

1 Q. (Finance Schedule III)

2 Please provide a detailed explanation for the increase in miscellaneous expenses
3 from 2007 to 2013 forecast (i.e. \$4.247 million to \$6.380 million).

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6 A. []

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8 The increase in miscellaneous expenses from 2007 to 2014 forecast of \$2.2 million
9 (i.e., \$4.247 million to \$6.471 million) is primarily due to the following:

- 10 • An increase of \$1.1 million in CDM costs as a result of Hydro's
11 implementation of its energy conservation program. However, CDM costs
12 are proposed to be deferred in cost recoveries;
- 13 • An increase of \$0.6 million in municipal taxes; and
- 14 • An increase of \$0.3 million in payroll taxes due to an increase in total
15 salaries.

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17 The increase in miscellaneous expenses from 2007 to 2015 forecast of \$1.5 million
18 (i.e., \$4.247 million to \$5.772 million) is primarily due to the following:

- 19 • An increase of \$0.7 million in municipal taxes;
- 20 • An increase of \$0.4 million in payroll taxes due to an increase of total
21 salaries; and
- 22 • An increase of \$0.2 million in CDM costs as a result of Hydro's
23 implementation of its energy conservation program. However, CDM costs
24 are proposed to be defined in cost recoveries.