

1 Q. In the revised application of August 12, 2003, on page 28 reference is made
2 to a balance related to NLH's controllable costs. Please specify each and
3 every controllable cost referenced.

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6 A. The remaining increase in revenue requirement from the 2002 test year to
7 the 2004 test year of approximately \$4 million relating to controllable costs is
8 comprised as follows:

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11		<u>(\$ millions)</u>
12	Salaries and Fringe Benefits	\$ 1.3
13	Systems Equipment Maintenance	0.7
14	Insurance	1.0
15	Transportation	0.1
16	Office Supplies	0.0
17	Building Rentals Maintenance	0.3
18	Professional Services	(0.4)
19	Travel	(0.2)
20	Equipment Rentals	0.1
21	Miscellaneous	0.1
22	Decrease in allocations	<u>0.7</u>
23		<u><u>\$ 3.7</u></u>