

Vulnerable Energy Consumers Coalition – Interrogatory #15

Reference: Exhibit B1/Tab 4/Schedule 2, page 2

Question:

- a) Please provide a schedule that, for 2009, breaks the spending for each line item down into: i) Non-Discretionary; ii) Discretionary – Urgency One and iii) Discretionary – Urgency Two.**
- b) With respect to the response to part (a), please explain why the “Non-Discretionary” portion of each line item is considered to be such.**
- c) With respect to the response to part (a), please explain why the “Discretionary-Urgency One” portion of each line item must be completed in 2009.**

Response

Please see Table VECC 15a for the 2009 budget breakdown of Non- Discretionary and Discretionary – Urgency One type projects. During the early stages of 2009 Budget preparation, projects identified as Discretionary – Urgency Two were deferred to the next (2010) budget year.

Table VECC 15a: Project by Category 2009 Expenditure Type

PROJECT DESCRIPTION	2009	Expenditure Type
1. Sustainment Capital		
1a. Pole or Line Replacements / Upgrades	4,454	Discretionary - Urgency 1
1b. Transformer Station Enhancements / Upgrades	3,232	Discretionary - Urgency 1
1c. Asset Condition Assessment Program	5,339	Discretionary - Urgency 1
1d. Distribution System Voltage Conversions	3,465	Discretionary - Urgency 1
1e. Switchgear Replacements / Upgrades / Refurbishments	1,239	Discretionary - Urgency 1
1f. Cable Replacement	333	Discretionary - Urgency 1
1g. Load Transfers From Other LDC's	0	Non-Discretionary
1h. Distribution Transformer Enhancements / Upgrades / Refurbishment	261	Discretionary - Urgency 1
1i. Load Interrupter Switch Replacement	409	Discretionary - Urgency 1
1j. Distributor Station Enhancements / Upgrades	472	Discretionary - Urgency 1
1k. Unforeseen Capital Projects	414	Mixed
Total Sustainment Capital	19,618	
2. Development Capital		
2a. Transformer Stations - Additional Capacity	22,771	Discretionary - Urgency 1
2b. Residential Subdivisions	5,019	Non-Discretionary
2c. Distribution System Plant Re-Location	5,892	Non-Discretionary
2d. New Commercial Services	181	Non-Discretionary
2e. Distribution Stations - Additional Capacity	0	Discretionary
2f. New Overhead or Underground Lines	6,742	Discretionary - Urgency 1
2g. Unforeseen Capital Projects	414	Mixed
Total Development Capital	41,019	
3. Operations Capital		
3a. System Operation Automation	1,819	Discretionary - Urgency 1
3b. Unplanned Equipment Replacement	1,678	Discretionary - Urgency 1
3c. Suite-Metering Costs	1,086	Non-Discretionary
3d. Fleet	887	Discretionary - Urgency 1
3e. Wholesale Meters	256	Non-Discretionary
3f. Tools	310	Discretionary - Urgency 1
3g. Smart Grid Program	505	Discretionary - Urgency 1
3h. Meter Re-Verification and Replacement Program	390	Non-Discretionary
3i. Asset Condition Assessment Model Development	25	Discretionary - Urgency 1
3j. Geographic Information System	101	Discretionary - Urgency 1
3k. Conservation & Demand Management - Smart Meter Pilot	0	Non-Discretionary
3l. System Control Room	0	Discretionary
3m. Storm Damage To Distribution System	617	Non-Discretionary
3n. Conservation & Demand Management - Load Control Devices	0	Non-Discretionary
Total Operations Capital	7,674	
4. Other Miscellaneous Capital		
4a. Information Technology Enhancements	823	Discretionary - Urgency 1
4b. Customer Information System Enhancements	1,351	Discretionary - Urgency 1
4c. Financial System Enhancements	303	Discretionary - Urgency 1
4d. New Computer Equipment / Replacement	800	Discretionary - Urgency 1
4e. New Head Office	381	Discretionary - Urgency 1
4f. Software Purchase	297	Discretionary - Urgency 1
Total Other Miscellaneous Capital	3,955	
5. Total Smart Meters Program	12,975	Non-Discretionary
Total Capital Expenditures	85,241	

- b) All line items described as “Non-Discretionary” are made up entirely of projects that are driven by external agencies. Line items that are described as “Mixed” depend on the specific nature of the project and since these projects are unplanned they cannot be pre-classified.
- c) As per PowerStream’s capital investment process described in Exhibit B1-2-1, projects classified as Urgency 1 (see definition on page 25 of the referenced exhibit) must be done in the budget year. Refer to response Staff-4.