

**Q. In Decision and Order of the Board (Order No. P.U. 27 (2007)) at p. 5, the Board stated, “The Board notes that the proposed expenditures in relation to each of the asset classes are in line with the levels proposed and approved by the Board in recent capital budgets.” Please set out a comparison of the 2008 and 2009 Capital Budget Summaries by asset class using the format utilized in Schedule A, page 1 of 5 to the 2009 Application.**

**A.** Table 1 includes a comparison of the 2008 and 2009 Capital Budget Summaries by asset class.

**Table 1**  
**2008 and 2009 Capital Budget Summaries by Asset Class**  
**(\$000s)**

<b>Asset Class</b>	<b>2008 Budget<sup>1</sup></b>	<b>2008 Forecast<sup>2</sup></b>	<b>2009 Budget</b>
Generation - Hydro	3,385	3,415	8,899
Generation - Thermal	100	100	100
Substations	5,762	6,822	7,172
Transmission	4,890	5,046	4,507
Distribution	26,636	30,111	30,178
General Property	977	1,071	835
Transportation	2,214	2,214	2,255
Telecommunications	224	224	350
Information Systems	3,502	3,564	3,725
Unforeseen Allowance	1,150	1,150	750
General Expenses Capitalized	2,800	2,800	2,800
<b>Total</b>	<b>51,640</b>	<b>56,517</b>	<b>61,571</b>

The Generation Hydro asset class includes the \$6.5 million Rocky Pond Plant Refurbishment Project. The Substations asset class includes the \$1.3 million Horsechops Transformer Replacement project. The increase in the Distribution asset class is attributed to inflationary effects associated with distribution construction along with \$1.1 million in new projects for energy efficient streetlights and feeder additions for growth.

<sup>1</sup> Approved by Order Nos. P.U. 27 (2007) and P.U. 3 (2008).

<sup>2</sup> 2009 Capital Budget, 2008 Capital Expenditure Status Report.