

1 Q. (Finance Schedule III)

2 Please provide a detailed explanation for the increase in equipment rental costs
3 from 2007 to 2013 forecast (i.e. \$1.082 million to \$1.731 million).

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6 A. The equipment rental costs increased by \$0.8 million from 2007 actual of \$1.1
7 million to 2014 forecast of \$1.9 million primarily due to the following:

8 • []

9 • [] Telecommunications equipment costs associated with mobile radio
10 rentals of \$0.7 million. This is partially offset by a cost recovery of \$0.4
11 million. Prior to 2008, the cost recovery was netted directly against the
12 telecommunications expense in equipment rental costs. The credit of \$0.4
13 million is now presented as part of cost recoveries.

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15 The equipment rental costs increased by \$2.0 million from 2007 actual of \$1.1
16 million to 2015 forecast of \$3.1 million primarily due to the following:

17 • An increase of \$1.0 million associated with the amortization expense of
18 black start diesel units leases at Holyrood; and

19 • Telecommunications equipment costs associated with mobile radio rentals
20 of \$0.7 million. This is partially offset by a cost recovery of \$0.4 million. Prior
21 to 2008, this credit was netted directly against the telecommunications
22 expense in equipment rental costs. The credit of \$0.4 million is now
23 presented as part of cost recoveries.