

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 \$0.6 million from 2007 to 2013 forecast
7 primarily due to the following:

8 • A change in the presentation of a credit associated with mobile radio
9 service. Prior to 2008, this credit was netted against the telecommunications
10 expense in equipment rental costs. The credit of \$0.4 million is now
11 presented as part of cost recoveries; and
12 • An increase in telecommunications costs of \$0.2 million due to increased
13 bandwidth requirements into several area offices, an increase in VHF mobile
14 radio system costs and satellite service to new meteorological stations.