

**Mr. Bowar:**

**Following are questions regarding the above mentioned filing.**

**1. Regarding Exhibit A, page 1, please explain why there is a difference between the reported actual 2009 expenditures for "Additions" (\$615,192) near the center of the page as compared to the total "2009 Capital Expenditures - Actual, column found at the bottom of the page.**

When Exhibit A was developed with the SD PUC's approval, under the additions section only Switching and Cable and wire capital additions were requested. These additions makeup the major portion of Intrastate capital additions. The Transmission Equipment mainly applies to Interstate capital additions and were excluded from the additions sections. Yet it was felt that in the Capital Expenditures by Wire Center section the expenditures for Switching, Cable and Wire, and Transmission Equipment should be listed to reflect the total plant capital addition. The Transmission equipment in each of the wire centers causes the difference of \$34,755 between the two sections.

**2. Please provide additional detail as to why "time constraints" and "construction delays" resulted in less capital improvements and additions in 2009 than estimated and what steps Kennebec has taken this year to address those issues.**

Time Constraints – We are a small company and have limited resources, the majority of our staff wears dual hats, with all that we had going on we ran out of time, it also turned out to be a bigger project than anticipated.

Construction delays – We had anticipated being able to start in the spring but it took till mid-year to get the RUS contract approved then we had to order material which at that time of year takes longer to receive. Basically we didn't get started till fall and ran out of construction season.