

1 Q. **References: Volume I: 2019 Capital Projects Overview**

2 Hydro states on page 4 that *“The 2019 planned capital expenditure totals \$118.2*
3 *million, which includes budgets for previously approved projects, reduced from*
4 *\$146.7 as was submitted in the 2018 CBA for 2019.”*

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6 Please identify the reasons for the reduction of \$28.5 million from the proposed
7 2018 CBA.

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10 A. Hydro recognizes the need to balance system investment to maintain reliability
11 with the management of cost to minimize upward pressure on customer rates. In
12 an effort to reduce capital expenditures while maintaining reliable service, Hydro
13 conducts a review of capital project proposals. The review process prior to the
14 submission of the *2019 Capital Budget Application* identified projects that could be
15 deferred without affecting the provision of reliable service. This review for the *2019*
16 *Capital Budget Application* resulted in a reduction of expenditures from \$146.7M to
17 \$118.2M.