

1    Q.    **Project C-48, Upgrade Distribution Systems**

2            On page 5 of the report filed at Volume II, Tab 20, Hydro advises that the line  
3            components have been found to be in “B” (one to five years of remaining life) or  
4            “C” (less than one year of remaining life) condition. Has Hydro considered replacing  
5            only the line components in “C” condition at this time? If not, why not?

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8    A.    During a capital distribution upgrading project, Hydro will replace all line  
9            components in “C” condition. The criteria for replacing line components in “B”  
10           condition, under a capital project, are as follows:

11           • Remote Access – If line components are in “B” condition and are currently in  
12           such a location where accessibility issues create an elevated maintenance cost,  
13           then these “B” condition components will be replaced;

14           • Multiple Line Components on a Single Structure – If a line component is in “C”  
15           condition and it is located on the same structure with “B” condition  
16           components, then the “B” condition components are likely to be replaced. For  
17           example, if a crossarm in “C” condition is due to be replaced on a pole which is  
18           in “B” condition, the pole and all of the line components associated with the  
19           pole will likely be replaced. This prevents the requirement of returning to  
20           replace the “B” condition pole - which now has a newly replaced crossarm in  
21           “A” condition - in the near future; and

22           • Capital Project Economics – In many cases, it is more economical to replace the  
23           “B” condition line components along with the “C” condition line components  
24           during the same contract. This provides a larger contract which decreases the  
25           unit costs of each line item, and the contractor charges for mobilization once.  
26           This also reduces the probability of returning to the same work area to do  
27           similar work yearly.