

1 **Q. In reference to Exhibit BVP-1, page 3, what comprises the contributions referred to**
2 **in Notes 1 and 2?**

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4 A. The contributions referred to in Notes 1 & 2 of Exhibit BVP-1, page 3 represent the cost
5 of property, plant and equipment contributed by customers and government (i.e., not
6 supplied by investors). These contributions are also referred to as contributions in aid of
7 construction. For balance sheet reporting purposes, plant assets ("property, plant and
8 equipment") are shown net of the original amount of contributions; and accumulated
9 depreciation is shown net of the amount of the amortization of these contributions.

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11 For forecast purposes, an estimate of customer and government contributions is made
12 based on prior years.

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14 Table 1 below contains a breakdown of cumulative net customer and government
15 contributions forecast as at year-end 2002 to 2004. Actuals for 1998 to 2001 are shown
16 in Return 9 of the Annual Returns to the Board provided in the Company's response to
17 Request for Information CA-213.
18

Table 1 Customer and Government Contributions Cumulative Balances - Net of Amortizations As at December 31st (\$000s)			
	2002	2003	2004
Customer Contributions	19,073	19,427	19,803
Government Contributions	1,079	1,029	968
Total Contributions	20,152	20,456	20,771

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20 Contributed assets (net of amortization) are also deducted from property, plant and
21 equipment in the calculation of rate base, as shown in Exhibit BVP-1, page 7, line 7.