

1 **Q. Provide the guidelines used for the functional classification of general expenses into**
2 **those related to operating and maintenance and those related to net utility plant. (L.**
3 **Henderson, p. 7, lines 11-13)**
4

5 A. The general rationale for the functional classification of general expenses based on both
6 operating and maintenance and net utility plant is provided in the *Cost of Service*
7 *Recovery Evidence*, at page 7, lines 18 and 19.
8

9 The mechanics of the functional classification of each of the cost of service expense
10 categories are described in Exhibit LCH-2, at page 24 of 40.