

1 **Ontario Energy Board (Board Staff) INTERROGATORY #18 (Prefiled Evidence)**

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3 **Interrogatory**

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5 Is there a distinction between duplicating an existing wires system and making an
6 investment to replace an aging and potentially obsolete distribution system? Please
7 discuss.

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10 **Response**

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12 Yes.

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14 Networks does not duplicate any parts of its distribution wires system. Investments are
15 made to replace and/or reinforce assets when parts of the system are no longer capable of
16 providing the necessary level of service to customers (e.g., either capacity, service
17 quality, or useful end of life). Construction of new facilities (i.e., station/feeder) that
18 duplicate existing facilities with remaining useful service life leads to assets that become
19 underutilized or stranded.

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21 Networks does not replace whole distribution systems (e.g., an entire line) but rather
22 component parts which have differing life spans (e.g., transformers vs. wood poles) and
23 are replaced as required based on technical and economic considerations.

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25 Please see Networks' Exhibit J8-10-04.

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