

1 **Q. Re: Operating Costs-General, page 3-29, Table 3-7**

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3 **For each General function, please prepare a chart that shows the cost in each year**
4 **(2013 through 2017) the percentage increase in each year and the variance from the**
5 **trend line for this time period. Explain all deviations from the trend line that**
6 **exceeds 5% of the 2013 costs.**

7

8 A. Please refer to Attachment A.

Newfoundland Power Inc.
Re: Operating Cost – General, page 3-29, Table 3-7
2013-2017(F)

Operating Costs - General
2013 to 2017 F
(\$000s)

	2013	2014	2015 F	2016 F	2017 F	% Increase over Prior Year				Variance to Trend		
						2014	2015 F	2016 F	2017 F	\$	%	
General												
Information Services	\$3,175	\$3,370	\$3,601	\$3,891	\$4,031	6.1%	6.9%	8.0%	3.6%	\$539	15.4%	1
Financial Services	1,707	1,751	1,821	1,885	1,944	2.6%	4.0%	3.5%	3.1%	65	3.5%	
Corporate & Employee Services	13,243	13,400	13,585	14,311	13,999	1.2%	1.4%	5.3%	-2.2%	-571	-3.9%	
Insurances	1,197	1,243	1,249	1,258	1,284	3.8%	0.5%	0.7%	2.1%	-33	-2.5%	
Total General	\$19,322	\$19,764	\$20,256	\$21,345	\$21,258	2.3%	2.5%	5.4%	-0.4%	\$0	0.0%	

Deviations from the trend line that exceed 5%

1. Information Systems: Variance is due primarily to increases in 3rd party software licensing costs associated with the Company's information systems. These increased fees are related to customer service technology, support of the Company's Microsoft Windows based operating systems, support of increased field mobility in Newfoundland Power's operations and cyber security systems. A detailed explanation is provided in *Section 3.5.1: Operating Costs, Page 3-29, Footnote 45*.