

SECTION F

SECTION F

**NEWFOUNDLAND & LABRADOR HYDRO
2005 CAPITAL EXPENDITURES - OVERVIEW
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)**

| | Expenditures Prior To 2005 | PUB Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures |
|---|----------------------------------|--------------------------------|---------------------------------------|---|---|--|
| GENERATION | 1,714 | 7,769 | 1,129 | 6,803 | 7,932 | 163 |
| TRANSMISSION & RURAL OPERATIONS | 178 | 19,753 | 4,380 | 15,192 | 19,615 | (138) |
| GENERAL PROPERTIES | 2,709 | 16,913 | 2,571 | 8,890 | 11,461 | (5,452) |
| ALLOWANCE FOR UNFORESEEN EVENTS | 0 | 1,000 | 0 | 0 | 1,000 | 0 |
| PROJECTS APPROVED BY PUB | 214 | 2,919 | 657 | 2,262 | 2,919 | 0 |
| NEW PROJECTS LESS THAN \$50,000 APPROVED BY HYDRO | 0 | 132 | 22 | 110 | 132 | 0 |
| TOTAL CAPITAL BUDGET | 4,815 | 48,486 | 8,759 | 33,257 | 43,059 | (5,427) |

| | |
|---|---------|
| Approved P.U. 53 (2004) | 42,431 |
| Approved P.U. 3 (2005)/P.U. 14(2005) | 5,826 |
| Approved P.U. 3 (2005)/P.U. 14(2005) | (5,826) |
| Carryover Projects 2004 to 2005 | 1,778 |
| Approved P.U. 11 (2005) | 3,154 |
| Approved P.U. 14 (2005) | 991 |
| New Projects under \$50,000 Approved by Hydro | 132 |

TOTAL APPROVED CAPITAL BUDGET 48,486

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FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)

| | Expenditures Prior To 2005 | PUB Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures |
|---|----------------------------------|-----------------------------------|---------------------------------------|---|---|--|
| GENERATION | | | | | | |
| HYDRO PLANTS | | | | | | |
| Construction Projects | 207 | 3,204 | 357 | 2,957 | 3,314 | 110 |
| Property Additions | 0 | 0 | 0 | 0 | 0 | 0 |
| Tools & Equipment | 0 | 294 | 73 | 221 | 294 | 0 |
| THERMAL PLANT | | | | | | |
| Construction Projects | 1,499 | 1,854 | 566 | 1,288 | 1,854 | 0 |
| Property Additions | 8 | 2,072 | 75 | 1,997 | 2,072 | 0 |
| Tools & Equipment | 0 | 16 | 19 | 0 | 19 | 3 |
| GAS TURBINES | | | | | | |
| Construction Projects | 0 | 329 | 39 | 340 | 379 | 50 |
| TOTAL GENERATION | 1,714 | 7,769 | 1,129 | 6,803 | 7,932 | 163 |
| TRANSMISSION & RURAL OPERATIONS | | | | | | |
| TRANSMISSION | 0 | 3,590 | 687 | 2,787 | 3,474 | (116) |
| SYSTEM PERFORMANCE & PROTECTION | 0 | 468 | 141 | 382 | 523 | 55 |
| TERMINALS | 0 | 598 | 80 | 518 | 598 | 0 |
| DISTRIBUTION | 0 | 9,559 | 2,942 | 6,574 | 9,559 | 0 |
| GENERATION | 178 | 2,401 | 139 | 2,185 | 2,324 | (77) |
| GENERAL | | | | | | |
| Metering | 0 | 192 | 57 | 135 | 192 | 0 |
| Properties | 0 | 1,023 | 153 | 870 | 1,023 | 0 |
| Tools & Equipment | 0 | 1,922 | 181 | 1,741 | 1,922 | 0 |
| TOTAL TRANSMISSION & RURAL OPERATION: | 178 | 19,753 | 4,380 | 15,192 | 19,615 | (138) |
| GENERAL PROPERTIES | | | | | | |
| INFORMATION SYSTEMS & TELECOMMUNICATIONS | 1,796 | 14,705 | 1,621 | 7,632 | 9,253 | (5,452) |
| ADMINISTRATIVE | 913 | 2,208 | 950 | 1,258 | 2,208 | 0 |
| TOTAL GENERAL PROPERTIES | 2,709 | 16,913 | 2,571 | 8,890 | 11,461 | (5,452) |
| ALLOWANCE FOR UNFORESEEN EVENTS | 0 | 1,000 | 0 | 0 | 1,000 | 0 |
| PROJECTS APPROVED BY PUB | 214 | 2,919 | 657 | 2,262 | 2,919 | 0 |
| PROJECTS APPROVED FOR LESS THAN \$50,000 | 0 | 132 | 22 | 110 | 132 | 0 |
| TOTAL CAPITAL BUDGET | 4,815 | 48,486 | 8,759 | 33,257 | 43,059 | (5,427) |

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**NEWFOUNDLAND & LABRADOR HYDRO
GENERATION
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)**

| PROJECT DESCRIPTION | Expenditures Prior To 2005 | PUB Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures | Variance Explanation Reference |
|---|---|---|---|---|---|--|---|
| HYDRO PLANTS | | | | | | | |
| CONSTRUCTION PROJECTS | | | | | | | |
| Upgrade Slope Stabilization - Upper Salmon Power Canal | 207 | 2,566 | 190 | 2,483 | 2,673 | 107 | |
| Replace Underground Fuel Tanks - Upper Salmon Generating Facility | | 327 | 16 | 311 | 327 | 0 | |
| Upgrade Controls Spherical Valve No. 6 - Bay d'Espoir | | 196 | 148 | 48 | 196 | 0 | |
| Replace Penstock - Snook's Arm Generating Station | | 115 | 3 | 115 | 118 | 3 | |
| TOTAL CONSTRUCTION PROJECTS | 207 | 3,204 | 357 | 2,957 | 3,314 | 110 | |
| PROPERTY ADDITIONS | | | | | | | |
| TOTAL PROPERTY ADDITIONS | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOOLS & EQUIPMENT | | | | | | | |
| Purchase Dry Ice Cleaning System - BDE | | 59 | 0 | 59 | 59 | 0 | |
| Replace Doble F2000 Relay Test Equipment - BDE | | 96 | 0 | 96 | 96 | 0 | |
| Purchase Wedge Tightness Detector - BDE | | 49 | 28 | 21 | 49 | 0 | |
| Purchase & Replace Tools & Equipment Less than \$50,000 | 0 | 90 | 45 | 45 | 90 | 0 | |
| TOTAL TOOLS & EQUIPMENT | 0 | 294 | 73 | 221 | 294 | 0 | |

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**NEWFOUNDLAND & LABRADOR HYDRO
GENERATION
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)**

| PROJECT DESCRIPTION | PUB Expenditures Prior To 2005 | 2005 Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures | Variance Explanation Reference |
|---|---------------------------------------|----------------------------------|-------------------------------------|---|---|--|---------------------------------------|
| THERMAL PLANT | | | | | | | |
| CONSTRUCTION PROJECTS | | | | | | | |
| Upgrade Control System - Holyrood | 1,499 | 1,088 | 562 | 526 | 1,088 | 0 | |
| Purch/Inst Anti-Fouling System for Cooling Water Systems - Holyrood | | 705 | 4 | 701 | 705 | 0 | |
| Purch/Inst Fire Protection System - Microwave Radio Room - Holyrood | | 61 | 0 | 61 | 61 | 0 | |
| TOTAL CONSTRUCTION PROJECTS | 1,499 | 1,854 | 566 | 1,288 | 1,854 | 0 | |
| PROPERTY ADDITIONS | | | | | | | |
| Upgrade Civil Structures | 8 | 2,072 | 75 | 1,997 | 2,072 | 0 | |
| TOTAL PROPERTY ADDITIONS | 8 | 2,072 | 75 | 1,997 | 2,072 | 0 | |
| TOOLS & EQUIPMENT | | | | | | | |
| Purchase & Replace Tools & Equipment Less than \$50,000 | 0 | 16 | 19 | 0 | 19 | 3 | |
| TOTAL TOOLS & EQUIPMENT | 0 | 16 | 19 | 0 | 19 | 3 | |
| TOTAL THERMAL PLANTS | 1,507 | 3,942 | 660 | 3,285 | 3,945 | 3 | |
| GAS TURBINES | | | | | | | |
| CONSTRUCTION PROJECTS | | | | | | | |
| Install Main Fuel Line Valve - Hardwoods | | 91 | 30 | 61 | 91 | 0 | |
| Install Transferred Diesel Generating Set - Stephenville | | 87 | 3 | 84 | 87 | 0 | |
| Replace Battery Bank - Hardwoods | | 58 | 2 | 56 | 58 | 0 | |
| Purchase/Install Reconciliation Flow Meters - Stephenville | | 26 | 0 | 26 | 26 | 0 | |
| Purchase/Install Reconciliation Flow Meters - Hardwoods | | 24 | 1 | 23 | 24 | 0 | |
| Replace Control Module HVAC Unit - Hardwoods | | 24 | 2 | 22 | 24 | 0 | |
| Automate Diesel Backup System - Hardwoods | | 19 | 1 | 68 | 69 | 50 | |
| TOTAL CONSTRUCTION PROJECTS | 0 | 329 | 39 | 340 | 379 | 50 | |
| TOTAL THERMAL PLANTS | 0 | 658 | 20 | 68 | 88 | 53 | |
| TOTAL GENERATION | 1,714 | 8,098 | 1,110 | 6,531 | 7,553 | 166 | |

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NEWFOUNDLAND & LABRADOR HYDRO
TRANSMISSION & RURAL OPERATIONS
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)

| PROJECT DESCRIPTION | PUB Expenditures Prior To 2005 | 2005 Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures | Variance Explanation Reference |
|---|---|---------------------------------|---------------------------------------|---|---|--|--------------------------------------|
| TRANSMISSION | | | | | | | |
| Replace Wood Poles - Transmission | | 2,588 | 615 | 1,973 | 2,588 | 0 | |
| Upgrade TL221 - (69kV Peter's Barren - Hawkes Bay) | | 774 | 0 | 658 | 658 | (116) | 1 |
| Replace Insulators TL243 - (138kV Hinds Lake - Howley) | | 228 | 72 | 156 | 228 | 0 | |
| | | | | | | | |
| TOTAL TRANSMISSION | 0 | 3,590 | 687 | 2,787 | 3,474 | (116) | |
| SYSTEM PERFORMANCE & PROTECTION | | | | | | | |
| Provide Remote Control - Farewell Head Terminal Station | | 127 | 12 | 170 | 182 | 55 | |
| Purch/Install Digital Fault Recorder - Bottom Brook | | 122 | 59 | 63 | 122 | 0 | |
| Purch/Install 66Kv Breaker Fail Protection Addition - Massey Drive TS | | 81 | 15 | 66 | 81 | 0 | |
| Upgrade Protection 66Kv Lines - Peter's Barren , Daniel's Harbour | | 78 | 33 | 45 | 78 | 0 | |
| Upgrade Breaker Controls - BBK/MDR Terminal Station | | 33 | 4 | 29 | 33 | 0 | |
| Purch/Install 66Kv Breaker Protection Upgrade - Bay d'Espoir | | 27 | 18 | 9 | 27 | 0 | |
| | | | | | | | |
| TOTAL SYSTEM PERFORMANCE & PROTECTION | 0 | 468 | 141 | 382 | 523 | 55 | |
| TERMINALS | | | | | | | |
| Install Motor Drive Mechanisms on Disconnect Switches - East Coast | | 183 | 9 | 174 | 183 | 0 | |
| Replace Battery Banks | | 166 | 17 | 149 | 166 | 0 | |
| Replace Instrument Transformers | | 75 | 9 | 66 | 75 | 0 | |
| Replace Surge Arrestors | | 68 | 22 | 46 | 68 | 0 | |
| Purch/Install Conduit and Cable - (Bay d'Espoir TS - Powerhouse) | | 61 | 19 | 42 | 61 | 0 | |
| Construct Yard Extension - Conne River Substation | | 45 | 4 | 41 | 45 | 0 | |
| | | | | | | | |
| TOTAL TERMINALS | 0 | 598 | 80 | 518 | 598 | 0 | |

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**NEWFOUNDLAND & LABRADOR HYDRO
TRANSMISSION & RURAL OPERATIONS
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)**

| PROJECT DESCRIPTION | PUB | 2005 | Expected | Expected | Var. from | Variance Explanation Reference | |
|---|----------------------------------|-------------------------|-------------------------------|-----------------------------------|-------------------------------|--------------------------------------|---|
| | Expenditures Prior To 2005 | Approved Budget 2005 | Expenditures To June 30 | Remaining Expenditures 2005 | Total Expenditures 2005 | | Approved to Expected Expenditures |
| DISTRIBUTION | | | | | | | |
| Interconnect - Rencontre East | | 3,250 | 765 | 2,485 | 3,250 | 0 | |
| Service Extensions | | 1,728 | 673 | 1,055 | 1,728 | 0 | |
| Distribution Upgrades | | 1,601 | 901 | 700 | 1,601 | 0 | |
| Insulator Replacements | | 971 | 199 | 772 | 971 | 0 | |
| Upgrade Distribution Line - Cook's Harbour | | 718 | 245 | 473 | 718 | 0 | |
| Upgrade Distribution Line - L'Anse au Loup L1 & L2 | | 636 | 37 | 599 | 636 | 0 | |
| Relocate Substation- Roberts Arm/Triton | | 319 | 79 | 240 | 319 | 0 | |
| Distribution Line Pole Replacements | | 168 | 40 | 128 | 168 | 0 | |
| Purchase and Install Reclosers - Makkovik & Hopedale | | 125 | 3 | 122 | 125 | 0 | |
| Relocate Regulator Bank - Happy Valley | | 43 | 0 | 43 | 43 | 0 | |
| TOTAL DISTRIBUTION | | 0 | 9,559 | 2,942 | 6,574 | 9,559 | 0 |
| GENERATION | | | | | | | |
| Upgrade Generator Relaying - Happy Valley North Plant | 178 | 29 | 54 | 0 | 54 | 25 | |
| Increase Generation - L'Anse au Loup | | 392 | 10 | 382 | 392 | 0 | |
| Replace Diesel Generating Unit No. 266 - Williams Hr. | | 304 | 10 | 294 | 304 | 0 | |
| Replace Dam - Roddickton Mini Hydro | | 232 | 23 | 107 | 130 | (102) 2 | |
| Installation of Fall Arrest Equipment - Hydro facilities | | 206 | 3 | 203 | 206 | 0 | |
| Install Shut-Off Valves - Diesel Plants | | 165 | 0 | 165 | 165 | 0 | |
| Install Fuel Storage Tanks - Hopedale & Paradise River | | 152 | 6 | 146 | 152 | 0 | |
| Replacement of Circuit Breakers - Hawkes Bay Diesel | | 111 | 6 | 105 | 111 | 0 | |
| Upgrade Cooling System - Black Tickle | | 107 | 1 | 106 | 107 | 0 | |
| Install Day Tank and Fuel Meter - Ramea | | 106 | 17 | 89 | 106 | 0 | |
| Upgrade Building System North Plant - Goose Bay | | 99 | 4 | 95 | 99 | 0 | |
| Raise Stack Heights - St. Brendan's, Black Tickle, Cartwright | | 96 | 0 | 96 | 96 | 0 | |
| Purch. & Inst. Digital Metering - Francoise, McCallum, Grey River, Little Bay Isl | | 90 | 4 | 86 | 90 | 0 | |
| Upgrade Diesel Plant - Black Tickle | | 85 | 0 | 85 | 85 | 0 | |
| Purchase Data Acquisition Software - Diesel Plants | | 70 | 0 | 70 | 70 | 0 | |
| Install Intermediate Fuel Storage Tank - Charlottetown | | 66 | 0 | 66 | 66 | 0 | |
| Modify Heating System - Hopedale | | 54 | 0 | 54 | 54 | 0 | |
| Replace Battery Banks - L'Anse au Loup & Hawkes Bay | | 37 | 1 | 36 | 37 | 0 | |
| TOTAL GENERATION | 178 | 2,401 | 139 | 2,185 | 2,324 | (77) | |

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NEWFOUNDLAND & LABRADOR HYDRO
TRANSMISSION & RURAL OPERATIONS
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)

| PROJECT DESCRIPTION | PUB Expenditures Prior To 2005 | 2005 Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures | Variance Explanation Reference |
|--|---|---------------------------------|---------------------------------------|---|---|--|--------------------------------------|
| GENERAL | | | | | | | |
| METERING | | | | | | | |
| Purchase Meters & Equipment - Rural System | | 159 | 55 | 104 | 159 | 0 | |
| Purchase Metering Spares - Bulk Electrical System | | 33 | 2 | 31 | 33 | 0 | |
| | | | | | | | |
| TOTAL METERING | 0 | 192 | 57 | 135 | 192 | 0 | |
| PROPERTIES | | | | | | | |
| Install Central Air Conditioning - Whitbourne & Stephenville | | 289 | 13 | 276 | 289 | 0 | |
| Warehouse Renovations - St. Anthony | | 147 | 70 | 77 | 147 | 0 | |
| Upgrade Line Depot/Storage Shed - Baie Verte, Sop's Arm & Bay d'Espoir | | 151 | 0 | 151 | 151 | 0 | |
| Replace Line Depot Building - Mary's Harbour | | 74 | 5 | 69 | 74 | 0 | |
| Purchase Global Positioning System | | 57 | 41 | 16 | 57 | 0 | |
| Replace Fence Daniels Harbour Terminal Station | | 52 | 2 | 50 | 52 | 0 | |
| Construct PCB Storage Building - Wabush | | 52 | 3 | 49 | 52 | 0 | |
| Legal Survey of Distribution Line Right-of-Ways | | 50 | 0 | 50 | 50 | 0 | |
| Extend Fence - Quartzite Terminal Station | | 49 | 3 | 46 | 49 | 0 | |
| Provide Security System - Port Saunders Office | | 43 | 13 | 30 | 43 | 0 | |
| Construct Storage Ramp - Stephenville & Whitbourne | | 36 | 3 | 33 | 36 | 0 | |
| Replace Wooden Gantry Crane - Salvage Stores | | 16 | 0 | 16 | 16 | 0 | |
| Construct Lube Oil Storage Ramp - Williams Harbour | | 7 | 0 | 7 | 7 | 0 | |
| | | | | | | | |
| TOTAL PROPERTIES | 0 | 1,023 | 153 | 870 | 1,023 | 0 | |
| TOOLS & EQUIPMENT | | | | | | | |
| Replace Nodwell V7600 & Boom V6067 - Stephenville | | 798 | 0 | 798 | 798 | 0 | |
| Purchase Mobile Oil Reclamation Unit | | 531 | 14 | 517 | 531 | 0 | |
| Replace Doble F2000 Relay Test Equipment - BFL, WBN, STV & BDE | | 266 | 0 | 266 | 266 | 0 | |
| Purchase & Replace Tools & Equipment Less than \$ 50,000 | 0 | 67 | 32 | 35 | 67 | 0 | |
| Replace Light Duty Mobile Equipment Less than \$50,000 | | 260 | 135 | 125 | 260 | 0 | |
| | | | | | | | |
| TOTAL TOOLS & EQUIPMENT | 0 | 1,922 | 181 | 1,741 | 1,922 | 0 | |
| TOTAL GENERAL | 0 | 3,137 | 391 | 2,746 | 3,137 | 0 | |
| TOTAL TRANSMISSION & RURAL OPERATIONS | 178 | 19,753 | 4,380 | 15,192 | 19,615 | (138) | |

SECTION F

**NEWFOUNDLAND & LABRADOR HYDRO
GENERAL PROPERTIES
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)**

| PROJECT DESCRIPTION | Expenditures Prior To 2005 | PUB Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures | Variance Explanation Reference |
|--|----------------------------------|--------------------------------|---------------------------------------|---|---|--|--------------------------------------|
| INFORMATION SYSTEMS & TELECOMMUNICATIONS | | | | | | | |
| SOFTWARE APPLICATIONS | | | | | | | |
| INFRASTRUCTURE REPLACEMENT | | | | | | | |
| Replace Energy Management System - Energy Control Centre | 1796 | 6,836 | 778 | 2,282 | 3,060 | (3,776) | 3 |
| NEW INFRASTRUCTURE | | | | | | | |
| Applications Enhancements | | 311 | 38 | 360 | 398 | 87 | |
| Security Program - Secure Remote Access | | 76 | 0 | 76 | 76 | 0 | |
| Upgrade of Technology | | | | | | | |
| Corporate Application Environment - 2005 | | 274 | 28 | 246 | 274 | 0 | |
| Cost Recovery CF(L)Co | | (52) | (26) | (26) | (52) | 0 | |
| TOTAL SOFTWARE APPLICATIONS | 1,796 | 7,445 | 818 | 2,938 | 3,756 | (3,689) | |
| COMPUTER OPERATIONS | | | | | | | |
| INFRASTRUCTURE REPLACEMENT | | | | | | | |
| iSeries Replacement | | 1,398 | 133 | 1,265 | 1,398 | 0 | |
| Cost Recovery CF(L)Co | | (266) | (133) | (133) | (266) | 0 | |
| End User Infrastructure Evergreen Program - 2005 | | 711 | 387 | 324 | 711 | 0 | |
| NEW INFRASTRUCTURE | | | | | | | |
| Peripheral Infrastructure Replacement - 2005 | | 118 | 67 | 51 | 118 | 0 | |
| Security Strategy Deployment - 2005 | | 99 | 4 | 95 | 99 | 0 | |
| Cost Recovery CF(L)Co | | (19) | (10) | (9) | (19) | 0 | |
| UPGRADE OF TECHNOLOGY | | | | | | | |
| Server & Operating Systems Evergreen Program - 2005 | | 212 | 10 | 202 | 212 | 0 | |
| TOTAL COMPUTER OPERATIONS | 0 | 2,253 | 458 | 1,795 | 2,253 | 0 | |

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**NEWFOUNDLAND & LABRADOR HYDRO
GENERAL PROPERTIES
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)**

| PROJECT DESCRIPTION | PUB Expenditures Prior To 2005 | 2005 Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures | Variance Explanation Reference |
|---------------------|---|---------------------------------|---------------------------------------|---|---|--|--------------------------------------|
|---------------------|---|---------------------------------|---------------------------------------|---|---|--|--------------------------------------|

INFORMATION SYSTEMS & TELECOMMUNICATIONS

NETWORK SERVICES

INFRASTRUCTURE REPLACEMENT

| | | | | | | | |
|--|--|-------|-----|---------|---------|---------|---|
| Replace VHF Mobile Radio System | | 2,915 | 218 | 2,697 | 2,915 | 0 | |
| Cost Recovery - Department of Transportation and Works | | 0 | 0 | (1,796) | (1,796) | (1,796) | 4 |
| Replace Battery System - Multiple Sites - 2005 | | 364 | 15 | 349 | 364 | 0 | |
| Microwave Site Refurbishing - 2005 | | 294 | 13 | 281 | 294 | 0 | |
| Replace Remote Terminal Unit for Hydro - Phase 6 | | 150 | 1 | 182 | 183 | 33 | |
| Replace Air Conditioners - Stoney Brook & Hardwoods | | 55 | 5 | 50 | 55 | 0 | |
| Replace Voice and Data Communications - Berry Hill | | 15 | 2 | 13 | 15 | 0 | |

UPGRADE OF TECHNOLOGY

| | | | | | | | |
|--|--------------|---------------|--------------|--------------|--------------|----------------|--|
| Replacement of Operational Data & Voice Network - Phase II | 0 | 1,166 | 71 | 1,095 | 1166 | 0 | |
| Upgrade Site Grounding - 2005 | | 48 | 20 | 28 | 48 | 0 | |
| TOTAL NETWORK SERVICES | 0 | 5,007 | 345 | 2,899 | 3,244 | (1,763) | |
| TOTAL INFORMATION SYSTEMS & TELECOMMUNICATIONS | 1,796 | 14,705 | 1,621 | 7,632 | 9,253 | (5,452) | |

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**NEWFOUNDLAND & LABRADOR HYDRO
GENERAL PROPERTIES
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)**

| PROJECT DESCRIPTION | PUB Expenditures Prior To 2005 | 2005 Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures | Variance Explanation Reference |
|--|---|---------------------------------|---------------------------------------|---|---|--|--------------------------------------|
| ADMINISTRATIVE | | | | | | | |
| VEHICLES | | | | | | | |
| Replace Vehicles - Hydro System - 2004 | 877 | 505 | 48 | 457 | 505 | 0 | |
| Replace Vehicles - Hydro System - 2005 | | 878 | 649 | 229 | 878 | 0 | |
| ADMINISTRATION | | | | | | | |
| Electronic Metering Reading | 36 | 224 | 0 | 224 | 224 | 0 | |
| Replace Chiller - Hydro Place | | 213 | 201 | 12 | 213 | 0 | |
| Security Assessment of System Operations | | 110 | 0 | 110 | 110 | 0 | |
| Upgrade Standby Diesel Fuel System - Hydro Place | | 91 | 1 | 90 | 91 | 0 | |
| Re-Construct Storage Ramps - Bishop's Falls | | 73 | 0 | 73 | 73 | 0 | |
| Purchase & Replace Admin Office Equip less than \$50,000 | | 114 | 51 | 63 | 114 | 0 | |
| TOTAL ADMINISTRATIVE | 913 | 2,208 | 950 | 1,258 | 2,208 | 0 | |
| TOTAL GENERAL PROPERTIES | 2,709 | 16,913 | 2,571 | 8,890 | 11,461 | (5,452) | |

SECTION F

**NEWFOUNDLAND & LABRADOR HYDRO
OTHER APPROVED FUNDS
2005 CAPITAL EXPENDITURES - DETAIL
FOR THE QUARTER ENDING JUNE 30, 2005
(\$,000)**

| PROJECT DESCRIPTION | PUB Expenditures Prior To 2005 | 2005 Approved Budget 2005 | 2005 Expenditures To June 30 | Expected Remaining Expenditures 2005 | Expected Total Expenditures 2005 | Var. from Approved to Expected Expenditures | Variance Explanation Reference |
|----------------------------|---------------------------------------|----------------------------------|-------------------------------------|---|---|--|---------------------------------------|
|----------------------------|---------------------------------------|----------------------------------|-------------------------------------|---|---|--|---------------------------------------|

ALLOCATION FOR UNFORESEEN EVENTS

| | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|--|
| Allocation for Unforeseen Events | | | 0 | 0 | | 0 | |
| TOTAL ALLOCATION FOR UNFORESEEN EVE | 0 | 0 | 0 | 0 | 0 | 0 | |

PROJECTS APPROVED BY PUB

CARRYOVER

| | | | | | | | |
|---|-----|-----|-----|-----|-----|---|--|
| Replacement of Diesel Unit - Hopedale | | 258 | 4 | 254 | 258 | 0 | |
| Increase Generation - Port Hope Simpson | 132 | 171 | 125 | 46 | 171 | 0 | |
| Relocate Mobile Diesel Unit - Roddickton to St. Anthony | 82 | 13 | 11 | 2 | 13 | 0 | |

NEW

| | | | | | | | |
|---|--|---------|------|---------|---------|---|--|
| Transmission Interconnection - Duck Pond Mine Site Contribution | | 5,826 | 592 | 5,234 | 5,826 | 0 | |
| Cat Arm Road - Rehabilitation | | (5,826) | (81) | (5,745) | (5,826) | 0 | |
| Replace Diesel Engine # 2046, Ramea | | 1,260 | 5 | 1,255 | 1,260 | 0 | |
| Cat Arm Unit 1 Governor Controls Replacement | | 226 | 0 | 226 | 226 | 0 | |
| Cat Arm Unit 1 Governor Controls Replacement | | 378 | 0 | 378 | 378 | 0 | |
| Disconnecting Means to 600 Volt MCC Branch Feeders | | 613 | 1 | 612 | 613 | 0 | |

TOTAL PROJECTS APPROVED BY PUB

| | | | | | | | |
|--|-----|-------|-----|-------|-------|---|--|
| | 214 | 2,919 | 657 | 2,262 | 2,919 | 0 | |
|--|-----|-------|-----|-------|-------|---|--|

| | | | | | | | |
|--|--|----|----|----|----|---|--|
| Ebbegunbaeg Water Level Station | | 42 | 0 | 42 | 42 | 0 | |
| Remote Monitoring System - Granite Canal | | 26 | 0 | 26 | 26 | 0 | |
| Electrical Arc Flash Personal Protection Equipment | | 42 | 0 | 42 | 42 | 0 | |
| Purchase Hydraulic Operated Drill | | 2 | 2 | 0 | 2 | 0 | |
| Replace Broken Poles - TL# 239 | | 10 | 10 | 0 | 10 | 0 | |
| Portland Creek, Application for Water Use License | | 10 | 10 | 0 | 10 | 0 | |

NEW PROJECTS LESS THAN \$50,000 APPROVED BY HYDRO

| | | | | | | | |
|---|----------|------------|-----------|------------|------------|----------|--|
| TOTAL PROJECTS LESS THAN \$50,000 APPROVED B | 0 | 132 | 22 | 110 | 132 | 0 | |
|---|----------|------------|-----------|------------|------------|----------|--|

1. Upgrade TL221 (69 kV Peter's Barren - Hawkes Bay)

The most recent forecast to completion is \$658,000 as compared to \$774,000 in Hydro's 2005 Capital Budget Application. The scope of this project as proposed in the 2005 capital budget was to replace the post insulators on a 27 km section of the line with a new 'RG Glazed' insulator manufactured by NGK Insulators of Japan. NGK have since advised that the new 'RG Glazed' insulator which they had promoted in 2004 was now not available. As an alternative, it was decided to coat the existing insulators with a high voltage insulated coating (HVIC). This coating is specially designed for heavily contaminated environments such as coastal marine and heavy industrial areas. The revised scope of work consists of removing the insulators from the line, coating them in a controlled operation at site and re-installing them. Some new insulators will be purchased to permit the coating program to be completed within the construction schedule allowed. The generation at Hawkes Bay will be used to service the customers during the outages on the line.

2. Replace Dam - Roddickton Mini Hydro

The scope of the project as proposed in the 2005 capital budget was to completely replace the rock filled timber crib dam with a new structure. During the detailed design stage, further investigations of the structure were completed and it was determined that an alternate means could be executed to extend the life of the existing dam, rather than replace it. This revised scope of work involves the addition of an upstream liner and additional upstream face sheathing and on the downstream side, selected timbers will be reinforced. This remedial work is expected to extend the life of the existing structure by approximately 5 -7 years. This is believed to be a more prudent approach than a complete replacement at this time resulting in a forecast cost to completion of \$130,000 as compared to \$232,000 in Hydro's 2005 Capital Budget Application.

3. Replace Energy Management System - Energy Control Centre

The most recent forecast cost to completion is \$10,238,000 as compared to \$12,278,100 in Hydro's 2005 Capital Budget Application. This revision resulted from a higher Canadian dollar exchange rate with the US dollar and a decision to manage some of the work internally rather than to contract to an outside party.

4. Replace VHF Mobile Radio System

This project is proceeding as planned with no change in scope, nature or forecast. Currently Hydro is in the process of tendering the system. The forecast contribution by the Department of Transportation and Works towards the replacement of this system is estimated at \$3,592,000 with 50% to be collected in 2005 and 50% in 2006.