



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

2011 12 19

**CORRESPONDENCE COVER**

| <b>Party</b>  | <b>Address</b>  | <b>E-Mail</b>                                |
|---|---|--|
| <b><u>Newfoundland and Labrador Hydro</u></b><br>Mr. Geoffrey Young<br>Senior Legal Counsel           | P. O. Box 12400<br>St. John's, NL<br>A1B 4K7  | GYoung@nlh.nl.ca                             |
| <b><u>Newfoundland Power Inc.</u></b><br>Mr. Gerard Hayes<br>Senior Counsel                           | 55 Kenmount Road<br>P.O. Box 8910<br>St. John's, NL<br>A1B 3P6  | ghayes@newfoundlandpower.com                 |
| <b><u>Industrial Customers</u></b><br>Mr. Paul Coxworthy<br>Counsel<br><br>Mr. Dean Porter<br>Counsel | Stewart McKelvey Stirling<br>Scales<br>Cabot Place, 100 New Gower<br>Street<br>P.O. Box 5038<br>St. John's, NL<br>A2H 6H7<br><br>Poole Althouse<br>49-51 Park Street<br>P.O. Box 812<br>Corner Brook, NL<br>A2H 6H7 | pcoxworthy@smss.com<br><br>dporter@pa-law.ca |
| <b><u>Consumer Advocate</u></b><br>Mr. Thomas Johnson   | 323 Duckworth Street<br>P.O. Box 5955<br>St. John's, NL<br>A1C 5X4  | tjohnson@odeaearle.nf.ca                     |

**RE: Newfoundland and Labrador Hydro's 2012 Capital Budget Application -  
Revised Schedules**



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

2011 12 19

**Newfoundland Power Inc.**

Mr. Gerard Hayes

**Consumer Advocate**

Mr. Thomas Johnson

**Industrial Customers**

Mr. Paul Coxworthy

Mr. Dean Porter

**RE: Newfoundland and Labrador Hydro's 2012 Capital Budget Application -  
Revised Schedules - Phase I and Phase II**

Dear Sirs:

Please find attached the following information for your information:

- i) Revised Schedules, dated December 19, 2011;
- ii) Letter and attached schedules from Mr. Geoff Young dated November 15, 2011, responding to the Board's letter of November 2<sup>nd</sup>; and
- iii) Letter from the Board dated November 2, 2011 requesting submission of the schedules in a revised formatted template requesting a breakdown of projects by single year and multi-year projects.

We apologise that the correspondence dated November 2<sup>nd</sup> and November 15<sup>th</sup> was inadvertently not copied to your attention.

During the Board's review errors were found in the schedules filed by Hydro on November 15<sup>th</sup> and the Board requested new schedules be filed correcting these errors. The revised schedules were filed earlier today.

We note that the revised schedules, dated December 19<sup>th</sup>, provide a listing of projects by Phases and by single year and multi-year projects. The schedules reflect the information filed in the proceeding.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Maureen P. Greene, Q.C., at 726-6781 or by e-mail: [mgreene@pub.nl.ca](mailto:mgreene@pub.nl.ca).

Yours truly,

A handwritten signature in blue ink, appearing to read 'C. Blundon', with a stylized flourish at the end.

Cheryl Blundon  
Board Secretary

Attachments

c.c. **Newfoundland and Labrador Hydro**  
Mr. Geoff Young - E-mail: [gyoung@nlh.nl.ca](mailto:gyoung@nlh.nl.ca)

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2012 CAPITAL BUDGET**  
**SINGLE YEAR PROJECTS OVER \$50,000**  
**(\$000)**

Phase I  
Schedule A  
Page 1 of 2

| PROJECT DESCRIPTION   | 2012            |
|---|-----------------|
| <i>Generation</i>   |                 |
| <b><u>HYDRAULIC PLANT</u></b>   |                 |
| Upgrade Burnt Dam Spillway - Bay d'Espoir   | 1,702.8         |
| Replace Fuel Tank - Burnt Dam   | 207.5           |
| Replace Rip Rap - Bay d'Espoir  | 199.1           |
| <b>TOTAL GENERATION</b>   | <b>2,109.4</b>  |
| <i>Transmission and Rural Operations</i>  |                 |
| <b><u>TERMINAL STATIONS</u></b>   |                 |
| Upgrade Circuit Breakers - Various Sites  | 1,677.3         |
| Upgrade Power Transformers - Various Sites  | 1,246.3         |
| Replace Instrument Transformers - Various Sites                                     | 452.4           |
| Replace Insulators - Various Sites  | 411.6           |
| Replace Disconnects - Various Sites   | 351.8           |
| Replace Surge Arrestors - Various Sites   | 75.7            |
| Perform Wood Pole Line Management Program - Various Sites                           | 2,519.3         |
| Upgrade Transmission Line Access Trails - Stony Brook to Springdale                 | 313.0           |
| <b><u>DISTRIBUTION</u></b>  |                 |
| Provide Service Extensions - All Service Areas                                      | 4,172.0         |
| Upgrade Distribution Systems - All Service Areas                                    | 2,508.0         |
| Distribution System Additions - Various Sites                                       | 2,172.1         |
| Replace Recloser Control Panels - Various Sites                                     | 202.3           |
| <b><u>GENERATION</u></b>  |                 |
| Increase Generation Capacity - Mary's Harbour                                       | 1,489.4         |
| Replace Fuel Storage Tanks - St. Lewis  | 465.1           |
| Perform Front End Engineering Design for Diesel Plant Remediation<br>-Various Sites | 110.4           |
| <b><u>PROPERTIES</u></b>  |                 |
| Install Fall Protection Equipment - Various Sites                                   | 199.2           |
| Legal Survey of Primary Distribution Line Right of Way - Various Sites              | 197.9           |
| Upgrade Mechanical Workshop - St. Anthony   | 87.0            |
| Install Waste Oil Storage Tank - L'Anse au Loup                                     | 81.5            |
| <b><u>METERING</u></b>  |                 |
| Purchase Meters, Equipment and Metering Tanks - Various Sites                       | 190.4           |
| <b><u>TOOLS AND EQUIPMENT</u></b>   |                 |
| Replace Light Duty Mobile Equipment - Various Sites                                 | 400.6           |
| Replace Excavator - L'Anse au Loup  | 120.0           |
| <b>TOTAL TRANSMISSION AND RURAL OPERATIONS</b>                                      | <b>19,443.3</b> |

NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
PHASE I  
SINGLE YEAR PROJECTS OVER \$50,000  
(\$000)

Phase I  
Schedule A  
Page 2 of 2

| PROJECT DESCRIPTION   | 2012            |
|---|-----------------|
| <i>Capital Budget: General Properties</i>                         |                 |
| <b><u>INFORMATION SYSTEMS</u></b>                                 |                 |
| <b><u>SOFTWARE APPLICATIONS</u></b>                               |                 |
| <b><u>New Infrastructure</u></b>                                  |                 |
| Perform Minor Application Enhancements - Hydro Place              | 123.4           |
| Cost Recoveries   | (41.9)          |
| Implement Work Protection Safety Code Application - Hydro Place   | 115.6           |
| <b><u>Upgrade of Technology</u></b>                               |                 |
| Upgrade Energy Management System - Hydro Place                    | 117.8           |
| Upgrade Microsoft Project - Hydro Place                           | 91.3            |
| Cost Recoveries   | (31.0)          |
| Upgrade Creditron System - Hydro Place                            | 37.5            |
| <b><u>COMPUTER OPERATIONS</u></b>                                 |                 |
| <b><u>Infrastructure Replacement</u></b>                          |                 |
| Replace Personal Computers - Various Sites                        | 490.6           |
| Replace Peripheral Infrastructure - Various Sites                 | 327.5           |
| Upgrade Enterprise Storage Capacity - Hydro Place                 | 306.3           |
| Cost Recoveries   | (104.1)         |
| <b><u>Upgrade of Technology</u></b>                               |                 |
| Upgrade Server Technology Program - Hydro Place                   | 202.6           |
| Cost Recoveries   | (30.9)          |
| Upgrade Computer Room - Hydro Place                               | 122.0           |
| Cost Recoveries   | (41.5)          |
| <b><u>TELECONTROL</u></b>   |                 |
| <b><u>NETWORK SERVICES</u></b>                                    |                 |
| <b><u>Infrastructure Replacement</u></b>                          |                 |
| Replace Radomes - Various Sites                                   | 172.0           |
| Upgrade Communication Services - Paradise River                   | 97.5            |
| Purchase Tools and Equipment Less than \$50,000                   | 85.3            |
| <b><u>Network Infrastructure</u></b>                              |                 |
| Replace Battery Banks and Chargers - Various Sites                | 880.8           |
| Replace Network Communications Equipment - Various Sites          | 521.6           |
| <b><u>Upgrade of Technology</u></b>                               |                 |
| Replace Telephone Systems - Port Saunders and Whitbourne          | 199.3           |
| <b><u>ADMINISTRATION</u></b>                                      |                 |
| Remove Safety Hazards - Various Sites                             | 249.1           |
| Purchase Tools and Equipment Less than \$50,000                   | 131.6           |
| <b>TOTAL GENERAL PROPERTIES</b>                                   | <b>4,022.4</b>  |
| <i>Capital Budget: Major Overhauls and Inspections</i>            |                 |
| <b><u>MAJOR OVERHAULS AND INSPECTIONS</u></b>                     |                 |
| Overhaul Diesel Units - Various Sites                             | 974.1           |
| Overhaul Turbine/Generator Units - Granite Canal and Upper Salmon | 456.6           |
| <b>TOTAL MAJOR OVERHAULS AND INSPECTIONS</b>                      | <b>1,430.7</b>  |
| <b>TOTAL PHASE I SINGLE YEAR PROJECTS OVER \$50,000</b>           | <b>27,005.8</b> |

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2012 CAPITAL BUDGET**  
**PROJECTS OVER \$50,000**  
**MULTI-YEAR PROJECTS**  
**(\$000)**

Phase I  
 Schedule B  
 Page 1 of 2

***Multi-year Projects Commencing in 2012***

| <b>PROJECT DESCRIPTION</b>   | <b>2012</b>     | <b>2013</b>     | <b>2014</b>    | <b>2015</b> | <b>2016</b> | <b>Total</b>    |
|--|-----------------|-----------------|----------------|-------------|-------------|-----------------|
| Rewind Stators Units 1, 3 and 4 - Bay d'Espoir                         | 4,953.8         | 5,054.2         | 3,634.6        |             |             | 13,642.6        |
| Replace Emergency Diesel Generator - Bay d'Espoir                      | 611.4           | 282.7           |                |             |             | 894.1           |
| Install Additional 230kV Transformer - Oxen Pond                       | 3,535.2         | 3,354.1         | 3,650.2        |             |             | 10,539.5        |
| Replace Compressed Air Piping and Install Dew Point Monitor - Buchans  | 28.4            | 278.3           |                |             |             | 306.7           |
| Upgrade Distribution Lines - Bay d'Espoir, Parsons Pond and Plum Point | 1,385.2         | 1,110.5         |                |             |             | 2,495.7         |
| Install Automated Meter Reading - Rocky Harbour and Glenburnie         | 379.6           | 287.7           |                |             |             | 667.3           |
| Replace Off Road Track Vehicles - Flower's Cove and Cow Head           | 482.5           | 395.6           |                |             |             | 878.1           |
| Upgrade JD Edwards - Hydro Place                                       | 284.0           | 587.6           |                |             |             | 871.6           |
| Cost Recoveries  | (96.6)          | (199.8)         |                |             |             | (296.4)         |
| Replace Vehicles and Aerial Devices (2012-2013) - Various Sites        | 1,711.4         | 1,218.8         |                |             |             | 2,930.2         |
| <b>Total phase I Multi-year Projects over \$50,000 commencing 2012</b> | <b>13,274.9</b> | <b>12,369.7</b> | <b>7,284.8</b> | <b>0.0</b>  | <b>0.0</b>  | <b>32,929.4</b> |

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2012 CAPITAL BUDGET**  
**PHASE I**  
**PROJECTS OVER \$50,000**  
**MULTI-YEAR PROJECTS**  
**(\$000)**

Phase I  
Schedule B  
Page 2 of 2

***Multi-year Projects Commencing in 2011***

| <b>PROJECT DESCRIPTION</b>   | <b>Expended<br/>to 2011</b> | <b>2012</b>     | <b>2013</b>    | <b>2014</b>    | <b>2015</b>  | <b>2016</b> | <b>Total</b>    |
|--|-----------------------------|-----------------|----------------|----------------|--------------|-------------|-----------------|
| Replace Static Excitation Systems - Upper Salmon,<br>Holyrood and Hinds Lake | 487.3                       | 2,402.5         | 1,219.3        |                |              |             | 4,109.1         |
| Upgrade Intake Gate Controls - Bay d'Espoir                                  | 352.3                       | 468.0           |                |                |              |             | 820.3           |
| Upgrade Generating Station Service Water System - Cat Arm                    | 360.4                       | 440.0           |                |                |              |             | 800.4           |
| Upgrade Hydrogen System - Holyrood   | 1,191.9                     | 800.4           |                |                |              |             | 1,992.3         |
| Upgrade Synchronous Condenser Unit 3 - Holyrood                              | 483.5                       | 405.5           |                |                |              |             | 889.0           |
| Replace Relay Panels Unit 3 - Holyrood                                       | 277.1                       | 553.6           |                |                |              |             | 830.7           |
| Upgrade Electrical Equipment - Holyrood                                      | 188.0                       | 206.3           |                |                |              |             | 394.3           |
| Replace Steam Seal Regulator Unit 2 - Holyrood                               | 175.0                       | 438.4           | 284.5          |                |              |             | 897.9           |
| Perform Grounding Upgrades - Various Sites                                   | 321.2                       | 324.0           | 329.0          | 337.1          | 345.4        |             | 1,656.7         |
| Upgrade Substation - Wabush  | 459.3                       | 626.4           |                |                |              |             | 1,085.7         |
| Upgrade Station Reliability and Safety - Rocky Harbour                       | 434.8                       | 360.1           |                |                |              |             | 794.9           |
| Replace 69 kV SF6 Breakers - St. Anthony Airport                             | 489.8                       | 290.1           |                |                |              |             | 779.9           |
| Replace Compressed Air System - Bay d'Espoir                                 | 83.9                        | 563.6           |                |                |              |             | 647.5           |
| Replace 230 kV Circuit Breaker - Sunnyside                                   | 41.3                        | 590.1           |                |                |              |             | 631.4           |
| Install Alternate Station Services - Stony Brook and Massey Drive            | 86.0                        | 109.2           |                |                |              |             | 195.2           |
| Replace Guy Wires TL-215 - Doyles to Grand Bay                               | 288.8                       | 318.0           | 350.1          | 530.0          |              |             | 1,486.9         |
| Upgrade Distribution Systems - Francois, Rigolet and Happy Valley            | 73.3                        | 652.4           |                |                |              |             | 725.7           |
| Replace Substation Infrastructure - Burgeo                                   | 127.5                       | 368.3           |                |                |              |             | 495.8           |
| Perform Arc Flash Remediation - Various Sites                                | 429.5                       | 380.3           | 391.0          | 401.8          | 413.1        |             | 2,015.7         |
| Replace Mini Hydro Turbine - Roddickton                                      | 86.8                        | 235.4           |                |                |              |             | 322.2           |
| Install Automated Meter Reading - Labrador City                              | 292.2                       | 58.3            |                |                |              |             | 350.5           |
| Replace Off-Road Track Vehicles - Bishop's Falls and Fogo                    | 494.3                       | 609.4           |                |                |              |             | 1,103.7         |
| Replace MDR 6000 Microwave Radio (West) - Various Sites                      | 72.0                        | 683.3           |                |                |              |             | 755.3           |
| Replace Vehicles and Aerial Devices (2011-2012) - Various Sites              | 2,350.5                     | 638.9           |                |                |              |             | 2,989.4         |
| <b>Total phase I Multi-year Projects over \$50,000 commencing 2011</b>       | <b>9,646.7</b>              | <b>12,522.5</b> | <b>2,573.9</b> | <b>1,268.9</b> | <b>758.5</b> | <b>0.0</b>  | <b>26,770.5</b> |

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2012 CAPITAL BUDGET**  
**(\$000)**

Phase I  
Schedule C  
Page 1 of 1

|  | <u><b>2012</b></u>            |
|--|-------------------------------|
| <b>GENERATION</b>  | 2,109.4                       |
| <b>TRANSMISSION AND RURAL OPERATIONS</b>                                 | 19,443.3                      |
| <b>GENERAL PROPERTIES</b>  | 4,022.4                       |
| <b>MAJOR OVERHAULS AND INSPECTIONS</b>                                   | 1,430.7                       |
| <b>CONTINGENCY FUND</b>  | 1,000.0                       |
| <b>TOTAL PROJECTS UNDER \$50,000</b>                                     | 743.9                         |
| <b>MULTI-YEAR (2012 Expenditures):</b>                                   |                               |
| <b>Multi-year Projects Commencing in 2012 (Schedule B)</b>               | 13,274.9                      |
| <b>Multi-year Projects Commencing in 2011 (Schedule B)</b>               | 12,522.5                      |
| <b>Multi-year Projects Commencing Prior to 2011:</b>                     |                               |
| Replace Programmable Logic Controllers - Holyrood                        | 748.0                         |
| Upgrade Gas Turbine Plant Life Extension - Hardwoods (As per PUB-NLH-34) | 4,280.4                       |
| Upgrade Terminal Stations to 25 kV - Labrador City (As per PUB-NLH-36)   | 3,750.0                       |
| Voltage Conversion - Labrador City                                       | 3,840.7                       |
| Upgrade L2 Distribution Feeder - Glenburnie                              | 2,114.6                       |
| Corporate Application Environment - Upgrade Microsoft Products           | 678.1                         |
| Cost Recoveries  | (203.4)                       |
| <b>TOTAL CAPITAL BUDGET PHASE I</b>                                      | <u><u><b>69,755.5</b></u></u> |



**NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
SINGLE YEAR PROJECTS OVER \$50,000  
(\$000)**

| PROJECT DESCRIPTION  | <u>2012</u>            |
|--|------------------------|
| <i>Generation</i>  |                        |
| <b><u>THERMAL PLANT</u></b>                                |                        |
| Upgrade Marine Terminal - Holyrood                         | 5,859.6                |
| Refurbish Fuel Storage Facility - Holyrood <sup>1</sup>    | 2,641.2                |
| Upgrade Stack Breaching Unit 1 - Holyrood <sup>1</sup>     | 1,522.3                |
| Upgrade Stack Breaching Unit 2 - Holyrood                  | 1,505.1                |
| Upgrade Forced Draft Fan Ductwork Unit 2 - Holyrood        | 928.6                  |
| Replace Beta Attenuation Monitoring Analyzers - Holyrood   | 160.9                  |
| <b>TOTAL GENERATION</b>                                    | <u><u>12,617.7</u></u> |
| <i>Major Overhauls and Inspections</i>                     |                        |
| <b><u>MAJOR OVERHAULS AND INSPECTIONS</u></b>              |                        |
| Overhaul Unit 1 Turbine - Holyrood                         | 4,193.1                |
| Condition Assessment and Life Extension Phase 2 - Holyrood | 1,215.7                |
| <b>TOTAL MAJOR OVERHAULS AND INSPECTIONS</b>               | <u><u>5,408.8</u></u>  |
| <b>TOTAL PHASE II SINGLE YEAR PROJECTS OVER \$50,000</b>   | <u><u>18,026.5</u></u> |

1

As per Board Order P.U. 20(2011) where the P.U. Board decided that capital budget proposals for the refurbishment of Tank 3 at the fuel oil storage facility and the remaining work for the Unit 1 stack breaching should be considered in the Phase II review of Hydro's 2012 Capital Budget Application.

NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
PROJECTS OVER \$50,000  
MULTI-YEAR PROJECTS  
(\$000)

*Multi-year Projects Commencing in 2012*

| PROJECT DESCRIPTION   | 2012           | 2013           | 2014           | 2015           | 2016       | Total           |
|---|----------------|----------------|----------------|----------------|------------|-----------------|
| Rewind Generator Units 1 and 2 - Holyrood                               | 112.2          | 1,107.6        | 4,885.7        | 5,795.7        |            | 11,901.2        |
| Replace Fuel Oil Heat Tracing - Holyrood                                | 1,474.3        | 1,413.9        |                |                |            | 2,888.2         |
| Install Plant Operator Training Simulator - Holyrood                    | 1,028.2        | 1,072.7        |                |                |            | 2,100.9         |
| <b>TOTAL PHASE II MULTI YEAR PROJECTS OVER \$50,000 COMMENCING 2012</b> | <b>2,614.7</b> | <b>3,594.2</b> | <b>4,885.7</b> | <b>5,795.7</b> | <b>0.0</b> | <b>16,890.3</b> |

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2012 CAPITAL BUDGET**  
**(\$000)**

Phase II  
Schedule C  
Page 1 of 1

|  | <u><b>2012</b></u>            |
|--|-------------------------------|
| <b>GENERATION</b>  | 12,617.7                      |
| <b>MAJOR OVERHAULS AND INSPECTIONS</b>                     | 5,408.8                       |
| <b>MULTI-YEAR (2012 Expenditures):</b>                     |                               |
| <b>Multi-year Projects Commencing in 2012 (Schedule B)</b> | 2,614.7                       |
| <b>TOTAL CAPITAL BUDGET PHASE II</b>                       | <u><u><b>20,641.2</b></u></u> |

NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
PROJECTS OVER \$50,000  
MULTI-YEAR PROJECTS  
(\$000)

*Multi-year Projects Commencing in 2012*

| PROJECT DESCRIPTION  | 2012                  | 2013                   | 2014                   | 2015                   | 2016                   | Total                   |
|--|-----------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Upgrade Transmission Line Corridor - Bay d'Espoir to Western Avalon      | 2,631.9               | 30,195.4               | 46,525.0               | 63,198.9               | 66,825.1               | 209,376.3               |
| <b>TOTAL PHASE III MULTI YEAR PROJECTS OVER \$50,000 COMMENCING 2012</b> | <b><u>2,631.9</u></b> | <b><u>30,195.4</u></b> | <b><u>46,525.0</u></b> | <b><u>63,198.9</u></b> | <b><u>66,825.1</u></b> | <b><u>209,376.3</u></b> |

November 15, 2011

Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
St. John's, NL  
A1A 5B2

**ATTENTION: Ms. Cheryl Blundon**  
**Director of Corporate Services & Board Secretary**

Dear Ms. Blundon:

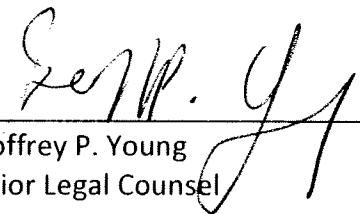
**Re: Newfoundland and Labrador Hydro – 2012 Capital Budget Application**  
**Schedules attached to the Capital Budget Board Orders**

Further to the Board's letter of November 2, 2011, please find enclosed ten copies of the completed schedules using the templates and specific guidelines as requested, for the purpose of issuance of capital budget Board Orders.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

  
\_\_\_\_\_  
Geoffrey P. Young  
Senior Legal Counsel

GPY/jc

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2012 CAPITAL BUDGET**  
**SINGLE YEAR PROJECTS OVER \$50,000**  
**(\$000)**

Phase I  
Schedule A  
Page 1 of 2

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| <b>TOTAL GENERATION</b>   | <b>2,109.4</b>  |
| <i>Transmission and Rural Operations</i>  |                 |
| <b><u>TERMINAL STATIONS</u></b>   |                 |
| Upgrade Circuit Breakers - Various Sites  | 1,677.3         |
| Upgrade Power Transformers - Various Sites  | 1,246.3         |
| Replace Instrument Transformers - Various Sites                                   | 452.4           |
| Replace Insulators - Various Sites  | 411.6           |
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| Replace Surge Arrestors - Various Sites   | 75.7            |
| Perform Wood Pole Line Management Program - Various Sites                         | 2,519.3         |
| Upgrade Transmission Line Access Trails - Stony Brook to Springdale               | 313.0           |
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| Provide Service Extensions - All Service Areas                                    | 4,172.0         |
| Upgrade Distribution Systems - All Service Areas                                  | 2,508.0         |
| Distribution System Additions - Various Sites                                     | 2,172.1         |
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| Legal Survey of Primary Distribution Line Right of Way - Various Sites            | 197.9           |
| Upgrade Mechanical Workshop - St. Anthony   | 87.0            |
| Install Waste Oil Storage Tank - L'Anse au Loup                                   | 81.5            |
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| Purchase Meters, Equipment and Metering Tanks - Various Sites                     | 190.4           |
| <b><u>TOOLS AND EQUIPMENT</u></b>   |                 |
| Replace Light Duty Mobile Equipment - Various Sites                               | 400.6           |
| Replace Excavator - L'Anse au Loup  | 120.0           |
| <b>TOTAL TRANSMISSION AND RURAL OPERATIONS</b>                                    | <b>19,443.3</b> |

NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
PHASE I  
SINGLE YEAR PROJECTS OVER \$50,000  
(\$000)

Phase I  
Schedule A  
Page 2 of 2

| PROJECT DESCRIPTION   | 2012            |
|---|-----------------|
| <i>Capital Budget: General Properties</i>                         |                 |
| <b><u>INFORMATION SYSTEMS</u></b>                                 |                 |
| <b><u>SOFTWARE APPLICATIONS</u></b>                               |                 |
| <b><u>New Infrastructure</u></b>                                  |                 |
| Perform Minor Application Enhancements - Hydro Place              | 123.4           |
| Cost Recoveries   | (41.9)          |
| Implement Work Protection Safety Code Application - Hydro Place   | 115.6           |
| <b><u>Upgrade of Technology</u></b>                               |                 |
| Upgrade Energy Management System - Hydro Place                    | 117.8           |
| Upgrade Microsoft Project - Hydro Place                           | 91.3            |
| Cost Recoveries   | (31.0)          |
| Upgrade Creditron System - Hydro Place                            | 37.5            |
| <b><u>COMPUTER OPERATIONS</u></b>                                 |                 |
| <b><u>Infrastructure Replacement</u></b>                          |                 |
| Replace Personal Computers - Various Sites                        | 490.6           |
| Replace Peripheral Infrastructure - Various Sites                 | 327.5           |
| Upgrade Enterprise Storage Capacity - Hydro Place                 | 306.3           |
| Cost Recoveries   | (104.1)         |
| <b><u>Upgrade of Technology</u></b>                               |                 |
| Upgrade Server Technology Program - Hydro Place                   | 202.6           |
| Cost Recoveries   | (30.9)          |
| Upgrade Computer Room - Hydro Place                               | 122.0           |
| Cost Recoveries   | (41.5)          |
| <b><u>TELECONTROL</u></b>   |                 |
| <b><u>NETWORK SERVICES</u></b>                                    |                 |
| <b><u>Infrastructure Replacement</u></b>                          |                 |
| Replace Radomes - Various Sites                                   | 172.0           |
| Upgrade Communication Services - Paradise River                   | 97.5            |
| Purchase Tools and Equipment Less than \$50,000                   | 85.3            |
| <b><u>Network Infrastructure</u></b>                              |                 |
| Replace Battery Banks and Chargers - Various Sites                | 880.8           |
| Replace Network Communications Equipment - Various Sites          | 521.6           |
| <b><u>Upgrade of Technology</u></b>                               |                 |
| Replace Telephone Systems - Port Saunders and Whitbourne          | 199.3           |
| <b><u>ADMINISTRATION</u></b>                                      |                 |
| Remove Safety Hazards - Various Sites                             | 249.1           |
| Purchase Tools and Equipment Less than \$50,000                   | 131.6           |
| <b>TOTAL GENERAL PROPERTIES</b>                                   | <b>4,022.4</b>  |
| <i>Capital Budget: Major Overhauls and Inspections</i>            |                 |
| <b><u>MAJOR OVERHAULS AND INSPECTIONS</u></b>                     |                 |
| Overhaul Diesel Units - Various Sites                             | 974.1           |
| Overhaul Turbine/Generator Units - Granite Canal and Upper Salmon | 456.6           |
| <b>TOTAL MAJOR OVERHAULS AND INSPECTIONS</b>                      | <b>1,430.7</b>  |
| <b>TOTAL PHASE I SINGLE YEAR PROJECTS OVER \$50,000</b>           | <b>27,005.8</b> |

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2012 CAPITAL BUDGET**  
**PROJECTS OVER \$50,000**  
**MULTI-YEAR PROJECTS**  
**(\$000)**

Phase I  
 Schedule B  
 Page 1 of 2

***Multi-year Projects Commencing in 2012***

| <b>PROJECT DESCRIPTION</b>   | <b>2012</b>     | <b>2013</b>     | <b>2014</b>    | <b>2015</b> | <b>2016</b> | <b>Total</b>    |
|--|-----------------|-----------------|----------------|-------------|-------------|-----------------|
| Rewind Stators Units 1, 3 and 4 - Bay d'Espoir                         | 4,953.8         | 5,054.2         | 3,634.6        |             |             | 13,642.6        |
| Replace Emergency Diesel Generator - Bay d'Espoir                      | 611.4           | 282.7           |                |             |             | 894.1           |
| Install Additional 230kV Transformer - Oxen Pond                       | 3,535.2         | 3,354.1         | 3,650.2        |             |             | 10,539.5        |
| Replace Compressed Air Piping and Install Dew Point Monitor - Buchans  | 28.4            | 278.3           |                |             |             | 306.7           |
| Upgrade Distribution Lines - Bay d'Espoir, Parsons Pond and Plum Point | 1,385.2         | 1,110.5         |                |             |             | 2,495.7         |
| Install Automated Meter Reading - Rocky Harbour and Glenburnie         | 379.6           | 287.7           |                |             |             | 667.3           |
| Replace Off Road Track Vehicles - Flower's Cove and Cow Head           | 482.5           | 395.6           |                |             |             | 878.1           |
| Upgrade JD Edwards - Hydro Place                                       | 284.0           | 587.6           |                |             |             | 871.6           |
| Cost Recoveries  | (96.6)          | (199.8)         |                |             |             | (296.4)         |
| Replace Vehicles and Aerial Devices (2012-2013) - Various Sites        | 1,711.4         | 1,218.8         |                |             |             | 2,930.2         |
| <b>Total phase I Multi-year Projects over \$50,000 commencing 2012</b> | <b>13,274.9</b> | <b>12,369.7</b> | <b>7,284.8</b> | <b>0.0</b>  | <b>0.0</b>  | <b>32,929.4</b> |



**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2012 CAPITAL BUDGET**  
**PHASE I**  
**PROJECTS OVER \$50,000**  
**MULTI-YEAR PROJECTS**  
**(\$000)**

Phase I  
Schedule B  
Page 2 of 2

***Multi-year Projects Commencing in 2011***

| <b>PROJECT DESCRIPTION</b>   | <b>Expended<br/>to 2011</b> | <b>2012</b>     | <b>2013</b>    | <b>2014</b>    | <b>2015</b>  | <b>2016</b> | <b>Total</b>    |
|--|-----------------------------|-----------------|----------------|----------------|--------------|-------------|-----------------|
| Replace Static Excitation Systems - Upper Salmon,<br>Holyrood and Hinds Lake | 487.3                       | 2,402.5         | 1,219.3        |                |              |             | 4,109.1         |
| Upgrade Intake Gate Controls - Bay d'Espoir                                  | 352.3                       | 468.0           |                |                |              |             | 820.3           |
| Upgrade Generating Station Service Water System - Cat Arm                    | 360.4                       | 440.0           |                |                |              |             | 800.4           |
| Upgrade Hydrogen System - Holyrood   | 1,191.9                     | 800.4           |                |                |              |             | 1,992.3         |
| Upgrade Synchronous Condenser Unit 3 - Holyrood                              | 483.5                       | 405.5           |                |                |              |             | 889.0           |
| Replace Relay Panels Unit 3 - Holyrood                                       | 277.1                       | 553.6           |                |                |              |             | 830.7           |
| Upgrade Electrical Equipment - Holyrood                                      | 188.0                       | 206.3           |                |                |              |             | 394.3           |
| Replace Steam Seal Regulator Unit 2 - Holyrood                               | 175.0                       | 438.4           | 284.5          |                |              |             | 897.9           |
| Perform Grounding Upgrades - Various Sites                                   | 321.2                       | 324.0           | 329.0          | 337.1          | 345.4        |             | 1,656.7         |
| Upgrade Substation - Wabush  | 459.3                       | 626.4           |                |                |              |             | 1,085.7         |
| Upgrade Station Reliability and Safety - Rocky Harbour                       | 434.8                       | 360.1           |                |                |              |             | 794.9           |
| Replace 69 kV SF6 Breakers - St. Anthony Airport                             | 489.8                       | 290.1           |                |                |              |             | 779.9           |
| Replace Compressed Air System - Bay d'Espoir                                 | 83.9                        | 563.6           |                |                |              |             | 647.5           |
| Replace 230 kV Circuit Breaker - Sunnyside                                   | 41.3                        | 590.1           |                |                |              |             | 631.4           |
| Install Alternate Station Services - Stony Brook and Massey Drive            | 86.0                        | 109.2           |                |                |              |             | 195.2           |
| Replace Guy Wires TL-215 - Doyles to Grand Bay                               | 288.8                       | 318.0           | 350.1          | 530.0          |              |             | 1,486.9         |
| Upgrade Distribution Systems - Francois, Rigolet and Happy Valley            | 73.3                        | 652.4           |                |                |              |             | 725.7           |
| Replace Substation Infrastructure - Burgeo                                   | 127.5                       | 368.3           |                |                |              |             | 495.8           |
| Perform Arc Flash Remediation - Various Sites                                | 429.5                       | 380.3           | 391.0          | 401.8          | 413.1        |             | 2,015.7         |
| Replace Mini Hydro Turbine - Roddickton                                      | 86.8                        | 235.4           |                |                |              |             | 322.2           |
| Install Automated Meter Reading - Labrador City                              | 292.2                       | 58.3            |                |                |              |             | 350.5           |
| Replace Off-Road Track Vehicles - Bishop's Falls and Fogo                    | 494.3                       | 609.4           |                |                |              |             | 1,103.7         |
| Replace MDR 6000 Microwave Radio (West) - Various Sites                      | 72.0                        | 683.3           |                |                |              |             | 755.3           |
| Replace Vehicles and Aerial Devices (2011-2012) - Various Sites              | 2,350.5                     | 638.9           |                |                |              |             | 2,989.4         |
| <b>Total phase I Multi-year Projects over \$50,000 commencing 2011</b>       | <b>9,646.7</b>              | <b>12,522.5</b> | <b>2,573.9</b> | <b>1,268.9</b> | <b>758.5</b> | <b>0.0</b>  | <b>26,770.5</b> |

**NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
(\$000)**

Phase I  
Schedule C  
Page 1 of 1

|  | <u><b>2012</b></u>            |
|--|-------------------------------|
| <b>GENERATION</b>  | 2,109.4                       |
| <b>TRANSMISSION AND RURAL OPERATIONS</b>                       | 19,443.3                      |
| <b>GENERAL PROPERTIES</b>                                      | 4,022.4                       |
| <b>MAJOR OVERHAULS AND INSPECTIONS</b>                         | 1,430.7                       |
| <b>CONTINGENCY FUND</b>  | 1,000.0                       |
| <b>TOTAL PROJECTS UNDER \$50,000</b>                           | 743.9                         |
| <b>MULTI-YEAR (2012 Expenditures):</b>                         |                               |
| <b>Multi-year Projects Commencing in 2012 (Schedule B)</b>     | 13,274.9                      |
| <b>Multi-year Projects Commencing in 2011 (Schedule B)</b>     | 12,522.5                      |
| <b>Multi-year Projects Commencing Prior to 2011:</b>           |                               |
| Replace Programmable Logic Controllers - Holyrood              | 748.0                         |
| Upgrade Gas Turbine Plant Life Extension - Hardwoods           | 3,366.6                       |
| Upgrade Terminal Stations to 25 kV - Labrador City             | 3,750.0                       |
| Voltage Conversion - Labrador City                             | 3,840.7                       |
| Upgrade L2 Distribution Feeder - Glenburnie                    | 2,114.6                       |
| Corporate Application Environment - Upgrade Microsoft Products | 678.1                         |
| Cost Recoveries  | (203.4)                       |
| <b>TOTAL CAPITAL BUDGET PHASE I</b>                            | <u><u><b>68,841.7</b></u></u> |

**NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
SINGLE YEAR PROJECTS OVER \$50,000  
(\$000)**

| PROJECT DESCRIPTION  | <u>2012</u>            |
|--|------------------------|
| <i>Generation</i>  |                        |
| <b><u>THERMAL PLANT</u></b>                                |                        |
| Upgrade Marine Terminal - Holyrood                         | 5,859.6                |
| Refurbish Fuel Storage Facility - Holyrood <sup>1</sup>    | 2,641.2                |
| Upgrade Stack Breaching Unit 1 - Holyrood <sup>1</sup>     | 1,522.3                |
| Upgrade Stack Breaching Unit 2 - Holyrood                  | 1,505.1                |
| Upgrade Forced Draft Fan Ductwork Unit 2 - Holyrood        | 928.6                  |
| Replace Beta Attenuation Monitoring Analyzers - Holyrood   | 160.9                  |
| <b>TOTAL GENERATION</b>                                    | <u><u>12,617.7</u></u> |
| <i>Major Overhauls and Inspections</i>                     |                        |
| <b><u>MAJOR OVERHAULS AND INSPECTIONS</u></b>              |                        |
| Overhaul Unit 1 Turbine - Holyrood                         | 4,193.1                |
| Condition Assessment and Life Extension Phase 2 - Holyrood | 1,215.7                |
| <b>TOTAL MAJOR OVERHAULS AND INSPECTIONS</b>               | <u><u>5,408.8</u></u>  |
| <b>TOTAL PHASE II SINGLE YEAR PROJECTS OVER \$50,000</b>   | <u><u>18,026.5</u></u> |

1

As per Board Order P.U. 20(2011) where the P.U. Board decided that capital budget proposals for the refurbishment of Tank 3 at the fuel oil storage facility and the remaining work for the Unit 1 stack breaching should be considered in the Phase II review of Hydro's 2012 Capital Budget Application.

NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
PROJECTS OVER \$50,000  
MULTI-YEAR PROJECTS  
(\$000)

*Multi-year Projects Commencing in 2012*

| PROJECT DESCRIPTION   | 2012           | 2013           | 2014           | 2015           | 2016       | Total           |
|---|----------------|----------------|----------------|----------------|------------|-----------------|
| Rewind Generator Units 1 and 2 - Holyrood                               | 112.2          | 1,107.6        | 4,885.7        | 5,795.7        |            | 11,901.2        |
| Replace Fuel Oil Heat Tracing - Holyrood                                | 1,474.3        | 1,413.9        |                |                |            | 2,888.2         |
| Install Plant Operator Training Simulator - Holyrood                    | 1,028.2        | 1,072.7        |                |                |            | 2,100.9         |
| <b>TOTAL PHASE II MULTI YEAR PROJECTS OVER \$50,000 COMMENCING 2012</b> | <b>2,614.7</b> | <b>3,594.2</b> | <b>4,885.7</b> | <b>5,795.7</b> | <b>0.0</b> | <b>16,890.3</b> |

NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
(\$000)

Phase II  
Schedule C  
Page 1 of 1

|   | <u>2012</u>            |
|---|------------------------|
| GENERATION  | 12,617.7               |
| MAJOR OVERHAULS AND INSPECTIONS                     | 5,408.8                |
| MULTI-YEAR (2012 Expenditures):                     |                        |
| Multi-year Projects Commencing in 2012 (Schedule B) | 2,614.7                |
| TOTAL CAPITAL BUDGET PHASE II                       | <u><u>20,641.2</u></u> |

NEWFOUNDLAND AND LABRADOR HYDRO  
2012 CAPITAL BUDGET  
PROJECTS OVER \$50,000  
MULTI-YEAR PROJECTS  
(\$000)

*Multi-year Projects Commencing in 2012*

| PROJECT DESCRIPTION  | 2012           | 2013            | 2014            | 2015            | 2016            | Total            |
|--|----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Upgrade Transmission Line Corridor - Bay d'Espoir to Western Avalon      | 2,631.9        | 30,195.4        | 46,525.0        | 63,198.9        | 66,825.1        | 209,376.3        |
| <b>TOTAL PHASE III MULTI YEAR PROJECTS OVER \$50,000 COMMENCING 2012</b> | <b>2,631.9</b> | <b>30,195.4</b> | <b>46,525.0</b> | <b>63,198.9</b> | <b>66,825.1</b> | <b>209,376.3</b> |



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

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2011 11 02

Mr. Geoff Young  
Senior Legal Counsel  
Newfoundland and Labrador Hydro  
P. O. Box 12400  
St. John's, NL  
A1B 4K7

Dear Mr. Young:

**RE: Newfoundland and Labrador Hydro 2012 Capital Budget Application -  
Schedules attached to the Capital Budget Board orders**

Please find attached a template that will be used by the Board for the schedules that will be attached to the Board orders associated with this Application. This template captures a concise, detailed summary of all requested capital expenditures for a given year and it is the Board's intention to use this template for the schedules attached to all subsequent Capital Budget orders.

The 2012 Capital Budget Application is unique in that it has three separate phases and to facilitate the current process the Board requests that the templates be completed and returned to the Board by November 15<sup>th</sup>, for each of the three Phases using the following guidelines:

*Schedule A*

Provide individual description and full cost amount (not rounded) of each project over \$50,000 (excluding multi-year) in the appropriate category.

*Schedule B*

Provide description and full cost amount (not rounded) of each multi-year project over \$50,000 originating in the 2012 and (for this year only) 2011 Capital Budget applications.

*Schedule C*

To be included as part of Phase III providing a detailed cost of all requested expenditures for 2012 including multi-year projects originating prior to 2011.

If you have any questions, please do not hesitate to contact Mr. Mike McNiven by telephone at 726-1158 or Ms. Doreen Dray by telephone at 726-3037.

Sincerely,

*Original signed by*

Cheryl Blundon  
Board Secretary

Electronic Attachment