

*Requests for Information*

1 **Q. On page 32, Table 8 of the Finance and Accounting Evidence by Barry Perry please**  
2 **provide details of Increase (Decrease) in Other Expenses? Please advise if pension**  
3 **and regulatory costs to be (sic) amortized over a three-year period?**

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5 A. Table 1 below provides details of the increase (decrease) in Other Expenses shown in  
6 Table 8 at page 33 of the *Finance & Accounting Evidence*.  
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<p style="text-align: center;"><b>Table 1</b> <b>Forecast Change in Other Expenses</b> <b>(\$000s)</b></p>						
<b>Breakdown</b>	<b>Actual 2002</b>	<b>Forecast 2003</b>	<b>Net Increase</b>	<b>Forecast 2003</b>	<b>Forecast 2004</b>	<b>Net Increase</b>
Vehicle Expenses	1,502	1,500	(2)	1,500	1,526	26
Operating Materials	1,564	1,546	(18)	1,546	1,572	26
Inter-Company Charges	626	650	24	650	650	-
Plants, Subs, System Oper & Bldgs	2,055	2,115	60	2,115	2,151	36
Travel	1,220	1,173	(47)	1,173	1,193	20
Tools and Clothing Allowance	799	901	102	901	916	15
Miscellaneous	1,635	1,599	(36)	1,599	1,626	27
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Taxes and Assessments	823	834	11	834	848	14
Uncollectible Bills	700	700	-	700	700	-
Retirement Allowances	59	150	91	150	150	-
Education, Training, Employee Fees	318	345	27	345	351	6
Trustee and Directors' Fees	339	340	1	340	346	6
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Stationery & Copying	354	341	(13)	341	347	6
Equipment Rental/Maintenance	825	887	62	887	902	15
Telecommunications	1,511	1,564	53	1,564	1,591	27
Postage	1,294	1,284	(10)	1,284	1,306	22
Advertising	302	282	(20)	282	287	5
Vegetation Management	987	1,003	16	1,003	1,020	17
Computing Equipment & Software	474	621	147	621	632	11
<b>Total Gross Other Expenses</b>	<b>17,387</b>	<b>17,835</b>	<b>448</b>	<b>17,835</b>	<b>18,114</b>	<b>279</b>
Transfers to GEC	(2,009)	(2,100)	(91)	(2,100)	(2,100)	-
<b>Total Other Expenses</b>	<b>15,378</b>	<b>15,735</b>	<b>357</b>	<b>15,735</b>	<b>16,014</b>	<b>279</b>

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1 Table 8, on page 33 of the *Finance & Accounting Evidence* shows the changes in  
2 operating expenses in 2003 and 2004 assuming no change in electrical rates and before  
3 any of the accounting changes proposed in this proceeding. Table 8 is based on external  
4 regulatory costs being recognized in 2003 and no change in the method of valuing  
5 pension assets in the calculation of pension expense.  
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7 Section 5.4.1 Pension Accounting and Section 5.5 Deferred Regulatory Expenses, at  
8 pages 66 and 73 of the *Finance & Accounting Evidence*, respectively, review in detail the  
9 proposed change in the method of valuing pension assets in the calculation of pension  
10 expense and the proposed deferral of regulatory costs.  
11

12 The method of calculating pension expense recognized in each year is proposed to be  
13 changed from the fair market value method to the market-related value method. This will  
14 smooth the recognition, and reduce the volatility, of this expense.  
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16 Estimated external regulatory costs to be incurred in 2003 of approximately \$1.2 million  
17 are proposed to be amortized over a 3-year period, commencing in 2003.