

BOARD STAFF INTERROGATORY #3

INTERROGATORY

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

RESPONSE

Wirebury believes that there is a distinction between duplicating an existing wires system and making an investment to replace aging infrastructure. Duplication of wires involves installing a second set of wires to serve the same load. This situation leads to the inefficient use of wires and creates excess capacity, which may never be fully utilized. Duplication is distinctly different from the reinforcement of a system, where redundant assets are added to improve system reliability. On the other hand, investment to “duplicate” aging infrastructure involves the replacement of plant that is obsolete, or problematic from a maintenance or operating perspective. These investments are usually well planned and part of a comprehensive asset management program.

