

1 **Q. Exhibit LBB-3, page 3, Table 4 (sic), indicates that the portion of conductors**
2 **deemed a customer related cost differs for urban construction versus rural**
3 **construction by 6%. Please explain the reason for this difference.**
4

5 A. Exhibit LBB-3, page 20 of 29 indicates that 21.61% and 15.65% of conductor costs in
6 urban and rural areas respectively are related to the minimum distribution system. The
7 difference of 6% is related to the fact that urban construction requires shorter span
8 lengths between poles than in rural areas due to smaller building lot sizes. The labour
9 cost to install a span of conductor is approximately the same whether it is a long span or a
10 short span. Therefore, because the average span length is shorter in urban areas than
11 rural areas, the labour cost per foot of conductor for the minimum system is higher in
12 urban areas than in rural areas. The cost per foot of the minimum size conductor for
13 urban and rural construction is shown in Exhibit LBB-3, page 23 of 29.