

1     Q.     The Cost of Service (COS - Updated Exhibit 13) shows in tab “AllocMisc,” Line No.4,  
2           an item labeled “CDM” with a total of \$655,713, allocated on the basis of number of  
3           customers to each of the five systems. Please explain if this CDM cost in the COS is  
4           part of the expenses included in the proposed CDM Recovery Mechanism. If not,  
5           please provide a detailed description of this CDM cost.

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7  
8     A.     The amount of \$655,713 includes the indirect costs related to salaries and related  
9           expenses required for Hydro to manage the CDM program. It does not include the  
10          CDM program direct costs to be recovered through the proposed CDM Recovery  
11          Mechanism.