

In reference to Schedule “B”, page 37 of 82 – Services, at a project cost of \$1,819,000:

Q. Please explain in detail the difference between this project cost of \$1,809,000 (sic) and the \$4,322,000 project cost for extensions on page 34 of 82.

A. The cost associated with Services in Schedule B, page 37 of 82, includes the cost of conductors, insulators and supports leading from the Company’s primary or secondary distribution line, to the point of connection with the customers wiring.

The cost associated with Extensions in Schedule B, page 34 of 82, includes the cost of primary and secondary distribution lines used to deliver electrical energy to an area where any number of customers is located. This project also includes upgrades to the capacity of these primary and secondary distribution lines.