

- 1 Q. **Re: NLH Evidence, Section 1, page 1.5, lines 4-10 and page 1.6, Chart 1.3**
- 2 “Aging assets require strategic operating and maintenance to optimize the
- 3 useful life of the assets while maintaining operating expenses at the least cost
- 4 consistent with reliable service. Capital replacements and refurbishment
- 5 (sustaining capital) are required as normal deterioration of asset components
- 6 occurs. As shown in Chart 1.3, Hydro is estimating a significant increase in
- 7 capital expenditures over the period from 2007 to 2017, predominantly as a
- 8 result of the increasing age of its asset base and load growth in some areas.”
- 9 For each of the five systems for which cost of service studies are prepared, please
- 10 provide an indication of the cost-of-service increases expected to result from the
- 11 capital expenditures described in Chart 1.3 for the years 2014-2017.
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- 14 A. Please see Hydro’s response to IN-NLH-033 for the estimated total Hydro revenue
- 15 requirement increases expected to result from the capital expenditures in Chart 1.3
- 16 for the years 2014-2017. The forecast capital expenditures have not been
- 17 specifically identified by system in all cases and therefore a system level analysis is
- 18 not available.