

1 Q. **Volume 1 (1st Revision), Chapter 3: Operations**

2 Engineering Services costs have increased from \$2.4 million in 2016 to \$5.0 million
 3 in the 2019 test year, or over 100%. Please fully explain the reasons for this
 4 increase. (Volume I (1st Revision), Chapter 3: Operations,
 5 Schedule 3-X)

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8 A. The Engineering Services cost increase of \$2.6 million from 2016 to 2019 test
 9 year is primarily driven by:

- 10 a. Salary and Benefits - \$4.2 million as provided in Table 1;
 11 b. Reduction in operating costs in 2016 related to net overtime,
 12 professional services, travel - \$0.4 million; and
 13 c. Offset by increase in capital recovery - (\$2.0) million.

Table 1 (in millions)

Salary	Economic	0.4
	Merit/Progression/Other	0.1
	Full Time Equivalent changes	2.8
Benefits		0.9
Total Salary and Benefits		4.2