

1 Q. **2012 Capital Plan**

2 On p. 6 it is stated that in 2011 significant effort was devoted to developing and
3 refining the 5 and 20 year capital plans and that Hydro expects “more robust” plans
4 will be developed with a general increase required in “sustaining capital”.

5 What does “sustaining capital” mean?

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8 A. Sustaining capital is the periodic addition of capital required to renew, replace or
9 refurbish existing infrastructure to maintain operations at existing levels. It does
10 not include capital required for growth and/or incremental functionality, but is the
11 capital investment required to rebuild or extend the life of an asset at the existing
12 service level.