL OPERATIONS
2004 CAPITAL BUDGET - DETAIL
(\$,000)**

PROJECT DESCRIPTION	Exp To 2003	2004	Future Years	Total	In-Ser Date	Explanation Page Ref.
<u>TRANSMISSION</u>						
Upgrade TL214 - (138kV Bottom Brook - Doyles)	111	2,836		2,947	Sep. 04	B-25
Replace Insulators TL233 - (230kV Buchans - Bottom Brook)		1,055		1,055	Oct. 04	B-27
Replace Wood Poles - Transmission		325		325	Dec. 04	B-28
TOTAL TRANSMISSION	111	4,216	0	4,327		
<u>SYSTEM PERFORMANCE & PROTECTION</u>						
Upgrade 138kV and 66kV Protection - Deer Lake and Sunnyside		150		150	Dec. 04	B-29
Replace Digital Fault Recorder - Bay D'Espoir		77		77	Aug. 04	B-30
Purchase and Install Remote Relay Data Acquisition Equipment		46		46	Aug. 04	
Upgrade Breaker Controls - Western Avalon and Holyrood Terminal Stations		30		30	Aug. 04	
TOTAL SYSTEM PERFORMANCE & PROTECTION	0	303	0	303		
<u>TERMINALS</u>						
Purchase and Install Transformer Addition - Happy Valley Terminal Station	7	1,244		1,251	Nov. 04	C-2
Install Motor Drive Mechanisms on Disconnect Switches - West Coast		207		207	Oct. 04	B-31
Replace Instrument Transformers		77		77	Dec. 04	B-33
Replace Surge Arrestors		70		70	Dec. 04	B-35
Replace 125V Battery Banks - Bottom Brook and Holyrood Terminal Stations		58		58	Jul. 04	B-37
TOTAL TERMINALS	7	1,656	0	1,663		

**NEWFOUNDLAND & LABRADOR HYDRO
TRANSMISSION & RURAL OPERATIONS
2004 CAPITAL BUDGET - DETAIL
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PROJECT DESCRIPTION	Exp To 2003	2004	Future Years	Total	In-Ser Date	Explanation Page Ref.
<u>DISTRIBUTION</u>						
Provide Service Extensions		1,558		1,558	Dec. 04	B-39
Upgrade Distribution Systems		1,471		1,471	Dec. 04	B-41
Pole Replacements		993		993	Sep. 04	B-43
Insulator Replacements		945		945	Oct. 04	B-45
Purchase and Install Recloser L6 - Bear Cove		85		85	Oct. 04	B-47
Replace Substation Transformer - Rigolet		76		76	Oct. 04	B-48
Purchase and Install Recloser L1 - Conche		25		25	Oct. 04	
TOTAL DISTRIBUTION	0	5,153	0	5,153		
<u>GENERATION</u>						
Upgrade Generator Relaying - Happy Valley North Plant		170		170	Sep. 04	B-51
Purchase and Install P.T.'s - Ramea		35		35	Sep. 04	
TOTAL GENERATION	0	205	0	205		
<u>GENERAL</u>						
<u>METERING</u>						
Purchase Meters & Equipment - TRO System		98		98	Dec. 04	B-52
Purchase Metering Spares - Bulk Electrical System		6		6	Dec. 04	
TOTAL METERING	0	104	0	104		
<u>PROPERTIES</u>						
Survey of Hydro's Primary Distribution Line Right-of-Ways		49		49	Oct. 04	
TOTAL PROPERTIES	0	49	0	49		
<u>TOOLS & EQUIPMENT</u>						
Purchase & Replace Tools & Equipment Less than \$ 50,000		102		102		
Replace Light Duty Mobile Equipment Less than \$ 50,000		389		389		
TOTAL TOOLS & EQUIPMENT	0	491	0	491		
TOTAL GENERAL	0	644	0	644		
TOTAL TRANSMISSION & RURAL OPERATIONS	118	12,177	0	12,295		

NEWFOUNDLAND & LABRADOR HYDRO
GENERAL PROPERTIES
2004 CAPITAL BUDGET - DETAIL
(\$,000)

PROJECT DESCRIPTION	Exp To 2003	2004	Future Years	Total	In-Ser Date	Explanation Page Ref.
<u>INFORMATION SYSTEMS & TELECOMMUNICATIONS</u>						
<u>SOFTWARE APPLICATIONS</u>						
<u>Infrastructure Replacement</u>						
Replace Energy Management System - Energy Control Centre	1,214	4,293	6,780	12,287	Oct. 06	B-53
<u>New Infrastructure</u>						
Corporate Applications Environment		540		540	Dec. 04	B-59
Applications Enhancements		463		463	Dec. 05	B-60
Security Program - Centralized Log Monitoring & Analysis System	57	83		140	Dec. 04	B-62
Security Program - Secure Remote Access		75	76	151	Dec. 05	B-64
TOTAL SOFTWARE APPLICATIONS	1,271	5,454	6,856	13,581		
<u>COMPUTER OPERATIONS</u>						
<u>Infrastructure Replacement</u>						
End User & Server Evergreen Program		2,811		2,811	Oct. 04	B-66
<u>New Infrastructure</u>						
Peripheral Infrastructure Replacement - 2004		101		101	Dec. 04	B-69
<u>Upgrade of Technology</u>						
JDE Migration Assessment Study		231		231	May. 04	B-70
TOTAL COMPUTER OPERATIONS	0	3,143	0	3,143		

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GENERAL PROPERTIES
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<u>INFORMATION SYSTEMS & TELECOMMUNICATIONS</u>						
<u>NETWORK SERVICES</u>						
<u>Infrastructure Replacement</u>						
Replace VHF Mobile Radio System		3,048	5,802	8,850	Dec. 05	B-71
Replace Powerline Carrier Equipment - Transmission System - West Coast	1,009	419		1,428	Dec. 04	B-73
Replace Battery System - Multiple Sites - 2004		274		274	Oct. 04	B-75
Replace Remote Terminal Unit for Hydro - Phase 5		314		314	Oct. 04	B-77
Replace Telephone Isolation Equipment - Doyles		49		49	Jun. 04	
Upgrade Site Grounding at Telecontrol Site - Phase 5		49		49	Jun. 04	
<u>Network Infrastructure</u>						
Purchase Test Equipment		48		48	Jun. 04	
Upgrade Local Area Networks (LANs) - Multiple Sites - 2004		48		48	Oct. 04	
<u>Upgrade of Technology</u>						
Replacement of Operational Data & Voice Network - Phase 2		971	1,247	2,218	Oct. 05	B-79
TOTAL NETWORK SERVICES	1,009	5,220	7,049	13,278		
TOTAL INFORMATION SYSTEMS & TELECOMMUNICATIONS	2,280	13,817	13,905	30,002		

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GENERAL PROPERTIES
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PROJECT DESCRIPTION	Exp To 2003	2004	Future Years	Total	In-Ser Date	Explanation Page Ref.
<u>ADMINISTRATIVE</u>						
<u>Vehicles</u>						
Replace Vehicles - Hydro System - 2003	1,584	1,142		2,726	Jun. 04	B-81
Replace Vehicles - Hydro System - 2004		1,081	1,181	2,262	Jun. 05	B-83
<u>ADMINISTRATION</u>						
Purchase Cash Remittance Processor		60		60	Apr. 04	B-85
Electronic Metering Reading		36	224	260	Dec. 05	B-86
Purchase & Replace Admin Office Equip less than \$50,000		73		73		
TOTAL ADMINISTRATIVE	1,584	2,392	1,405	5,381		
TOTAL GENERAL PROPERTIES	3,864	16,209	15,310	35,383		