

Please explain how the long-term debt in the Application will be used for each year's capital expenditure.

	Year 1	Year 2	Year 3	Year 4	Year 5
AMI Meter System	\$4 million	\$80,000	\$80,000	\$80,000	\$80,000
Vehicles & Equipment	\$1 million				

Please explain how the long-term debt in the Application will be used for each year's capital expenditure.

AMI Meter System: The total amount allowed through funding is expected to be used in the first year. The following years amounts are the annual maintenance fees.

Vehicles & Equipment: The total amount allowed through funding is expected to be used in the first year. Any expenses during the following years should only be routine maintenance, licensing, insurance, etc., which are unknown amounts at this time.