

- 1 Q. **Re 2011 Capital Plan - Individual Capital Projects:**
- 2 **Project B-59, Upgrade Power Transformers-Variou Sites:** Explain in respect of
- 3 each line item in Table 8 on p. 26 of the Report at Tab 25 why these items
- 4 constitute capital as opposed to operating expenditures.
- 5
- 6
- 7 A. Collectively these upgrades and replacements are extending the life of the
- 8 transformers by 15 years; therefore they qualify as capital expenditures due to life
- 9 extension.