

**IN THE MATTER OF** the Public  
Utilities Act, R.S.N., c. P-42 (the “Act”)

**AND**

**IN THE MATTER OF** an application by Newfoundland and  
Labrador Hydro (“Hydro”) pursuant to section 41 of the Act  
for approval of its 2004 Capital Budget.

### **Settlement Report**

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This Settlement Report is submitted to the Board of Commissioners of Public Utilities in accordance with the understandings reached by the parties as follows:

1. The undersigned parties have expressed final positions regarding certain capital projects as proposed by Hydro in its 2004 Capital Budget Application.
2. This agreement does not preclude any party from advocating an alternative position on the same or similar projects in other proceedings as they may deem appropriate.
3. This agreement is on a without prejudice basis to a party’s right to address argument on the sufficiency of the documentation supplied to support a capital project generally or the principles and procedures applied in the capital budget process, including by reference for illustrative purposes to projects referred to herein.
4. The parties consent to the admission of pre-filed testimony and exhibits pertaining to the capital projects to which there is no objection as detailed herein (the “Projects”) without the calling of witnesses for the purpose of cross-examination on the Projects.
5. The parties have no objection to the Board making its determination on the Projects based on the parties’ pre-filed testimony and exhibits and the parties’ positions on these Projects as stated in this Settlement Report.

## PROJECTS

1. The parties do not object to the following capital projects (the “Projects”):

Description	Page Ref	Value (\$)
Purchase and Install Transformer	C-2	1,244,200
Upgrade TL214	B-25	2,836,200
Pole Replacements	B-43	993,200
Insulator Replacements	B-45	944,500
Install Recloser	B-47	85,200
Replace Substation Transformer	B-48	75,800
Upgrade Generator Relaying Happy Valley Plant	B-51	170,000
Purchase Meters & Equipment	B-52	98,100
Service Extensions	B-39	1,558,000
Upgrade Distribution Systems	B-41	1,471,000
Purchase Cash Remittance Processor	B-85	60,000
Electronic Metering Reading	B-86	35,800
Allowance for Unforeseen Events	N/A	1,000,000

2. The parties have no objection to the Board providing Hydro with an immediate order approving Project C-2, Purchase and Install Transformer, in order to enable Hydro to meet its objective of securing delivery of the appropriate equipment in time to place the asset in service as proposed.

Agreed to this            day of June, 2003.

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For Newfoundland and Labrador Hydro

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For the Industrial Customers

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For Newfoundland Power

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Board Hearing Counsel