

1 UNDERTAKING NO. J3.2: WITH RESPECT TO THE TABLE IN APPENDIX 51G LISTING  
2 ALL OF THE PROJECTS, TO ADVISE HOW THOSE SAVINGS WOULD BE CONSIDERED IN  
3 YOUR OM&A AND CAPEX SPENDING

4

5 **RESPONSE:**

6

7 Appendix 51g (which lists all 2015-2020 Projects) includes a column titled “Hard Financial  
8 Benefits”. For each Project in this Table where a figure for “Hard Financial Benefits” is stated,  
9 that figure represents either an “Expected Reduction” or an “Avoided Cost”.

10

11 An expected reduction results in a reduction of capital or OM&A budgets. An avoided cost is  
12 defined such that if these Projects were not undertaken, then PowerStream would expect future  
13 OM&A and Capex spending to be correspondingly higher to account for increased costs to  
14 replace these assets under emergency conditions when they fail.

15

16 None of the Projects as shown in Table 51g have an expected reduction in OM&A or Capex  
17 spending. All Projects with a figure for “Hard Financial Benefits” are avoided cost only.