

1 Q. On page 90 of Grant Thornton’s report, it is indicated that there is an increase from
2 57% to 68% in the variable component of Hydro’s billing rate. Please explain in
3 detail why the billing rate was increased and provide a table, with written
4 explanation, indicating the impact on the 2014 and 2015 test year revenue
5 requirements.

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8 A. The bill rate reflects the costs of salaries and benefits and as these costs increase,
9 the bill rate increases. Increases in benefits costs including employee future
10 benefits and public service pension costs have contributed to the change.
11 Implementation of a revised bill rate is currently in progress.

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13 The billing rate used in the determination of the 2014 and 2015 Test Year revenue
14 requirements was 57% and accordingly, there is no impact on the 2014 and 2015
15 test year revenue requirements.