

1 Q. **Reference: CA-NLH-068, Table 1; NP-NLH-035, Tables 3 and 4**

2 Using the \$136 million 2019 Test Year operating-cost baseline in NP-NLH-035, Table 3, and the
3 \$163 million 2027 Test Year amount including costs deferred to the General Expenses
4 Capitalized Deferral Account in CA-NLH-068, Table 1, please confirm an increase of
5 approximately \$27 million, or 19.9%, equivalent to a compound annual growth rate of 2.3% over
6 eight years. Reconcile the \$133 million 2019 entry in CA-NLH-068, Table 1, to the 2019 Actual
7 and Test Year amounts.

8
9
10 A. As shown in Table 1 of Newfoundland and Labrador Hydro's response to CA-NLH-068 of this
11 proceeding, operating costs increased by approximately \$20 million¹ from 2019 Test Year to
12 2027 Test Year. When including the \$6.6 million of operating costs deferred to the Generalized
13 Expenses Capitalized Deferral Account as approved in Board of Commissioners of Public Utilities
14 Order No. P.U. 32(2025), operating costs increased by approximately \$27 million from 2019 Test
15 Year to 2027 Test Year.²

16 Within Table 1 of CA-NLH-068, Hydro's 2019 Test Year is presented as \$136 million and 2019
17 Actuals as \$133 million.

¹ Calculated as \$156 million Total Operations and Maintenance ("O&M") for 2027 Test Year less \$136 million for 2019 Test Year Total O&M.

² Calculated as \$163 million Total O&M Adjusted for General Expenses Capitalized for 2027 Test Year less \$136 million for 2019 Test Year Total O&M.