

- 1 **Q. Reference: Grant Thornton Report – page 35 – Table 19. Please reconcile the**
 2 **figures for Gross Operating Expenses and Net Operating Expenses provided in**
 3 **Table 19 with the expense figures provided in NP’s evidence as referenced below:**
 4 **(i) Lines 13-16 on page 1 of Exhibit 5.**
 5 **(ii) Lines 16-18 on page 1 of Exhibit 3.**
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 8 **A. The following table reconciles gross operating expenses as noted on page 35, table 19 of**
 9 **our report to NP’s evidence in Exhibit 3 and Exhibit 5.**

(000's)	Actual 2013	Actual 2014	Forecast 2015	Proposed 2016	Proposed 2017
Gross operating expenses (Table 19)	\$82,090	\$83,867	\$83,869	\$82,331	\$78,396
GEC	(3,415)	(3,399)	(3,991)	(3,525)	(3,162)
CDM amortization	339	420	1,054	1,893	2,828
Deferred seasonal costs/TOD	(71)	(39)	(42)	-	-
Deferred hearing costs	322	322	322	-	-
Deferred cost recoveries and amortizations	(768)	3,990	3,990	(3,276)	1,638
	\$78,497	\$85,161	\$85,202	\$77,423	\$79,700
Operating expenses ⁽¹⁾	\$53,641	\$56,927	\$54,819	\$58,523	\$60,170
Employee future benefit costs ⁽¹⁾	25,624	24,244	26,393	22,176	17,892
Deferred cost recoveries and amortizations ⁽¹⁾	(768)	3,990	3,990	(3,276)	1,638
	\$78,497	\$85,161	\$85,202	\$77,423	\$79,700

(1) Figures for 2013 – 2015 are as presented in exhibit 3, and figures for 2016 – 2017 are as presented in exhibit 5 of Newfoundland Power’s Application.

1 The following table reconciles net operating expenses as noted on page 35, table 19 of our report
2 to NP's evidence in Exhibit 3 and Exhibit 5.

(000's)	Actual 2013	Actual 2014	Forecast 2015	Proposed 2016	Proposed 2017
Net operating expenses (Table 19)	\$79,265	\$81,171	\$81,212	\$80,699	\$78,062
Deferred cost recoveries and amortizations	(768)	3,990	3,990	(3,276)	1,638
	\$78,497	\$85,161	\$85,202	\$77,423	\$79,700
Operating expenses (1)	\$53,641	\$56,927	\$54,819	\$58,523	\$60,170
Employee future benefit costs (1)	25,624	24,244	26,393	22,176	17,892
Deferred cost recoveries and amortizations (1)	(768)	3,990	3,990	(3,276)	1,638
	\$78,497	\$85,161	\$85,202	\$77,423	\$79,700

(1) Figures for 2013 – 2015 are as presented in exhibit 3, and figures for 2016 – 2017 are as presented in exhibit 5 of Newfoundland Power's Application.