

1 Q. [Capital Budgets] - Please provide the capital budget in place at the time the  
2 Gannett Fleming 2009 depreciation study was developed and the current capital  
3 budget.

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6 A. Please refer to CA-NLH-260 Attachment 1 and Attachment 2 for the approved 2009  
7 and 2012 Capital Budgets.

## Depreciation Methodology and Asset Service Lives

## 2009 Approved Budget:

*SECTION A: Capital Budget: Overview*

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	Expended to 2008	2009 (\$000)	Future Years	Total
GENERATION	1,225	7,711	3,095	12,032
TRANSMISSION AND RURAL OPERATIONS	2,953	29,169	13,574	45,695
GENERAL PROPERTIES	950	9,976	1,185	12,111
CONTINGENCY FUND		1,000	0	1,000
TOTAL CAPITAL BUDGET	<u>5,128</u>	<u>47,856</u>	<u>17,854</u>	<u>70,838</u>

## Depreciation Methodology and Asset Service Lives

SECTION A: Capital Budget: Summary by Category

	Expended to 2008	2009 (\$000)	Future Years	Total
<b><u>GENERATION</u></b>				
Hydraulic Plant	1,132	1,265	3,095	5,492
Thermal Plant	93	5,341	0	5,434
Gas Turbines	0	713	0	713
Tools and Equipment	0	393	0	393
<b>TOTAL GENERATION</b>	<b>1,225</b>	<b>7,711</b>	<b>3,095</b>	<b>12,032</b>
<b><u>TRANSMISSION &amp; RURAL OPERATIONS</u></b>				
Terminal Stations	0	3,367	10,090	13,457
Transmission	1,343	5,984	964	8,290
Distribution	0	8,685	0	8,685
Generation	1,252	2,643	2,521	6,416
Properties	358	6,292	0	6,650
Metering	0	524	0	524
Tools and Equipment	0	1,674	0	1,674
<b>TOTAL TRANSMISSION AND RURAL OPERATIONS</b>	<b>2,953</b>	<b>29,169</b>	<b>13,574</b>	<b>45,695</b>
<b><u>GENERAL PROPERTIES</u></b>				
Information Systems	0	1,633	0	1,633
Telecontrol	864	3,716	483	5,063
Transportation	0	2,156	0	2,156
Administrative	86	2,472	702	3,259
<b>TOTAL GENERAL PROPERTIES</b>	<b>950</b>	<b>9,976</b>	<b>1,185</b>	<b>12,111</b>
<b>CONTINGENCY FUND</b>		<b>1,000</b>		<b>1,000</b>
<b>TOTAL CAPITAL BUDGET</b>	<b>5,128</b>	<b>47,856</b>	<b>17,854</b>	<b>70,838</b>

## Depreciation Methodology and Asset Service Lives

SECTION A: Capital Budget: Generation

PROJECT DESCRIPTION	Expended		Future	
	to 2008	2009	Years	Total
			(\$000)	
<b><u>HYDRAULIC PLANT</u></b>				
Purchase Spare Stator Winding Units 1 to 4 - Bay d'Espoir		37	2,806	2,843
Replace Governor Controls Unit 2 - Cat Arm	975	74		1,049
Replace 50 kW Diesel Generator - Bay d'Espoir		36	289	325
Replace Cooling Water Systems on Units 3 and 4 - Bay d'Espoir		287		287
Upgrade Intake Gate Controls - Hinds Lake		263		263
Replace 40 kW Diesel Generator at Spillway - Bay d'Espoir	157	103		260
Install Meteorological Stations - Various Sites		253		253
Replace Service Water Piping - Unit 7 - Bay d'Espoir		144		144
Replace Generator Oil Level System on Units 1 and 2 - Cat Arm		68		68
<b>TOTAL HYDRAULIC PLANT</b>	<b>1,132</b>	<b>1,265</b>	<b>3,095</b>	<b>5,492</b>
<b><u>THERMAL PLANT</u></b>				
Refurbish Fuel Storage Facility - Holyrood		2,867		2,867
Replace Unit 2 High Pressure Heater - Holyrood	20	919		939
Replace Unit 3 Steam Seal Regulator - Holyrood		475		475
Replace Unit 2 Air Preheater Cold End - Holyrood		320		320
Replace Unit 1 Hydrogen Emergency Vent Valves - Holyrood		214		214
Install Unit 1 Cold Reheat Condensate Drains and HP Heater Trip Level - Holyrood		192		192
Install Motorized Stack Winches - Holyrood		174		174
Environmental Effects Monitoring Study of Waste Water - Holyrood	73	87		160
Install Marine Terminal Capstans Lifting Frames - Holyrood		93		93
<b>TOTAL THERMAL PLANT</b>	<b>93</b>	<b>5,341</b>	<b>0</b>	<b>5,434</b>

SECTION A: Capital Budget: Generation

PROJECT DESCRIPTION	Expended to 2008	2009	Future Years	Total
		(\$000)		
<u>GAS TURBINES</u>				
Upgrade Gas Turbine Plant Life Extension - Hardwoods		450		450
Replace Automatic Voltage Regulator on Gas Turbine - Stephenville		262		262
TOTAL GAS TURBINE PLANTS	0	713	0	713
<u>TOOLS AND EQUIPMENT</u>				
Purchase Tools and Equipment Less than \$50,000	0	311		311
Purchase Boom Style Hydraulic Lift - Holyrood		82		82
TOTAL TOOLS AND EQUIPMENT	0	393	0	393
TOTAL GENERATION	1,225	7,711	3,095	12,032

## Depreciation Methodology and Asset Service Lives

SECTION A: Capital Budget: Transmission and Rural Operations

PROJECT DESCRIPTION	Expended		Future	
	to 2008	2009	Years	Total
		(\$000)		
<b><u>TERMINAL STATIONS</u></b>				
New 25 kV Terminal Station - Labrador City		283	9,707	9,991
Upgrade Power Transformers - Various Sites		654		654
Perform Grounding Upgrades - Various Sites		252	291	543
Install Digital Fault Recorders - Massey Drive, Oxen Pond and St. Anthony		462		462
Upgrade Circuit Breakers - Various Terminal Stations		422		422
Replace Insulators - Various Terminal Stations		391		391
Replace 69 kV Breaker L51T2 - Howley		199		199
Upgrade Great Northern Peninsula Protection - Various Sites		101	91	192
Replace Instrument Transformers - Various Sites		107		107
Replace 230kV Breaker Controls - Oxen Pond, Bay d'Espoir		100		100
Replace Air Compressors - Sunnyside		96		96
Replace Drainage System - Western Avalon		84		84
Replace Surge Arrestors - Various Sites		81		81
Install 138 kV Capacitive Voltage Transformer - St. Anthony Airport		71		71
Install 69 kV Capacitive Voltage Transformer - St. Anthony Diesel Plant		67		67
<b>TOTAL TERMINAL STATIONS</b>	<b>0</b>	<b>3,367</b>	<b>10,090</b>	<b>13,457</b>

PROJECT DESCRIPTION	Expended to 2008	2009	Future Years	Total
	(\$000)			
<u>TRANSMISSION</u>				
Perform Wood Pole Line Management Program - Various Sites		2,256		2,256
Upgrade Transmission Line TL-212 - Sunnyside to Linton Lake		968	964	1,932
Replace Insulators on 230 kV Line - Stony Brook, Buchans	848	970		1,818
Upgrade Corner Brook Frequency Converter - Corner Brook	495	1,152		1,647
Construct Transmission Line Equip Off-Loading Areas - Various Sites		498		498
Construct Transmission Storage Ramps - Bay d'Espoir		75		75
Install Remote Ice Growth Detector Beams - Various Sites		65		65
TOTAL TRANSMISSION	1,343	5,984	964	8,290

<b><u>DISTRIBUTION</u></b>				
Upgrade Distribution Systems - All Service Areas		2,526		2,526
Provide Service Extensions - All Service Areas		2,439		2,439
Replace Insulators - Jackson's Arm, Hampden and Little Bay		874		874
Replace Poles - Jackson's Arm and Hampden		697		697
Upgrade L7 Distribution System - St. Anthony		689		689
Replace Line L36 - Wabush		498		498
Replace Conductor on L2 - Rocky Harbour		325		325
Upgrade Voltage Conversion Phase 1- Labrador City		189		189
Replace Recloser Control Panels - Various Sites		132		132
Purchase and Install Voltage Regulator Bank - English Harbour West		123		123
Purchase and Install Electronic Recloser - Cartwright		96		96
Replace Submarine Cable Terminator Kit - Change Islands/Fogo Island		96		96
<b>TOTAL DISTRIBUTION</b>	<u>0</u>	<u>8,685</u>	<u>0</u>	<u>8,685</u>

## Depreciation Methodology and Asset Service Lives

SECTION A: Capital Budget: Transmission and Rural Operations

PROJECT DESCRIPTION	Expended to 2008	2009	Future Years	Total
		(\$000)		
<b><u>GENERATION</u></b>				
Replace Diesel Units - Norman Bay, Postville and Paradise River		170	1,700	1,870
Replace Diesel Units - Norman Bay, Cartwright and Black Tickle	335	938		1,273
Diesel Plant Automation - Makkovik and Rigolet	516	379		895
Increase Generation - L'Anse au Loup		23	821	844
Increase Generation Capacity - Charlottetown	18	577		595
Replace Switchgear - Cartwright	383	169		552
Upgrade Fuel Storage - Cartwright		139		139
Replace Speed Increaser - Roddickton		125		125
Install Meter Station for Fuel Reconciliation - Hawke's Bay		64		64
Install Furnace Fuel Storage Tank - Williams Harbour		59		59
<b>TOTAL GENERATION</b>	<u>1,252</u>	<u>2,643</u>	<u>2,521</u>	<u>6,416</u>
<b><u>PROPERTIES</u></b>				
Construct New Office/Warehouse/Line Depot Facilities - Happy Valley	358	2,960		3,318
Replace Accommodations, Septic System and Upgrade Plant Communications System - Cat Arm		1,254		1,254
Build New Maintenance Shop - St. Anthony		429		429
Install Fall Arrest Equipment - Various Sites		322		322
Replace Explosives Storage Magazines - Various Sites		293		293
Upgrade Ventilation System - Little Bay Islands Diesel Plant		186		186
Pave Parking Lots and Roadways - Bishop's Falls		150		150
Install Transformer Storage Ramps - Labrador		121		121
Build ATV/snowmobile Storage - Whitbourne		86		86
Install Waste Oil Storage Tanks - Mary's Harbour		84		84
Install Pole Storage Ramps - Various Sites		77		77
Install Water and Sewer System - Paradise River		77		77
Legal Survey of Primary Distribution Line Right of Way - Various Sites		56		56
Construct Sewage Disposal Field - Makkovik		50		50
Install Storage Ramp - Whitbourne		41		41
Upgrade CEMS Room Ventilation - Holyrood		39		39
Install Air Conditioning at Training Centre - Bay d'Espoir		34		34
Replace Dock Lighting - Holyrood		33		33
<b>TOTAL PROPERTIES</b>	<u>358</u>	<u>6,292</u>	<u>0</u>	<u>6,650</u>
PROJECT DESCRIPTION	Expended to 2008	2009	Future Years	Total
		(\$000)		
<b><u>METERING</u></b>				
Install Automatic Meter Reading - Change Islands and Fogo Island		491		491
Purchase Meters and Equipment - Various Sites		33		33
<b>TOTAL METERING</b>	<u>0</u>	<u>524</u>	<u>0</u>	<u>524</u>
<b><u>TOOLS &amp; EQUIPMENT</u></b>				
Replace Off Road Tracked Vehicles - Whitbourne and Bishops Falls		758		758
Replace Light Duty Mobile Equipment Less than \$50,000 - Various Sites		561		561
Purchase and Replace Tools and Equipment Less than \$ 50,000		268		268
Purchase High Definition Infrared Camera - Central		87		87
<b>TOTAL TOOLS AND EQUIPMENT</b>	<u>0</u>	<u>1,674</u>	<u>0</u>	<u>1,674</u>
<b>TOTAL TRANSMISSION AND RURAL OPERATIONS</b>	<u>2,953</u>	<u>29,169</u>	<u>13,574</u>	<u>45,695</u>

SECTION A: Capital Budget: General Properties

PROJECT DESCRIPTION	Expended to 2008	2009	Future Years	Total
		(\$000)		
<u>INFORMATION SYSTEMS</u>				
<u>SOFTWARE APPLICATIONS</u>				
<u>New Infrastructure</u>				
Applications Enhancements - Performance Management				
Software Budgeting Tool - Hydro Place		127		127
Application Enhancements - Perform Minor Applications				
Enhancements - Hydro Place		120		120
Cost Recovery CF(L)Co		(35)		(35)
Purchase Protection Relay Event Report Software - Hydro Place		54		54
Upgrade Intranet - Hydro Place		67		67
Cost Recovery CF(L)Co		(19)		(19)
<u>Upgrade of Technology</u>				
Corporate Application Environment - Upgrade Showcase				
Strategy Suite - Hydro Place		158		158
Cost Recovery CF(L)Co		(46)		(46)
Citrix Enhancements - Hydro Place		118		118
Cost Recovery CF(L)Co		(34)		(34)
TOTAL SOFTWARE APPLICATIONS	0	510	0	510
<u>COMPUTER OPERATIONS</u>				
<u>Infrastructure Replacement</u>				
End User Evergreening Program - Various Sites		491		491
Replace Peripheral Infrastructure - Hydro Place		161		161
Replace Drafting Scanner/Plotter - Hydro Place		139		139
Perform Hawke Hill Improvements - Hawk Hill		50		50
<u>New Infrastructure</u>				
Security Smartcard and Disk Encryption for Laptops - Hydro Place		125		125
Cost Recovery CF(L)Co		(36)		(36)
<u>Upgrade of Technology</u>				
Upgrade Server Technology Program - Hydro Place		273		273
Cost Recovery CF(L)Co		(79)		(79)
TOTAL COMPUTER OPERATIONS	0	1,123	0	1,123
TOTAL INFORMATION SYSTEMS	0	1,633	0	1,633



SECTION A: Capital Budget: General Properties

PROJECT DESCRIPTION	Expended to 2008	2009	Future Years	Total
		(\$000)		
<u>TELECONTROL</u>				
<u>NETWORK SERVICES</u>				
<u>Infrastructure Replacement</u>				
Public Address System - Holyrood	96	1,182		1,279
Customer Service Application - Hydro Place	768	182		950
Install Fibre Optic Cable - Hinds Lake		209	483	692
Replace Power Line Carrier on TL-250 - Bottom Brook to Grandy Brook		473		473
Replace Remote Terminal Units - Various Sites		278		278
Replace Radomes - Various Sites		130		130
<u>Network Infrastructure</u>				
Replace Batteries and Chargers - Various Sites		729		729
Replace Radio Tower - Ebbegunbaeg		179		179
Replace Network Communications Equipment - Various Sites		141		141
Purchase Test Equipment - Various Sites		74		74
Install Wireless Networking - Various Sites		45		45
<u>Upgrade of Technology</u>				
Upgrade Site Facilities - Various Sites		47		47
Replace Network Management Tools - Various Sites		47		47
<b>TOTAL TELECONTROL</b>	<b>864</b>	<b>3,716</b>	<b>483</b>	<b>5,063</b>
<u>TRANSPORTATION</u>				
Replace Vehicles and Aerial Devices - Various Sites		2,156		2,156
<b>TOTAL TRANSPORTATION</b>	<b>0</b>	<b>2,156</b>	<b>0</b>	<b>2,156</b>
<u>ADMINISTRATION</u>				
Upgrade System Security - Various Sites		767	702	1,469
Energy Conservation Upgrades - Hydro Place		833		833
Purchase Spare Transformer - Hydro Place	86	353		439
Purchase Office Equip Less than \$50,000 - Hydro Place		318		318
Replace Fire Protection Panels - Hydro Place		89		89
Replace Humidifiers in Air Handling Units - Hydro Place		74		74
Replace Air Conditioning Units - Hydro Place		37		37
<b>TOTAL ADMINISTRATION</b>	<b>86</b>	<b>2,472</b>	<b>702</b>	<b>3,259</b>
<b>TOTAL GENERAL PROPERTIES</b>	<b>950</b>	<b>9,976</b>	<b>1,185</b>	<b>12,111</b>

**2012 Approved Budget:***SECTION A: Capital Budget: Overview*

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	<u>Expended to 2011</u>	<u>2012</u>	<u>Future Years</u>	<u>Total</u>
		(\$000)		
GENERATION	8,374	25,827.4	24,751	58,952
TRANSMISSION AND RURAL OPERATIONS	15,627	35,560.8	220,484	271,672
GENERAL PROPERTIES	3,421	7,764.6	1,607	12,792
MAJOR OVERHAULS AND INSPECTIONS	0	6,839.5	0	6,840
CONTINGENCY FUND		1,000.0	0	1,000
<b>TOTAL CAPITAL BUDGET</b>	<u>27,422</u>	<u>76,992.3</u>	<u>246,842</u>	<u>351,257</u>

## Depreciation Methodology and Asset Service Lives

SECTION A: Capital Budget: Summary by Category

	Expended to 2011	2012	Future Years	Total
		(\$000)		
<b><u>GENERATION</u></b>				
Hydraulic Plant	1,200	9,854.4	10,191	21,245
Thermal Plant	4,546	11,496.8	14,560	26,439
Gas Turbines	2,629	4,280.4	0	6,909
Tools and Equipment	0	195.8	0	196
<b>TOTAL GENERATION</b>	<b>8,374</b>	<b>25,827.4</b>	<b>24,751</b>	<b>54,789</b>
<b><u>TRANSMISSION AND RURAL OPERATIONS</u></b>				
Terminal Stations	8,399	10,857.0	8,294	27,550
Transmission	289	2,884.3	207,625	210,798
Distribution	5,636	17,415.6	2,677	25,728
Generation	516	1,191.2	1,206	2,913
Properties	0	565.6	0	566
Metering	292	628.3	288	1,208
Tools and Equipment	494	2,018.8	396	2,909
<b>TOTAL TRANSMISSION AND RURAL OPERATIONS</b>	<b>15,627</b>	<b>35,560.8</b>	<b>220,484</b>	<b>271,672</b>
<b><u>MAJOR OVERHAULS AND INSPECTIONS</u></b>				
Major Overhauls and Inspections	0	6,839.5	0	6,840
<b>TOTAL MAJOR OVERHAULS AND INSPECTIONS</b>	<b>0</b>	<b>6,839.5</b>	<b>0</b>	<b>6,840</b>
<b><u>GENERAL PROPERTIES</u></b>				
Information Systems	999	2,347.3	388	3,734
Telecontrol	72	2,686.3	0	2,758
Transportation	2,351	2,350.3	1,219	5,920
Administrative	0	380.7	0	381
<b>TOTAL GENERAL PROPERTIES</b>	<b>3,421</b>	<b>7,764.6</b>	<b>1,607</b>	<b>12,792</b>
<b>CONTINGENCY FUND</b>		1,000.0		1,000
<b>TOTAL CAPITAL BUDGET</b>	<b>27,422</b>	<b>76,992.3</b>	<b>246,842</b>	<b>347,093</b>

SECTION A: Capital Budget: Generation

PROJECT DESCRIPTION	Expended		Future	
	to 2011	2012	Years	Total
		(\$000)		
<b>HYDRAULIC PLANT</b>				
Rewind Stators Units 1, 3 and 4 - Bay d'Espoir		4,953.8	8,689	13,643
Replace Static Excitation Systems - Upper Salmon, Holyrood and Hinds Lake	487	2,402.5	1,219	4,109
Upgrade Burnt Dam Spillway - Bay d'Espoir		523.8		524
Replace Emergency Diesel Generator - Bay d'Espoir		611.4	283	894
Upgrade Intake Gate Controls - Bay d'Espoir	352	468.0		820
Upgrade Generating Station Service Water System - Cat Arm	360	440.0		800
Replace Fuel Tank - Burnt Dam		207.5		208
Replace Rip Rap - Bay d'Espoir		199.1		199
Upgrade Public Safety Around Dams and Waterways - Bay d'Espoir		48.3		48
<b>TOTAL HYDRAULIC PLANT</b>	<u>1,200</u>	<u>9,854.4</u>	<u>10,191</u>	<u>21,245</u>
<b>THERMAL PLANT</b>				
Rewind Generator Units 1 and 2 - Holyrood		112.2	11,789	11,901
Upgrade Marine Terminal - Holyrood				0
Replace Programmable Logic Controllers - Holyrood	2,230	748.0		2,978
Refurbish Fuel Storage Facility - Holyrood		2,641.2		
Upgrade Stack Breaching Unit 12 - Holyrood		1,522.3		
Replace Fuel Oil Heat Tracing - Holyrood		1,474.3	1,414	2,888
Install Plant Operator Training Simulator - Holyrood			1,073	1,073
Upgrade Hydrogen System - Holyrood	1,192	800.4		1,992
Upgrade Stack Breaching Unit 2 - Holyrood		1,505.1		1,505
Upgrade Forced Draft Fan Ductwork Unit 2 - Holyrood		928.6		929
Upgrade Synchronous Condenser Unit 3 - Holyrood	484	405.5		889
Replace Relay Panels Unit 3 - Holyrood	277	553.6		831
Upgrade Electrical Equipment - Holyrood	188	206.3	285	679
Replace Steam Seal Regulator Unit 2 - Holyrood	175	438.4		613
Replace Beta Attenuation Monitoring Analyzers - Holyrood		160.9		161
<b>TOTAL THERMAL PLANT</b>	<u>4,546</u>	<u>11,496.8</u>	<u>14,560</u>	<u>26,439</u>
<b>GAS TURBINES</b>				
Upgrade Gas Turbine Plant Life Extension - Hardwoods	2,629	4,280.4		6,909
<b>TOTAL GAS TURBINE PLANTS</b>	<u>2,629</u>	<u>4,280.4</u>	<u>0</u>	<u>6,909</u>
<b>TOOLS AND EQUIPMENT</b>				
Purchase Tools and Equipment Less than \$50,000		195.8		196
<b>TOTAL TOOLS AND EQUIPMENT</b>	<u>0</u>	<u>195.8</u>	<u>0</u>	<u>196</u>
<b>TOTAL GENERATION</b>	8,374	25,827.4	24,751	54,789

## Depreciation Methodology and Asset Service Lives

SECTION A: Capital Budget: Transmission and Rural Operations

PROJECT DESCRIPTION	Expended to 2011	2012	Future Years	Total
		(\$000)		
<b><u>TERMINAL STATIONS</u></b>				
Install Additional 230kV Transformer - Oxen Pond			7,004	7,004
Upgrade Terminal Stations to 25 kV - Labrador City	6,483	3,750.0		10,233
Upgrade Circuit Breakers - Various Sites		1,677.3		1,677
Perform Grounding Upgrades - Various Sites	321	324.0	1,012	1,657
Upgrade Power Transformers - Various Sites		1,246.3		1,246
Upgrade Substation - Wabush	459	626.4		1,086
Upgrade Station Reliability and Safety - Rocky Harbour	435	360.1		795
Replace 69 kV SF6 Breakers - St. Anthony Airport	490	290.1		780
Replace Compressed Air System - Bay d'Espoir	84	563.6		648
Replace 230 kV Circuit Breaker - Sunnyside	41	590.1		631
Replace Instrument Transformers - Various Sites		452.4		452
Replace Insulators - Various Sites		411.6		412
Replace Disconnects - Various Sites		351.8		352
Replace Compressed Air Piping and Install Dew Point Monitor - Buchans		28.4	278	307
Install Alternate Station Services - Stony Brook and Massey Drive	86	109.2		195
Replace Surge Arrestors - Various Sites		75.7		76
<b>TOTAL TERMINAL STATIONS</b>	<b>8,399</b>	<b>10,857.0</b>	<b>8,294</b>	<b>27,550</b>
<b><u>TRANSMISSION</u></b>				
Upgrade Transmission Line Corridor - Bay d'Espoir to Western Avalon			206,744	206,744
Perform Wood Pole Line Management Program - Various Sites		2,519.3		2,519
Replace Guy Wires TL-215 - Doyles to Grand Bay	289	318.0	880	1,487
Upgrade Transmission Line Access Trails - Stony Brook to Springdale				0
Install Ice Monitoring Equipment - Various Sites		47.0		47
<b>TOTAL TRANSMISSION</b>	<b>289</b>	<b>2,884.3</b>	<b>207,625</b>	<b>210,798</b>
<b><u>DISTRIBUTION</u></b>				
Voltage Conversion - Labrador City	4,590	3,840.7	970	9,400
Provide Service Extensions - All Service Areas		4,172.0		4,172
Upgrade L2 Distribution Feeder - Glenburnie	845	2,114.6	597	3,556
Upgrade Distribution Systems - All Service Areas		2,508.0		2,508
Distribution System Additions - Various Sites		2,172.1		2,172
Upgrade Distribution Lines - Bay d'Espoir, Parsons Pond and Plum Point		1,385.2	1,111	2,496
Upgrade Distribution Systems - Francois, Rigolet and Happy Valley	73	652.4		726
Replace Substation Infrastructure - Burgeo	128	368.3		496
Replace Recloser Control Panels - Various Sites		202.3		202
<b>TOTAL DISTRIBUTION</b>	<b>5,636</b>	<b>17,415.6</b>	<b>2,677</b>	<b>25,728</b>

SECTION A: Capital Budget: Transmission and Rural Operations

<b>PROJECT DESCRIPTION</b>	<b>Expended to 2011</b>	<b>2012</b>	<b>Future Years</b>	<b>Total</b>
		<b>(\$000)</b>		
<b><u>GENERATION</u></b>				
Perform Arc Flash Remediation - Various Sites	430	380.3	1,206	2,016
Increase Generation Capacity - Mary's Harbour				0
Replace Fuel Storage Tanks - St. Lewis		465.1		465
Replace Mini Hydro Turbine - Roddickton	87	235.4		322
Perform Front End Engineering Design for Diesel Plant Remediation -Various Sites		110.4		110
<b>TOTAL GENERATION</b>	<u>516</u>	<u>1,191.2</u>	<u>1,206</u>	<u>2,913</u>
<b><u>PROPERTIES</u></b>				
Install Fall Protection Equipment - Various Sites		199.2		199
Legal Survey of Primary Distribution Line Right of Way - Various Sites		197.9		198
Upgrade Mechanical Workshop - St. Anthony		87.0		87
Install Waste Oil Storage Tank - L'Anse au Loup		81.5		82
<b>TOTAL PROPERTIES</b>	<u>0</u>	<u>565.6</u>	<u>0</u>	<u>566</u>
<b><u>METERING</u></b>				
Install Automated Meter Reading - Rocky Harbour and Glenburnie		379.6	288	667
Install Automated Meter Reading - Labrador City	292	58.3		351
Purchase Meters, Equipment and Metering Tanks - Various Sites		190.4		190
<b>TOTAL METERING</b>	<u>292</u>	<u>628.3</u>	<u>288</u>	<u>1,208</u>
<b><u>TOOLS AND EQUIPMENT</u></b>				
Replace Off-Road Track Vehicles - Bishop's Falls and Fogo	494	609.4		1,104
Replace Off Road Track Vehicles - Flower's Cove and Cow Head		482.5	396	878
Purchase Tools and Equipment Less than \$50,000		406.3		406
Replace Light Duty Mobile Equipment - Various Sites		400.6		401
Replace Excavator - L'Anse au Loup		120.0		120
<b>TOTAL TOOLS AND EQUIPMENT</b>	<u>494</u>	<u>2,018.8</u>	<u>396</u>	<u>2,909</u>
<b>TOTAL TRANSMISSION AND RURAL OPERATIONS</b>	<u>15,627</u>	<u>35,560.8</u>	<u>220,484</u>	<u>271,672</u>

## Depreciation Methodology and Asset Service Lives

SECTION A: Capital Budget: General Properties

PROJECT DESCRIPTION	Expended to 2011	2012 Future Years (\$000)	Total
<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	123
Cost Recoveries		(41.9)	(42)
Implement Work Protection Safety Code Application - Hydro Place		115.6	116
<b><u>Upgrade of Technology</u></b>			
Corporate Application Environment - Upgrade Microsoft Products	1,426	678.1	2,104
Cost Recoveries	(428)	(203.4)	(631)
Upgrade JD Edwards - Hydro Place		284.0	588
Cost Recoveries		(96.6)	(200)
Upgrade Energy Management System - Hydro Place		117.8	118
Upgrade Microsoft Project - Hydro Place		91.3	91
Cost Recoveries		(31.0)	(31)
Upgrade Creditron System - Hydro Place		37.5	38
<b>TOTAL SOFTWARE APPLICATIONS</b>	<b>999</b>	<b>1,074.8</b>	<b>388</b>
<b><u>COMPUTER OPERATIONS</u></b>			
<b><u>Infrastructure Replacement</u></b>			
Replace Personal Computers - Various Sites		490.6	491
Replace Peripheral Infrastructure - Various Sites		327.5	328
Upgrade Enterprise Storage Capacity - Hydro Place		306.3	306
Cost Recoveries		(104.1)	(104)
<b><u>Upgrade of Technology</u></b>			
Upgrade Server Technology Program - Hydro Place		202.6	203
Cost Recoveries		(30.9)	(31)
Upgrade Computer Room - Hydro Place		122.0	122
Cost Recoveries		(41.5)	(42)
<b>TOTAL COMPUTER OPERATIONS</b>	<b>0</b>	<b>1,272.5</b>	<b>0</b>
<b>TOTAL INFORMATION SYSTEMS</b>	<b>999</b>	<b>2,347.3</b>	<b>388</b>

## Depreciation Methodology and Asset Service Lives

*SECTION A: Capital Budget: General Properties*

PROJECT DESCRIPTION	Expended to 2011	2012	Future Years	Total
		(\$000)		
<b><u>TELECONTROL</u></b>				
<b><u>NETWORK SERVICES</u></b>				
<b><u>Infrastructure Replacement</u></b>				
Replace MDR 6000 Microwave Radio (West) - Various Sites	72	683.3		755
Replace Radomes - Various Sites		172.0		172
Upgrade Communication Services - Paradise River		97.5		98
Purchase Tools and Equipment Less than \$50,000		85.3		85
<b><u>Network Infrastructure</u></b>				
Replace Battery Banks and Chargers - Various Sites		880.8		881
Replace Network Communications Equipment - Various Sites		521.6		522
<b><u>Upgrade of Technology</u></b>				
Replace Telephone Systems - Port Saunders and Whitbourne		199.3		199
Upgrade Site Facilities - Various Sites		46.5		47
<b>TOTAL TELECONTROL</b>	<u>72</u>	<u>2,686.3</u>	<u>0</u>	<u>2,758</u>
<b><u>TRANSPORTATION</u></b>				
Replace Vehicles and Aerial Devices (2011-2012) - Various Sites	2,351	638.9		2,989
Replace Vehicles and Aerial Devices (2012-2013) - Various Sites		1,711.4	1,219	2,930
<b>TOTAL TRANSPORTATION</b>	<u>2,351</u>	<u>2,350.3</u>	<u>1,219</u>	<u>5,920</u>
<b><u>ADMINISTRATION</u></b>				
Remove Safety Hazards - Various Sites		249.1		249
Purchase Tools and Equipment Less than \$50,000		131.6		132
<b>TOTAL ADMINISTRATION</b>	<u>0</u>	<u>380.7</u>	<u>0</u>	<u>381</u>
<b>TOTAL GENERAL PROPERTIES</b>	<u>3,421</u>	<u>7,764.6</u>	<u>1,607</u>	<u>12,792</u>

*SECTION A: Capital Budget: Major Overhauls and Inspections*

PROJECT DESCRIPTION	Expended to 2011	2012	Future Years	Total
		(\$000)		
<b><u>MAJOR OVERHAULS AND INSPECTIONS</u></b>				
Overhaul Unit 1 Turbine - Holyrood		4,193.1		4,193
Condition Assessment and Life Extension Phase 2 - Holyrood		1,215.7		1,216
Overhaul Diesel Units - Various Sites		974.1		974
Overhaul Turbine/Generator Units - Granite Canal and Upper Salmon		456.6		457
<b>TOTAL MAJOR OVERHAULS AND INSPECTIONS</b>	<u>0</u>	<u>6,839.5</u>	<u>0</u>	<u>6,840</u>