

Volume III, Distribution Lightning Arrestors, Appendix 2, Attachment B

Q. The 323 units damaged in 2002 accounts for almost half of the total number damaged in the last 5 years. Please provide present worth costs for the alternatives, assuming that the number of transformer failures annually for the status quo is the average for the years 1998 to 2001.

A. Excluding the 323 transformers damaged in 2002, the average annual number of transformer failures due to lightning for the years 1998 to 2001 is 93. The present worth costs for each alternative using 93 transformer failures per year are:

Alternative #1	\$2,943,950
Alternative #2	\$6,894,379
Alternative #3	\$2,279,258