

TECHNICAL CONFERENCE UNDERTAKING RESPONSE

1 **UNDERTAKING NO. JT1.3:**

2 **Reference(s): R1, Tab 4, Schedule 10**

3

4 To provide further information with respect to Energy Probe Research Foundation 59(b)
5 with respect to \$500,000 that appears to be unaccounted for in the answer.

6

7 **RESPONSE:**

8 Lower operating costs related to the CEO office for corporate stewardship has resulted in
9 the decrease of \$500,000.

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1 **UNDERTAKING NO. JT1.5:**

2 **Reference(s):**

3

4 To provide CIS rate of depreciation, basis for rate, current expectation as to what month
5 it will be in service.

6

7 **RESPONSE:**

8 The cost of the CIS implementation consists predominantly of software and installation
9 costs. A relatively small portion relates to technology hardware. The rate of depreciation
10 for CIS implementation costs is 20% based on THESL's policy. THESL expects the CIS
11 to be in service early in the third quarter of 2011.

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1 **UNDERTAKING NO. JT1.6:**

2 **Reference(s): S1, T1, Schedule 22**

3

4 To provide what percentage PST is of OM&A and what percentage of Cap-ex, and to
5 provide extrapolation of percentages to your 2011 application.

6

7 **RESPONSE:**

8 The effective PST percentages based on the latest full year actual PST paid are 0.98% of
9 OM&A and 3.15 % of capital expenditures.

10

11 The proportions identified above are highly variable depending on the mix of work and
12 resulting types and tax eligibility of expenditures incurred; therefore using the provided
13 percentages on the test year costs would not be appropriate.

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1 **UNDERTAKING NO. JT1.10:**

2 **Reference(s): S1, Tab 7, Schedule 7**

3

4 To provide a breakdown of costs as per SEC Technical Conference no. 7.

5

6 **RESPONSE:**

7 The following table includes THESL costs charged via shared services allocations and
 8 costs in THESL subsequent to the reorganization.

\$ millions

Functional Group	2009	2010	2011	Change 2009 vs 2010	Change 2010 vs 2011
	\$	\$	\$	\$	\$
Governance	0.92	1.66	1.18	0.74	(0.48)
Finance	7.13	7.95	7.49	0.82	(0.45)
Organization Effectiveness & EHS	0.43	0.70	0.71	0.27	0.02
Legal	0.73	1.43	0.83	0.69	(0.60)
Communications & Public Affairs	0.23	0.88	0.80	0.65	(0.08)
GRAND TOTAL	9.44	12.61	11.01	3.17	(1.60)

Rounding variances may exist.

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1 **UNDERTAKING NO. JT1.13:**

2 **Reference(s): R1, Tab 1, Schedule 17**

3

4 Re: Board Staff Interrogatory no. 17, to confirm whether capital contributions have been
5 put into rate base prior to the asset being used and useful in prior rate years.

6

7 **RESPONSE:**

8 THESL has not put capital contributions into rate base prior to the asset being used and
9 useful in prior rate years.