

2006 Capital Projects – Normal Capital (Identified Need)

Project Title: **Rebuild Distribution Lines (Pooled)**

Project Cost: **\$3,190,000**

Project Description

This Distribution project involves the replacement of deteriorated distribution structures and electrical equipment that have been previously identified through ongoing line inspections, engineering reviews, or day to day operations.

Distribution rebuild projects can involve either the complete rebuilding of deteriorated distribution lines or the selective replacement of various line components based on inspections and engineering reviews. These typically include the replacement of poles, crossarms, conductor, cutouts, surge/lightning arrestors, insulators and transformers.

The work for 2006 includes feeder improvements on 47 of the Company's 302 feeders <>.

While the various components of the project are not inter-dependent, they are similar in nature and justification. The expenditures are therefore pooled for consideration as a single capital project.

Justification

This project is justified on the basis of maintaining a safe, reliable electrical system.

The Company has over 8,200 kilometres of distribution lines in service and has an obligation to maintain this plant in good condition to safeguard the public and its employees and to maintain reliable electrical service. The replacement of deteriorated distribution structures and equipment is an important element of this obligation.

Projected Expenditures

Table 1 provides a breakdown of the proposed expenditures for 2006 and a projection of expenditures through 2010.