

1 **Q. What are the repercussions of delaying the Ten-Year Substation Refurbishment**
2 **and Modernization Capital Plan by five years (2007 Capital Budget Plan, Graph 2,**
3 **page B-1)?**
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5 A. If the implementation of the Ten-Year Substation Refurbishment and Modernization
6 Capital Plan was delayed five years, the Company would continue with its present
7 approach of capital substation expenditures to ensure the reliable and safe operation of its
8 substations. The present approach is program-based whereas the Ten-Year Substation
9 Refurbishment and Modernization Plan, as described in Volume I, *2.1 Substation*
10 *Strategic Plan*, proposes a modified approach to substations capital expenditure.

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12 The modified approach as presented in the Substation Strategic Plan will see 80% of the
13 Company's substations refurbished and modernized on a priority basis over the Ten-Year
14 planning period. The Substation Strategic Plan will ensure that all deficiencies in a
15 substation are corrected at the same time, improving productivity.

16
17 A delay in implementing the Substation Strategic Plan will result in less coordinated
18 capital and maintenance work which will postpone the opportunity for improvements in
19 productivity which will, in turn, increase cost.