

---

Filed: July 13, 2009  
EB-2009-0096  
Exhibit C1-5-1  
Attachment 1  
Page 1 of 20

*Report to*  
***Hydro One Networks Inc.***  
*Regarding*  
***Review of Shared Services Costs Methodology – 2009***

*June 29, 2009*



## TABLE OF CONTENTS

Section I. Summary.....	1
A. Background.....	1
B. Hydro One Organization.....	1
Table 1- Functions And Activities in CF&S.....	2
C. B&V Methodology.....	2
D. Scope of Work.....	3
Section II. Tasks Performed.....	5
A. Reviewed CF&S Model.....	5
B. Identified and evaluated modifications to CF&S Model.....	5
C. Reviewed data input to CF&S Model.....	6
D. Reviewed distributions of costs among departmental activities.....	6
E. Reviewed Assignment and Allocation of Activity Costs Among Business.....	8
Table 2. Direct Assignments and Cost Drivers Used For CF&S Costs.....	8
F. Reviewed 2009 Asset Management Time Study.....	8
G. Performed Analytical Evaluations and Comparisons.....	9
Section III. Conclusions.....	10
Table 3- 2010 and 2011 CF&S Costs, Business Plan 2010-14.....	10

## EXHIBITS

Exhibit A –Corporate Functions And Services

Exhibit B- Business Units

Exhibit C - Types Of Cost Drivers



## SECTION I. SUMMARY

### A. Background

Black & Veatch Corporation (“B&V” or “we”) is pleased to submit this Report on our Review of Shared Services Costs Methodology – 2009 (“2009 Review”) to Hydro One Networks Inc. (“Hydro One”).

In 2004, B&V was engaged by Hydro One to recommend a best practice methodology to distribute the costs of providing the corporate functions and services (“CF&S”), including costs under its outsourcing contract with Inergi LP, to Hydro One and its subsidiaries (“2005 Review”). B&V recommended, Hydro One adopted and the Ontario Energy Board (“OEB”) accepted a methodology to distribute those costs, as described in our *Report on Common Corporate Costs Methodology Review* dated May 20, 2005 (“2005 Common Costs Report”).

In 2006, the OEB-accepted methodology was applied to Hydro One’s Business Plan 2007-2011 data and B&V reviewed Hydro One’s implementation (“2006 Review”) and issued our *Report on Implementation of Common Corporate Costs Methodology* dated May 31, 2006 (“2006 Common Costs Report”). In 2008, the OEB-accepted methodology was applied to Hydro One’s Business Plan 2009-2013 data and B&V reviewed Hydro One’s implementation (“2008 Review”) and issued our *Report on Implementation of Common Corporate Costs Methodology* dated September 10, 2008 (“2008 Common Costs Report”). The results of the methodology were included in Hydro One’s 2008 Distribution Rates filing with the OEB, and its 2009/2010 Transmission Rates filing with the OEB, respectively.

The OEB-accepted methodology has been applied by Hydro One to its Business Plan 2010-2014 (“BP 2010”) data for its 2010/2011 Distribution Rates filing. This Report describes the review that B&V performed, at the request of Hydro One, of Hydro One’s application of the methodology to its BP 2010 data, and B&V’s conclusion.

Consistent with standard practice for consulting assignments, we relied on the genuineness and completeness of all documents presented to us by Hydro One, and we accepted factual statements made to us by Hydro One (e.g., counts of workstations, counts of FTEs, budgeted amounts) subject only to overall reasonableness and actual contrary knowledge, but without independent confirmation.

All amounts in this Report are in Canadian dollars.

### B. Hydro One Organization



Hydro One Inc. is wholly owned by the Province of Ontario. It operates primarily through wholly owned subsidiaries: Hydro One Networks Inc., which includes the Transmission business and the Distribution business; Hydro One Brampton Inc. (“Brampton”); Hydro One Remote Communities Inc. (“Remotes”); and Hydro One Telecom Inc. (“Telecom”). See Exhibit B- Business Units for further information on these businesses.

CF&S comprises the functions and services identified in Table 1; Exhibit A –Corporate Functions And Services further describes the functions and services.

Table 1. FUNCTIONS AND ACTIVITIES IN CF&S	
• Hydro One Inc. Corporate Office	• Telecom Services
• Corporate Services	• Customer Support Operations
• Finance	• Settlements
• Corporate and Regulatory Affairs	• Finance and Accounting Services
• Network Executive	• Human Resources
• General Counsel	• Supply Management Services
• ETS- Applications Support and Infrastructure Support	

The BP 2010 includes 2010 costs aggregating approximately C\$301.2 million, incurred to provide the corporate functions and services. These functions and services are provided, and costs are incurred, for the benefit of the business units identified in Exhibit B- Business Units.

Approximately 43% of the CF&S costs are incurred under an outsourcing arrangement with Inergi LP (“Inergi”). In this Report, CF&S includes the portions of Inergi services identified in BP 2010 as sustainment.

### C. B&V Methodology

The B&V methodology for allocating the costs of Hydro One’s corporate functions and services was designed to address the following:

- Compliance with OEB precedent including Docket RP-2002-0133
- Compliance with relevant provisions of the Affiliate Relationships Code for Electricity Distributors and Transmitters (“Code”)
- Cost incurrence- Are the costs needed to perform services needed by the business units?
- Cost allocation- Were the costs appropriately allocated to the recipient business units?



- Cost / benefit- Did the benefit received equal or exceed the cost?

An overview of the B&V methodology follows:

- Identify the functions and services included in CF&S
- Identify activities that are performed in order to provide the CF&S
- Distribute the annual cost in BP 2010 to perform each function and service among the activities required to perform it, based on time and/or cost studies
- Distribute the cost of each activity among the business units based on direct assignment when possible, and based on cost drivers when not

The direct assignment of costs to business units when possible, and the use of cost drivers to allocate costs when direct assignment is not possible, is consistent with OEB precedent. A cost driver is a formula for sharing the cost of an activity among those who cause the cost to be incurred. The use of cost drivers conforms to OEB precedent, including Docket RP-2002-0133.

The guiding principle that the B&V methodology seeks to use in assigning cost drivers is cost causation, which means there is a causal relationship between the cost driver and the costs incurred in performing the activity. Where cost causation cannot be easily implemented or established, selecting cost drivers based on benefits received is a fair and consistent treatment. Other factors considered are practicality; stability; and materiality.

#### D. Scope of Work

For the 2009 Review, our assignment was to review Hydro One's application of the OEB-accepted methodology to its BP 2010. Below are the tasks performed by B&V in the completion of the Scope of Work.

1. Reviewed Hydro One's model for allocating Shared Services Costs, to determine if it implements the OEB-approved methodology for the CF&S costs in BP 2010.
2. Identified and evaluated modifications to the CF&S Model
3. Reviewed the data input to the CF&S model including budget data, allocator values, time distributions and cost distributions
4. Reviewed distributions of labor, non-labor and Inergi costs among departmental activities



5. Reviewed assignment and allocation of activity costs among business units
6. Reviewed Asset Management time study conducted by Hydro One
7. Performed analytical evaluations and comparisons to prior studies

B&V also reviewed the computation of Overhead Capitalization Rate using the OEB-approved methodology, and reviewed the Common Assets allocation using the OEB-approved methodology.

B&V has prepared reports on out work, including this Report.

The results of Hydro One's distribution of the CF&S costs in its BP 2010 are presented in Table 3- 2010 and 2011 CF&S Costs, Business Plan 2010-14. B&V's findings are presented in Section III. Conclusions.



## SECTION II. TASKS PERFORMED

In this Section we will discuss each of the steps performed in the Scope of Work, as listed in Section I.D. Scope of Work.

### A. Reviewed CF&S Model

In this task, we reviewed the model that Hydro One has developed for allocating corporate Costs (“CF&S Model”), to determine if it implements the OEB-approved methodology for the CF&S costs in BP 2010.

B&V first reviewed the CF&S Model in connection with our 2008 Review. A similar review was performed for the 2009 Review, including a review of:

- The identification of the activities performed by each department,
- The methodology for distributing departmental costs among the activities performed by each department,, including time studies and other direct assignments,
- The methodology for distributing the costs of each activity among the business units, and
- The computations made by the CF&S Model.

Based on our review, the CF&S Model properly implements the OEB-accepted methodology for distributing the costs of corporate functions and services in the BP 2010. The CF&S Model distributes departmental costs among activities, then distributes the cost of each activity based on direct assignment or the use of cost-based allocators. The use of direct assignments and the selection of cost drivers were consistent with the direct assignments and cost drivers selected by Hydro One for the 2008 Review.

### B. Identified and evaluated modifications to CF&S Model

The purpose of this task was to identify and understand changes to the CF&S Model since B&V performed the 2008 Review. In each case our goal was to determine the reason for the change and to evaluate if the B&V cost-based methodology continued to be applied by Hydro One. Changes to the Model from the 2008 Review were made primarily:

- To reflect the BP 2010 costs
- To update the cost driver values



- To update the time distributions and cost distributions
- To reflect organizational changes, and
- To reflect additions to and deletions of departmental activities.

Based on our review, B&V found that all of the changes to the CF&S Model were consistent with the OEB-approved B&V cost allocation methodology and that the results continue to produce a cause-based allocation of costs.

#### C. Reviewed data input to CF&S Model

The purpose of this task was to review the data entered to the CF&S Model to determine that it is properly used in the CF&S Model and is reasonable. Our review of reasonableness was based on discussions with Hydro One personnel and comparison to the prior Reviews performed by B&V. The following items were reviewed:

- Budget data for each department, detailed as to labor, non-labor and Inergi. Significant changes were explained by new departments, transfers of departments and changes in activity levels.
- External allocator values. Total values, and the portions attributed to each business unit, were reasonably consistent over time.
- Time distributions- Activity percentages were compared to the information prepared by the departments.

B&V found the data entered to the CF&S Model were properly used and were reasonable.

#### D. Reviewed distributions of costs among departmental activities

The purpose of this task was to determine the reasonableness of the distributions of labor, non-labor and Inergi costs among the activities performed by each department.

- Labor costs for each department were distributed among the activities performed based on the distribution of time incurred by department employees. The Hydro One manager responsible for each CF&S unit determined the portion of annual time spent by the personnel under his or her supervision on each of the departmental activities. Some managers maintained concurrent time records, some conducted interviews with their personnel and some used their informed judgment. The information provided by the managers was reviewed by Hydro One financial personnel. B&V reviewed the methodology used by the Hydro One managers to



prepare the time distributions and reviewed the time charged to the departmental activities. B&V found the time distributions to be reasonable based on the detailed descriptions of each department's responsibilities (Exhibit B- Business Units), discussions with the departmental managers and Hydro One financial personnel, and comparisons to the departmental time distributions in the 2008 Review.

- Non-labor costs include OEB invoices, rate hearing expenses, communications programs, insurance costs and claims, human resources programs, labor relations programs, IFRS and Bill 198 consultant costs, controllership activities (outsourced to Inergi), actuarial consultants and audit fee. B&V examined the distribution of approximately \$48.7 million, or approximately 90% of the total. We found the distribution of these costs to be reasonable based on their nature. The balance of non-labor costs includes items such as training and development, and general expenses such as travel, which were primarily allocated in proportion to departmental labor costs.
- The costs of the functions and services provided by Inergi were distributed among the activities based on information provided by Hydro One, and estimates and judgments made by Hydro One and B&V. The approach to distribute the total costs these for each of the CF&S provided by Inergi is described below.
  - Customer Support Operations – Substantially all of this function is assigned to the Distribution business.
  - Settlement – Only one activity, no distribution of costs required.
  - Supply Management Services – The cost of this function is recovered separately through the Materials Surcharge.
  - Finance – The cost of this function was were assigned among the activities based on the costs incurred by Hydro One when it was responsible for the function.
  - Human Resources – Only one activity, no distribution of costs required.
  - Enterprise Technology Services – ETS includes the costs for: baseline infrastructure services; Help Desk and Desktop Support; application maintenance and sustainment; project management; incremental costs; and incremental activities. B&V worked with Hydro One to distribute the costs among the following ETS activities: customer support operations applications; finance applications; human resources / Cornerstone applications; Passport / Cornerstone applications; telecom services; and infrastructure services. The costs assigned to each function were allocated among the business units in the same proportion as the direct cost of that function.



E. Reviewed Assignment and Allocation of Activity Costs Among Business Units

The purpose of this task was to determine the reasonableness of the allocation of the cost of each activity among the business units. B&V reviewed each activity and the assignment or allocator used to distribute the cost of the activity to the business units. The use of direct assignment and the selection of allocators were reasonable and reflected cost causation and / or benefits received, as described in Section I.C. B&V Methodology. In addition, for the continuing activities in each department (i.e., almost all of the activities identified), the use of direct assignments and the selection of allocators for the BP 2010 costs was the same as in the 2008 Review, with very few exceptions.

Table 2 summarizes the types of costs drivers used to assign the CF&S costs. These amounts include the Inergi charges.

<b>Table 2. DIRECT ASSIGNMENTS AND COST DRIVERS USED FOR CF&amp;S COSTS</b>		
<b>TYPE</b>	<b>\$ ASSIGNED (\$ Millions)</b>	<b>% OF TOTAL</b>
Direct Assignment	\$97.1	32.2%
Physical	49.3	16.4%
Financial	107.1	35.6%
Internal	47.7	15.8%
Total CF&S Costs	\$301.2	100.0%

F. Reviewed 2009 Asset Management Time Study

The purpose of this task was to review the appropriateness of the time study used by Hydro One for Asset Management personnel.

Hydro One determined the portion of Asset Management costs devoted to Transmission and Distribution, respectively, by performing a time study for these personnel for the five-week period ending April 5, 2009. The time study methodology was the same as Hydro One used in previous Asset Management time studies conducted by Hydro One (March 2003, April 2006 and March 2008). We note that the participation percentage was 97%, the highest for any Hydro One Asset Management times study. It was not practical to perform a full-year study, but any effects of performing the study over five weeks, instead of a full year, are believed to be minimal. To support this judgment, we reviewed the two prior Asset Management studies and found that the results are reasonably similar.

Based on our review the Asset Management Time Study provides an appropriate basis for allocating the costs of activities performed by Asset Management personnel.



G. Performed Analytical Evaluations and Comparisons

The purpose of this task was to compare the results of the distribution of the BP 2010 CF&S among the business units to the results in the 2008 Review and to understand the differences. This included a review of the proportions of total cost and departmental cost distributed to each business unit and the total cost assigned to each business unit.

The portion of each department that was distributed to Transmission, Distribution and Other was compared for this review, and for the 2008 Review, 2006 Review and 2005 Review. The proportions have been reasonably similar over time and differences are explained by changes in the allocation of time, changes in allocator values and changes in departmental functions and activities.



**SECTION III. CONCLUSIONS**

Based on our review, Black & Veatch believes that the results of Hydro One’s application of the B&V shared cost allocation methodology to its BP 2010 data for the year 2010, as shown in Table 3, reflects a cost-causation-based distribution of the costs of providing the CF&S and conforms to the OEB-accepted methodology.

<b>Table 3. 2010 AND 2011 CF&amp;S COSTS, BUSINESS PLAN 2010-14</b>				
<b>Business Unit</b>	<b>2010 Budget</b>		<b>2011 Budget</b>	
	<b>\$ Millions</b>	<b>% of Total</b>	<b>\$ Millions</b>	<b>% of Total</b>
Distribution	\$ 148.0	49.2%	\$ 148.2	48.9%
Transmission	110.9	36.8%	113.3	37.3%
Others	42.3	14.0%	41.8	13.8%
<b>Total CF&amp;S Costs</b>	<u>\$ 301.2</u>	<u>100.0%</u>	<u>\$ 303.3</u>	<u>100.0%</u>



<b>EXHIBIT A –CORPORATE FUNCTIONS AND SERVICES</b>	
<b>FUNCTIONS AND SERVICES</b>	<b>DESCRIPTION</b>
<b>Hydro One Inc. Corporate Office</b>	
Board of Directors	Strategic direction, implementation and results for Hydro One Inc. and for each subsidiary
Chair	Strategic direction, implementation and results for Hydro One Inc. and for each subsidiary
President and CEO	Primary accountability is leadership of the staff of the Corporation to ensure that their culture and behaviours lead to achievement of its strategic objectives. Develops and updates strategy and establishes performance targets to assess progress towards the goals and objectives defined by the strategy.
Vice President	Oversee and support Law, Regulatory and Corporate Secretariat General Counsel functions.
Corporate Secretariat	Provides direction and analysis in areas of: 1) Board and Committee(s); 2) Support to Office of Chair and members of Board of Directors; 3) Code of Business Conduct; 4) Community Citizenship; 5) Freedom of Information and Privacy, 6) Corporate Archives, 7) Corporate Records, 8) Corporate Secretariat Support
CFO's Office	The CFO provides Hydro One and its subsidiaries with strategic review and approval with respect to all financial and investment decisions. Services relating to the review of policies and procedures, treasury operations and tax planning, financial control and reporting are also provided by the CFO to Hydro One Inc. and its subsidiaries as required.
Treasurer's Office	Treasurer's Office is responsible for Debt and equity issuance, Capital structure management and oversight of Finance- Treasury function.
Donations	Includes donations made to support injury prevention, corporate donations (e.g. Salvation Army), energy education, United Way support and local community causes.



<b>EXHIBIT A –CORPORATE FUNCTIONS AND SERVICES</b>	
<b>FUNCTIONS AND SERVICES</b>	<b>DESCRIPTION</b>
<b>Corporate Services</b>	
Human Resources	Provides advice, guidance and services to managers (and on their behalf, to employees) which support and optimize the acquisition and management of the workforce, and the treatment of pensioners. Provides consulting, leadership development and recruiting, diversity and resourcing programs, compensation and benefits and labour relations services.
Labour Relations	Provides full-scale service pertaining to bargaining, Ontario Labour Relations Board hearings, grievance and arbitration hearings, advice and guidance, plus training to all levels of Hydro One management. This involves interaction with 21 different unions and 24 collective agreements.
Corporate Security	Provide Security Services for Company Assets; Theft of Power Program (Recovery of stolen electricity)
Information Management & Information Technology	Enterprise IT Architecture, Governance of IT architecture, Business Analysis and Information Management, Project Management & Control, Large Project Management, Inergi & Telecom services management.
Information Assets	Manage key asset customer database; provide integrated systems support; support Cornerstone
Cornerstone Enablement	Manage enterprise business processes, data quality and architecture; coordinate, track and improve training curriculum; develop power user network; identify, develop, assess and implement solutions to improve Cornerstone assets
Corporate Services- SVP	Oversight of Corporate Services department.



<b>EXHIBIT A –CORPORATE FUNCTIONS AND SERVICES</b>	
<b>FUNCTIONS AND SERVICES</b>	<b>DESCRIPTION</b>
<b>Finance</b>	
Corporate Controller	Corporate Accounting & Reporting; Revenue Management; Financial Modeling & Analysis; Corporate Planning & Reporting, Accounting Policy; Internal Control; IFRS; Regulatory Finance; Inergi Finance; Bill 198; Corporate Compliance
Treasury	<ul style="list-style-type: none"> <li>• Risk management including insurance purchasing</li> <li>• Insurance claims settlement</li> <li>• Financial risk management-foreign exchange, interest, credit</li> <li>• Cash &amp; banking operations-cash forecasting, strategy &amp; banking relationships, bank account management</li> <li>• Debt management-prospectus, debt issuance, borrowing, maintain relationship with shareholders</li> <li>• Funds management-deployment of short term funds and manage longer term funds</li> <li>• Investor Relations is responsible for: Relationship with shareholders, creditors, equity analysts &amp; rating agencies</li> <li>• Support business activities; decision support; project management</li> </ul>
Taxation	Meet internal and external tax compliance requirements and reduce the overall corporate tax liability through tax planning for current and new businesses, acquisitions and dispositions, special projects, tax compliance (including income tax, GST, PST, and DRC returns for all entities), tax accounting, lobbying for legislative tax changes, and government tax audits.
<b>Corporate and Regulatory Affairs</b>	
Corporate Communications and Services	Supports all communications initiatives, both external and internal. Interacts with most other Hydro One departments but has a special focus on working with Customer Service department.



<b>EXHIBIT A –CORPORATE FUNCTIONS AND SERVICES</b>	
<b>FUNCTIONS AND SERVICES</b>	<b>DESCRIPTION</b>
Outsourcing Services	Manages the overall business relationship between Hydro One and Inergi LP.
First Nations and Metis Relations	Provide First Nations and Métis consultation advice and support; Provide advice re First Nations and Métis HR strategies; Provide strategic advice to Remotes with respect to First Nations and Métis issues.
Regulatory Affairs	Coordinate filing of applications filings with OEB; Compliance with OEB orders; Design and implement regulatory policy; Manage relationship with OEB. Specific tasks include: Cost Allocation and Rate Design for regulated Transmission and Distribution, in particular, rate structures and rates for Transmission and Distribution Tariffs; Assist implementation of approved Transmission and Distribution rates; Support transmitters’ representative on IESO Technical Panel; Provide load forecasts for all business units of Hydro One and for IESO; Manage MV Star to support wholesale and retail settlement; Provided strategic and analytical support to load research and CDM initiatives.
Regulatory Affairs- OEB Cost	Direct billed OEB costs for Transmission and Distribution businesses.
Regulatory Affairs- Rate Hearings	Costs of Rate Hearings before the OEB for Transmission and Distribution businesses.
Real Estate	Manage and acquire rights of way and easements; Manage property taxes; Manage SLU revenue programs; Manage Employee Relocation Program
Supply Chain Services	Manage warehouses; Strategic Sourcing Initiative; Supply chain management; Transportation; Investment recovery
SVP	Oversight of Corporate and Regulatory Affairs.



<b>EXHIBIT A –CORPORATE FUNCTIONS AND SERVICES</b>	
<b>FUNCTIONS AND SERVICES</b>	<b>DESCRIPTION</b>
<b>Network Executive</b>	
External Relations	Support customer strategy, rate strategy, distribution generation strategy; Develop working relationships with customers, regulators, shareholder, lenders; Labour relations; Corporate culture
Internal Audit & Risk Management	Provides assurance that internal controls continue to operate effectively, identification and recommendations for areas where controls can break down or need improvement to meet corporate objectives.
<b>General Counsel</b>	
Law	Provides legal advice to all business units, acting as an internal “law firm” for the Corporation on most aspects of law affecting it, and is also well acquainted with day- to-day requirements of the Corporation.
<b>Telecom Services</b>	
Telecom Services	Provides telecommunications infrastructure across the Province, including both voice and data. Links staff and business applications at Trinity, Richview TS, Markham and London Call Centers, Mill Creek data centre, 125 field offices (400 total sites including stations) and customers via Call Centres and Web sites.
<b>Inergi Functions</b>	
Customer Support Operations	Inbound Call Handling; Bill Production; Collections; Data Services
Settlements	Provide settlement and reconciliation services for wholesale and retail markets.



<b>EXHIBIT A –CORPORATE FUNCTIONS AND SERVICES</b>	
<b>FUNCTIONS AND SERVICES</b>	<b>DESCRIPTION</b>
Finance and Accounting Services	Accounts Payable Billing; Accounts Receivable (Non-energy related); Fixed Asset and Project Cost Accounting; General Accounting and Planning, Budgeting and Reporting
Human Resources	Payroll and related services
Supply Management Services	Demand Planning, Demand Management and Procurement, Sourcing, Vendor Management and Inventory Management, Process Development and Data Management, Negotiating and managing transportation contract with logistics providers, Asset Disposal
<b>Inergi ETS</b>	
Applications Support	Support IT applications: Customer Support Operations, Finance, Human Resources / Cornerstone, Passport / Cornerstone, Market Ready, Telecomm Services.
Infrastructure Support	Support the infrastructure including platforms, servers, printers, workstations, IT communications and Help Desk.



<b>EXHIBIT B- BUSINESS UNITS</b>	
<b>BUSINESS UNIT</b>	<b>DESCRIPTION</b>
Trans- mission	Owns and operates substantially all of Ontario's electricity transmission system.
Distribution	Owns and operates a distribution system which spans approximately 75% of Ontario and serves approximately 1.1 million customers.
Brampton	Owns, operates and manages electricity distribution systems and facilities in Brampton, Ontario.
Remotes	Owns, operates, maintains and constructs generation and distribution assets used to supply of electricity to remote communities in northern Ontario
Telecom	Sells high bandwidth telecommunication services to carriers, Internet service providers, and large public and private sector organizations.
Shareholder	Represents activities performed exclusively for the benefit of the sole shareholder of Hydro One Inc.
Note- The cost distribution methodology also identified the costs to include in the Materials Surcharge, which are included in materials costs and ultimately charged to business units.	



EXHIBIT C - TYPES OF COST DRIVERS		
TYPE	DESCRIPTION	EXAMPLES
<b>External Drivers</b>		
Physical	Physical units; usually objectively determinate but often require estimates	Number of customers, employees, phone calls or workstations; time studies; MWh or MW
Financial	Financial information from accounting or management reports, budgets or projections	Capital expenditures, Net utility plant, Oper Maint (expense), Total assets, Total capital, Total revenue
Blended	Weighted combinations of other drivers, used when one or more drives are applicable and none is clearly preferable; weights determined by judgment	Non-energy Rev_Assets Blend = 50% weight for Non-Energy Revenue and 50% weight for Assets
Driver <i>xBusiness Unit</i>	Any driver may be modified by excluding one or more business units to which the activity does not apply	Cost driver for payroll preparation activity is FTEs (Full-Time Employees), but Brampton business unit prepares its own payroll and does not use the shared service, therefore activity cost driver is called FTE xB (Full-Time Employees excluding Brampton)
<b>Internal Cost Drivers</b>		
All Internal Cost Drivers	Use the result of previous allocations as the basis for further allocations	Cost of general departmental expenses might be allocated in the same proportion as the specifically assigned departmental activities