

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 2005 Capital Budget.

Settlement Report

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 2005 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	Value (\$)	Project Ref
Upgrade TL221	\$ 774	B-30
Provide Remote Control	\$ 127	B-33
Purch/Install 66Kv Breaker Fail Protection	\$ 81	B-36
Upgrade Protection 66Kv Lines	\$ 78	B-37
Interconnect - Rencontre East	\$3,250	B-47
Provide Service Extensions	\$1,728	B-48
Upgrade Distribution Systems	\$1,601	B-50
Insulator Replacements	\$ 971	B-52
Upgrade Distribution Line	\$ 718	B-54
Upgrade Distribution System	\$ 636	B-56
Relocate Substation- Roberts Arm/Triton	\$ 319	B-58
Purchase and Install Reclosers	\$ 125	B-65
Distribution Line Pole Replacements	\$ 168	B-66
Increase Generation - L'anse Au Loup	\$ 392	B-67
Replace Diesel Generating Unit No. 266	\$ 304	B-70
Install Shut-Off Valves - Diesel Plants	\$ 165	B-78
Install Fuel Storage Tanks	\$ 152	B-79
Upgrade Cooling System - Black Tickle	\$ 107	B-82
Install Day Tank and Fuel Meter	\$ 106	B-83
Upgrade Building System North Plant	\$ 99	B-84
Raise Stack Heights	\$ 96	B-88
Purch.& Inst. Digital Metering	\$ 90	B-89
Upgrade Diesel Plant	\$ 85	B-90
Purchase Data Acquisition Software	\$ 70	B-96
Install Intermediate Fuel Storage Tank	\$ 66	B-97
Modify Heating System - Hopedale	\$ 54	B-99
Warehouse Renovations - St. Anthony	\$ 147	B-102
Replace Line Depot Building	\$ 74	B-104
Replace Fence Daniels Harbour	\$ 52	B-106
Construct PCB Storage Building	\$ 52	B-107
Replace Voice and Data Network	\$1,247	B-145
Electronic Metering Reading	\$ 224	B-151

Agreed to this day of October, 2004.

For Newfoundland and Labrador Hydro

For the Industrial Customers

For Newfoundland Power

Board Hearing Counsel