

1 Q. (a) Further to NP-11, explain, by line item presented (eg: Materials
 2 Management, Management), the difference between the 2001 cost
 3 recoveries from CF(L)Co. of \$1,905,833 presented in the response
 4 to NP-11(a) page 2 of 2 and the \$2,194,299 presented in Schedule 1
 5 of the response to NP-11(b).
 6

7 (b) Explain why there are no 'external cost recoveries' presented for the
 8 years 1992 through 2000 in the schedule provided in response to
 9 NP-11(a) page 2 of 2.
 10

11 (c) What is the fringe benefit rate applied to salaries in determining the
 12 charges to CF(L)Co.? How has that rate been derived?
 13
 14

15 A. (a) The following is a reconciliation of the two schedules:
 16

17	Schedule 1 of NP-11 (b)	\$ 2,194,299
18	Less: Reduction for Executive Management	(20,000)
19	System Development Costs	(282,966) *
20	Add: External Cost Recoveries	<u>114,500</u>
21	Page 2 of NP-11 (a) (Rev)	<u>\$ 1,905,833</u>

22
 23 * This is a recovery of capital costs which does not affect the Revenue
 24 Requirement.
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26 (b) For the years 1992 through 2000 the external cost recoveries were
 27 included with the salary group of expenses as part of the Revenue
 28 Requirement Schedule.

