

In reference to Schedule “B”, page 33 of 82 and the transmission system engineering study at a project cost of \$500,000:

Q. Please provide a statement of the problem that the engineering study proposes to address in detail.

A. The problem that the engineering study proposes to address is stated in the first sentence of the “Project Justification” on page 33 of Schedule “B”. It reads as follows:

“Customers served by radial transmission line systems in general experience more frequent and longer power interruptions than other customers.”

The proposed study will examine this problem with respect to two of the Company’s largest and most problematic radial systems as identified in Appendix A of the report “Salt Pond Gas Turbine Relocation Project”, submitted in response to PUB 5.4 of the Company’s 2002 Capital Budget Hearing. Alternatives for improving reliability in these areas will be identified and the most cost effective solution will be examined in detail.