

1 **Distribution**

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3 **Q. Explain why the proposed 2004 capital expenditure for “Feeder Additions and**
4 **Upgrades to Accommodate Growth” (B-54) is one hundred and fifty eight percent**
5 **(158%) higher than the next highest expenditure made in the previous five year**
6 **period, and some seventeen hundred and thirty percent (1730%) higher than the**
7 **1999 expenditure?**

8

9 A. The 2004 capital expenditure for Feeder Additions and Upgrades to Accommodate
10 Growth is not based on historical trends. Included in this item is the cost of building
11 additional feeders when required due to growth. It is not necessary to construct new
12 feeders every year. Hence, this component of the project cost would be \$0 in some years
13 and conversely, when electrical demand exceeds capacity at a number of locations,
14 multiple feeders may be constructed. This results in large swings in the budgeted amounts
15 from year-to-year.