

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 Explain the increase in allocated costs from 24.8% to 59.3% of direct Labrador transmission  
12 operating and maintenance costs, identifying the principal drivers in dollars, including any  
13 change in the size or composition of the corporate cost pools from which the allocation is made,  
14 and how that change compares with the change in Hydro's total General and Administration  
15 costs reported in Table 3-4 (\$34.2 million in the 2019 Test Year; \$35.0 million in the 2027 Test  
16 Year).

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19 A. Please refer to Newfoundland and Labrador Hydro's response to IOC-NLH-031 of this  
20 proceeding, which corrects the increase in allocated costs of Labrador transmission operating  
21 and maintenance costs from "24.8% to 59.3%," as referenced in the preamble, to "52.9% to  
22 64.3%." This increase is the result of an increased allocation of Admin and General costs from  
23 the 2019 Test Year to the 2027 Test Year.