

1 **Q. CAPITAL EXPENDITURE REPORT – VARIANCES**

2  
3 **PUB 41.0 (RE: 2004 Capital Expenditure Report, Volume I)**

4  
5 **PUB 41.2**

6 **Explain why if “several expenditure requirements...were not identified at the time**  
7 **the budget was developed.” the Company did not seek approval from the Board**  
8 **prior to proceeding with the project.**  
9

10 A. The expenditure requirements referenced in Appendix A, page 9 of 11, were identified  
11 after the 2004 Capital Budget was approved. Detailed cost information for the additional  
12 expenditure requirements is contained in the response to Request for Information PUB 68  
13 NP.  
14

15 Each of the noted expenditure requirements is forecast at less than \$50,000. In  
16 accordance with Section 41 (3) of the *Public Utilities Act*, cited in the response to  
17 Request for Information PUB 41.1 NP, specific prior approval of the Board is not  
18 required for such expenditures.