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January 15, 2020

The 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: Allowance for Unforeseen Capital Expenditures Monthly Reporting

Further to the Board of Commissioners of Public Utilities' ("Board") letter of January 29, 2015, enclosed please find an original and eight copies of Newfoundland and Labrador Hydro's December 2019 expenditures report setting out all capital expenditures made in relation to the Allowance for Unforeseen Items.

During project execution it was determined that the initial estimate of the Charlottetown capital requirements, provided to the Board on November 13, 2019, was lower than the amount that will be required to complete the project due to underestimated material and labour costs. The revised project estimate is \$825,000. The project remains on schedule for completion by January 31, 2020.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/sk

Encl.

ecc: **Board of Commissioners of Public Utilities**
Ms. Jacqui Glynn
PUB Official Email

Newfoundland and Labrador Hydro
Allowance for Unforeseen Expenditures
For the Period December 1, 2019 to December 31, 2019

	Rigolet Diesel Engine Failure ⁽¹⁾	Charlottetown Diesel Plant Fire ⁽²⁾	Total	Amount for Allowance for Unforeseen ⁽³⁾	Balance	Comments
	(\$)	(\$)	(\$)	(\$)	(\$)	
Approved Allowance					1,000,000	Refer to Order No. P.U. 46(2018)
Expenditures						
January	(245,116)	-	(245,116)	-	754,884	
February	(245,245)	-	(245,245)	600,000	1,109,639	Refer to Order No. P.U. 7(2019)
March	(29,884)	-	(29,884)	-	1,079,755	
April	(9,518)	-	(9,518)	-	1,070,237	
May	(16,544)	-	(16,544)	-	1,053,693	
June	12,874	-	12,874	-	1,066,568	
July	(6,126)	-	(6,126)	-	1,060,442	
August	(525)	-	(525)	-	1,059,917	
September	2,493	-	2,493	-	1,062,409	
October	-	-	-	-	1,062,409	
November	-	(412,515)	(412,515)	-	649,895	
December	-	(325,893)	(325,893)	-	324,002	
Total	(537,591)	(738,407)	(1,275,998)	600,000	324,002	

⁽¹⁾ On December 20, 2018, Newfoundland and Labrador Hydro ("Hydro") notified the Board of Commissioners of Public Utilities (the "Board") of a failure of diesel engine Unit 2051 in Rigolet. The work was completed on February 21, 2019. The final report was filed with the Board on March 25, 2019. The costs included in the final report have been adjusted to reflect actuals.

⁽²⁾ On November 13, 2019, Hydro notified the Board of capital requirements at Charlottetown in response to a fire in the diesel plant on October 3, 2019. This work will provide infrastructure for power supply for three years and an estimated completion date of January 31, 2020.

⁽³⁾ In Board Order No. P.U. 7(2019) released on February 21, 2019 the Board approved the addition of a supplementary amount of \$600,000 to the 2019 Allowance for Unforeseen Items Account.