

Inflation Rate

- Labour per union contract.
- 1.7% other

761

OM&A Analysis

Issues

Record

Trends

GSHI agreed with the trends posed in Bs IR's 17 & 18.

	Year - Year		09/06 ACT	
	\$	%	\$	%
2006 BAP	-964,171			
2006 ACT	6,712,466	-9.2%		
2007	5,958,402	70.3%		
2008	-5,958,402	-36.7%		
2009	1,577,733	15.3%	2,331,797	24.4%

2007 Employee Future Benefits drove the spike in the 2007 costs - \$5,912,439. This was per an actuarial review. Next review 2010.

Key Cost Drivers

Per Bs IR 19:

Tree Trimming: \$410,000/year built in.

annual 4 year cycle

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Transformer Mntce: \$412,000/year built in.

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FPB interest: (\$1,144,945)/year built in.

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Energy Conservation: \$383,000/year built in.

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Customer Billing: \$200,000 + \$60,000/year built in.

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Regulatory Expenses: \$249,000/year built in.

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Miscellaneous: \$61,363 for 2009. Continuously grows with \$178,000/year built in.

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Controller salary

On-time Costs Per IR 21

IFRS: \$50,000PCB Clean-up; Amounts are not identified.Future
Pension
Benefits

Interest carry-forward; (\$1,144,945)

Actuarial Loss; \$5,912,439

Energy
Conservation

Bs IR 22 states that these costs of \$187,236 are for OPA funded programmes and that there is a revenue offset of the same amount.

What about the \$196,000 in 2006?Customer
BillingCustomer Billing
Bs IR 20 (f)

Description	\$	Comment
2008		
1 Legal Fees	30,000	Sharing Agreement - London Cambridge, Sudbury
2 SAP training, implementation	33,000	
3 SAP/CIS Maintenance/support	80,000	
4 Travel SAP/CIS	10,000	
5 Labour Incr - 3%	20,000	
6 Postage increase	13,000	
7 Total 2008	<u>186,000</u>	
2009		
8 SAP training, implementation	40,000	
9 SAP/CIS Maintenance/support	190,000	
10 Labour Incr - 3%	20,000	
11 Postage increase	6,000	
12 Total 2009	<u>256,000</u>	
2008-2009 Total		
13 Legal Fees	30,000	
14 SAP training, implementation	73,000	
15 SAP/CIS Maintenance/support	270,000	
16 Travel SAP/CIS	10,000	
17 Labour Incr - 3%	40,000	
18 Postage increase	19,000	
19 Total 2008-2009	<u>442,000</u>	

Regulatory
ExpensesIt is unclear as to the levels of the on-going costs.

Bad Debt

Set at \$165,000 and is a reasonable reflection of bad debt from 2004 to 2008.

Want to change? Say that they do in Bs IR 21 i.)Corporate
Cost
Allocation

Claim based on GAAP, and therefore it claims that the allocations meet the 5 principles in Enbridge EB-20006-0034. Services are charged from Greater Sudbury Hydro Plus Inc.

A flat fee of \$42,000 is charged as an overhead for affiliate services.

Compensation **Table 3, Exhibit 4/Tab 2/Schedule 6 – Average or total?**

Per B/s IR 27 b)

2008-2009 increase in base wages	\$387,000
2008-2009 increase in benefits	\$53,000
2008-2009 increase in overtime	\$31,000
2008-2009 total Wages & Benefits	\$471,000
	\$429,000 (91%)
	(27% of the OM&A increase)
Total OM&A increase	\$1,572,000

NB: 92% reduction due to capitalizing, rebilling, and affiliates. (B/s IR 27).

- 66% of total OM&A (B/s IR 28 c) ii.)
- Hayes Study
- Apprentice Powerline Technicians - \$147k in O&M and none in CAPEX.
- New System Operator
- New Substation electrician
- New Distribution Engineer
- Transfer period (retirements)

Charitable
Donations

- \$25,000 for safety message in cultural events,
- \$5,000 for charity

Productivity

Consortium (London Hydro, Cambridge Hydro) – SAP/CIS-ERP

- Smart meters
- Smart grid
- Others may join the consortium.
- Purchase consortium
- Acquisition of other Dx.

