



*Newfoundland
& Labrador*

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**IN THE MATTER OF AN APPLICATION BY
NEWFOUNDLAND & LABRADOR HYDRO
FOR A
GENERAL RATE REVIEW**

**SUPPLEMENTARY DOCUMENT
TO BOARD ORDER No. P.U. 7 (2002-2003)**

APPENDICES

BEFORE:

**Mr. Robert Noseworthy
Chair and Chief Executive Officer**

**Ms. Darlene Whalen, P.Eng.
Vice-Chair**

**Mr. Don Powell, C.A.
Commissioner**

**Mr. G. Fred Saunders
Commissioner**

Board of Commissioners of Public Utilities
Order No. P.U. 7 (2002-2003)
List of Appendices

Appendix	Description	Dated
A	Application from Newfoundland and Labrador Hydro (NLH) RE: General Rate Review <i>NLH's application for a General Rate Review, and approval of its 2002 Capital Budget, inter alia.</i>	May 31, 2001
B	Procedural Order No. P. U. 7 (2001-2002) <i>Board Order identifying registered intervenors, setting procedural rules for the conduct of the hearing and setting the schedule for the filing and service of documents, motions days and the actual hearing.</i>	July 4, 2001
C	Procedural Order No. P. U. 8 (2001-2002) <i>Board Order deciding that the issue of costs for the Industrial Customers and other intervenors would be considered at the conclusion of the hearing.</i>	July 20, 2001
D	Procedural Order No. P.U. 18 (2001-2002) <i>Board Order amending Procedural Order No. 7 (2001-2002) and setting a schedule for travel across the Province for public participation in the hearing.</i>	September 7, 2001
E	Procedural Order No. P.U. 22 (2001-2002) <i>Board Order dismissing the application of the Consumer Advocate in relation to a proposed amendment to Procedural Order No. P.U. 7 (2001-2002).</i>	September 21, 2001
F	Procedural Order No. P.U. 23 (2001-2002) <i>Order issued as a result of minor amendments to Procedural Order Nos. P.U. 7 (2001-2002) and P.U. 18 (2001-2002) intended to clarify the hearing process.</i>	September 24, 2001
G	Application from Newfoundland and Labrador Hydro (NLH) RE: Approval to Extend Interim Rates charged Industrial Customers and approval of certain 2002 capital projects <i>Application for (i) approval to extend the interim rates charged Industrial Customers under Order No. P.U. 25 (2000-2001) until such time as an Order is issued revising such rates; and (ii) approval of those 2002 capital projects to which no party registered objection.</i>	November 20, 2001
H	Board Order No. P. U. 30 (2001-2002) <i>Board Order approving NLH's request to (i) extend the interim rates charged Industrial Customers under Order No. P.U. 25 (2000-2001) until such time as an Order is issued revising such rates; and (2) approval of those 2002 capital projects and capital purchases in excess of \$50,000.</i>	December 20, 2001
I	Application from Newfoundland and Labrador Hydro (NLH) RE: Approval of certain 2002 capital projects <i>NLH application seeking approval of: (i) those projects under \$50,000 proposed by NLH in its 2002 capital budget and (ii) those leases for 2002 in excess of \$5,000 proposed by NLH in its 2002 capital budget to which no party registered objection.</i>	December 28, 2001
J	Board Order No. P. U. 31 (2001-2002) <i>Board Order approving (i) NLH's 2002 capital expenditures of \$731,000 for those projects under \$50,000 and (ii) NLH's 2002 leases in excess of \$5,000 per calendar year.</i>	January 14, 2002

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX A

IN THE MATTER OF the *Public Utilities Act*, (R.S.N. 1990, Chapter P-47 (the “Act”))

AND

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget.

TO: The Board of Commissioners of Public Utilities (the “Board”)

THE APPLICATION of Newfoundland and Labrador Hydro (the “Applicant”)

STATES that: -

1. The Applicant is a corporation continued and existing under the Hydro Corporation Act, is a public utility within the meaning of the Act and is subject to the provisions of the *Electrical Power Control Act, 1994* (“EPCA, 1994”).
2. The last referral by the Applicant to the Board with respect to rates charged Newfoundland Power (“NP”) and Rural Customers took place in 1991 under *The Electrical Power Control Act* (“EPCA”) and, subsequently, the Board in its Report dated April 13, 1992 (the 1992 Report) recommended that the rate to be charged

by the Applicant to its Retail Customer, NP continue to be 45.31 mills/kWh. The Board made a number of other recommendations, as set out in its 1992 Report, including recommendations on policies regarding rates for Rural Customers, and financial targets for the Applicant. As well, the Board recommended that the Applicant's cost of service methodology be further examined.

3. The recommendations set out in the 1992 Report were accepted by the Lieutenant-Governor in Council pursuant to the EPCA, except those with respect to rates charged Isolated Rural Customers for consumption in excess of 700 kWh per month and preferential rates charged to certain Rural Customers.
4. On June 26, 1992, the Applicant referred to the Board its proposed cost of service methodology and, subsequently, the Board in its report dated February, 1993 (the "1993 Report") made a number of recommendations concerning the cost of service methodology, including that the recommended methodology be used by the Applicant at its next rate application, which is this current Application. These recommendations were accepted by the Lieutenant-Governor in Council.
5. Since the 1992 Report, the Board has issued two reports concerning the rates the Applicant charges its Rural Customers. The first report dated October 10, 1995 (the "1995 Report") was written in response to a reference dated April 27, 1993 by the Lieutenant-Governor in Council to the Board under Section 12 of the EPCA. On July 29, 1996 the Board issued a revised report (the "1996 Report") which contains a number of recommendations on the policies to be used in setting rates charged Rural Customers.
6. On January 19, 1996 amendments to the *Hydro Corporation Act* and the EPCA, 1994 became effective which made the Applicant fully subject to the jurisdiction of the Board.

7. On January 31, 1996, the Lieutenant-Governor in Council, under Section 5 of the EPCA, 1994, referred to the Board the issue of the rates to be paid by rural customers in the area from L'Anse au Clair to Red Bay (the "L'Anse au Loup System") upon the completion of the transmission line connecting this area with the Lac Robertson hydro-electric project in Quebec. The Board in its report, dated July 12, 1996, which was accepted by the Lieutenant-Governor in Council, recommended, that the rates to be charged these customers be the rates charged by the Applicant to Rural Island Interconnected Customers.
8. By Order No. P.U. 12 (1996-97), dated March 4, 1997, the Board ordered that the rates charged NP and Rural Customers be adjusted to reflect savings arising from the implementation of the Value Added Tax. By Order No. P.U. 20 (1997-98) dated March 5, 1998, the Board ordered that rates charged Island Industrial Customers be adjusted to reflect savings arising from the implementation of Harmonized Sales Tax.
9. On November 19, 1999, the Applicant applied to the Board for an interim order to reduce the rates charged its Industrial Customers to reflect the requirement in the EPCA, 1994, to eliminate from their rates their portion of the subsidy associated with serving Rural Customers. Order No. P.U. 23 (1999-2000) issued by the Board approved interim rates for Industrial Customers until November 30, 2000 and subsequently by Order No. P.U. 25 (2000-2001), the Board extended the interim rates approved by Order No. P.U. 23 (1999-2000) until December 31, 2001 and made a number of other recommendations, including that the industrial rates would be finalized pursuant to a hearing based upon a general rate application to be filed by the Applicant in May, 2001.
10. On December 18, 2000 the Board issued Order No. P.U. 31 (2000-2001) approving the Applicant's 2001 Capital Budget.

11. The Rate Stabilization Plan (“RSP”) was implemented in 1986 following the Board’s Report dated August 6, 1985 which accepted the RSP as proposed by the Applicant with certain modifications. One of the provisions of the RSP is that the Applicant is required to initiate an application before the Board if the net balance in the RSP, applicable to retailers, reaches \$50 million, either positive or negative (the “RSP cap”).
12. In an Interim Report dated November 10, 1988 the Board recommended rates for customers in Wabush effective January 1, 1989 and further stated that if a surplus were achieved in Wabush, it was to be refunded to customers (the “Wabush surplus”). The Applicant proposes that this issue be addressed in the Application as further explained in the evidence filed with this Application.
13. In order to maintain a sound financial position and to comply with the requirements set out in the Act and the EPCA, 1994, the Applicant proposes to alter the rates charged to its retail customer, NP, its Rural Customers and its Industrial Customers, as of January 1, 2002.
14. The Applicant proposes:
 - (1) that the rate charged NP be increased, as of January 1, 2002 to 48.0 mills/kWh;
 - (2) that the existing policy be continued of allowing the Applicant, as NP changes its rates, to automatically adjust the rates which it charges its Island Rural Interconnected Customers, its customers served from the L’Anse au Loup System, and its Isolated Rural Customers, other than Government Departments and Agencies, for the first 700 kWh per month of consumption, so that such rates are the same as the rates charged by NP to its customers;

- (3) that the existing policy be continued of allowing the Applicant to change the rates charged for consumption over 700 kWh per month of electricity sold to Isolated Rural Customers, other than Government Departments and Agencies, by the average rate of change (i.e. increase or decrease) granted to NP from time to time;
- (4) that the “preferential rates” policies which traditionally have been made available to certain Rural Customers (fish plants and selected other organizations) be continued for the present;
- (5) that the rate classifications for Labrador Interconnected Customers be changed so that all customers served from that grid are subject to a common rate classification and that the rates charged as of January 1, 2002, to customers served from the Labrador Interconnected System be as set out in Schedule A, pp. 13-27 attached hereto;
- (6) that the rates charged as of January 1, 2002 to Industrial Customers for firm service be a demand charge of \$7.01 per kW per month, an energy charge of 23.09 mills/kWh and the relevant annual specifically assigned charges;
- (7) that the purchase price of No. 6 Fuel oil used for the purposes of the RSP be changed from the current \$12.50 per barrel to \$20 per barrel, with effect from January 1, 2002;
- (8) that the RSP cap for NP be increased to \$100 million;

- (9) that the following financial targets based on current market conditions be set by the Board as appropriate;

long term:

Return on Equity (ROE) - 11% to 11.5%

Debt/Equity Ratio - 60:40

Return on Rate Base - 9.5%

And that for the interim for this Application, the Board allow an ROE of 3%, which results in a Return on Rate Base of 7.4%;

- (10) that the estimated 2002 average rate base be \$1,370,471,000;
- (11) that the just and reasonable rate of return for the Applicant on the estimated average rate base for 2002 be 7.4%;
- (12) an accounting treatment for the net salvage value of assets and certain changes in the service lives of certain assets as described in the evidence filed in support of this Application;
- (13) Amendments to its Rules and Regulations which govern the provision of service to its Rural Customers; and
- (14) to seek the approval of the Board for contracts with its Industrial Customers.

15. The Applicant proposes, at this time, to provide evidence from three expert witnesses: Kathleen McShane, Douglas Hall and John Brickhill. Their areas of expertise and their qualifications are set out in the Evidence filed with this Application.
16. Communications with respect to this Application should be forwarded to Counsel for the Applicant, Maureen P. Greene, Q.C., Vice-President Human Resources, General Counsel & Corporate Secretary, Newfoundland and Labrador Hydro, P.O. Box 12400, St. John's, Newfoundland, A1B 4K7, phone 737-1465.

The Applicant requests that the Board make an Order as follows:

- (1) fixing and determining the 2002 rate base of the Applicant at \$1,370,471,000;
- (2) determining a just and reasonable rate of return for 2002 on average rate base of 7.4%;
- (3) Approving, pursuant to Section 70 of the Act, the rate of 48.0 mills/kWh to be charged NP;
- (4) Increasing the RSP cap for NP to \$100 million;
- (5) Approving, pursuant to Section 70 of the Act, the rate of \$7.01 per kW per month demand charge and an energy charge of 23.09 mills per kWh to be charged Island Industrial Customers for firm power and energy, plus the annual specifically assigned charge as follows:

Abitibi-Consolidated Inc. (Grand Falls)	\$ 107,549
Abitibi-Consolidated Inc. (Stephenville)	83,691
Corner Brook Pulp and Paper Limited	73,444
North Atlantic Refining Limited	154,097

- (6) Approving, pursuant to Section 70 of the Act, the rate for non-firm service to Industrial Customers as set out in Schedule A, p. 3 to this Application;
- (7) Approving, pursuant to Section 70 of the Act, the rate of 6.95 mills per kWh as a wheeling fee to be charged Abitibi-Consolidated Inc. as set out in Schedule A, p. 4 to this Application;
- (8) Approving, pursuant to Section 70 of the Act, the firming up charge of 8.76 mills per kWh for secondary energy supplied by Corner Brook Pulp and Paper Limited to the Applicant and delivered as firm power and energy to NP;
- (9) Approving, pursuant to Section 70 of the Act, the continuation of the existing policy for setting rates charged Island Interconnected Rural and L'Anse au Loup System Customers;
- (10) Approving, pursuant to Section 70 of the Act, the continuation of the existing policy for setting the rates charged Isolated Rural System Customers, with the exception of Government Departments and Agencies;
- (11) Approving, pursuant to Section 70 of the Act, the rates for Government Departments and Agencies as set out in Schedule A, pp. 10-12 to this Application;

- (12) Approving the rates for street and area lighting in Rural Isolated and Rural Interconnected Systems set out in Schedule A, pp. 8-9 to this Application;
- (13) Approving, pursuant to Section 70 of the Act, the rates for Labrador Interconnected System Customers as set out in Schedule A, pp. 13-27 to this Application;
- (14) Approving, pursuant to Section 70 of the Act, the Rules and Regulations applicable to providing service to Rural Customers as set out in Schedule B to this Application;
- (15) Approving, pursuant to Section 71 of the Act, the contracts with Industrial Customers as set out in Schedule C to this Application;
- (16) Approving, pursuant to Section 41 (3) (a) of the Act, the construction or purchase of improvements in Section A of the 2002 Capital Budget as set out in Schedule D to this Application;
- (17) Approving pursuant to Section 41 (3) (b) of the Act, the leases for 2002 as set out in Section D of the 2002 Capital Budget as set out in Schedule D to this Application;
- (18) Approving the changes proposed in the Applicant's depreciation policies;
- (19) Determining the disposition of the Wabush surplus;
- (20) Consolidating this Application with the Application relating to Industrial Rates in which Order No. P.U. 25 (2000-2001) was issued; and

- (21) Granting such alternative, additional or further relief as the Board shall consider fit and proper in the circumstances.

DATED at St. John's, Newfoundland this 31st day of May 2001.

NEWFOUNDLAND AND LABRADOR HYDRO

William E. Wells
President and Chief Executive Officer
Newfoundland and Labrador Hydro
Hydro Place, Columbus Drive
P.O. Box 12400
St. John's, Newfoundland
A1B 4K7

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX B



NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NO. ...**P.U. 7 (2001-2002)**...

PROCEDURAL ORDER

IN THE MATTER OF the Electrical Power Control Act, 1994 (“EPCA”) and the Public Utilities Act (“the Act”) and their subordinate regulations

AND IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (“Hydro”) for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget

BEFORE: Robert Noseworthy
Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Don Powell, C.A.
Commissioner

G. Fred Saunders
Commissioner

Newfoundland and Labrador Hydro (“Hydro”) filed an application with the Public Utilities Board (“the Board”) dated May 31, 2001 for an order or orders of the Board approving among other things, the proposed rates for the various customers of Hydro, commencing January 1, 2002 as set out in the application.

Beginning on June 18, 2001, a Notice of pre-hearing conference was published in newspapers throughout Newfoundland and Labrador.

In advance of the pre-hearing conference, Board Counsel provided the parties with a Proposal for the setting of a schedule and procedures for the conduct of the hearing.

On July 5, 2001, a pre-hearing conference was held in the Board’s Hearing Room, 2nd Floor, Prince Charles Building, 120 Torbay Road, St. John’s, Newfoundland.

The primary objectives of the pre-hearing conference, as set out in the Notice and addressed in the Proposal were as follows:

1. Identify Intervenors and other interested parties.
2. Set specific dates and locations for public hearings, which may include setting of dates in Labrador and other areas serviced by Hydro whose customers may be affected by the application.
3. Establish an order of witnesses.
4. Establish an order of cross-examination of witnesses.
5. Establish a protocol and procedure for filing evidence, information requests, and other submissions to the Board.
6. Identify distribution lists for the service of documents.
7. Provide focus to the issues.
8. Determine other such matters relevant to the hearing.

Having heard the submissions of counsel for the parties on the proposal and giving regard to the importance of having the matter heard at the earliest opportunity, the Board now considers it expedient to set out the schedule and procedures for the hearing of the application.

Pursuant to the Act and the Board of Commissioners of Public Utilities Regulations, 1996 (the “Regulations”), and in particular section 3(2) of the Regulations,

THE BOARD ORDERS THAT:

1. The parties identified as registered Intervenors and the Schedule and Procedures for the Hearing are as set out in Appendix “A” to this Order.
2. The service of documents shall be made to the parties identified in the Distribution Lists as set out in Appendix “B” to this Order.
3. Subject to that otherwise provided for in this Order, all other provisions of the Regulations shall apply.
4. On or before July 17, 2001, each party to the proceeding shall file with the Board a list of the witnesses that the party intends to call at the hearing, together with a copy of the professional resume of each witness where applicable.
5. The Motion filed by the Industrial Customers seeking an order of the Board in relation to its costs of intervening in this matter is deferred for hearing until the first Motions day of July 18, 2001.

DATED at St. John's, Newfoundland, this 11th day of July, 2001.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

G. Fred Saunders,
Commissioner.

Don R. Powell, C.A.,
Commissioner.

G. Cheryl Blundon,
Director of Corporate Services and
Board Secretary.

Appendix “A”

REGISTERED INTERVENORS, SCHEDULE AND PROCEDURES FOR THE CONDUCT OF THE HYDRO GENERAL RATE HEARING

Items

- 1. Registered Intervenors**
- 2. Schedule of Dates**
- 3. Order of Witnesses**
- 4. Procedures for Presentation of Evidence and Cross-examination of Witnesses**
- 5. Protocol and Procedure for Filing**
- 6. Motions**

Appendix A-Item 1.

1. Registered Intervenors

The following is a list of parties who are identified as registered Intervenors to this hearing:

1. Newfoundland Power Inc., *represented by*
Gillian Butler, Q.C. and Peter Alteen Telephone: 737-5859
Counsel to Newfoundland Power Inc. Fax: 737-2974
55 Kenmount Road
P.O. Box 8910
St. John's, NF
A1B 3P6

2. Abitibi Consolidated Inc., Stephenville and Grand Falls Divisions
Corner Brook Pulp and Paper Company Limited
North Atlantic Refining Limited
Industrial Customers, *represented by*
Janet M. Henley Andrews and Joseph S. Hutchings
Stewart McKelvey Stirling Scales Poole, Althouse, Thompson & Thomas
Cabot Place, 100 New Gower Street P. O. Box 812,
P.O. Box 5038 49-51 Park Street
St. John's, NF, A1C 5V3 Corner Brook, NF, A2H 6H7
Telephone: 722-4270 Telephone: (709) 634-7241
Fax: 722-4565 Fax: (709) 634-8247

4. Consumer Advocate, *represented by*
Dennis Browne, Q.C. and Stephen Fitzgerald
Browne Fitzgerald Morgan & Avis Counsel for Consumer Advocate
P. O. Box 23135 (Address, Fax &
Terrace on the Square, Level II Phone - Same as Mr. Browne)
St. John's, NF.
A1B 4J9
Telephone: 724-3800
Fax: 754-3800

5. Town of Labrador City, *represented by* Telephone: (709) 944-3666
Edward M. Hearn, Q.C. Fax: (709) 944-5494
Miller & Hearn
450 Avalon Drive, P.O. Box 129,
Labrador City, NF
A2V 2K3

6. Town of Happy Valley-Goose Bay, *represented by* Telephone: (709) 896-3321
Dennis Peck Fax No. (709) 896-9454
Director of Economic Development
P. O. Box 40, Station B
Happy Valley-Goose Bay
Labrador, NF, A0P 1E0

Appendix A-Item 2.

2. Schedule of Dates

The following dates are set:

July 2001

- July 13 Filing date for Motions to be heard on July 18
- July 16 Filing date for reply briefs to any Motion filed to be heard on July 18
- July 17 First round of questions submitted to Hydro and Intervenors by all parties other than Consumer Advocate
- July 18 Motions day
- July 25 First round of questions submitted to Hydro by Consumer Advocate

August 2001

- August 3 Responses due by Hydro to questions submitted by relevant parties on or before July 17
- August 8 Responses due by Hydro to questions submitted by Consumer Advocate on or before July 25
- August 15 Response expert reports and pre-filed testimony by Intervenors
- August 24 Filing date for Motions to be heard on August 29
- August 27 Filing date for reply briefs to any Motion filed to be heard on August 29
- August 27 Questions due on Response expert reports and pre-filed statements of Intervenor lay witnesses
- August 29 Motions day

September 2001

- September 7 Responses due to questions submitted to response experts and lay witnesses
- September 12 Filing of any supplementary evidence arising from questions and answers
- September 14 Questions due on supplementary evidence filed by September 12
- September 18 Last filing date before hearing commencement, to include all answers to outstanding questions
- September 24 Commencement of Hearing

October 2001

- October 14 Travel to Labrador (specific locations and dates to be determined)
- October 22 Re-commencement of hearing in St. John's
- October 26 Non-hearing day (Board matters)

November 2001

- November 30 Non-hearing day (Board matters)

Appendix A-Item 3.

3. Order of Witnesses

Hydro	Presentation of Application
William Wells,	President & Chief Executive Officer
David Reeves,	Vice-President Transmission & Rural Operations
Robert Henderson,	Manager of Systems Operations
Hubert Budgell,	Director of Systems Planning
Kathleen McShane,	Cost of Capital Expert Witness
Douglas Hall,	Cost of Capital Expert Witness

Intervenors

NP	Cost of Capital Expert Witness
IC	Cost of Capital Expert Witness
CA	Cost of Capital Expert Witness
Others	

Board

Cost of Capital Expert Witness

Hydro

John Roberts,	Corporate Controller
Derek Osmond,	Vice-President of Finance & Chief Financial Officer
John Brickhill,	Cost of Service Expert Witness
Paul Hamilton,	Regulatory Specialist, Customer Services Department

Intervenors

NP	Cost of Service Expert Witness
IC	Cost of Service Expert Witness
CA	Cost of Service Expert Witness
Others	

Board

Cost of Service Expert Witness

Newfoundland Power

Presentation of Case Other witnesses

Industrial Customers

Presentation of case Other witnesses

Consumer Advocate

Presentation of Case Other witnesses

Other Intervenors

Presentation of Case Other witnesses

Board

William Brushett, C.A., Board's Financial Consultant

Other witnesses

Conclusion of Hearing

Appendix A-Item 4.

4. Procedures for Presentation of Evidence and Cross-examination of Witnesses

Pre-filed testimony of all non-expert witnesses should be adopted upon their taking the stand, and, unless otherwise objected to, will be accepted as evidence.

Reports of expert witnesses should be adopted upon their taking the stand, and, unless otherwise objected to, will be accepted as evidence.

The order of presentation and cross-examination of witnesses is as follows:

Direct evidence	Hydro
First Cross	Newfoundland Power
Second Cross	Industrial customers
Third Cross	Consumer Advocate
Fourth Cross	Others
Last Cross	Counsel to the Board

Board Questions

Questions on Matters Arising	
	Hydro
	Newfoundland Power
	Industrial Customers
	Consumer Advocate
	Others
	Counsel to the Board

Direct Evidence	Intervenor Presenting Witness
First Cross	Hydro
Second Cross, and so on	Other Intervenors per above

Board	Questions
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Questions on Matters Arising	
Intervenor Presenting Witness	
	Hydro
	Other Intervenors
	Counsel to the Board

Appendix A-Item 5.

5. Protocol and Procedure for Filing

Rules of Procedure

A Public Record

All documents filed with respect to this proceeding shall be placed on the public record.

B Form of Documents

- (1) Unless directed by the Board, the official record of this proceeding will be the original paper copy filed with the Board's Secretary and all copies.
- (2) Every written document filed by a party shall be prepared as follows:
 - (a) Typed, written or printed on 8½ X 11 letter size paper, 3-hole punched for standard binders.
 - (b) Each page shall be numbered.
 - (c) Where reasonable, each line shall be numbered.

C Filing of Documents

This subsection shall govern filing of documents with the Board. Filing is accomplished when the Board receives the submission.

- (1) All documents shall be filed with the Board Secretary.
- (2) Documents may be filed by:
 - (a) Hand delivery;
 - (b) Courier service;
 - (c) Registered Mail;
 - (d) Facsimile; or
 - (e) Other means directed by the Board.
- (3) All documents shall be date and time stamped when received at the Board's Office. To ensure distribution on the same business day, all documents filed according to the scheduled dates shall be filed no later than 2:00 P.M. on the date stipulated. Documents filed after this time or on a Board holiday shall be considered as filed on the next Board business day and will be distributed on that date.

D Revisions to Documents

- (1) A party may revise any document where new information or information to correct errors on submitted filings becomes available before the completion of a hearing. In which event:
 - (a) Any party may request a hearing on the new information.
 - (b) The Board will determine whether a hearing is required to consider the revised document.
- (2) Where all or any part of a document is revised, each revision shall indicate the page(s) revised, the line (s) revised as well as the number of the revision (i.e. 1st revision) and the date of the revision.

E Service of Documents

This subsection shall govern service of all papers upon parties and proposed intervenors.

- (1) Service upon a party shall be complete when the party or the party's legal representative receives the document. Service may be made as follows:
 - (a) Hand delivery;
 - (b) Courier service;
 - (c) Registered Mail;
 - (d) Facsimile;
 - (e) Or other means directed by the Board.
- (2) Service will be effective:
 - (a) If the document is delivered by hand, courier or fax on the same day that delivery is made.
 - (b) If the document is delivered by registered mail on the date of receipt.
- (3) If service is made by any other means, within the timeframe directed by the Board.

F Number of Copies of Filings and other Documents

Unless otherwise ordered by the Board, parties filing documents with the Board shall adhere to the following guidelines:

- (1) File with the Board Secretary one original signed copy of each document.
- (2) Provide 17 copies of the original documents with the Board.
- (3) Two copies of each of the documents, described in subsection (1), shall be served on the Applicant.

- (4) Each intervenor or where indicated, each legal representative of the Intervenor.
- (5) The distribution list for each Intervenor is attached to these guidelines.

G Charge for Copies

- (1) The Board will provide a copy of any document authored by the Board, or its consultants, at no charge.
- (2) Copies of documents originating or authored by the parties should be requested directly from the parties.
- (3) The Board will charge for the cost associated with the reproduction of any other document requested of it by an individual or party.

Copy fees reflect the costs associated with reproducing the material. Copies made at the Board offices are 15 cents per page. Copying sent to outside vendors is recovered on an actual cost basis.

- (4) One copy of the transcript for each day of the hearing will be provided to each Intervenor or where indicated, each legal representatives of the Intervenor, at no cost.
- (5) Copies of the Legislation, Acts, and Regulations can be obtained from the Queen's Printer, viewed at the Board's Main Offices, or viewed on the Board's Website at www.pub.nf.ca.

H Public Viewing

Interested persons may view any or all documents filed in this proceeding at the Board's Public Viewing Room at the Board's main offices by contacting the Board Secretary.

I Electronic Filing

The Board recognizes the value inherent in this technology, and wishes to assess the use of electronic filing during this hearing. Accordingly, the Board, on an experimental basis, wishes to establish procedures and protocols for the filing of electronic copies of original hard-copy documentation.

The Board's intention is to implement a process whereby electronic versions of the documentation filed with the Board will be placed on the PUB server (www.pub.nf.ca) where they would be available for download. The Board is investigating the technical requirements of establishing such a procedure and will provide an update on the status of this matter on Motions day, July 18, 2001.

In the interim, the Board requests that each party to the Hydro hearing, unless otherwise exempted, file with the Board an electronic version of all documentation filed with the Board since May 31, 2001 related to the Hydro Application, in the following manner:

- Each individual document shall be converted while in electronic form to "read only" *.pdf format (Adobe Acrobat), still allowing for key word searches and cut and paste functionality

- On the day of filing of the hard copy, one copy of the electronic *.pdf file will be emailed to ito@pub.nf.ca

It is noted that certain parties to the Hydro Application have sought electronic copies of documents. Until such time as the Board has established a procedure for placing the electronic copy on its server, it is unable to fulfill individual requests. However, the Board would encourage the parties, as an interim measure, to co-operate with each other to facilitate this process.

Please note that the electronic file will not be an official document for the purposes of the hearing. The original paper documents will remain the official documents.

Appendix A-Item 6.

6. Motions

As noted in the Schedule of Dates, certain days have been set aside for the specific purpose of hearing any Motion that has been filed by a party. While any party is free to file a Motion at any time, it is proposed that these Motion days would be used by the Board wherever possible to conduct the actual hearing of the Motion should it be a contested matter.

Parties are to adhere to the same directions for the filing of documents as provided for in Item 4 of this Appendix A.

Motions must be filed at least 5 days before the scheduled Motion day. The 5 day period includes the first day, but not the last day. The 5 day period also includes weekend days where applicable.

Response briefs to a Motion must be filed by the responding party at least one clear day before the Motion day.

Where a party wishes to have a matter heard other than on a reserved Motion day, they may provide Notice to the Board of their request. Upon its receipt, the Board will consider the request and render a decision accordingly.

Appendix “B”
DISTRIBUTION LISTS
SERVICE OF DOCUMENTS
FOR THE HYDRO GENERIC RATE HEARING

The service of documents shall be made to the parties identified in the following Distribution Lists:

1. Distribution Listing
2. Hydro Distribution Listing
3. NP’s Distribution Listing
4. Industrial Customers’ Distribution Listing
5. Consumer Advocate Distribution Listing
6. Town of Labrador City Distribution Listing
7. Town of Happy Valley – Goose Bay Distribution Listing

Appendix B-Item 1.

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Appendix B-Item 2.

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Appendix B-Item 3.

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Appendix B-Item 4.

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Appendix B-Item 5.

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Appendix B-Item 6.

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Appendix B-Item 7.

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UPDATED: JULY 10, 2001

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX C



NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NO. P.U. 8 (2001-2002)

IN THE MATTER OF the *Electrical Power Control Act, 1994* (the “EPCA”) and the *Public Utilities Act, R.S.N. 1990, Chapter P-47* (“the Act”) and their subordinate regulations; and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (“Hydro”) for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget.

WHEREAS Hydro filed an application with the Public Utilities Board (the “Board”) dated May 31, 2001 for an Order or Orders of the Board approving, among other things, the proposed rates for the various customers of Hydro, commencing January 1, 2002 as set out in the application; and

WHEREAS the Board has moved to hold a public hearing into the above application of Hydro and published a Notice of a pre-hearing conference; and

WHEREAS after publishing notice of a pre-hearing conference, the Board received notices of intervention from the Island Industrial Customers as a group representing Abitibi Consolidated Inc, Stephenville and Grand Falls Divisions, Corner Brook Pulp and Paper Company Limited and North Atlantic Refining Limited; and

WHEREAS as part of the Notice of Intervention filed, the Island Industrial Customers applied for an Order of the Board pursuant to Section 90(1) of the Act that at the conclusion of the hearing they be entitled to have their costs of and incidental to the rate application taxed; and

WHEREAS the Island Industrial Customers further submitted that in the interest of fairness they should be entitled to know, in advance, that they will be able to recover their taxed costs of participation in the hearing; and

WHEREAS Newfoundland Power Inc. and Hydro both filed a reply to the motion of the Island Industrial Customers; and

WHEREAS at the Motions Hearing on July 18, 2001, the Board heard representations from the Island Industrial Customers as well as Newfoundland Power, Hydro and the Consumer Advocate on the motion; and

WHEREAS Section 90(1) of the Act does not specifically permit the Board to deal with the issue of costs prior to the hearing.

IT IS THEREFORE ORDERED THAT:

In accordance with Section 90(1) of the Act, the Board will consider the issue of costs for the Island Industrial Customers and other intervenors at the conclusion of the hearing.

DATED at St. John's, Newfoundland, this 20th day of July, 2001.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

G. Fred Saunders,
Commissioner.

Don R. Powell, C.A.,
Commissioner.

G. Cheryl Blundon,
Director of Corporate Services and
Board Secretary.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX D



NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NO.P.U. 18 (2001-2002)

AMENDMENT TO P.U. 7 (2001-2002)

PROCEDURAL ORDER

IN THE MATTER OF the Electrical Power Control Act, 1994 (“EPCA”) and the Public Utilities Act (“the Act”) and their subordinate regulations

AND IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (“Hydro”) for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget

BEFORE: Robert Noseworthy
Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Fred Saunders
Commissioner

On May 31, 2001 Hydro filed an application with the Public Utilities Board (“the Board”) for an order or orders of the Board approving among other things, the proposed rates for the various customers of Hydro, commencing January 1, 2002 as set out in the application.

Notice of the application and pre-hearing conference was published in newspapers circulating throughout the Province beginning June 18, 2001. The pre-hearing conference was held on July 5, 2001 in the Board’s Hearings Room in St. John’s. On July 18th, the Board issued Procedural Order No. P.U. 7 (2001-2002), which identified registered intervenors, outlined a tentative schedule of dates and set procedural rules for the conduct of the hearing.

On July 18, 2001 and August 29, 2001, the Board held Motions Days for the purpose of reviewing the status of the hearing process and clarifying or resolving issues relevant to the hearing of the application. The Board has now amended Procedural Order No. P.U. 7 (2001-2002) and issued this Procedural Order No. P.U. 18 (2001-2002).

THE BOARD ORDERS THAT:

1. The parties identified as registered Intervenors and the Schedule and Procedures for the Hearing are as set out in Appendix “A” to this amended Order.
2. The service of documents shall be made to the parties identified in the Distribution Lists as set out in Appendix “B” to this amended Order.
3. The document filed in response to IC-86 is exempt under the requirements filed in 5(f) of Appendix A.
4. Subject to that otherwise provided for in this Order, all other provisions of the Regulations shall apply.

DATED at St. John's, Newfoundland, this 7th day of September, 2001.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

G. Fred Saunders,
Commissioner.

G. Cheryl Blundon,
Director of Corporate Services and
Board Secretary.

Appendix “A”

REGISTERED INTERVENORS, SCHEDULE AND PROCEDURES FOR THE CONDUCT OF THE HYDRO GENERAL RATE HEARING

Items

- 1. Registered Intervenors**
- 2. Schedule of Dates**
- 3. Order of Witnesses**
- 4. Procedures for Presentation of Evidence and Cross-examination of Witnesses**
- 5. Protocol and Procedure for Filing**
- 6. Motions**
- 7. Information Requests Outside of set Schedule.**

Appendix A-Item 1.

1. Registered Intervenors

The following is a list of parties who are identified as registered Intervenors to this hearing:

1. Newfoundland Power Inc., *represented by*
Gillian Butler, Q.C. and Peter Alteen Telephone: 737-5859
Counsel to Newfoundland Power Inc. Fax: 737-2974
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2. Abitibi Consolidated Inc., Stephenville and Grand Falls Divisions
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North Atlantic Refining Limited
Industrial Customers, *represented by*
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4. Consumer Advocate, *represented by*
Dennis Browne, Q.C. and Stephen Fitzgerald
Browne Fitzgerald Morgan & Avis Counsel for Consumer Advocate
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Terrace on the Square, Level II Phone - Same as Mr. Browne)
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Appendix A-Item 2.

2. Schedule of Dates

The following dates are set:

July 2001

- July 13 Filing date for Motions to be heard on July 18
- July 16 Filing date for reply briefs to any Motion filed to be heard on July 18
- July 17 First round of questions submitted to Hydro and Intervenor by all parties other than Consumer Advocate
- July 18 Motions day
- July 25 First round of questions submitted to Hydro by Consumer Advocate

August 2001

- August 3 Responses due by Hydro to questions submitted by relevant parties on or before July 17
- August 8 Responses due by Hydro to questions submitted by Consumer Advocate on or before July 25
- August 15 Response expert reports and pre-filed testimony by Intervenor
- August 24 Filing date for Motions to be heard on August 29
- August 27 Filing date for reply briefs to any Motion filed to be heard on August 29
- August 27 Questions due on Response expert reports and pre-filed statements of Intervenor lay witnesses
- August 29 Motions day

September 2001

- September 7 Responses due to questions submitted to response experts and lay witnesses
- September 12 Filing of any supplementary evidence arising from questions and answers
- September 14 Questions due on supplementary evidence filed by September 12
- September 18 Last filing date before hearing commencement, to include all answers to outstanding questions
- September 24 Commencement of Hearing – Hearing Days will continue on a daily basis until the end of the Hearing. The following dates have been specifically set.

October 2001

- October 14 Travel
- October 15 Public Presentation Hearing – St. Anthony, Vinland Hotel
- October 16 Public Presentation Hearing – Wabush, Wabush Hotel
- October 17 Public Presentation Hearing – Wabush, Wabush Hotel
- October 18 Public Presentation Hearing – Goose Bay, Labrador Inn
- October 19 Public Presentation Hearing – Goose Bay, Labrador Inn

- October 22 Public Presentation Hearing – Stephenville, Holiday Inn
- October 23 Public Presentation Hearing – Grand Falls, Mount Peyton Hotel
- October 24 Non-Hearing Day, Board Matters
- October 25 Public Presentation Hearing – St. John's, PUB Hearing Room
- October 26 Public Presentation Hearing – St. John's, PUB Hearing Room

October 29 Cost of Capital Experts
October 30 Cost of Capital Experts
October 31 Cost of Capital Experts

November 2001

November 1 Cost of Capital Experts
November 2 Cost of Capital Experts
November 13 Cost of Capital Experts
November 14 Cost of Capital Experts
November 15 Cost of Capital Experts
November 16 Cost of Capital Experts
November 23 Non-Hearing Day, Board Matters

November 26-30 Cost of Service Experts

December 2001

December 1 Cost of Service Experts
December 3-7 Cost of Service Experts

Appendix A – Item 3.

3. Order of Witnesses

Hydro	Presentation of Application
William Wells,	President & Chief Executive Officer
David Reeves,	Vice-President Transmission & Rural Operations
Robert Henderson,	Manager of Systems Operations
Hubert Budgell,	Director of Systems Planning
Kathleen McShane,	Cost of Capital Expert Witness
Douglas Hall,	Cost of Capital Expert Witness

Intervenors

NP	Cost of Capital Expert Witness
IC	Cost of Capital Expert Witness
CA	Cost of Capital Expert Witness
Others	

Hydro

John Roberts,	Corporate Controller
Derek Osmond,	Vice-President of Finance & Chief Financial Officer
John Brickhill,	Cost of Service Expert Witness
Paul Hamilton,	Regulatory Specialist, Customer Services Department

Intervenors

NP	Cost of Service Expert Witness
IC	Cost of Service Expert Witness
CA	Cost of Service Expert Witness
Others	

Board

Cost of Service Expert Witness

Newfoundland Power

Presentation of Case Other witnesses

Industrial Customers

Presentation of Case Other witnesses

Consumer Advocate

Presentation of Case Other witnesses

Other Intervenors

Presentation of Case Other witnesses

Board

William Brushett, C.A., Board's Financial Consultant

Other witnesses

Conclusion of Hearing

Appendix A-Item 4.

4. Procedures for Presentation of Evidence and Cross-examination of Witnesses

Pre-filed testimony of all non-expert witnesses should be adopted upon their taking the stand, and, unless otherwise objected to, will be accepted as evidence.

Reports of expert witnesses should be adopted upon their taking the stand, and, unless otherwise objected to, will be accepted as evidence.

The order of presentation and cross-examination of witnesses is as follows:

Direct evidence	Hydro
First Cross	Newfoundland Power
Second Cross	Industrial customers
Third Cross	Consumer Advocate
Fourth Cross	Others
Last Cross	Counsel to the Board

Board Questions

Questions on Matters Arising	
	Hydro
	Newfoundland Power
	Industrial Customers
	Consumer Advocate
	Others
	Counsel to the Board

Direct Evidence	Intervenor Presenting Witness
First Cross	Hydro
Second Cross, and so on	Other Intervenors per above

Board	Questions
-------	-----------

Questions on Matters Arising	
Intervenor Presenting Witness	
	Hydro
	Other Intervenors
	Counsel to the Board

Appendix A-Item 5.

5. Protocol and Procedure for Filing

Rules of Procedure

A Public Record

All documents filed with respect to this proceeding shall be placed on the public record.

B Form of Documents

- (1) Unless directed by the Board, the official record of this proceeding will be the original paper copy filed with the Board's Secretary and all copies.
- (2) Every written document filed by a party shall be prepared as follows:
 - (a) Typed, written or printed on 8½ X 11 letter size paper, 3-hole punched for standard binders.
 - (b) Each page shall be numbered.
 - (c) Where reasonable, each line shall be numbered.

C Filing of Documents

This subsection shall govern filing of documents with the Board. Filing is accomplished when the Board receives the submission.

- (1) All documents shall be filed with the Board Secretary.
- (2) Documents may be filed by:
 - (a) Hand delivery;
 - (b) Courier service;
 - (c) Registered Mail;
 - (d) Facsimile; or
 - (e) Other means directed by the Board.
- (3) All documents shall be date and time stamped when received at the Board's Office. To ensure distribution on the same business day, all documents filed according to the scheduled dates shall be filed no later than 2:00 P.M. on the date stipulated. Documents filed after this time or on a Board holiday shall be considered as filed on the next Board business day and will be distributed on that date.

D Revisions to Documents

- (1) A party may revise any document where new information or information to correct errors on submitted filings becomes available before the completion of a hearing. In which event:
 - (a) Any party may request a hearing on the new information.
 - (b) The Board will determine whether a hearing is required to consider the revised document.
- (2) Where all or any part of a document is revised, each revision shall indicate the page(s) revised, the line (s) revised as well as the number of the revision (i.e. 1st revision) and the date of the revision.

E Service of Documents

This subsection shall govern service of all papers upon parties and proposed intervenors.

- (1) Service upon a party shall be complete when the party or the party's legal representative receives the document. Service may be made as follows:
 - (a) Hand delivery;
 - (b) Courier service;
 - (c) Registered Mail;
 - (d) Facsimile;
 - (e) Or other means directed by the Board.
- (2) Service will be effective:
 - (a) If the document is delivered by hand, courier or fax on the same day that delivery is made.
 - (b) If the document is delivered by registered mail on the date of receipt.
- (3) If service is made by any other means, within the timeframe directed by the Board.

F Number of Copies of Filings and other Documents

Unless otherwise ordered by the Board, parties filing documents with the Board shall adhere to the following guidelines:

- (1) File with the Board Secretary one original signed copy of each document.
- (2) Provide 17 copies of the original documents with the Board.
- (3) Two copies of each of the documents, described in subsection (1), shall be served on the Applicant.

- (4) Each intervenor or where indicated, each legal representative of the Intervenor.
- (5) The distribution list for each Intervenor is attached to these guidelines.

G Charge for Copies

- (1) The Board will provide a copy of any document authored by the Board, or its consultants, at no charge.
- (2) Copies of documents originating or authored by the parties should be requested directly from the parties.
- (3) The Board will charge for the cost associated with the reproduction of any other document requested of it by an individual or party.

Copy fees reflect the costs associated with reproducing the material. Copies made at the Board offices are 15 cents per page. Copying sent to outside vendors is recovered on an actual cost basis.

- (4) One copy of the transcript for each day of the hearing will be provided to each Intervenor or where indicated, each legal representatives of the Intervenor, at no cost.
- (5) Copies of the Legislation, Acts, and Regulations can be obtained from the Queen's Printer, viewed at the Board's Main Offices, or viewed on the Board's Website at www.pub.nf.ca.

H Public Viewing

Interested persons may view any or all documents filed in this proceeding at the Board's Public Viewing Room at the Board's main offices by contacting the Board Secretary.

I Electronic Filing

The Board recognizes the value inherent in this technology, and wishes to assess the use of electronic filing during this hearing. Accordingly, the Board, on an experimental basis, wishes to establish procedures and protocols for the filing of electronic copies of original hard-copy documentation.

The Board's intention is to implement a process whereby electronic versions of the documentation filed with the Board will be placed on the PUB server (www.pub.nf.ca) where they would be available for download.

The Board requests that each party to the Hydro hearing, unless otherwise exempted, file with the Board an electronic version of all documentation filed with the Board since May 31, 2001 related to the Hydro Application, in the following manner:

- Each individual document shall be converted while in electronic form to "read only" *.pdf format (Adobe Acrobat), still allowing for key word searches and cut and paste functionality

- On the day of filing of the hard copy, one copy of the electronic *.pdf file will be emailed to ito@pub.nf.ca

The following documentation is exempted from the requirement to e-file:

- i) covering letters or correspondence;
- ii) background reports, Board Orders, or historical documentation prepared previous to this hearing; and
- iii) case law filed in support of Motions.

It is noted that certain parties to the Hydro Application have sought electronic copies of documents. Until such time as the Board has established a procedure for placing the electronic copy on its server, it is unable to fulfill individual requests. However, the Board would encourage the parties, as an interim measure, to co-operate with each other to facilitate this process.

Please note that the electronic file will not be an official document for the purposes of the hearing. The original paper documents will remain the official documents.

Appendix A-Item 6.

6. Motions

As noted in the Schedule of Dates, certain days have been set aside for the specific purpose of hearing any Motion that has been filed by a party. While any party is free to file a Motion at any time, it is proposed that these Motion days would be used by the Board wherever possible to conduct the actual hearing of the Motion should it be a contested matter.

Parties are to adhere to the same directions for the filing of documents as provided for in Item 4 of this Appendix A.

Motions must be filed at least 5 days before the scheduled Motion day. The 5 day period includes the first day, but not the last day. The 5 day period also includes weekend days where applicable.

Response briefs to a Motion must be filed by the responding party at least one clear day before the Motion day.

Where a party wishes to have a matter heard other than on a reserved Motion day, they may provide Notice to the Board of their request. Upon its receipt, the Board will consider the request and render a decision accordingly.

Appendix A-Item 7.

7. Information Requests Outside of set Schedule

Notwithstanding the dates for the issuing of, and replying to, Information requests filed by the Applicant and Intervenors as provided for in Item 2 (“Schedule of Dates”) of this Procedural Order, the Applicant and the Intervenors may file Information Requests outside of the set schedule. The party receiving an Information Request issued outside of the set schedule will have 14 days to issue their reply, provided however that any such Information Request issued outside of the set schedule is issued and received prior to September 4, 2001. Replies to Information Request issued after September 4, 2001 are to be provided by the responding party as soon as reasonably practicable after receiving the Information Requests.

Appendix “B”
DISTRIBUTION LISTS
SERVICE OF DOCUMENTS
FOR THE HYDRO GENERIC RATE HEARING

The service of documents shall be made to the parties identified in the following Distribution Lists:

1. Distribution Listing
2. Hydro Distribution Listing
3. NP’s Distribution Listing
4. Industrial Customers’ Distribution Listing
5. Consumer Advocate Distribution Listing
6. Town of Labrador City Distribution Listing
7. Town of Happy Valley – Goose Bay Distribution Listing

Appendix B-Item 1.

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Appendix B-Item 2.

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Appendix B-Item 3.

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Appendix B-Item 4.

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Appendix B-Item 5.

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Appendix B-Item 6.

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Appendix B-Item 7.

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UPDATED: SEPTEMBER 7, 2001

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX E



NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NO. **P.U. 22 (2001-2002)**

IN THE MATTER OF the Electrical Power Control Act, 1994 (“EPCA”) and the Public Utilities Act (“the Act”) and their subordinate regulations

AND IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (“Hydro”) for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget

AND IN THE MATTER OF an application from the Consumer Advocate in relation to a proposed amendment to Procedural Order P.U. 7(2001-2002).

WHEREAS the Board received an application from the Consumer Advocate on September 17, 2001 requesting an order for amendments to Procedural Order P.U. 7(2001-2002); and

WHEREAS notice of the application was issued to the registered intervenors on September 18, 2001 and responses were received from Hydro, Newfoundland Power, the Island Industrial Customers and the Town of Labrador City; and

WHEREAS at a counsel meeting on September 21, 2001 the matters raised in the application were discussed with the parties and the Board’s Legal Counsel reported back to the Board; and

WHEREAS it is the Board’s position that the relief sought in items 10(a) and 10(b) of

the application is already provided for in the Board's regulations and is in accordance with past practice of the Board; and

WHEREAS the parties were advised at the counsel meeting that the document requested in 10(c) will be forthcoming at a later date; and

WHEREAS the Glossary of Terms requested in 10(d) has already been circulated to the parties for comment.

IT IS THEREFORE ORDERED THAT:

The application is hereby dismissed.

DATED at St. John's, Newfoundland, this 21st day of September 2001.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

Donald Powell C.A.,
Commissioner

G. Fred Saunders,
Commissioner.

G. Cheryl Blundon,
Director of Corporate Services and
Board Secretary.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX F



NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NO**P.U. 23 (2001-2002)**

IN THE MATTER OF the Electrical Power Control Act, 1994 (“EPCA”) and the Public Utilities Act (“the Act”) and their subordinate regulations

AND IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (“Hydro”) for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget

AND IN THE MATTER OF an application from the Consumer Advocate in relation to proposed amendments to Procedural Order Nos. P.U. 7(2001-2002) and P.U.18 (2001-2002).

WHEREAS the Board received an application from the Consumer Advocate on September 17, 2001 requesting an order for amendments to Procedural Order P.U. 7(2001-2002); and

WHEREAS the Board issued Order No. P. U. 22 (2001-2002) on September 21, 2002, dismissing the application; and

WHEREAS a motion was filed by the Consumer Advocate on September 24, 2001, to the right of redirect examination incorporated in the Board’s Procedural Order; and

WHEREAS having considered the request of the Consumer Advocate, the Board has decided to issue an amendment to Order Nos. P.U. 7 (2001-2002) and P. U. 18 (2001-2002), Appendix A, Item 4, Page 7; and

WHEREAS Order No. P.U. 18 (2001-2002), Appendix A, Item 2, Page 3, indicated that the Board would hold Public Presentation Hearing at the Labrador Inn, Goose Bay on October 18 and 19, 2001; and

WHEREAS the Board has been advised that the Labrador Inn is unavailable and the location of this Public Presentation Hearing will be announced when the location is determined; and

WHEREAS Order No. P.U. 18 (2001-2002), Appendix A, Item 2, Page 4, indicated that the Cost of Service Experts would be heard on December 1, 2001 as per the Schedule of Dates; and

WHEREAS the Chairperson of the Panel indicated that the Board would not be sitting on Saturday, December 1, 2001, and that an amended Appendix A, Item 2, Page 4 would be issued.

IT IS THEREFORE ORDERED THAT:

1. Appendix A, Item 4, Page 7, of Order Nos. P.U. 7 (2001-2002) and P. U.18 (2001-2002) be and it is hereby amended, as attached.
2. Appendix A, Item 2, Page 3 of Order No. P.U. 18 (2001-2002) be and it is hereby amended, as attached.
3. Appendix A, Item 2, Page 4 of Order No. P.U.18 (2001-2002) be and it is hereby amended, as attached.

DATED at St. John's, Newfoundland, this 24th day of September 2001.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

Donald Powell C.A.,
Commissioner

G. Fred Saunders,
Commissioner.

G. Cheryl Blundon,
Director of Corporate Services and
Board Secretary.

ADDENDUM TO ORDER NO. P.U. 18 (2001-2002)
Appendix A-Item 2 (Page 3 & 4, Revised September 24, 2001)

2. Schedule of Dates

The following dates are set:

July 2001

- July 13 Filing date for Motions to be heard on July 18
- July 16 Filing date for reply briefs to any Motion filed to be heard on July 18
- July 17 First round of questions submitted to Hydro and Intervenors by all parties other than Consumer Advocate
- July 18 Motions day
- July 25 First round of questions submitted to Hydro by Consumer Advocate

August 2001

- August 3 Responses due by Hydro to questions submitted by relevant parties on or before July 17
- August 8 Responses due by Hydro to questions submitted by Consumer Advocate on or before July 25
- August 15 Response expert reports and pre-filed testimony by Intervenors
- August 24 Filing date for Motions to be heard on August 29
- August 27 Filing date for reply briefs to any Motion filed to be heard on August 29
- August 27 Questions due on Response expert reports and pre-filed statements of Intervenor lay witnesses
- August 29 Motions day

September 2001

- September 7 Responses due to questions submitted to response experts and lay witnesses
- September 12 Filing of any supplementary evidence arising from questions and answers
- September 14 Questions due on supplementary evidence filed by September 12
- September 18 Last filing date before hearing commencement, to include all answers to outstanding questions
- September 24 Commencement of Hearing – Hearing Days will continue on a daily basis until the end of the Hearing. The following dates have been specifically set.

October 2001

- October 14 Travel
- October 15 Public Presentation Hearing – St. Anthony, Vinland Hotel
- October 16 Public Presentation Hearing – Wabush, Wabush Hotel
- October 17 Public Presentation Hearing – Wabush, Wabush Hotel
- October 18 Public Presentation Hearing – Goose Bay, To Be Announced
- October 19 Public Presentation Hearing – Goose Bay, To Be Announced
- October 22 Public Presentation Hearing – Stephenville, Holiday Inn
- October 23 Public Presentation Hearing – Grand Falls, Mount Peyton Hotel

October 24 Non-Hearing Day, Board Matters
October 25 Public Presentation Hearing – St. John’s, PUB Hearing Room
October 26 Public Presentation Hearing – St. John’s, PUB Hearing Room

October 29 Cost of Capital Experts
October 30 Cost of Capital Experts
October 31 Cost of Capital Experts

November 2001

November 1 Cost of Capital Experts
November 2 Cost of Capital Experts
November 13 Cost of Capital Experts
November 14 Cost of Capital Experts
November 15 Cost of Capital Experts
November 16 Cost of Capital Experts
November 23 Non-Hearing Day, Board Matters

November 26-30 Cost of Service Experts

December 2001

December 3-7 Cost of Service Experts

ADDENDUM TO ORDER NO. P.U. 18 (2001-2002)
Appendix A-Item 4(Page 7, Revised-September 24, 2001)

4. Procedures for Presentation of Evidence and Cross-examination of Witnesses

Pre-filed testimony of all non-expert witnesses should be adopted upon their taking the stand, and, unless otherwise objected to, will be accepted as evidence.

Reports of expert witnesses should be adopted upon their taking the stand, and, unless otherwise objected to, will be accepted as evidence.

The order of presentation and cross-examination of witnesses is as follows:

Hydro Witnesses

Direct evidence	Hydro
First Cross	Newfoundland Power
Second Cross	Industrial Customers
Third Cross	Consumer Advocate
Fourth Cross	Others
Last Cross	Counsel to the Board

Re-Direct **Hydro**

Board Questions

Questions on Matters Arising

Hydro
Newfoundland Power
Industrial Customers
Consumer Advocate
Others
Counsel to the Board

Re-Direct **Hydro**

Intervenor Witnesses

Direct Evidence	Intervenor Presenting Witness
First Cross	Hydro
Second Cross, and so on	Other Intervenors per above

Re-Direct **Intervenor Presenting Witness**

Board Questions

Questions on Matters Arising

Intervenor Presenting Witness
Hydro
Other Intervenors
Counsel to the Board

Re-Direct **Intervenor Presenting Witness**

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX G

IN THE MATTER OF the *Public Utilities Act*, (R.S.N. 1990, Chapter P-47 (the “Act”))

AND

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget.

TO: The Board of Commissioners of Public Utilities (the “Board”)

THE APPLICATION of Newfoundland and Labrador Hydro (the “Applicant”)

STATES that: -

1. On May 31, 2001, the Applicant filed an application requesting an Order of the Board to, inter alia, (1) set the rates to be charged Newfoundland Power, Rural Customers and Industrial Customers, to be effective January 1, 2002 and (2) approve the Applicant’s 2002 capital budget.

2. By Order No. P.U. 25 (2000-2001) the Board extended the interim rates for Industrial Customers set by Order No. 23 (1999 – 2000) until December 31, 2001.
3. The public hearing with respect to the application dated May 31, 2001 commenced on September 24, 2001 and is continuing as of the date of this Application. The most recent tentative schedule reviewed by counsel contemplates evidence will not conclude until, at the earliest, December 21, 2001. While no date has been set for the filing of written argument or the hearing of oral argument, it is most unlikely that this will occur until January, 2002.
4. Based on the current schedule described in paragraph 3, it is clear that the Board will not be in a position to review the matters raised in this proceeding and issue an Order by December 31, 2001.
5. Hydro, therefore, proposes: (i) that the rates now charged Industrial Customers pursuant to Order No. 25 (2000 – 2001) be extended until such time as the Board issues a new Order in this proceeding revising the rates charged Industrial Customers and (ii) that the application for approval of the 2002 capital budget be separated from the other matters raised in the May 31, 2001 Application and be addressed at this time.
6. Hydro's proposed 2002 capital budget provides for projects which, in Hydro's judgment, are required to provide reliable electrical service to its customers in 2002 in a safe environment for employees and the public. Evidence has been presented in this proceeding on behalf of Hydro to explain these projects, to support the rationale for seeking approval for these projects for 2002 and explaining Hydro's capital budget process.

7. Under s.41 (3) of the *Public Utilities Act*, the Applicant may not proceed with a capital project in excess of \$50,000 or a lease in excess of \$5,000, without the prior approval of the Board.
8. Discussions have recently taken place between counsel for all the parties and it is the Applicant's understanding from these discussions that the other parties are in a position to identify those capital projects proposed by the Applicant for 2002 that they do not intend to object to or take a position on and those that they intend to submit argument on to object to their approval. Counsel for two of the parties have already advised the Applicant of their position on the specific proposed 2002 capital projects.
9. The Applicant proposes that its 2002 capital budget be dealt with at this time as follows:
 - (i) the Board review as soon as possible those 2002 capital projects with which no party is taking exception. To assist with this, the parties should be requested to advise immediately of those 2002 capital projects to which they object.
 - (ii) argument be submitted by the parties on the projects to which objection is taken at the same time as argument is submitted (probably January, 2002) in this general rate proceeding.
10. In the discussions with counsel referred in paragraph 8 hereof, the Applicant agreed with counsel for the Industrial Customers that any agreement to proceed at this time to seek approval for those 2002 capital projects to which no party objected would be without prejudice to the other parties' right to address argument on (1) the sufficiency of

the documentation supplied to support a capital project generally or the principles and procedures applied in the capital budget process and (2) an adjustment to reflect the Applicant's past capital spending experience.

11. The Applicant seeks an Order at this time
 - (i) extending the interim rates charged Industrial Customers under Order No. P.U. 25 (2000-2001) until such time as an Order is issued revising such rates; and
 - (ii) approving those 2002 capital projects to which no party makes an objection.

The Applicant proposes that those projects on which parties wish to submit argument be dealt with in final legal argument by the parties and reviewed by the Board at the conclusion of this hearing, along with any submissions on those issues referred to in paragraph 10 hereof.

Dated at St. John's, Newfoundland this 20th day of November, 2001.

NEWFOUNDLAND & LABRADOR HYDRO

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MPG/mgw

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX H



NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NO.P.U. 30 (2001-2002)

IN THE MATTER OF the Public Utilities
Act, R.S.N. 1990, Chapter P-47, (“the Act”);

AND

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (the “Applicant”) for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its retail customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its rules and regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its industrial customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget

AND

IN THE MATTER OF an application by the Applicant for approval of certain projects in its 2002 proposed capital budget filed as part of the May 31, 2001 application **AND** for an order extending the interim rates charged Industrial Customers pursuant to Order Nos. P.U. 23 (1999-2000) and. P.U. 25 (2000-2001)

WHEREAS Section 41(1) of the Act requires that a public utility submit an annual capital budget of proposed improvements or additions to its property to the Board of Commissioners of Public Utilities (the “Board”) for approval not later than the 15th day of December in each year for the next calendar year; and

WHEREAS Section 41(2) of the Act requires that the budget shall contain an estimate of future required expenditures on improvements or additions to the property of the public utility that will not be completed in the next calendar year; and

WHEREAS Section 41(2) of the Act requires that the budget shall contain an estimate of future required expenditures on improvements or additions to the property of the public utility that will not be completed in the next calendar year; and

WHEREAS Section 41(3) of the Act requires that a public utility shall not proceed with the construction, purchase or lease of improvements or additions to its property where

- (a) the cost of the construction or purchase is in excess of \$50,000; or
- (b) the cost of the lease is in excess of \$5,000 in a year of the lease

without the prior approval of the Board; and

WHEREAS on May 31, 2001 the Applicant filed an application requesting an Order of the Board to, *inter alia*, (1) set the rates to be charged Newfoundland Power, Rural Customers and Industrial Customers, to be effective January 1, 2002 and (2) approve the Applicant's 2002 Capital Budget; and

WHEREAS the Applicant provided details of its proposed 2002 Capital Budget in Section A of the May 31, 2001 application; and

WHEREAS the Applicant provided explanations of its proposed 2002 construction projects and capital purchases in excess of \$50,000 in Sections B and C of the May 31, 2001 application; and

WHEREAS the public hearing with respect the May 31, 2001 application commenced on September 24, 2001 and is continuing as of this date and a final order from the Board is not expected until after January 2002; and

WHEREAS the intervenors in this hearing are Newfoundland Power, Industrial Customers, Consumer Advocate, Town of Labrador City, and the Town of Happy Valley- Goose Bay; and

WHEREAS on November 20, 2001 the Applicant filed with the Board an application requesting (i) approval of certain projects in the proposed 202 Capital Budget filed as part of the general rate application and (ii) an order extending the interim rates charged Industrial Customers pursuant to Order Nos. P.U. 23 (1999-2000) and P.U. 25 (2000-2001) until such time as the Board issues a final Order in the proceeding currently underway; and

WHEREAS the November 20, 2001 application indicated that discussions with counsel for the parties had taken place and that consenting to the hearing of this application seeking approval for those 2002 capital projects to which no party objected would be without prejudice to the other parties' right to address argument on (i) the sufficiency of the documentation supplied to support a capital project generally or the principles and procedures applied in the capital budget process and (ii) an adjustment to reflect the Applicant's past capital spending practice; and

WHEREAS Newfoundland Power, the Industrial Customers, the Consumer Advocate and Board Counsel filed replies to the November 20, 2001 application; and

WHEREAS the replies filed indicated certain projects that the parties objected to and accordingly the Applicant is not seeking approval of these projects as part of this application; and

WHEREAS the Board heard from the parties during the hearing on December 11, 2001 and has carefully considered the submissions and the evidence on the Capital Budget to date.

IT IS HEREBY ORDERED THAT:

1. The Applicant's proposed 2002 construction projects and capital purchases in excess of \$50,000, as set out in Appendix "A" hereto, are hereby approved. This approval is granted without prejudice to the parties' right to address argument on (i) the sufficiency of the documentation supplied to support a capital project generally or the principles and

procedures applied in the Capital Budget process and (ii) an adjustment to the 2002 Capital Budget to reflect the Applicant's past capital spending practice.

2. The interim rates for the Industrial Customers approved by Order Nos. P.U. 23 (1999-2000) and P.U. 25 (2000-2001) are hereby extended until such time as the Board issues a final Order revising these rates.

DATED at St. John's, Newfoundland, this 20th day of December 2001.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

G. Fred Saunders,
Commissioner.

Don R. Powell, C.A.,
Commissioner.

G. Cheryl Blundon,
Director of Corporate Services and
Board Secretary.

NEWFOUNDLAND AND LABRADOR HYDRO

2002 Capital Budget

Projects approved as per Order No. P.U. 30 (2001-2002)

Dated: December 20, 2001

Page	Description
B-8	GENERATION Replace Unit 1 Exciter – Cat Arm (Previous \$13,000; \$863,000)
B-9	GENERATION: Replace Hanlon 1301 Fire Protection System for Generation System (\$697,000)
B-11	GENERATION: Replace Governor Controls – Upper Salmon (\$606,000)
B-12	GENERATION: Replace Piping Surge Tank 3 – Bay D’ Espoir (\$326,000)
B-13	GENERATION: Upgrade Controls on Spherical Value # 5 – Bay d’Espoir (\$153,000)
B-20	GENERATION: Upgrade Oil Systems for Fire Protection
B-24	TRANSMISSION: Replace Instrument Transformers/Surge Arrestors-Central (\$71,000)
B-26	TRANSMISSION: Upgrade – TL227 – (69kV Berry Hill – Daniel’s Harbour) (\$496,000)
B-27	TRANSMISSION: Replacement of Insulators – TL226 (69kV Deer Lake Berry Hill) (\$224,000)
B-28	TRANSMISSION: Replacement of Insulators – TL229 (69kV Wiltondale–Glenburnie)(\$145,000)
B-29	TRANSMISSION: Replacement of Insulators–TL211 (230kV Massey Drive-Bottom Brook) (\$570,000)
B-30	TRANSMISSION: Replacement of Insulators – TL 228 (230kV Buchans-Massey Drive) (\$450,000)
B-33	TRANSMISSION: Purchase and Install Breaker Failure Protection Addition – Bottom Brook, Western Avalon & Holyrood (\$229,000)
B-35	RURAL SYSTEMS: Provide Service Extensions-Central, Northern and Labrador (\$981,000)
B-36	RURAL SYSTEMS: Upgrade Distribution Systems-Central, Northern and Labrador (\$1,330,000)
B-37	RURAL SYSTEMS: Replace Poles-South Brook and King’s Point System (Previous \$26,000; \$173,000)
B-38	RURAL SYSTEMS: Replace Insulators – English Harbour West (\$669,000)
B-39	RURAL SYSTEMS: Replace Insulators – South Brook Distribution System (\$317,000)
B-40	RURAL SYSTEMS: Replace Conductor/Poles – Burgeo (\$300,000)
B-41	RURAL SYSTEMS: Purchase & Install Voltage Regulators – Barchoix (\$112,000)
B-42	RURAL SYSTEMS: Replace Transformers – Burlington Substation (\$149,000)
B-43	RURAL SYSTEMS: Replace 136kW Diesel Unit No 278 – McCallum (Previous \$220,000; \$56,000)
B-44	RURAL SYSTEMS: Replace 250kW Diesel Unit No. 2027–McCallum (Previous \$209,000; \$55,000)
B-45	RURAL SYSTEMS: Replace 136kW Diesel Unit No. 279-Grey River (Previous \$11,000; \$297,000)
B-47	RURAL SYSTEMS: Replace 75kW Diesel Unit No. 252 – Petites (Previous \$36,000; \$238,000)
B-48	RURAL SYSTEMS: Upgrade Distribution Lines – St. Anthony Distribution System (\$206,000)
B-49	RURAL SYSTEMS: Relocation of Line – Cook’s Harbour (\$556,000)
B-50	RURAL SYSTEMS: Replace Corroded Transformers – Northern (\$276,000)
B-51	RURAL SYSTEMS: Upgrade Distribution Line – Goose Cove (\$87,000)
B-52	RURAL SYSTEMS: Replace 136kV Diesel Unit No.266–William’s Harbour (\$11,000;Future \$288,000)
B-53	RURAL SYSTEMS: Replace 300 kW Diesel Unite No. 288-Black Tickle (Previous \$11,000; \$318,000)
B-54	RURAL SYSTEMS: Replace 250 kW Diesel Unit No. 293 – Rigolet (Previous \$11,000; \$301,000)
B-55	RURAL SYSTEMS: Upgrade – Fuel Storage – Nain (\$339,000)
B-56	RURAL SYSTEMS: Purchase and Install Fire Alarm System – Black Tickle (\$50,000)
B-58	RURAL SYSTEMS: Upgrade Diesel Plant – St. Lewis (\$59,000; Future \$769,000)
B-59	RURAL SYSTEMS: Purchase Meters and Equipment – TRO System (\$172,000)
B-65	GENERAL PROPERTIES: Replace Power Line Equipment – Transmission System – West Coast (Previous \$300,000; \$651,000’ Future \$1,428,000)
B-70	GENERAL PROPERTIES: Replace Remote Terminal Unit for Hydro – Phase 3 (\$311,000)
B-73	GENERAL PROPERTIES: Replace Telephone Isolation Equipment-Sunnyside & Western Avalon (\$52,000)
B-75	TRANSMISSION: Upgrade TL262 (69kV Daniels Harbour – Peter’s Barren) (Previous \$323,000’ \$367,000)

NEWFOUNDLAND AND LABRADOR HYDRO

2002 Capital Budget

Projects approved as per Order No. P.U. 30 (2001-2002)

Dated: December 20, 2001

<u>Page</u>	<u>Description</u>	
C-11	TRANSMISSION	Upgrade TL242 (230kV Holyrood-Hardwoods) (Previous \$461,000; \$8,525,000)
C-12	TRANSMISSION	Upgrade TL236 (230kV Hardwoods-Oxen Pond) (Previous \$170,000; \$5,110,000)
C-13	TRANSMISSION	Upgrade of TL203 (230kV Sunnyside-Western Avalon) (\$15,000; Future years \$192,000)

GENERATION:

Replace Unit 1 Exciter - Cat Arm (Previous \$13,000; \$863,000)

Nature of Project

This project (as previously approved by the PUB) involves the purchase, installation and commissioning of a new static exciter for Cat Arm Unit 1. The original exciter was installed in 1984 and is no longer supported by the equipment manufacturer. Critical spare parts for the existing exciter are not available from the manufacturer.

Customer Impact

Failure to complete this work will result in increased unit unavailability, thus impacting power supply to our customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering will be completed in 2001 and installation will be completed in 2002. There are no future commitments.

GENERATION:

Replace Halon 1301 Fire Protection Systems for Generation System (\$697,000)

Nature of Project

This project involves the replacement of all remaining halon fire suppression systems in accordance with Hydro's *Strategic Plan for Phase-Out and Replacement of Halons*. (This plan was prepared as a requirement of the provincial *Ozone Depleting Substance Regulations* and has been approved by the provincial Department of Environment and Labour). Phase 1 of the program was completed in 2000 and Phase 2 is being implemented in 2001. The remaining systems are scheduled for replacement in the third and final phase of the program in 2002. Replacement fire protection systems will meet criteria for performance, health and safety, and environmental acceptability and shall include new control, alarm and detection devices where necessary.

Customer Impact

There is no direct customer impact.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

GENERATION:

Replace Governor Controls - Upper Salmon (\$606,000)

Nature of Project

This project involves the replacement of Woodward governor controls at the Upper Salmon Generating Plant that was commissioned in 1982. A product rationalization by the manufacturer has determined that they are unable to support this version due to a lack of spare parts.

Customer Impact

The loss of the governor will cause extended generator outage and may impact the supply of power to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

GENERATION:

Replace Piping Surge Tank 3 - Bay d'Espoir (\$326,000)

Nature of Project

This project involves the replacement of the existing hot water piping system on Surge Tank No. 3 at Bay d'Espoir. The work consists of the replacement of the piping, insulation, distribution ring and the protective weather housing. The purpose of the hot water system is to prevent ice pan formation in the surge tanks which can cause severe turbine/penstock damage.

Customer Impact

Failure to perform this work will result in prolonged damage to the penstocks and the generating equipment, Units 5 and 6, at the Bay d'Espoir plant due to the inability of the equipment to absorb excessive hydraulic surges. This would result in a prolonged outage and hence higher cost to consumers.

Cost Benefit Study

A formal cost benefit study is not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

GENERATION:

Upgrade Controls on Spherical Valve #5 - Bay d'Espoir (\$153,000)

Nature of Project

This project involves the replacement of obsolete equipment in the Bay d'Espoir Unit #5 spherical valve control system. The work on this unit consists of replacement of main servomotor 4-way valve, pilot valves, controls piping, and replacement of mechanical controls with a new Program Logic Controller.

Customer Impact

Failure to perform this work could adversely affect the operation and availability of the unit and impact the supply of power to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

GENERATION:

Upgrade Oil Systems for Fire Protection on Unit No. 3 - Holyrood (\$225,000)

Nature of Project

This project involves the installation of containment dykes and the upgrade of sprinkler piping on Unit No. 3 lube oil, seal oil, and heavy oil systems, as recommended by Hydro's Insurers. Completion of this project will contain potential oil spills, and prevent spread of any resulting fire between major equipment and units.

Customer Impact

Failure to complete this work could result in major property damage and the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

TRANSMISSION:

Replace Instrument Transformers/Surge Arrestors - Central (\$71,000)

Nature of Project

This project involves the replacement of instrument transformers / surge arrestors. Each year a number of high voltage current and potential transformers and surge arrestors are required to be replaced. These units are identified for replacement either through field tests, which indicate that failure is imminent, or by actual failure in service.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a yearly allotment which will be adjusted from year to year depending on historic information.

TRANSMISSION:

Upgrade - TL227 - (69kV Berry Hill - Daniel's Harbour) (\$496,000)

Nature of Project

This project is the second phase of a program to upgrade TL227 on the Great Northern Peninsula.

This 85 km, 30-year-old 69kV line from Berry Hill Terminal Station to Daniel's Harbour Terminal Station operates in a severe salt spray environment. An investigation of this line identified 25 kilometers requiring upgrading. 15km of line upgrading was approved in Hydro's 2001 Capital Budget, including the replacement of 680 suspension insulators and 543 post insulators. The 2002 project will involve upgrading 10km of this line, and the replacement of 219 insulators, 74 poles, and 10 km of conductor. TL 227 has a total of 5,400 suspension and 3,100 post type insulators.

From 1995 to 2000 this line experienced two (2) momentary outages of less than one minute and 25 sustained outages of greater than one minute.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

TRANSMISSION:

Replacement of Insulators - TL226 (69kV Deer Lake - Berry Hill) (\$224,000)

Nature of Project

This project involves the replacement of insulators on a 78 km, 30-year-old 69kV line from Deer Lake Terminal Station to Berry Hill Terminal Station. The predominant outage causes on this line are high winds and defective equipment.

Approximately 65 outages were experienced between 1990 and 1999; 16 were caused by defective insulators; and high winds accounted for an additional 16 outages. The majority of the insulator failures was on the dead-end and angle structures. The total insulators on this line are 5,400 suspension and 2,200 post type. This project will replace 2000 suspension insulators in critical areas.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This project will be completed in 2002, however the investigation into the outages due to high winds may result in future commitments.

TRANSMISSION:

Replacement of Insulators - TL229 (69kV Wiltondale - Glenburnie) (\$145,000)

Nature of Project

This project involves the replacement of insulators on this 35 km, 25-year-old 69 kV line from Glenburnie Terminal Station to Wiltondale Terminal Station. An insulator inspection and testing program demonstrated deteriorating insulator conditions that will result in mechanical stress failures. This line has a total of 2,100 suspension and 735 post type insulators. This project will replace *150* insulators.

*

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

TRANSMISSION:

Replacement of Insulators - TL211 (230kV Massey Drive - Bottom Brook) (\$570,000)

Nature of Project

This project involves the replacement of insulators on the 56 km, 34-year-old 230 kV line from Massey Drive Terminal Station to Bottom Brook Terminal Station. In 2000 an inspection and testing program on a 6% sampling of insulators revealed an increase in defective insulators. These Canadian Ohio Brass (COB) insulators manufactured prior to 1974, experience failures due to cement growth causing radial cracks leading to moisture ingress. This project will replace all 6700 insulators.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

TRANSMISSION:

Replacement of Insulators - TL228 (230kV Buchans - Massey Drive) (\$450,000)

Nature of Project

This project involves the replacement of insulators on the 85 km, 34-year-old 230 kV line from Buchans Terminal Station to Massey Drive Terminal Station. In 2000 an insulator inspection and testing program on a 20% sampling revealed a failure rate of 10% in defective insulators. These Canadian Ohio Brass (COB) insulators manufactured prior to 1974 experience failures due to cement growth causing radial cracks leading to moisture ingress. This project will replace 3,700 insulators, which completes a total replacement program of 13,500 insulators.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

TRANSMISSION:

Purchase and Install Breaker Failure Protection Addition - Bottom Brook, Western Avalon & Holyrood (\$229,000)

Nature of Project

This project involves the purchase and installation of a 138 kV breaker failure protection at Bottom Brook, Western Avalon and Holyrood Terminal Stations. This is comprised of a new panel at each station for each of 138 kV breakers.

Customer Impact

The installation of this protection will mitigate severe breaker damage and improve reliability.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Provide Service Extensions - Central, Northern and Labrador (\$981,000)

Nature of Project

This project is a yearly allotment based on past expenditures to provide service connections (including street lights) to new customers. This summary identifies the total budget allotment for all regions even though the Capital Budget is presented by individual region.

For the period 1996 to 2000, the total actual expenditures for all regions averaged \$1,206,000. The Capital Budget for all regions for 2002 is \$981,000.

Customer Impact

This project will facilitate the connection of new customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a yearly allotment, which will be adjusted from year to year depending on historic information.

RURAL SYSTEMS:

Upgrade Distribution Systems - Central, Northern and Labrador (\$1,330,000)

Nature of Project

This project involves the upgrade of distribution lines and equipment to maintain a safe and reliable distribution system. Typical items covered are replacement of poles, streetlights, conductors, transformers, voltage regulators, etc., which are replaced due to substandard conditions. This summary identifies the total budget allotment for all regions even though the Capital Budget is presented by individual region.

For the period 1996 to 2000, the total actual expenditures for all regions averaged \$1,438,000. The Capital Budget for all regions for 2002 is \$1,330,000.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a yearly allotment, which will be adjusted from year to year depending on historic information.

RURAL SYSTEMS:

Replace Poles - South Brook and King's Point System (Previous \$26,000; \$173,000)

Nature of Project

This project (as previously approved by the PUB) involves the replacement of poles on the South Brook and King's Point System. Hydro's inspection program identified forty (40) poles on this system, which have deteriorated and are approaching the end of their useful life. The age of these poles range from 31 to 36 years.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Replace Insulators - English Harbour West (\$669,000)

Nature of Project

This project involves the replacement of insulators in the English Harbour West area. The line from English Harbour West to Belleoram / Coombs Cove has experienced major outages due to insulator problems. These outages of 20-minute to 4-hour duration have affected an average of 550 customers.

The Canadian Ohio Brass (COB) insulators manufactured prior to 1974 experience failures due to cement growth causing radial cracks leading to moisture ingress. This project will replace 3,400 insulators out of a total of 3,700.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Replace Insulators - South Brook Distribution System(\$317,000)

Nature of Project

This project involves the replacement of insulators on the South Brook Distribution System. The line on the South Brook Distribution system consists of a 34-year old section from Roberts Arm to Pilley's Island, and a 21-year old section from Pilley's Island to Long Island. Both sections have Canadian Ohio Brass (COB) insulators which are deteriorating with hairline cracks. Hydro has experienced major outages of 20-minute to 21-hour durations affecting anywhere from 173 to 1,283 customers. This line has 1995 suspension and 1,500 pintype insulators. This project will replace *1,420* insulators.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Replace Conductor/Poles - Burgeo (\$300,000)

Nature of Project

This project involves the replacement of conductor and poles on the Burgeo Distribution System. The line is a 36-year-old, three-phase distribution line with deteriorated conductor and poles. During icing conditions and high winds in October 2000, 312 customers were interrupted for 4.5 hours due to conductor breakage and pole failure. Since 1995 Hydro experienced 9 outages on this line. This project will replace 62 spans of #4 copper conductor with 4/0 aluminum and also replace 17 deteriorated poles.

Customer Impact

Failure to complete this work could result in interruptions of power to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments. This project will be completed in 2002.

RURAL SYSTEMS:

Purchase & Install Voltage Regulators - Barchoix (\$112,000)

Nature of Project

This project involves the purchase and installation of voltage regulators on the Barchoix System. Peak load level on the feeder has resulted in low voltage levels.

Customer Impact

This project will provide a more stable and regulated source of power to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Replace Transformers - Burlington Substation (\$149,000)

Nature of Project

This project involves the replacement of transformers at the Burlington Substation. The existing transformation for the Burlington L2 feeder is three single-phase units installed on a pole mounted platform structure. These transformers are located in a separate station from the recloser serving the same feeder. The increase in transformer capacity requires that the new transformer be a three-phase, pad- mounted unit. Expanding the recloser station is the most cost effective means to accomplish the work and maintain the reliability of the system, and allow for future load growth.

Customer Impact

There is no direct customer impact.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Replace 136kW Diesel Unit No. 278 - McCallum (Previous \$220,000; \$56,000)

Nature of Project

This project (as previously approved by the PUB) involves the purchase and installation of a 100kW diesel generating set to replace the existing unit at McCallum. The existing unit was purchased in 1975 and will have approximately 93,000 operating hours by 2002. The unit will be replaced rather than complete its seventh major overhaul.

Due to a declining load forecast the size of the replacement unit has been reduced, as less generation will be needed to meet peak demand and maintain optimum fuel efficiency. The new unit would offer better efficiency, lower maintenance costs and improved exhaust emissions.

Customer Impact

A new engine will help maintain system reliability and reduce the risk of customer outages.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2001 and the construction completed in 2002.

RURAL SYSTEMS:

Replace 250kW Diesel Unit No. 2027 - McCallum (Previous \$209,000; \$55,000)

Nature of Project

This project (as previously approved by the PUB) involves the purchase and installation of a 170kW diesel generating set to replace the existing 250kW unit at McCallum. The existing unit was purchased and installed in McCallum in 1989 and has a total of 10,000 operating hours. The community load profile indicated a declining load forecast resulting in the requirement for a smaller unit to meet peak demand and maintain optimum fuel efficiency. The existing 250kW unit will replace an obsolete unit in Harbour Deep coincident with the plant upgrade in 2002.

Customer Impact

A new unit will help maintain system reliability and reduce the risk of customer outages.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2001 and the construction completed in 2002.

RURAL SYSTEMS:

Replace 136kW Diesel Unit No. 279 - Grey River (Previous \$11,000; \$297,000)

Nature of Project

This project (as previously approved by the PUB) involves the purchase and installation of a 136kW diesel generating set to replace an existing unit at Grey River. The existing unit was purchased in 1975 and will have approximately 108,000 operating hours by 2002. The unit will be replaced rather than complete its eighth major overhaul. The new unit would offer better efficiency, lower maintenance costs, and improved exhaust emissions.

Customer Impact

A new engine will help maintain system reliability and reduce the risk of customer outage.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2001 and the construction will be completed in 2002.

RURAL SYSTEMS:

Replace 75kW Diesel Unit No. 252 - Petites (Previous \$36,000; \$238,000)

Nature of Project

This project (as previously approved by the PUB) involves the purchase and installation of a 40kW diesel generating set to replace an existing unit at Petites. The existing unit, which was purchased in 1974, will have approximately 98,000 operating hours by 2002. The unit will be replaced rather than complete its seventh major overhaul. Due to a declining load forecast, the unit size has been reduced, as less generation will be needed to meet peak demand and also to maintain optimum fuel efficiency. The new unit would offer better efficiency, lower maintenance costs, and improved exhaust emissions.

Customer Impact

A new engine will help maintain system reliability and reduce the risk of customer outage.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2001 and the construction will be completed in 2002.

RURAL SYSTEMS:

Upgrade Distribution Lines - St. Anthony Distribution System (\$206,000)

Nature of Project

This project involves the upgrading of several lines on the St. Anthony Distribution System. These lines are: a 33-year-old 22.8km section of line in Cook's Harbour, a 25-year-old 0.8km section of line in Gunners Cove; and a 20-year-old 0.9km double circuit line in the Town of St. Anthony. These sections contributed to outages during the January 1999 storm, which interrupted 2500 customers in St. Anthony. From 1997 to 2000 the St. Anthony section saw an average of 104 recloser operations per year, Cook's Harbour - 88 reclosers per year, and Gunners Cove - 90 recloser operations per year. This project will shorten the span lengths, upgrade the conductor in all sections, and separate the double-circuit lines in St. Anthony.

Customer Impact

Failure to complete this work could result in the interruption of power to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Relocation of Line - Cook's Harbour (\$556,000)

Nature of Project

This project involves the relocation of part of the distribution line to the community of Cook's Harbour. Part of the line feeding Cook's Harbour is a 7.5 km section of three-phase line which is located on barren country and exposed to harsh conditions with winds in excess of 100 kms/hour. During January 19-20, 1999, the northern tip of the Great Northern Peninsula (GNP) experienced a severe wind and ice storm. The extreme winds and heavy ice build-up resulted in 43 broken poles and conductors. This project will relocate this section of line and upgrade the structures, conductor, and insulators.

Customer Impact

Relocating and upgrading this line will improve customer service reliability.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Replace Corroded Transformers - Northern (\$276,000)

Nature of Project

This project involves the replacement of transformers in the Northern Region. The distribution systems in the Northern Region have a high exposure to salt contamination. Hydro's transformer maintenance inspection program in 2000 identified corroded transformers which require replacement in 2002. This project will replace 109 distribution transformers with new units having stainless steel tanks.

Customer Impact

Failure to replace these transformers will result in interruptions of power to Hydro's customers and cause environmental damage.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Upgrade Distribution Line - Goose Cove (\$87,000)

Nature of Project

This project involves the upgrade of an 8 km section of a 34 years old line in the Goose Cove area. Some of the poles are at the end of their useful life. In March 2000 severe icing conditions caused an outage of 48 hours duration to 110 customers. This project will replace 18 poles and 30 insulators.

Customer Impact

Failure to upgrade this section of line will result in interruptions of power to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Replace 136kW Diesel Unit No. 266 - William's Harbour (\$11,000; Future \$288,000)

Nature of Project

This project involves the purchase and installation of a 136 kW diesel generating set to replace an existing unit at William's Harbour. The existing unit, which was purchased in 1975, will have approximately 86,500 operating hours by 2002. The unit will be replaced rather than complete its sixth major overhaul. The new unit will offer better efficiency, lower maintenance costs and improved exhaust emissions.

Customer Impact

A new engine will help maintain system reliability and reduce the risk of customer outage.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2002 and the construction will be completed in 2003.

RURAL SYSTEMS:

Replace 300 kW Diesel Unit No. 288 - Black Tickle (Previous \$11,000; \$318,000)

Nature of Project

This project (as previously approved by the PUB) involves the purchase and installation of a 300kW diesel generating set to replace existing unit at Black Tickle. The existing unit, which was purchased in 1978, will have approximately 88,000 operating hours by 2002. The unit will be replaced rather than complete its sixth major overhaul. The new unit would offer better efficiency, lower maintenance costs and improved exhaust emissions.

Customer Impact

A new engine will help maintain system reliability and reduce the risk of customer outages.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2001 and the construction will be completed in 2002.

RURAL SYSTEMS:

Replace 250 kW Diesel Unit No. 293 - Rigolet (Previous \$11,000; \$301,000)

Nature of Project

This project (as previously approved by the PUB) involves the purchase and installation of a 250kW diesel generating set to replace an existing unit at Rigolet. The existing unit, purchased in 1974, will have approximately 95,000 operating hours by 2002. The unit will be replaced rather than complete its sixth major overhaul. The new unit would offer better efficiency, lower maintenance costs and improved exhaust emissions.

Customer Impact

A new engine will help maintain system reliability and reduce the risk of customer outages.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2001 and the construction will be completed in 2002.

RURAL SYSTEMS:

Upgrade - Fuel Storage - Nain (\$339,000)

Nature of Project

This project involves the installation of a new liner under the fuel storage tanks, upgrading the dyke walls, upgrading the fuel transfer system, and improving drainage around the perimeter of the site.

This fuel storage site was constructed in 1975 and does not meet the current Storage and Handling of Gasoline and Associated Products (GAP) Regulations.

Customer Impact

There is no direct customer impact.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Purchase and Install Fire Alarm System - Black Tickle (\$50,000)

Nature of Project

This project involves the purchase and installation of a fire detection and alarm system at the Black Tickle generating plant.

The installation of a fire detection and alarm system, which shuts off the fuel supply to the plant in the event of an activation, will reduce the risk of severe damage to this diesel generating facility.

Customer Impact

Failure to complete this work could result in a long interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

RURAL SYSTEMS:

Upgrade Diesel Plant - St. Lewis (\$59,000; Future \$769,000)

Nature of Project

This project involves the upgrading of the diesel plant building at St. Lewis and will provide adequate area and height for the safe performance of operation and maintenance activities.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2002 and the construction will be completed in 2003.

RURAL SYSTEMS:

Purchase Meters and Equipment - TRO System (\$172,000)

Nature of Project

This project will provide for an adequate inventory level of various types of meters, instrument transformers, meter test switches and other metering equipment.

Customer Impact

Failure to have adequate metering equipment available could result in customer hook-up delays.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

GENERAL PROPERTIES:

Replace Power Line Carrier Equipment - Transmission System - West Coast
(Previous \$300,000; \$651,000; Future \$1,428,000)

Nature of Project

This project (as previously approved by the PUB) involves the purchase and installation of new Power Line Carrier and High Voltage Coupling equipment. This is Phase IV of the Strategic Telecommunications Plan which addresses the replacement of the obsolete Power Line Carrier equipment on the West Coast as presented to PUB. This equipment provides power system protection signalling and operational voice and data to support the Energy Control Centre.

Customer Impact

Failure to replace this equipment could cause failure of the transmission system thus impacting Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is a three-year project starting in 2001 and will be completed in 2003.

GENERAL PROPERTIES:

Replace Remote Terminal Unit for Hydro - Phase 3 (\$311,000)

Nature of Project

This project involves the replacement of four (4) Quindar Remote Terminal Units (RTUs) which have reached the end of their useful life. This equipment is used for the control and monitoring of Hydro's transmission and generation system.

Customer Impact

Failure to replace this equipment could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

This is phase 3 of a 6 year program and requests for the approval of additional phases will be included in future submissions to the PUB.

GENERAL PROPERTIES:

Replace Telephone Isolation Equipment - Sunnyside & Western Avalon (\$52,000)

Nature of Project

This project involves the replacement of obsolete telephone isolation equipment at the Sunnyside and Western Avalon Terminal Stations. The equipment is required to protect personnel and telephony equipment. Fibre optic technology will be used to replace the copper circuits which provide backup communications for the monitoring and control of the power system as well as voice communications.

Customer Impact

There is no direct customer impact.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

There are no future commitments, this project will be completed in 2002.

TRANSMISSION:

Upgrade TL262 (69kV Daniels Harbour - Peter's Barren) (Previous \$323,000; \$367,000)

Nature of Project:

This project involves the upgrading of TL262 (Daniel's Harbour - Peter's Barren), a 5km 69kV transmission line, to mitigate interruption problems now being experienced. The project will involve rerouting the existing line away from the seacoast by going inland from Daniel's Harbour Terminal Station to intersect and follow the existing right-of-way of TL259 (Berry Hill - Peter's Barren).

The proposed new structure and insulator configuration will be designed to mitigate the problems presently being experienced with severe salt contamination.

Customer Impact

Failure to complete this work could result in the interruption of power supply to Hydro's customers.

Cost Benefit Study

A formal cost benefit study was not required.

Future Commitments

The work was started in 2001 and will be complete in 2002. There are no future commitments.

Note: The detail engineering of the project determined that the re-routing of TL262 will have to traverse an area of bog resulting in higher than anticipated construction costs. Once the environmental review was completed, it was determined that there would be less of an environmental impact if the construction was completed by traversing frozen ground, hence the project completion was delayed to early 2002.

TRANSMISSION:

Upgrade TL242 - (230kV Holyrood - Hardwoods)

Nature of Project

TL218 is a 230kV transmission line located on the Avalon Peninsula connecting the Holyrood Terminal Station to Oxen Pond Terminal Station, a distance of approximately 37.5km. This total line can be divided into two major segments. The first segment, approximately 25km, is a steel line consisting of suspension and light angle towers (guyed V-type), and self supported towers at heavy angle and deadend locations. This steel line segment runs from Holyrood Terminal Station to a point near the Hardwoods Terminal Station. The second segment, approximately 11km, from Hardwoods to Oxen Pond, is part of a double circuit wood-pole arrangement with TL236.

To improve the overall reliability for the Avalon Peninsula Transmission System a plan has been developed to upgrade several transmission lines. This proposal includes the upgrading of the first segment of TL218 and terminating it at the Hardwoods Terminal Station. The line will be renamed TL242. The structures and conductors will be designed such that they will withstand the estimated 25-year ice load of 66mm radial glaze ice.

It should be noted that the existing wood-pole line TL242 will be disconnected from Hardwoods Terminal Station, joined with the existing wood-pole section of TL218 to Oxen Pond and renamed TL218.

Customer Impact

Failure to complete this upgrade could result in extensive line outages affecting reliability to customers at a frequency of those previously experienced.

Cost Benefit Study

A formal cost benefit study was completed and reviewed by the Public Utility Board at the hearing for Hydro's 1997 Capital Budget.

Future Commitments

This is a two-year project. The engineering will be completed in 2001 and construction will be completed in 2002. There are no future commitments.

TRANSMISSION:

Upgrade TL236 - (230kV Hardwoods - Oxen Pond)

Nature of Project

TL236 is a 230kV transmission line located on the Avalon Peninsula connecting Hardwoods and Oxen Pond Terminal Stations, a distance of approximately 11km. The present line is built in a wood-pole double-circuit arrangement with TL218.

To improve the overall reliability for the Avalon Peninsula Transmission System, a plan has been developed to upgrade several transmission lines. This proposal covers the upgrading of TL236. The work will include dismantling one side of the existing double-circuit wood-pole line and constructing a separate single-circuit lattice steel line along the existing alignment within the existing right-of-way. Since this will be a completely new transmission line, the structures and conductors will be designed such that they will withstand the estimated 50-year ice load of 76mm radial glaze ice.

Customer Impact

Failure to complete this upgrade could result in extensive line outages affecting reliability to customers at a frequency of those previously experienced.

Cost Benefit Study

A formal cost benefit study was completed and reviewed by the Public Utilities Board at the hearing for Hydro's 1997 Capital Budget.

Future Commitments

This is a two-year project. The engineering will be completed in 2001 and construction will be completed in 2002. There are no future commitments.

TRANSMISSION:

Uprate of TL203 (230kV Sunnyside – Western Avalon)

Nature of Project

TL203 is a 230kV transmission line connecting the Sunnyside Terminal Station to the Western Avalon Terminal Station. This proposal involves the thermal uprating of the line to allow operation at conductor temperatures up to 75⁰C. Presently, this line is limited to a maximum conductor temperature of 50⁰C. The proposal involves the addition of mid-span structures at critical locations to limit the line sag to acceptable standard when operated at higher temperatures.

Customer Impact

The thermal uprating of TL203 will increase the transfer capability of the east coast transmission grid affording the system operators increased flexibility during periods when the Holyrood thermal plant is off line or when the system is experiencing a 230kV transmission line outage.

Cost Benefit Study

The 1995 Hydro report the “East Coast Voltage Study” identified the deficiency with TL203 and recommended remedial actions. This report has been reviewed by the Public Utility Board at the hearing for Hydro’s 1997 Capital Budget.

Future Commitments

This is a two-year project. The engineering and material ordering will be completed in 2002 and construction will be completed in 2003.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX I

IN THE MATTER OF the *Public Utilities Act*, (R.S.N. 1990, Chapter P-47 (the “Act”))

AND

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of Electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget.

TO: The Board of Commissioners of Public Utilities (the “Board”)

THE APPLICATION of Newfoundland and Labrador Hydro (the “Applicant”)

STATES that: -

1. Section 41 (1) of the Act requires that a public utility submit an annual capital budget to the Board for its approval not later than December 15 in each year for the next calendar year.

2. Section 41 (3) of the Act states that a public utility shall not proceed with the construction, purchase or lease of improvements or additions to its property where
 - (a) the cost of the construction or purchase is in excess of \$50,000;
or
 - (b) the cost of the lease is in excess of \$5,000 in a year of the leasewithout the prior approval of the Board.

3. On May 31, 2001, the Applicant filed an application requesting an Order of the Board to, inter alia, (1) set the rates to be charged Newfoundland Power, Rural Customers and Industrial Customers, to be effective January 1, 2002 and (2) approve the Applicant's 2002 capital budget, which contained Sections A, B, C, D and E.

4. Section A of the Applicant's revised proposed 2002 Capital Budget lists all capital projects including those that are less than \$50,000 each and those that are \$50,000 each or more. The revised total of all capital projects proposed for 2002 is \$40,946,000. Section B of the Applicant's proposed 2002 capital budget lists projects that each are \$50,000 or more. The total revised amount proposed for 2002 Section B projects is \$26,206,000. Projects less than \$50,000 each in Section A total \$14,740,000.

5. On November 20, 2001 Hydro filed an Application seeking an Order of the Board

- (i) extending the interim rates charged Industrial Customers under Order No. P.U. 25 (2000-2001) until such time as an Order is issued revising such rates; and
 - (ii) approving those 2002 capital projects to which no party made an objection.

- 6. All parties filed replies to the November 20, 2001 Application indicating certain projects in Sections A and B, including those less than \$50,000 each, in the Applicant's proposed 2002 capital budget that they objected to. Objections were made in the replies to projects less than \$50,000 each listed in Section A totaling \$359,000. Objections were not made to any projects in Section C or leases in Section D.

- 7. Order No. P.U. 30 (2001-2002) issued on December 20, 2001 approved those projects in Sections B and C of the Applicant's proposed 2002 capital budget to which no party had indicated an objection in its reply. Projects less than \$50,000 each listed in Section A and leases in Section D were not addressed in Order No. P.U. 30 (2001-2002).

- 8. The Applicant seeks an Order at this time approving
 - (i) those projects under \$50,000 each listed in Section A of the Applicant's proposed 2002 capital budget to which the other parties did not indicate objections in their replies to the Applicant's November 21, 2001 Application; and
 - (ii) those leases for 2002 in excess of \$5,000 listed in Section D of the Applicant's proposed capital budget to which no party indicated an objection.

As in the November 20, 2001 Application, the Applicant proposes that the Order sought be made without prejudice to the other parties' rights to address argument on (i) the sufficiency of the documentation supplied to support a capital project generally or the principles and procedures applied in the capital budget process and (ii) an adjustment to the 2002 Capital Budget to reflect the Applicant's past capital spending practice.

Dated at St. John's, Newfoundland this 28th day of December, 2001.

NEWFOUNDLAND & LABRADOR HYDRO

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January 11, 2002

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road
P.O. Box 21040
St. John's, Newfoundland
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Attention: Ms. Cheryl Blundon
Director Corporate Services and Board Secretary

Dear Ms. Blundon:

**Re: 2002 Capital Budget –
Application December 28th, 2001**

As raised at the hearing yesterday I have reviewed Section 4 of Hydro's December 28th Application relating to the 2002 Capital Budget. I confirm that the total revised amount for projects less than \$50,000.00 as listed throughout Section A is \$1,090,000 and not \$14,740,000.00 as stated in the Application. Objections have been raised by parties to projects less than \$50,000.00 that total \$359,000. Therefore, the total amount of projects less than \$50,000 that Hydro is requesting approval of at this time is \$731,000.

Hydro is requesting, as stated in the December 28th Application and as stated yesterday, an Order from the Board at this time approving:

1. Projects under \$50,000.00 listed throughout Section A of the proposed 2002 Capital Budget to which the other parties have not indicated any objections, totaling approximately \$731,000.00; and

2. Leases for 2002 in excess of \$5,000.00 listed in Section D.

I apologize for any confusion that the error in Section 4 of the December 28th Application relating to the total amount of projects less than \$50,000.00 caused.

Yours truly,

Maureen P. Greene, Q.C.
Counsel to Newfoundland & Labrador Hydro

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BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ORDER NUMBER: P.U. 7 (2002-2003)

APPENDIX J



NEWFOUNDLAND AND LABRADOR

AN ORDER OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NO. P.U. 31 (2001-2002)

IN THE MATTER OF the Public Utilities
Act, R.S.N. 1990, Chapter P-47, (“the Act”);

AND

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (the “Applicant”) for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to its retail customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its rules and regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its industrial customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget

AND

IN THE MATTER OF an application by the Applicant for approval of certain projects in its 2002 proposed capital budget filed as part of the May 31, 2001 application.

WHEREAS Section 41(1) of the Act requires that a public utility submit an annual capital budget of proposed improvements or additions to its property to the Board of Commissioners of Public Utilities (the “Board”) for approval not later than the 15th day of December in each year for the next calendar year; and

WHEREAS Section 41(2) of the Act requires that the budget shall contain an estimate of future required expenditures on improvements or additions to the property of the public utility that will not be completed in the next calendar year; and

WHEREAS Section 41(3) of the Act requires that a public utility shall not proceed with the construction, purchase or lease of improvements or additions to its property where

- (a) the cost of the construction or purchase is in excess of \$50,000; or
- (b) the cost of the lease is in excess of \$5,000 in a year of the lease

without the prior approval of the Board; and

WHEREAS on May 31, 2001 the Applicant filed an application requesting an Order of the Board to, *inter alia*, (1) set the rates to be charged Newfoundland Power, Rural Customers and Industrial Customers, to be effective January 1, 2002 and (2) approve the Applicant's 2002 Capital Budget; and

WHEREAS the Applicant provided details of its proposed 2002 Capital Budget in Section A of the May 31, 2001 application; and

WHEREAS the Applicant provided explanations of its proposed 2002 construction projects and capital purchases in excess of \$50,000 in Sections B and C of the May 31, 2001 application; and

WHEREAS the public hearing with respect to the May 31, 2001 application commenced on September 24, 2001 and is continuing as of this date and a final order from the Board is not expected until after January 2002; and

WHEREAS the intervenors in this hearing are Newfoundland Power, Industrial Customers, Consumer Advocate, Town of Labrador City, and the Town of Happy Valley - Goose Bay; and

WHEREAS on November 20, 2001 the Applicant filed with the Board an application requesting (i) approval of certain projects in the proposed 2002 Capital Budget filed as part of the general rate application and (ii) an order extending the interim rates charged Industrial Customers pursuant to Order Nos. P.U. 23 (1999-2000) and P.U. 25 (2000-2001) until such time as the Board issues a final Order in the proceeding currently underway; and

WHEREAS after hearing from the parties the Board issued Order No. P.U. 30 (2001-2002) approving certain projects over \$50,000 as set out in Appendix "A" of that order as requested by the Applicant and not objected to by the intervenors; and

WHEREAS on December 28, 2001 the Applicant filed a subsequent application requesting

- i) approval of those capital expenditures under \$50,000 as outlined in Section A of the May 31, 2001 application and not objected to by the intervenors, and
- ii) approval of leases in excess of \$5,000 and not objected to; and

WHEREAS the Board heard from the parties on January 10, 2002; and

WHEREAS the Applicant filed a revised application on January 11, 2002 confirming the corrected total of capital expenditure on projects under \$50,000 as \$1,090,000 and requested approval of \$731,000 of this amount as being the total of those projects to which no party has objected to.

IT IS HEREBY ORDERED THAT:

1. The Applicant's proposed capital expenditures of \$731,000 for those projects under \$50,000 as outlined in Appendix "A" attached are hereby approved. As in Order No. P.U. 30 (2001-2002), this approval is also granted without prejudice to the parties' right to address argument on (i) the sufficiency of the documentation supplied to support a capital project generally or the principles and procedures applied in the Capital Budget process and (ii) an adjustment to the 2002 Capital Budget to reflect the Applicant's past capital spending practice.
2. The Applicant's 2002 leases in excess of \$5,000 per calendar year as set out in Appendix "B" are hereby approved.

DATED at St. John's, Newfoundland and Labrador, this 14th day of January, 2002.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

G. Fred Saunders,
Commissioner.

Don R. Powell, C.A.,
Commissioner.

G. Cheryl Blundon,
Director of Corporate Services and
Board Secretary.

NEWFOUNDLAND AND LABRADOR HYDRO

2002 Capital Budget

Capital Expenditures Under \$50,000 Approved as per Order No. 31 (2001-2002)

Dated: January 14, 2002

	<u>Description</u>	<u>Amount(\$)</u>
Generation	Trash Rack Differential System-Bay D'Espoir Intake	15,000
	Frazil Ice Detection System, Intake No. 4, Bay D'Espoir	9,000
	Replace Tools & Equipment - Construction	146,000
	Replace Tools & Equipment - Thermal Plant (50% of \$77,000)	38,500
Transmission	Replace Tools & Equipment – Central (50% of \$207,000)	103,500
	230 kV Recloser PLC Refit (L05L35) Stony Brook TS	42,000
Rural System	Replace Battery Charger & Batteries System, Lab City	9,000
	Approved PCB Storage Container, Happy Valley	20,000
	Storage Shed, Rigolet	18,000
	Tools & Equipment, Central	61,000
	Tools & Equipment, Northern	85,000
	Tools & Equipment, Labrador	40,000
	Tools & Equipment, Metering	13,000
	Metering Tanks – TRO System	34,000
General Properties	Site Grounding at Telecontrol Site – Phase 3	46,000
	Replace Admin Office Equipment (50% of \$102,000)	51,000
	<u>Total Approved</u>	<u>731,000</u>

NEWFOUNDLAND AND LABRADOR HYDRO

2002 Capital Budget

2002 Leasing Costs Approved as per Order No. 31 (2001-2002)

Dated: January 14, 2002

Company	Item	2002 Cost	Expiry Date
OTHER GENERAL PROPERTIES: Doble Engineering Company Crown Lands Fortis Properties Goose Real Estate Ltd. IBM IBM IBM XEROX Canada Ltd. John & Shirley Augot Menihek Shopping Centre Ltd. Roylease Limited	High Voltage Electrical Test Equipment Upper Salmon Hydro Site Office Space – St. Anthony Office Space – Happy Valley/Goose Bay ASA400 – Computers IncreaseAS400 DASD System Computer equipment to upgrade office Technology Mainframe-Docuprint 65 Prod. Printing Sys. Living Accommodations – Recontre East Office Space – Wabush Computerized Energy Management System	\$52,687 \$5,759 \$47,136 \$63,581 \$169,054 \$17,332 \$443,101 \$41,920 \$7,200 \$15,630 \$932,164	May, 2002 July, 2041 September, 2005 October, 2005 April, 2002 April, 2002 June, 2004 November, 2004 September, 2003 October, 2009 October, 2005



Newfoundland & Labrador

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