

1 Q. **General**

2 In addition to those mentioned above, there are several other projects in the
 3 proposed 2010 Capital Budget that are indicated to be the first year of a multi-year
 4 program or where future work or installations are planned. Why did NLH not apply
 5 for these projects as multi-year project approvals as allowed by the Capital Budget
 6 Guidelines?

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 9 A. The following is a complete list of 2010 projects that Hydro would like approved as
 10 multi-year projects as indicated by dollars budgeted in the Future Years column.

13				
14	<u>Project Description</u>	<u>2010</u>	<u>Future</u> <u>Years</u> <u>(\$000)</u>	<u>Total</u>
15				
16				
17	Replace Programmable Logic Controllers – Holyrood	1,208	1,649	2,857
18	Replace Pump House Motor Control Centers – Holyrood	50	999	1,049
19	Replace Steam Seal Regulator Unit 1 – Holyrood	335	214	548
20	Replace Diesel Fire Pump – Holyrood	112	195	307
21	Upgrade Gas Turbine Plant Life Extension – Hardwoods	1,305	4,690	5,995
22	Upgrade Glycol Systems – Stephenville	261	299	560
23	Upgrade Trailer and Mobile Substation – Bishop’s Falls	30	468	499
24	Replace Compressed Air Piping and Install Dew Point			
25	Monitoring – Holyrood	79	417	496
26	Upgrade Line TL-244 – Plum Point to Bear Cove	141	1,055	1,197
27	Voltage Conversion – Labrador City	1,089	8,311	9,400
28	Upgrade Line 2 Distribution Feeder – Glenburnie	267	3,289	3,557
29	Upgrade Distribution Lines – Various Sites	218	1,645	1,863

	<u>Project Description</u>	<u>2010</u>	<u>Future Years (\$000)</u>	<u>Total</u>
1	Upgrade Line 2 Voltage Conversion to 25 kV – Gaultois	82	511	593
2	Replace Diesel Unit 2001 and Engine 566 – Francois	168	450	619
3	Replace Diesel Unit 2018 – McCallum	19	421	440
4	Corporate Application Environment – Upgrade			
5	Microsoft Products ¹	526	947	1,473
6				
7	Hydro considers a multi-year project to be specific projects or group of projects that			
8	span across two or more years as illustrated above. Hydro would typically look for			
9	approval in order to complete these projects once they have been initiated. In			
10	addition to multi-year projects, there are several reoccurring projects that are			
11	similar in nature but have some variability in cost and scope from year to year.			
12	Work planning is more accurate in the initial years of a five year plan and Hydro			
13	would not want to be tied to those estimates over an extended timeframe. Seeking			
14	annual approval of reoccurring projects allows Hydro to take advantage of			
15	knowledge gained through the previous years work execution and the flexibility to			
16	adjust next years plan using that knowledge.			

¹ This project does not have dollars budgeted in the Future Years column in Schedules A and B in the original submission of the Capital Budget however a revision has been filed with the Board.