

Q. DISTRIBUTION**PUB 44.0**

Please provide new unit cost data for this capital item, including the unit cost data for 2005 as originally filed versus the current projected unit cost, and an explanation of the different (sic).

- A. Table 1 below corresponds to Table 2, page 26, Schedule B of the Application, but restates the unit cost information for Extensions based on gross Domestic customer connections. Table 2, page 26, Schedule B provides unit cost information calculated on the basis of total new customer connections (both Domestic and General Service).

Table 1						
Expenditure History and Unit Cost Projection						
Year	2001	2002	2003	2004	2005F	2006B
Total Exp (000's)	\$5,404	\$5,717	\$6,586	\$8,406	\$7,396	\$6,898
Adjusted Exp (000's)	\$6,116	\$6,376	\$7,126	\$8,736	\$7,396	-
Domestic Customers	2,306	2,773	3,022	3,530	3,161	2,845
Unit Cost (\$/cust.)	2,652	2,299	2,358	2,475	2,340	2,425

The budget estimate of \$6,898,000 derived using Domestic customer connections as a base, as shown in Table 1 above, corresponds to the 2006 capital budget estimate for Extensions of \$6,766,000 shown in Table 2, page 26, Schedule B. The difference of \$132,000 is the result of the change in the method of estimating the budget requirement described in the response to PUB 43.0 NP.