

Illustrative Supplemental Questions for Cost Allocation Informational Filing

Approach:

1. To select the important items where **Supplemental Disclosure** included with the informational filing will assist the review and understanding of the Cost Allocation Study.
2. To prepare clear, concise supplemental questions to be answered by all LDCs as part of the present information filing.

Examples of Potential Supplemental Questions

Supplemental questions could identify current USoA issues where differing treatment or policies developed by LDCs could have a significant impact on the results of the Cost Allocation informational filings (such a discussion should at least encompass the Revenue, Expense, and Asset accounts).

1. Services (account #1855) is an important account in the cost allocation study. It is important that the proper costs are recorded in this account. Please refer to the APH for the definition. If your accounting treatment is different, please explain your accounting treatment of this account and estimate the impact (e.g. gross book value).
2. Please summarize your Capitalization Policies (such as treatment of overhead allocation and types of expenses capitalized instead of being charged to O&M). May wish to refer to 2006 EDR Filing.
3. Outside Serviced Employed Account 5630 may have costs relating to multiple functions. To improve the allocation of costs, it is helpful to disclose which functions are charged to this account.(e.g. meter reading, call centre, etc).
4. Please disclose which account(s) Information Technology Expenses are currently recorded in and the activities it includes (please refer to Chapter 6, section 6.2.3 of the DRH that was required to be filed in the 2006 EDR Filing). In addition, please disclose which account(s) Customer Information System Expenses are currently recorded in and the activities it includes.

Other potential items

Other areas of the filing may also include supplemental questions. The following example deals with the allocation of demand related distribution costs

- Please provide an explanation of the costing methodology used to help breakout the “Bulk,” Primary” and “Secondary” (or new terminology to be determined) component of the asset and expense accounts for the purposes of this Cost Allocation Informational Filing