

Variance Analysis of Requested DRT Corporate Costs

Section 1 DRT 2004 Approved - 2004 Annualized

Corporate Cost	2004 Approved (\$000)	2004 Annualized (\$000)	Variance %	Variance Analysis
Communications	109.7	188.6	72%	Higher than anticipated media coverage, distribution of activities among corporate service departments changed from that originally expected.
Executive	778.9	596.4	-23%	Distribution of activities among corporate service departments changed from that originally expected.
Finance	242.3	623.0	157%	Variance arises from: (1) 2004 Forecast excluded payroll and financial system activities, (2) more effort required than initially expected in respect of volume of accounts payable and reporting requirements; and (3) inclusion of audit fees, previously included under Corporate Expenditure.
Operations	20.4	26.6	30%	Support for first year operations higher than anticipated , ongoing costs on 2005 will be direct costs to DERS except for Disaster Recovery costs & Business Continuity plans in 2005/2006.
Corporate Expenditure	592.5	360.9	-39%	Variance arises from: (1) decreased bank charges; and (2) re-allocation of some costs to Finance (see above).
IS	512.1	750.5	47%	Required more IS support than anticipated.
Risk	123.3	246.4	100%	Required more Risk support than anticipated; distribution of activities among corporate service departments changed from that originally expected.

Section 2 DRT 2004 Annualized - 2005 Forecast

Corporate Cost	2004 Annualized (\$000)	2005 Forecast (\$000)	% Change	Variance Analysis
Communications	188.6	62.0	-67%	Forecast reduction in media coverage; forecast based on planned activities as set out in in the Application Table 5-AB
Executive	596.4	615.7	3%	Forecast labour escalation only.
Finance	623.0	644.9	4%	Additional FTEs (allocated share specifically forecast for regulated utility service) and labour escalation.
Operations	26.6	165.3	521%	2005 charge for implementation of Disaster Recovery and Business Continuity plans.
Corporate Expenditure	360.9	247.4	-31%	Removal of PCG costs, residual Corporate Expenditure relate to bank charges only.
IS	750.5	544.5	-27%	Anticipated reduction due to increased efficiencies.
Risk	246.4	208.2	-16%	Anticipated reduction due to increased efficiencies.

Section 3 DRT 2005 Forecast - 2006 Forecast

Corporate Cost	2005 Forecast (\$000)	2006 Forecast (\$000)	% Change	Variance Analysis
Communications	62.0	64.0	3%	Blended labour escalation and inflation.
Executive	615.7	635.5	3%	Blended labour escalation and inflation.
Finance	644.9	665.7	3%	Blended labour escalation and inflation.
Operations	165.3	32.9	-80%	2006 charge for implementation of Disaster Recovery and Business Continuity plans.
Corporate Expenditure	247.4	247.5	0%	No increase in bank charges forecast.
IS	544.5	562.0	3%	Blended labour escalation and inflation.
Risk	208.2	214.9	3%	Blended labour escalation and inflation.

Variance Analysis of Requested RRT Corporate Costs

Section 1 RRT 2004 Approved - 2004 Annualized

Corporate Cost	2004 Approved (\$000)	2004 Annualized (\$000)	Variance %	Variance Analysis
Executive	154.5	118.0	-24%	Distribution of activities among corporate service departments changed from that originally expected.
Finance	48.1	123.3	156%	Variance arises from: (1) 2004 Forecast excluded payroll and financial system activities, (2) more effort required than initially expected in respect of volume of accounts payable and reporting requirements; and (3) inclusion of audit fees, previously included under Corporate Expenditure.
Operations	4.0	5.3	33%	Support for first year operations higher than anticipated , ongoing costs on 2005 will be direct costs to DERS except for Disaster Recovery costs & Business Continuity plans in 2005/2006.
Corporate Expenditure	117.5	71.4	-39%	Variance arises from: (1) decreased bank charges; and (2) re-allocation of some costs to Finance (see above).
IS	256.0	148.5	-42%	Required more IS support than anticipated.
Risk	10.5	48.8	365%	Required more Risk support than anticipated; distribution of activities among corporate service departments changed from that originally expected.

Section 2 RRT 2004 Annualized - 2005 Forecast

Corporate Cost	2004 Annualized (\$000)	2005 Forecast (\$000)	% Change	Variance Analysis
Executive	118.0	123.5	5%	Forecast labour escalation only.
Finance	123.3	129.4	5%	Additional FTEs (allocated share specifically forecast for regulated utility service) and labour escalation.
Operations	5.3	33.2	526%	2005 charge for implementation of Disaster Recovery and Business Continuity plans.
Corporate Expenditure	71.4	49.6	-31%	Removal of PCG costs, residual Corporate Expenditure relate to bank charges only.
IS	148.5	109.3	-26%	Anticipated reduction due to increased efficiencies.
Risk	48.8	41.8	-14%	Anticipated reduction due to increased efficiencies.

Section 3 RRT 2005 Forecast - 2006 Forecast

Corporate Cost	2005 Forecast (\$000)	2006 Forecast (\$000)	% Change	Variance Analysis
Executive	123.5	127.2	3%	Blended labour escalation and inflation.
Finance	129.4	133.2	3%	Blended labour escalation and inflation.
Operations	33.2	6.6	-80%	2006 charge for implementation of Disaster Recovery and Business Continuity plans.
Corporate Expenditure	49.6	49.5	0%	No increase in bank charges forecast.
IS	109.3	112.5	3%	Blended labour escalation and inflation.
Risk	41.8	43.0	3%	Blended labour escalation and inflation.