

October 29, 2013

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

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

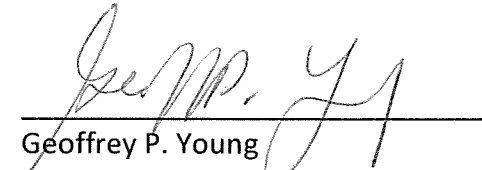
**Re: An Application by Newfoundland and Labrador Hydro (Hydro) pursuant to
Subsection 41 (3) of the Act for the approval of the replacement of a generator
main breaker at Hinds Lake.**

Enclosed please find an original plus eight copies of Hydro's response to the Request for
Information IC-NLH-1 with regard to the above-noted application:

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Geoffrey P. Young
Senior Legal Counsel

GPY/jc

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales

Thomas Johnson – Consumer Advocate
Thomas O'Reilly, QC – Cox & Palmer

1 Q. At page 16 of the project description, it is stated that originally this project was
2 considered a 2013 operating project, but that during an internal operating project's
3 audit, it was identified that this project meets the guidelines for a capital project.
4 Please explain what factors were originally considered to determine that this
5 project was an operating project, and what differing factors were subsequently
6 considered to identify the project as one needing the guidelines for a capital
7 project.

8

9

10 A. There were no factors that properly identified this project as an operating project.
11 The manager, who was new in his position, identified this as an operating project
12 that required immediate attention. Steps were then taken to commence
13 preparatory work for it as an operating project. The error in the classification of
14 this project as an operating project, as opposed to a capital project, was detected
15 prior to construction occurring. Once properly classified as capital, it was
16 determined that this project should properly be the subject of a supplemental
17 capital application to the Board.