

1 Q. Corporate Relations department costs have increased from \$5.0 million in
2 2007 to \$7.5 million in the 2015 test year, or 50%. What is this percentage increase
3 on an inflation adjusted basis? In the response, please describe the basis of the
4 inflation adjustment. (Volume I, Section 2: Regulated Activities, Schedule 1)

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7 A. The percentage increase on an adjusted inflation basis is 35.2%. The basis of this
8 inflation adjustment is the GDP Implicit Price Deflator issued by the Conference
9 Board of Canada.