

1 Q. Provide a detailed reconciliation of the \$8.1 million actual Hydro Capitalized
2 Expense for 2002 and the \$5.7 million 2002 Test Year approved Hydro
3 Capitalized Expense (Finance and Corporate Services evidence, Schedule II,
4 line 29).

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7 A. The increase in actuals over budget was due to higher involvement by
8 internal forces on Capital projects than was anticipated when the 2002
9 operating budgets were prepared.

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11

| | <u>(\$millions)</u> |
|------------------------------------|---------------------|
| 12 Actual Capitalized Expense 2002 | \$ 8.1 |

| | |
|-------------|-------|
| 13 Overtime | (1.0) |
|-------------|-------|

14 This was recorded on an actual basis but
15 not budgeted.

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|--|-------|
| 16 Service Extensions & Distribution Upgrading | (0.6) |
|--|-------|

17 Capital expenditures were in excess of
18 Capital Budget.

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|------------------|-------|
| 19 Granite Canal | (0.4) |
|------------------|-------|

20 More internal involvement than was budgeted.

| | |
|------------------------|--------------|
| 21 Miscellaneous Items | <u>(0.4)</u> |
|------------------------|--------------|

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| 22 Test Year Approved Capitalized Expense 2002 | <u>\$ 5.7</u> |
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