

In reference to Schedule “B”, page 36 of 82 – Meters, project cost of \$674,000:

Q. Please advise how many meters are currently in inventory and the value of these meters and over what budgets these meters in inventory had been purchased.

A. The Company currently has approximately 5,800 meters of various types and sizes in inventory with an estimated value of approximately \$987,000. The age of the meters in inventory ranges from a few months to more than 30 years. Information regarding what annual capital budget the meters in inventory had been purchased under, is not readily available.

The Company’s inventory of meters is continually being rotated in and out of service. Older meters are removed from service for testing and maintenance. Once testing or repairs have been completed these meters will remain in inventory for a period of time until they are reissued for installation in the field. At any point in time the inventory of meters will include both newly purchased meters not yet issued for installation and older meters waiting to be returned to service.