

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. The increase in miscellaneous expenses from 2007 to 2013 forecast of \$2.1 million
7 is primarily due to the following:

8 • An increase of \$1.2 million in CDM costs as a result of Hydro's implementation
9 of its energy conservation program. However, CDM costs are proposed to be
10 deferred in cost recoveries;

11 • An increase of \$0.4 million in municipal taxes due to an increase in rural
12 revenue;

13 • An increase of \$0.2 million in write-offs mainly due to a review of inventory
14 levels and values that was initiated in 2010 to identify and remove obsolete
15 inventory; and

16 • An increase of \$0.2 million in payroll taxes due to an increase in total salaries.