

- 1    Q.    Provide an explanation for the increase in equipment rental costs from 2004  
2           to 2007 forecast. (Finance and Accounting Evidence, Schedule 1, page 10 of  
3           10, line 13)  
4  
5  
6    A.    Equipment Rental costs increased by \$255,000 from 2004 to forecast 2007.  
7           This is due to a \$100,000 increase in relation to the new VHF system and an  
8           error of \$150,000, which will be corrected, in the final Test Year Cost of  
9           Service Study.