

1 Q. Re: 2012 Capital Plan

2 Are there any Phase I projects which can reasonably be deferred?

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5 A. Hydro has developed its capital budgets to address identified needs or to leverage

6 opportunity to reduce cost to its customers. To defer any project would result in

7 either leaving the need unaddressed or forgoing an opportunity to reduce rates.

8 Deferral of required projects exposes employees, customers or the environment to

9 an avoidable risk, whether it be safety, reliability or environmental. Hydro has

10 carefully constructed its budget proposal, and Hydro does not recommend

11 deferring any of the projects.