

1 Q. **Volume 1 (1st Revision), Chapter 3: Operations**

2 Corporate Services and Regulatory Affairs costs have increased from \$17.8 million
 3 in 2016 to \$21.8 million in the 2019 test year, or 22%. Please fully explain the
 4 reasons for this increase. (Volume I
 5 (1st Revision), Chapter 3: Operations, Schedule 3-X)

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8 A. The increase in costs for the Corporate Services and Regulatory Affairs division are
 9 detailed below.

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11 During 2016, HR and Safety common services business units were based in Hydro.

12 Table 1 provides the details for the cost drivers of the \$4.0M increase.

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Table 1 Corporate Services and Regulatory Affairs Cost Drivers

<u>Description</u>	<u>Amount (\$Million's)</u>
Labor	1.7
Regulatory costs	0.8
Environmental	0.3
Taxes	0.3
Training	0.3
Various	<u>0.6</u>
Total	<u>4.0</u>