

**SUMMARY OF THESL ADMINISTRATIVE AND GENERAL  
("A&G") EXPENDITURES**

The proposed A&G expenditures represent costs of the centralized activities necessary to THESL's operations. These include:

- Finance
- Treasury, Rates and Regulatory
- Legal
- Communications
- Information Technology
- Environmental Health and Safety
- Organizational Effectiveness

The proposed A&G expenditures also include certain corporate costs for governance and charitable contributions. THESL makes no political contributions and does not engage in research and development activities outside of the normal course of business.

The test year A&G expenditures were developed from a comprehensive business planning process. THESL submits that its focus on business planning ensures that costs are appropriately managed and cost effective work practices are established and revised as necessary. This process is described in detail at Exhibit C1, Tab 4, Schedules 1 and 2.

The overall distribution expenses associated with these business units for the historical, bridge and test years are shown in Table 1 below:

1 **Table 1: Distribution Expenses Administrative and General (\$ millions)**

	2008 Historical	2009 Bridge	2010 Test
Governance	14.9	13.7	4.8
Charitable Contributions	0.1	0.2	0.6
Finance	4.3	4.5	10.0
Treasury, Rates and Regulatory	9.9	11.4	14.1
Legal	3.1	2.8	4.3
Communications	4.3	4.1	4.4
Information Technology	21.4	22.3	25.2
Organizational Effectiveness & Environmental Health and Safety	9.7	9.9	12.1
Strategic Management	1.1	1.4	1.7
<b>Total</b>	<b>68.8</b>	<b>70.2</b>	<b>77.2</b>

/C

/C

2

3 A more detailed description of these business activities and an explanation of year-over-  
4 year variances are provided in Tabs 2 through 11 of this Exhibit.