

1 Q. **Re: IN-NLH-096, Att. 1**

2 Please explain how the “allowance for administrative costs” (the Net Operating
3 Expense/(Recovery)) was determined, and explain why there were Customer Costs
4 in 2008 only, and what those costs consisted of.

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7 A. Hydro applies a mark-up of 6.0% to applicable operating costs for administrative
8 costs. Customer costs in 2008 relate to a write-off of outstanding receivables from
9 prior periods in relation to MIFN billings.