

BOARD STAFF INTERROGATORY #2

INTERROGATORY

Where an incumbent LDC's existing assets may be aging, largely depreciated and in need of modernization, would there be potential advantages to customers and the overall reliability of the electricity system in allowing the construction and modernization of wires assets and infrastructure by competing distributors seeking to expand into the incumbent LDC's service area? Please discuss.

RESPONSE

In general Wirebury supports the concept of a natural monopoly for the existing wires of a utility. It believes that once customers have been connected it is, and should be, the responsibility of the incumbent utility to maintain and upgrade its plant and to provide reliable distribution service to its customers within its existing area of operations. However, in areas where the use of the land is changing significantly such as a brown field development or where further subdivision of property is planned, and new distribution facilities are required, the connections to new customers in these areas should be open to competition to maximize customer benefits. Please refer to the expert report attached to LDC Coalition interrogatory, Ex. J12, T15, S7 and John Todd's comments with respect to the benefits of allowing competition to provide distribution services to undeveloped property.

