

Q. **Reference: Vol. I, Schedule F 2.1E, I. 1 (transmission demand O&M) (PDF p. 287); Vol. I, Schedule F 2.4E (Functional Classification of O&M Expense) (PDF pp. 292–293); Vol. I, Schedules B-I and B-II (Total Operating Expenses) (PDF pp. 219–220).**

Preamble:

The revenue requirement allocated to Labrador Industrial customers includes transmission operating and maintenance (O&M) costs. IOC seeks to understand how much of the proposed increase is attributable to O&M as distinct from capital-related costs (rate base, return and depreciation).

Provide the trend in Labrador transmission operating and maintenance costs from the 2019 Test Year to the 2027 Test Year.

A. Transmission Operations and Maintenance ("O&M") costs included in the Labrador Interconnected Cost of Service Study are functionally classified in Schedule F 2.4E, Functional Classification of O&M Expense. Table 1 provides a comparison of Labrador transmission O&M costs in the 2019 Test Year and the 2027 Test Year.

Table 1: Comparison of Transmission O&M Costs¹

Transmission O&M Component	2019TY (\$)	2027TY (\$)	Change (\$)	Change (%)
Transmission Lines	2,280,520	2,626,439	345,919	15.2%
Terminal Stations	173,173	210,591	37,418	21.6%
Other Transmission	189,106	100,147	(88,959)	-47.0%
Total Transmission O&M	2,642,799	2,937,178	294,379	11.1%

Total Labrador transmission O&M increased by approximately \$0.29 million, or 11.1%, between the 2019 Test Year and the 2027 Test Year. Table 1 does not include the allocation of

¹ Numbers may not add due to rounding.

- 1 Administrative and General costs. Please refer to Newfoundland and Labrador Hydro's response
- 2 to IOC-NLH-017 of this proceeding for the total change in O&M.