

1 Q. Reference: OC-NLH-017, Table 1; IOC-NLH-018, Table 1; Vol. I, Schedule F 2.4E (PDF pp. 292–
2 293); Vol. I, Schedule F 2.1E, I. 1 (PDF p. 287); PUB-NLH-046 (indirect loader); Vol. I, sec. 6.2.1,
3 item 4) (PDF p. 178); Vol. I, Ch. 3, Table 3-4 (PDF p.121).

4 Preamble:

5 IOC-NLH-018 reports direct Labrador transmission operating and maintenance costs of
6 \$2,642,799 for the 2019 Test Year and \$2,937,178 for the 2027 Test Year, an increase of 11.1%,
7 excluding the allocation of Administrative and General costs. IOC-NLH-017 reports total
8 transmission demand operating and maintenance costs in the Cost of Service of \$3,298,085 and
9 \$4,679,099 for the same years. The allocated, non-direct component therefore rose from
10 \$655,286 to \$1,741,921 — an increase of 165.8% — and from 24.8% to 59.3% of direct costs.

11 Itemize the amounts making up that difference for each Test Year by category with the Schedule
12 F 2.4E line reference for each category, including the following:

- 13 a) administrative and general costs;
 - 14 b) “transmission other” as that term is used in PUB-NLH-046; and
 - 15 c) any other allocation or loading.
- 16
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18 A. The preamble details have been included in Table 1. This compares total transmission costs to
19 transmission demand costs, which does not directly correspond to the changes in costs
20 impacting the transmission demand rate.

**Table 1: Transmission Demand Comparison – Total Transmission O&M¹
to Total Transmission Demand O&M**

Line	Description	2019TY	2027TY	Variance (\$)	Variance (%)	Source/Treatment
1	Transmission O&M - Total	2,642,799	2,937,178	294,379	11.1	Schedule 2.4E (Line 7, Column 2)
2	Transmission Demand O&M - Total	3,298,085	4,679,099	1,381,014	41.9	Schedule 2.4E (Line 24, Column 5)
3	Variance	655,286	1,741,921	1,086,635	165.8	Line 2 - Line 1
4	Variance as % of Transmission O&M – Total	24.80%	59.31%			Line 3/Line 1

- 1 The analysis included in Table 2 compares direct transmission demand O&M to total
2 transmission demand O&M, which Newfoundland and Labrador Hydro believes provides a fair
3 comparison of the change in costs impacting the transmission demand rate.

**Table 2: Transmission Demand Comparison – Direct Transmission Demand O&M
to Transmission Demand O&M**

Line	Description	2019TY	2027TY	Variance (\$)	Variance (%)	Source/Treatment
1	Transmission O&M – Transmission	2,157,002	2,846,299	689,297	32.0	Schedule 2.4E (Line 7, Column 5)
2	Transmission Demand O&M – Total	3,298,085	4,679,099	1,381,014	41.9	Schedule 2.4E (Line 24, Column 5)
3	Variance	1,141,083	1,832,800	691,717	60.6	Line 2 - Line 1
4	Variance as % of Transmission O&M – Transmission	52.90%	64.39%			Line 3/Line 1

- 4 The allocated, non-direct component rose from \$1,141,083 in the 2019 Test Year to \$1,832,800
5 in the 2027 Test Year, an increase of 60.6%, and from 52.90% to 64.39% of direct costs.
6 The itemized amounts making up the difference for each test year are included in Table 3.

¹ Operations and Maintenance (“O&M”).

Table 3: Transmission Demand Itemized Listing Comparison

	Description	2019TY	2027TY	Variance (\$)	Variance (%)	Source/Treatment
1	Transmission	2,157,002	2,846,299	689,297	32.0	Schedule 2.4E (Line 7, Column 5)
2	Admin & General	1,141,083	1,832,800	691,717	60.6	Schedule 2.4E (Line 24, Column 5)
3	Transmission Demand O&M	3,298,085	4,679,099	1,381,014	41.9	Step 1 + Step 2
4	Transmission – Detail	2,157,002	2,846,299	689,297	32.0	Schedule 2.4E (Line 7, Column 5)
5	Transmission Lines	1,931,761	2,626,439	694,679	36.0	
6	Terminal Stations	98,849	143,351	44,501	45.0	
7	Other	126,392	76,509	(49,883)	(39.5)	
8	Admin & General - Detail	1,141,084	1,832,800	691,716	60.6	Schedule 2.4E (Line 24, Column 5)
9	Transmission	109,752	201,874	92,122	83.9	
10	Production, Transmission, Distribution & General Plant	170,969	219,107	48,138	28.2	
11	Property Insurance	40,268	108,716	68,448	170.0	
12	All Expense-Related	767,335	1,280,186	512,851	66.8	
13	Production, Transmission & Distribution Expense-Related	52,759	22,916	(29,843)	(56.6)	

- 1 The increase in costs allocated to transmission demand reflects both a higher overall admin and
- 2 general cost base in the 2027 Test Year compared with the 2019 Test Year and an increase in
- 3 transmission plant in service values.