

Q. 2004 CAPITAL EXPENDITURE STATUS REPORT

PUB 66

Compare, explaining the differences, the original budgeted cost of the extension of feeder GLV-02 to Charlottetown with the current forecast of this project.

A. The original budget for this budget item in 2003 was approximately \$250,000. The forecast expenditure for 2004 and 2005 is \$435,000. The original estimate assumed that the new line would be built along the Trans Canada Highway in a new right-of-way that would bypass the Parks Canada's Newman Sound Campground in Terra Nova National Park. However, the Park has determined that, for environmental reasons, it will not allow a new right-of-way for construction of the line extension. Consequently, the Company is proposing to upgrade the existing Parks Canada-owned 3-phase distribution line to accommodate a second distribution line to be built within the existing right-of-way.

The revised option is more costly to construct, as a significant portion of the existing line, which includes underground sections, must be rebuilt to Newfoundland Power's construction standards and modified to accommodate the additional single-phase line. This will involve the replacement of poles, the replacement of much of the above-ground conductor and hardware on the existing 3-phase line, the decommissioning and re-commissioning of a number of transformers, the scheduling of planned outages and the provision of temporary generation for Park facilities and residents, in addition to the construction of the planned new single-phase extension.