

1 Q. **Rates and Regulations**

2 Hydro's Cost of Service Expert evidence, Exhibit 13, page 16 of 60, lines 13-21,  
3 states Hydro's current and past accounting processes do not supply sufficient detail  
4 to identify each individual O&M expense with a specific customer so that forecasts  
5 for each customer of the amount of O&M to be deducted from transmission O&M  
6 costs in the COS study can't be determined. Has Hydro determined the changes to  
7 its accounting processes that would be required to provide this information and the  
8 cost of implementing the required changes? In the response describe the actions  
9 Hydro completed to investigate the feasibility and costs of undertaking the  
10 necessary changes.

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13 A. Hydro is reviewing the required modifications to its processes to enable the  
14 tracking of actual operating and maintenance costs related to specifically assigned  
15 assets for use in direct cost assignment to customers. This change appears feasible  
16 to implement and the cost of implementation is estimated to be minimal. Hydro  
17 intends to implement the required changes in 2018.

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19 It may require several of years of history under the new process to provide a sound  
20 basis to reasonably forecast annual operating and maintenance costs for specifically  
21 assigned assets. Hydro will provide details of the results of its cost tracking for  
22 specifically assigned assets in its next General Rate Application.