

1 Q. (Finance Schedule III)

2 Please provide a detailed explanation for the increase in professional service costs
3 from 2007 to 2013 forecast (i.e. actual \$3.86 million to \$7.02 million).

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8 The increase of \$8.3 million in the 2014 Test Year over the 2007 Actual is primarily
9 due to:

- 10 • Higher consulting costs of \$5.0 million primarily due to costs associated with
11 the Outage Inquiry of \$2.0 million, CDM programs of \$0.9 million (offset in
12 cost recoveries), \$0.9 million associated with environmental work and safety
13 and health related programs, \$0.7 million in condition assessments, \$0.3
14 million in engineering related initiatives and \$0.3 million in environmental
15 remediation at Sunnyside Terminal Station;
- 16 • GRA and Board related costs of \$2.9 million associated with an increased
17 volume of applications and regulatory activity; and
- 18 • Software costs have increased by \$0.4 million, primarily due to vendor price
19 increases and additional software programs.

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21 The increase of \$5.6 million in the 2015 Test Year over the 2007 Actual is primarily
22 due to:

- 23 • Consulting costs increased by \$3.4 million primarily due to regulatory
24 studies and filings of \$1.0 million, \$0.9 million associated with
25 environmental work and safety and health related programs, \$0.7 million in
26 condition assessments, CDM programs of 0.3 million (offset in cost
27 recoveries) and \$0.3 million in engineering related activities;

- 1 • GRA and Board related costs increased by \$1.7 million associated with an
2 increased volume of applications and regulatory activity. The variance
3 includes \$0.3 million in amortization of hearing related costs which is \$0.1
4 million higher than the amortization of hearing costs in 2007. Hearing
5 related costs and deferrals are detailed in Section 3.4.2 of the Evidence to
6 Hydro's Amended Application; and
- 7 • Software costs have increased by \$0.5 million, primarily due to vendor price
8 increases and additional software programs.