

- 1    Q.    **Re: Non-Regulated Operations Report, Exhibit 7; IN-NLH-096, Att. 1**
- 2            Please explain why the costs for “System and Equipment Maintenance” were higher
- 3            in 2008 and 2009 compared to the other years provided in Attachment 1.
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- 6    A.    In 2008, costs for System and Equipment Maintenance (SEM) were higher
- 7            compared to other years due to the decommissioning of the electrical system at
- 8            Davis Inlet. In 2009, costs for SEM were higher compared to other years due to
- 9            replacement and repair costs in relation to an engine failure at the diesel plant.