

**Schedule 1**  
**Interrogatory #2**

The following further information is provided as required to provide more detail with respect to the operating expense components provided in the table with respect in the Company's response to Interrogatory #2 filed on February 18, 2016:

**Employee Training**

Corporate Services and Support amounts for employee training includes the annual training budget for Human Resources, Health, Safety and Environment, Property Management, Administrative Support, Internal Audit, Corporate Planning and Senior Management groups.

**Human Resources**

Human Resources costs included in Corporate Services and Support include the portion of the Human Resource department salaries not allocated to operating areas of the Company, consulting costs, costs associated with the employee assistance program as well as related departmental costs such as advertising, general communications, meals, travel and professional dues.

**Insurance**

Insurance costs specific to generating activities and distribution and transmission equipment are allocated to their respective areas. The amounts included as insurance in Corporate Services and Support relate to General Liability and Directors and Officers Liability insurance coverage for the Company.

**Legal**

Included in Corporate Services and Support are legal costs associated with non-regulatory matters including land purchases, interpretation and negotiation of agreements with third parties, general legal matters, interpretation of legislative changes, and general property matters.

### **Health Safety and Environment**

Health, Safety and Environment includes the portion of salaries and benefits not directly allocated to operational expenses, consulting, and general departmental expenses (including communications, maintenance agreements, meals, travel and subscriptions directly related to health safety and environment functions of the Company).

### **Internal Audit**

Internal Audit includes the salaries and related benefits of the internal audit function of the Company as well as other related costs including communication costs, dues and travel expenses.

### **Planning**

Planning includes salaries and related benefits and other costs relating to the Corporate Planning Department including consulting, general communications, maintenance agreements, travel, subscriptions, dues and fees.

**Schedule 2**  
**Corporate Services**

Description	2015 Actual	2016 Forecast	21017 Forecast	2018 Forecast
Senior Management Salaries & Benefits <sup>(1)</sup>	\$2,313,821	\$2,272,200	\$2,376,400	\$2,435,700
Administrative Support Salaries & Benefits	346,830	363,900	374,800	386,100
Trustee Fees	53,751	51,500	53,000	54,600
Bond Rating Fees	46,500	51,500	53,000	54,600
Consulting Fees (provisional)	18,500	200,900	206,900	213,100
General Administrative Expenses	305,992	321,400	330,100	339,100
<b>Total</b>	<b>\$3,085,394</b>	<b>\$3,261,400</b>	<b>\$3,394,200</b>	<b>\$3,483,200</b>

- (1) Includes senior management salaries, short and long term incentive expenses (including stock options) vehicle allowances and applicable overheads (including RRSP and Supplementary Plan, Health/Dental, disability, life insurance, WCB, employer share of EI and CPP). All costs apply only to MECL employees who are all residents on PEI. The Company continues to use the Hay methodology for establishing salary and related compensation as was in place when the Commission last performed an in depth review in this area (reference Interrogatory SC-2, December 2007 provided in confidence to the Commission and related review by Commission's consultant).