

1     Q.     (Finance Schedule III)

2           Please provide a detailed explanation for the increase in professional service costs  
3           from 2007 to 2013 forecast (i.e. actual \$3.86 million to \$7.02 million).

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6     A.     The increase in professional services of \$3.1 million is primarily due to the  
7           following:

8           • An increase in consulting costs of \$1.5 million primarily due to a \$1.0 million  
9           increase as a result of the CDM program and an increase in environmental  
10           site assessments of \$0.4 million;

11           • An increase in PUB related costs of \$1.2 million primarily due to an increase  
12           of \$0.6 million in costs associated with external consultants and experts for  
13           regulatory issues and \$0.3 million due to an increase in the Board annual  
14           assessment; and

15           • An increase in software acquisition and maintenance costs of \$0.4 million  
16           due primarily to \$0.3 million in costs associated with new software  
17           programs and an increase of \$0.2 million in vendor prices for additional  
18           licenses.