

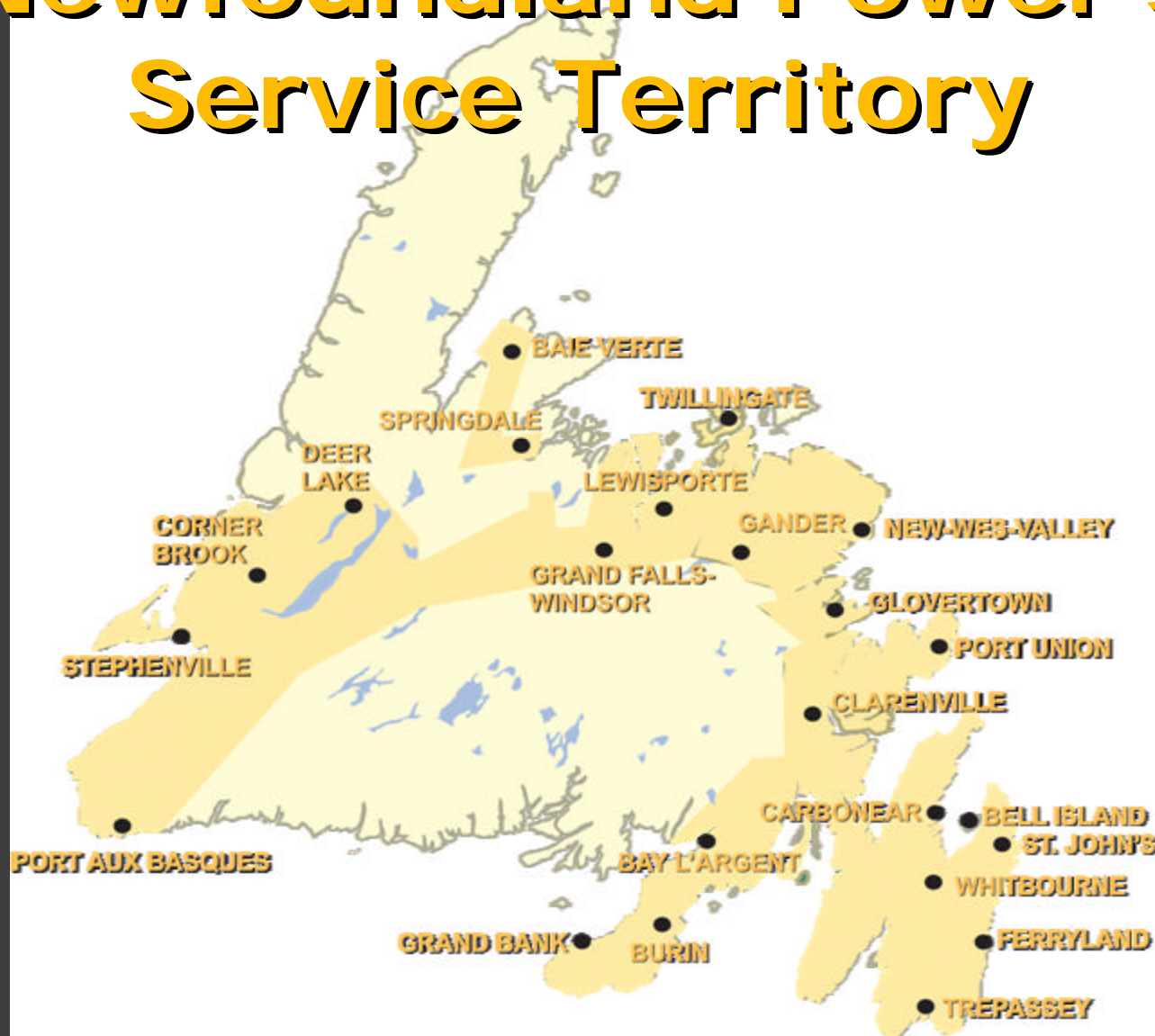
2005 Capital Budget

Newfoundland Power

September 20, 2004



Newfoundland Power's Service Territory



2005 Capital Budget Presentation

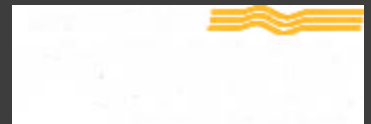
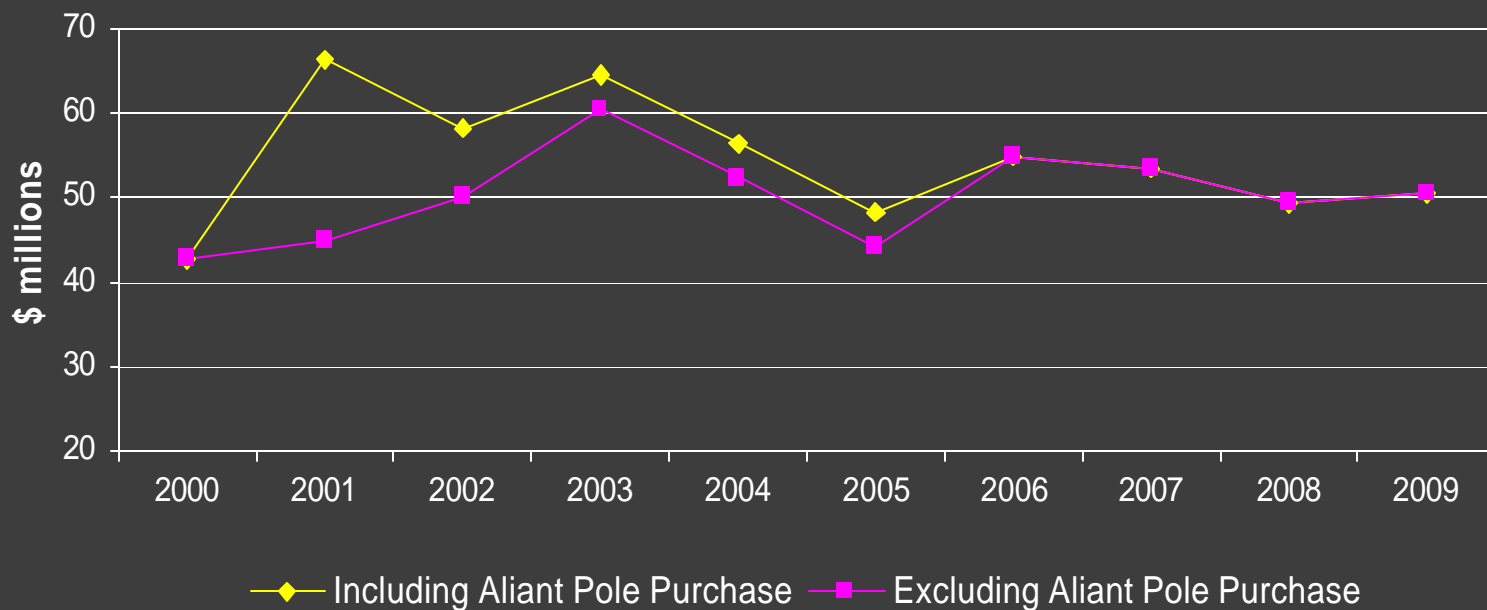
- 2005 – 2009 Capital Plan
- 2005 Capital Budget
- 2004 Capital Expenditure Variances



2005 Capital Plan



Capital Expenditures 2000 - 2009



Capital Expenditures by Origin 2000 - 2009



Plan Risks

- Customer and Energy Growth
- Customer Service System
- Extreme Weather



2005 Capital Budget



Schedule A

Newfoundland Power Inc. 2005 Capital Budget Budget Summary (000s)

Energy Supply	\$ 3,361
Substations	3,037
Transmission	2,597
Distribution	28,635
General Property	1,016
Transportation	2,642
Telecommunications	60
Information Systems	3,243
Unforeseen Items	750
General Expenses Capital	<u>2,800</u>
Total	<u><u>\$48,141</u></u>



Newfoundland Power Inc.
2005 Capital Budget

Energy Supply

	(000s)
Hydro Plants – Facility Rehabilitation	\$ 1,887
Wesleyville Gas Turbine Overhaul	1,124
Rattling Brook – Hydro Plant Refurbishment	350
Total – Energy Supply	<u>\$ 3,361</u>



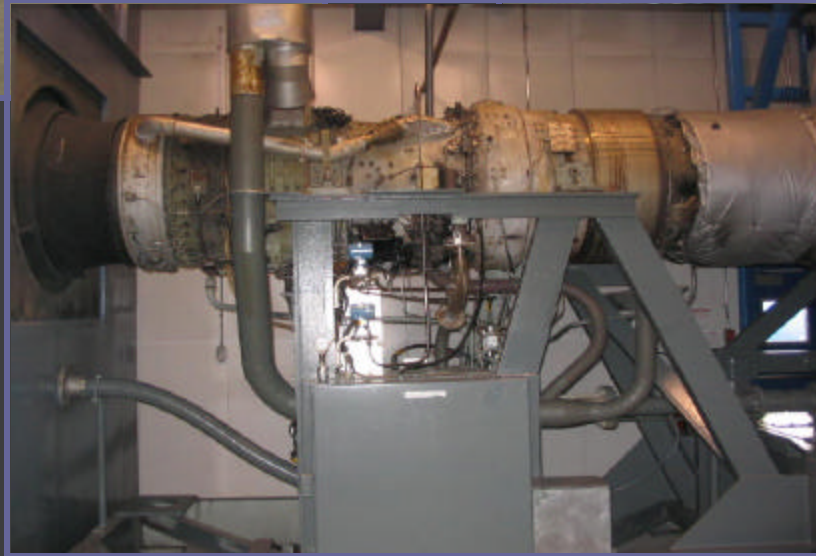
Hydro Plant Facility Rehabilitation



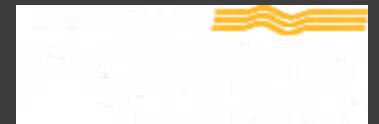
Fenelons
Pond Dam



Wesleyville Gas Turbine Overhaul



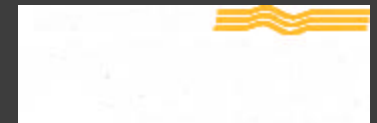
Rattling Brook Hydro Plant Refurbishment



Newfoundland Power Inc.
2005 Capital Budget

Substations

	(000s)
Rebuild Substations	\$ 351
Replacement & Standby Substation Equipment	1,052
Transformer Cooling Refurbishment	174
Protection & Monitoring Improvements	78
Distribution System Feeder Remote Control	1,114
Feeder Additions Due to Load Growth and Reliability	268
Total – Substations	<u>\$3,037</u>



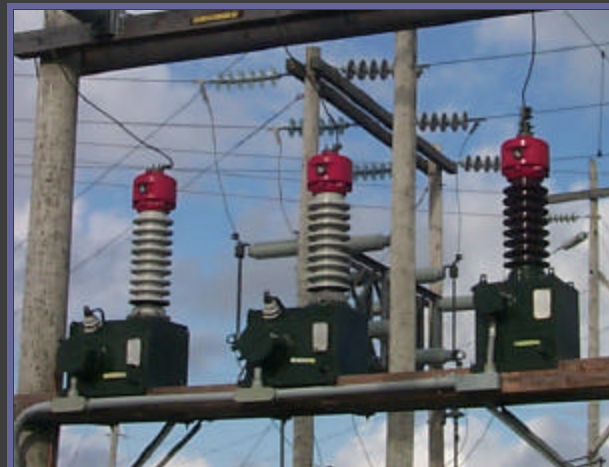
Replacement & Standby Substation Equipment



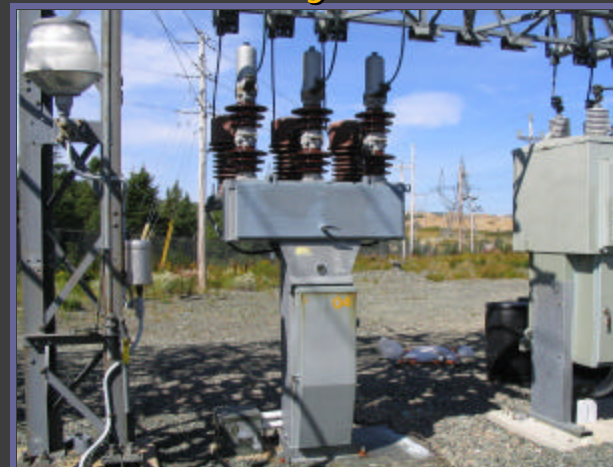
Substation Transformer



Battery Bank



Potential Transformer



Circuit Breaker



Distribution Feeder Remote Control



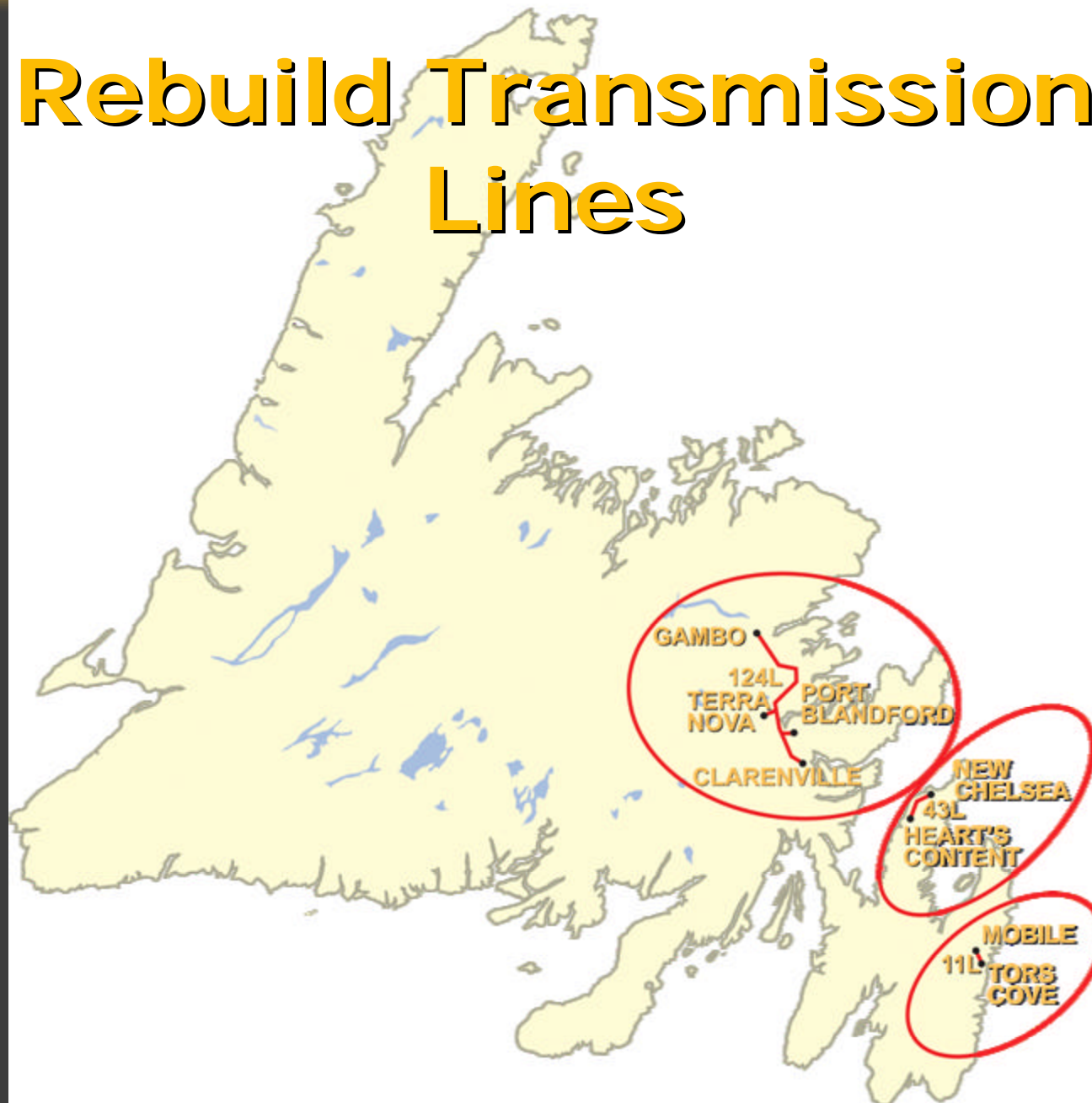
Newfoundland Power Inc.
2005 Capital Budget

Transmission

	(000s)
Rebuild Transmission Lines	\$2,597
Total – Transmission	<u>\$2,597</u>



Rebuild Transmission Lines

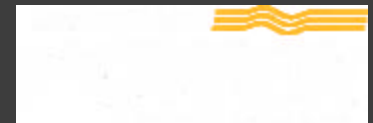


Newfoundland Power Inc.
2005 Capital Budget

Schedule B
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Distribution

	(000s)
Extensions	\$6,374
Meters	965
Services	1,895
Street Lighting	1,254
Transformers	5,189
Reconstruction	2,825
Aliant Pole Purchase	4,044
Trunk Feeders	
Rebuild Distribution Lines	4,210
Relocate/Replace Distribution Lines for Third Parties	734
Distribution Reliability Initiative	872
Feeder Additions and Upgrades to Accommodate Growth	173
Interest During Construction	100
Total – Distribution	<u>\$28,635</u>



Customer Growth

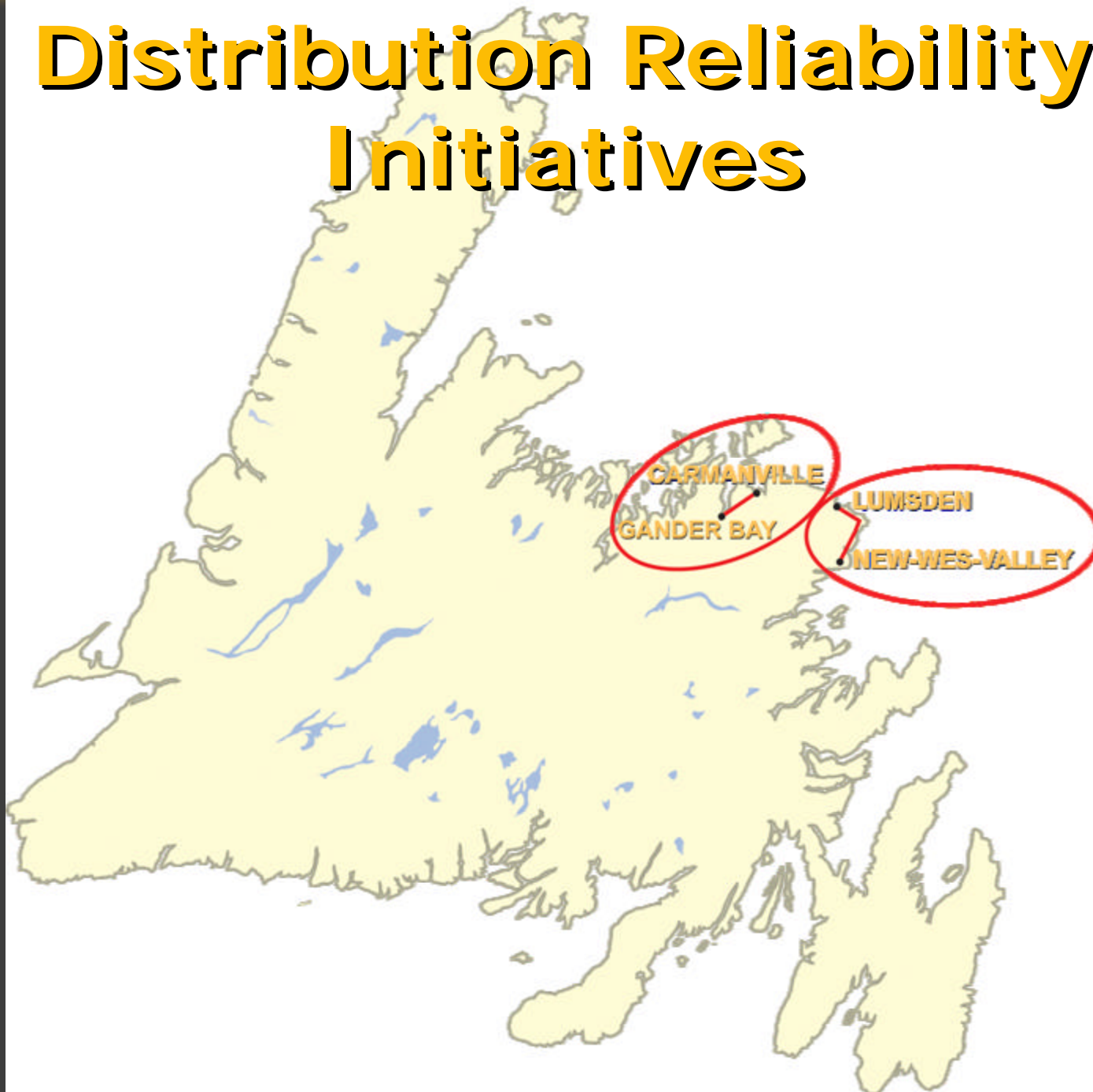


Managing the Distribution Network

Distribution Reliability Initiative	\$ 872,000
Rebuild Distribution Lines	4,210,000
Reconstruction	<u>2,825,000</u>
Total	<u>\$7,907,000</u>



Distribution Reliability Initiatives



Rebuild Distribution Lines



Padmount transformer



Defective cutouts



Deteriorated automatic sleeves



Old transformer



New transformer



Reconstruction



Newfoundland Power Inc.
2005 Capital Budget

General Property

	(000s)
Tools and Equipment	\$ 691
Additions to Real Property	325
Total – General Property	<u>\$1,016</u>



Tools & Equipment



Hot Line
Equipment



Newfoundland Power Inc.
2005 Capital Budget

Transportation

	(000s)
Purchase Vehicles and Aerial Devices	\$2,642
Total – Transportation	<u>\$2,642</u>



Newfoundland Power Inc.
2005 Capital Budget

Telecommunications

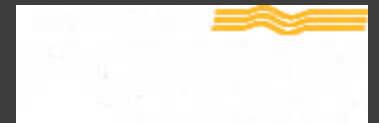
	(000s)
Replace/Upgrade Communications Equipment	\$60
Total – Telecommunications	<u>\$60</u>



**Newfoundland Power Inc.
2005 Capital Budget**

General Expenses Capital

	(000s)
General Expenses Capital	\$2,800
Total – General Expenses Capital	<u>\$2,800</u>



Newfoundland Power Inc.
2005 Capital Budget

Unforeseen Items

	(000s)
Allowance for Unforeseen Items	\$750
Total – Unforeseen Items	<u>\$750</u>



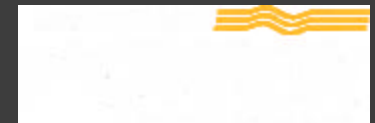
2004 Capital Expenditure Variances



**Newfoundland Power Inc.
2005 Capital Budget**

**2004 Capital Budget Variances
(000s)**

1	2	3	4	5	6
	Approved by Order No. <u>P.U. 35 (2003)</u>	Forecast 2004 <u>Expenditures</u>	Forecast <u>Deferrals</u>	Forecast <u>Total</u>	<u>Variance</u>
Energy Supply	\$ 5,245	\$ 5,513	415	\$ 5,928	683
Substations	5,199	4,482	456	4,938	(261)
Transmission	2,315	2,306	197	2,503	188
Distribution	27,636	29,602	500	30,102	2,466
General Property	709	845	0	845	136
Transportation	3,487	2,887	600	3,487	0
Telecommunications	120	114	0	114	(6)
Information Systems	3,948	3,894	0	3,894	(54)
General Expenses Capital	<u>2,800</u>	<u>2,800</u>	<u>0</u>	<u>2,800</u>	<u>0</u>
Unforeseen	<u>750</u>	<u>750</u>	<u>0</u>	<u>750</u>	<u>0</u>
Total	\$52,209	\$ 53,193	2,168	\$ 55,361	3,152
Projects Carried Forward from 2002 & 2003				\$ 3,790	



2005 Capital Budget

Newfoundland Power

September 20, 2004

