

Undertaking 30

Reason for increase for 2014 SEM in NP-NLH-307 (Revision 1), Page 9 of Attachment 1, Line 12; breakdown of increase between actual and forecast.

The increase in SEM in 2014 Actuals in comparison to 2014 Test Year noted of \$5.6 million noted in NP-NLH-307 (Revision 1), Page 9 of Attachment 1, Line 12, is primarily due to an increase of \$2.9M in Transmission and Rural Operations (TRO) and a \$2.4 million increase in Thermal Generation. TRO increased by \$2.9M primarily due to maintenance backlog reductions (please see Evidence p2.46, footnote 14), transportation costs to relocate the Sunnyside transformer, Stephenville gas turbine repairs and other repair and engineering related activities. Thermal Generation increased by \$2.4 million primarily due to an increase in Holyrood Unit 1 annual maintenance costs, repairs and maintenance to boiler pump, heater compressor and water valves, and engineering and other related activities.