

PUB 11.0

(RE: p. 34 & 35 of 82) Extensions (\$4,322,000)

PUB 11.4

Q. By what percentage has the cost of construction of distribution lines increased in 2002 over 2001?

A. The construction cost of distribution lines has increased by approximately 10% for single-phase lines and 8% for three-phase lines from 2001 to 2002. This increase is a result of higher labour rates resulting primarily from the establishment of new pole setting agreements with contractors which had expired in 2001.

These increases are reflected in the cost factors approved by the Board in Order No. P.U. 32 (2001-2002) for use by the Company in the calculation of contributions in aid of construction for extensions pursuant to the Company's Contribution in Aid of Construction Policy.