

1 Q. Further to V-NLH-111, Attachment 1: Please confirm that in COS Schedule 2.4A the
2 Specifically Assigned Operating and Maintenance costs are calculated based on the
3 share of total cost of plant in service per COS Schedule 2.2A, Column 2 not Column
4 5, and therefore Line 9 under Step 2 of V-NLH-111 Attachment 1 should use plant in
5 service per COS Schedule 2.2A, Column 2.

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8 A. It is confirmed that the ratio of Specifically Assigned plant to total plant is multiplied
9 by total Operating and Maintenance costs for each component of transmission
10 plant (i.e., transmission lines, terminal stations and other). However, this only
11 accounts for the allocation of total direct Operating and Maintenance costs to
12 Specifically Assigned. The COS also allocates a portion of total Administrative and
13 General Operating and Maintenance costs to Specifically Assigned. Please refer to
14 Hydro's response to IC-NLH-087 (Revision 1, Dec 9-14) for the calculation of 2015
15 Test Year Specifically Assigned Operating and Maintenance costs in COS Schedule
16 2.4A.

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18 Line 9 under Step 2 of V-NLH-111 Attachment 1 should not use total plant in service
19 per COS Schedule 2.2A, Column 2 as that would not be consistent with the
20 illustrative alternative method provided by Mr. Greneman. The method outlined by
21 Mr. Greneman in Hydro's response to V-NLH-111 was deliberately developed
22 outside the COS as a means to start discussions with parties during GRA
23 negotiations by recognizing the impact of inflation on the Operating and
24 Maintenance methodology.