

1 Q. **Section H - Capital Expenditures 2007-2016**

2 Other than the impact on revenue requirement what other implications would
3 there be for customers of the increased magnitude of the annual capital
4 expenditure forecast for 2012 to 2017 that are set out in Section H?

5

6

7 A. From a customer perspective, increased annual capital expenditure levels primarily
8 affects revenue requirements. Other than revenue requirements, the only other
9 area that has the potential to be affected from a customer perspective would be
10 that of reliability and security of supply.

11

12 During periods of increased capital expenditure, it is possible that there would be
13 an increase in the frequency of planned outages to permit work to proceed. These
14 planned outages could affect unit availability or transmission/terminal equipment
15 availability. During such periods, it is possible that reliability levels may be reduced
16 (through reduced equipment in service) or planned outages to customers. It is
17 expected that in the long term, investments in sustaining capital and growth-related
18 capital will generally increase reliability. Hydro plans its capital work so as to limit
19 the impact of planned outages during construction periods, and meet its reliability
20 criteria in the long term.