Consumers Council of Canada (CCC) INTERROGATORY #15 List 2

Interrogatory

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Issue 2.1
Issue: 2.1 Are the overall levels of the 2007 and 2008 Operation, Maintenance and Administration Budgets appropriate?

The Corporate Management Function budget which includes the Board of Directors, Treasurer's Office, the CEO, CFO and General Counsel has been steadily increasing since 2004. Please specifically explain why? Please provide a breakdown by each component (CEO, CFO etc.) providing the budget and actual amounts for the years 2004-2008.

Response

A breakdown of the Corporate Management costs by component is shown below:

	2004		2005		2006		2007	2008
	Budget	Actual	Budget	Actual	Budget	Projection	Budget	Budget
GC&S	1.0	0.8	1.1	0.9	1.0	0.6	1.0	1.0
Board	1.7	1.1	1.1	1.2	1.7	1.7	1.3	1.3
Chair	0.6	0.2	0.5	0.3	0.3	0.3	0.3	0.3
President/CEO	2.5	2.9	2.3	2.7	2.3	2.3	2.6	2.6
CFO	1.2	0.9	2.2	0.6	1.2	1.2	1.1	1.1
External Relations	0.7	0.7	1.4	1.4	1.5	1.5	1.4	1.4
Total	7.7	6.6	8.5	7.0	8.1	7.6	7.6	7.8

The corporate management cost increases over the 2005 to 2008 period to support a larger work program, general escalation increases and increased audit fees due to the on-going Bill 198 requirements and increased effort for streamlining regulatory approvals to proceed with timely implementation of critical capital expansion programs. The allocation of the corporate management costs are governed by a service level agreement between the holding company and the legal subsidiaries. The costs associated with the activities of the Treasury office are charged to the company's costs of debt.