

1 **Q. What are the contributors to the 15% annual increase in the Rebuild Distribution**
2 **Lines category forecast for the period 2007 through 2011 versus the five-year**
3 **historical period ending 2006 (page 33 of 65, Schedule B)?**
4

5 A. Under the Rebuild Distribution Lines project the Company plans to inspect, assess and
6 upgrade approximately 45 feeders annually. While the Company attempts to levelize
7 costs over time, expenditure will vary from year to year based on the length and number
8 of feeders involved and the amount of equipment on those feeders.
9

10 The actual historical expenditure stated in Schedule B, page 33 of 65, Table 2, reflects the
11 actual expenditures completed under the Rebuild Distribution Lines project for each year
12 from 2002 to 2005. Actual expenditures over this period were lower than budget,
13 principally due to the increased customer driven work that resulted in fewer feeder
14 rebuilds being completed than planned.
15

16 The budget for 2007 reflects the cost of upgrading 47 feeders. The forecast 2008 to 2011
17 expenditures are based on actual historical expenditures adjusted to reflect completing
18 work on approximately 45 feeders as anticipated under the program.