

- 1 **Q. Page 2-41, Table 2-14: Provide a brief explanation of the increase in transmission**
 2 **expenditures from \$7.2 million in 2018F to \$11 million in 2020F.**
 3
 4 A. Forecast capital expenditures in Table 2-14 at page 2-41 for the period 2018F to 2020F
 5 are consistent with the 5-year capital plan in Appendix A of the *2018 Capital Plan* filed
 6 with the Company’s 2018 Capital Budget Application.
 7
 8 The Transmission capital plan consists of between 2 and 3 capital projects each year as
 9 shown in Table 1 below.

Table 1
Transmission Capital Expenditures
2018F to 2020F
(000s)

Project	2018F	2019F	2020F
Rebuild Transmission Lines	\$5,068	\$8,864	\$7,421
Transmission Line Reconstruction	2,100	2,100	2,000
Transmission Line Additions	0	0	1,580
Total – Transmission	\$7,168	\$10,964	\$11,001

10 As shown in Table 1, the annual capital expenditure for the Transmission Line
 11 Reconstruction project is consistent over the period.
 12

13 The annual capital expenditure for the Rebuild Transmission Lines project is increasing
 14 over the period. The increase in annual expenditure is related to an increase in the
 15 kilometres of transmission line to be rebuilt each year.
 16

17 In 2020F, the Company anticipates that additional transmission capacity will be required
 18 to supply substations in the area from Torbay to Portugal Cove.¹ The transmission lines
 19 supplying the 2 substations serving this area are radial, with no contingency for the loss
 20 of supply other than mobile generation. The construction of new transmission lines is
 21 required to provide redundancy of supply to this growing area, commencing with the
 22 construction of a second 7.7 kilometre transmission line from Virginia Waters Substation
 23 to Pulpit Rock Substation.²

¹ In 2011, the Company installed a new 25 MVA transformer in Pulpit Rock Substation, and in 2020 the Company plans to install a new 25 MVA transformer in Broad Cove Substation. Both transformers are required due to customer and load growth in the area.

² Pulpit Rock Substation currently serves in excess of 6,400 customers.