

1 Q. **Reference: Regulated Activities**

2 Please expand Tables 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12 and 2.13 to include 2007
3 Test Year, 2008, 2009, 2010, 2011, 2012 and forecasts for 2014 and 2015.

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6 A. Please refer to NP-NLH-005 Attachment 1 (Revision 3), which has been updated to
7 include the 2013 and 2014 Actual, 2014 Test Year, 2015 Test Year and 2016
8 Forecast.

Table 2.6

Other Operating Expenses (\$million's)																																	
Cost Type	2007 Budget	Cost Recovery	2007 Net	2007 Actual	Cost Recovery	2007 Net	2008 Actual	Cost Recovery	2008 Net	2009 Actual	Cost Recovery	2009 Net	2010 Actual	Cost Recovery	2010 Net	2011 Actual	Cost Recovery	2011 Net	2012 Actual	Cost Recovery	2012 Net	2013 Actual	Cost Recovery	2013 Net	2014 Test Year	Cost Recovery	2014 Net	2015 Test Year	Cost Recovery	2015 Net	2016 Forecast	Cost Recovery	2016 Net
Insurance	1.9	-	1.9	1.7	-	1.7	1.8	-	1.8	1.9	-	1.9	2.0	-	2.0	2.0	-	2.0	2.1	-	2.1	2.4	-	2.4	2.7	-	2.7	2.6	-	2.6	2.7	-	2.7
Transportation	2.0	-	2.0	2.0	-	2.0	2.2	-	2.2	1.8	-	1.8	1.8	-	1.8	1.8	-	1.8	1.9	-	1.9	2.1	-	2.1	2.4	-	2.4	2.2	-	2.2	2.3	-	2.3
Office Supplies	2.1	-	2.1	2.3	-	2.3	2.2	(0.1)	2.1	2.2	(0.2)	2.0	2.1	(0.2)	1.9	2.3	(0.2)	2.1	2.2	(0.3)	1.9	2.6	(0.4)	2.2	2.6	(0.4)	2.2	2.8	(0.3)	2.5	2.9	(0.3)	2.6
Building Rental	0.8	-	0.8	1.2	-	1.2	1.1	-	1.1	1.1	-	1.1	1.2	-	1.2	1.2	-	1.2	1.0	(0.1)	0.9	1.2	(0.1)	1.1	1.2	(0.1)	1.1	1.2	(0.1)	1.1	1.2	(0.1)	1.1
Professional Services	4.4	(0.2)	4.2	3.9	(0.1)	3.8	4.4	(0.2)	4.2	3.6	(0.2)	3.4	4.2	(0.7)	3.5	6.1	(0.7)	5.4	7.3	(1.5)	5.8	5.9	(1.6)	4.3	12.2	(1.6)	10.6	9.5	(1.1)	8.4	8.8	(1.1)	7.7
Travel	2.3	-	2.3	2.9	-	2.9	2.9	-	2.9	2.9	-	2.9	2.8	(0.1)	2.7	3.0	(0.1)	2.9	3.0	(0.1)	2.9	3.3	(0.1)	3.2	3.7	(0.1)	3.6	3.7	(0.1)	3.6	3.7	(0.1)	3.6
Equipment Rentals	1.4	-	1.4	1.1	-	1.1	1.5	-	1.5	1.7	-	1.7	1.7	(0.1)	1.6	1.6	(0.1)	1.5	1.7	(0.1)	1.6	1.9	(0.1)	1.8	1.9	(0.1)	1.8	3.1	(0.1)	3.0	3.1	(0.1)	3.0
Miscellaneous	4.5	(0.1)	4.4	4.3	(0.1)	4.2	4.3	-	4.3	8.2	(0.1)	8.1	3.8	(0.3)	3.5	4.7	(0.6)	4.1	5.2	(0.4)	4.8	5.2	(0.5)	4.7	6.5	(1.3)	5.2	5.8	(0.6)	5.2	5.9	(0.6)	5.3
Total Other Operating Expenses	19.4	(0.3)	19.1	19.4	(0.2)	19.2	20.4	(0.3)	20.1	23.4	(0.5)	22.9	19.6	(1.4)	18.2	22.7	(1.7)	21.0	24.4	(2.5)	21.9	24.6	(2.8)	21.8	33.2	(3.6)	29.6	30.9	(2.3)	28.6	30.6	(2.3)	28.3

Table 2.5

Capital Labour (\$million's)											
Cost Type	2007 Test Year	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Test Year	2015 Test Year	2016 Forecast
Capital Labour	(6.6)	(7.6)	(8.6)	(10.0)	(12.9)	(12.6)	(14.0)	(14.5)	(16.6)	(17.4)	(17.8)
Capital Overtime	(0.4)	(1.7)	(3.0)	(3.4)	(4.4)	(4.5)	(5.0)	(5.7)	(5.4)	(5.2)	(5.4)
Overhead Allocation	(2.2)	(2.0)	(3.0)	(2.5)	(2.1)	(2.6)	-	-	-	-	-
Total Capital Labour	(9.2)	(11.3)	(14.6)	(15.9)	(19.4)	(19.7)	(19.0)	(20.2)	(22.0)	(22.6)	(23.2)

Table 2.7

Professional Services (\$millions)											
	2007 Test Year	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Test Year	2015 Test Year	2016 Forecast
Consultants	2.2	2.2	2.5	2.0	2.2	3.0	3.9	3.2	7.2	5.6	4.9
GRA and Board related costs	1.2	0.6	0.8	0.9	0.9	1.9	1.8	1.2	3.5	2.3	2.3
Software Costs	0.9	1.0	1.0	0.6	1.0	1.1	1.4	1.3	1.4	1.5	1.5
Audit and Legal	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Cost Recoveries	(0.2)	(0.1)	(0.2)	(0.2)	(0.7)	(0.7)	(1.5)	(1.6)	(1.6)	(1.1)	(1.1)
Total Professional Services	4.2	3.8	4.2	3.4	3.5	5.4	5.8	4.3	10.6	8.4	7.7

Table 2.8

Operations and Corporate Services Operating Expenses (Net of Cost Recoveries) (\$millions)											
Operations	2007 Test Year	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Test Year	2015 Test Year	2016 Forecast
Generation (Thermal & Hydraulic)	28.4	32.1	31.4	30.6	31.0	33.1	32.1	32.2	34.5	37.3	38.4
System Operations and Planning ¹	3.0	3.0	3.0	2.7	3.1	3.0	3.7	3.7	3.6	5.8	4.8
Transmission and Rural Operations (TRO)	32.8	34.5	36.0	35.2	38.0	40.3	43.4	48.2	51.8	57.0	58.6
Total Operations	64.2	69.6	70.4	68.5	72.1	76.4	79.2	84.1	89.9	100.1	101.8
Corporate Services ¹	29.1	28.1	26.3	31.4	24.9	28.2	27.3	27.7	36.2	38.1	39.0
Asset Write-down	-	-	-	0.5	-	-	-	-	-	-	-
Total Operating Expenses	93.3	97.7	96.7	100.4	97.0	104.6	106.5	111.8	126.1	138.2	140.8

Table 2.9

Transmission and Rural Operations Operating Expenses (\$millions)											
Cost Category	2007 Test Year	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Test Year	2015 Test Year	2016 Forecast
Salaries and Benefits	20.5	20.8	22.3	22.7	24.3	26.4	29.1	31.6	33.5	34.9	35.8
SEM Expenses	6.6	7.5	7.3	7.6	8.2	8.0	8.1	9.7	10.7	14.8	15.4
Other Operating Costs	5.7	6.4	6.9	6.8	6.4	6.6	7.1	7.7	8.7	7.9	8.0
Cost Recoveries	-	(0.2)	(0.5)	(1.9)	(0.9)	(0.7)	(0.9)	(0.8)	(1.1)	(0.6)	(0.6)
Total Operating Expenses	32.8	34.5	36.0	35.2	38.0	40.3	43.4	48.2	51.8	57.0	58.6

Table 2.10

Generation Operating Expenses (\$millions)											
Cost Category	2007 Test Year	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Test Year	2015 Test Year	2016 Forecast
Thermal Generation											
Salaries and Benefits	8.2	9.2	9.4	9.2	10.1	11.2	11.7	12.3	13.1	14.6	15.0
SEM Expenses	10.5	12.3	11.6	11.2	9.9	10.1	7.9	8.1	8.2	8.2	8.4
Other Operating Expenses	1.1	1.5	1.5	0.8	0.8	0.8	1.0	0.8	1.3	2.2	2.2
Thermal Generation	19.8	23.0	22.5	21.2	20.8	22.1	20.6	21.2	22.6	25.0	25.6
Hydraulic Generation											
Salaries and Benefits	6.3	6.6	6.5	7.2	7.8	8.2	8.2	8.5	8.7	9.3	9.6
SEM Expenses	1.5	1.7	1.5	1.3	1.5	1.5	2.3	1.5	1.9	1.7	1.8
Other Operating Expenses	0.8	0.8	0.9	0.9	0.9	1.3	1.0	1.0	1.3	1.3	1.4
Hydraulic Generation	8.6	9.1	8.9	9.4	10.2	11.0	11.5	11.0	11.9	12.3	12.8
Total Operating Expenses	28.4	32.1	31.4	30.6	31.0	33.1	32.1	32.2	34.5	37.3	38.4

Table 2.11

System Operations and Planning Operating Expenses (\$millions)											
Cost Category	2007 Test Year	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Test Year	2015 Test Year	2016 Forecast
Salaries and Benefits ¹	2.5	2.6	2.5	2.5	2.8	2.8	3.5	3.5	3.3	4.7	4.1
SEM Expenses	-	0.1	0.1	-	-	-	-	-	-	-	-
Other Operating Costs ¹	0.5	0.3	0.4	0.2	0.3	0.2	0.2	0.2	0.3	1.1	0.7
Total Operating Expenses	3.0	3.0	3.0	2.7	3.1	3.0	3.7	3.7	3.6	5.8	4.8

Table 2.12

Corporate Services Operating Expenses (\$millions)											
Cost Category	2007 Test Year	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Test Year	2015 Test Year	2016 Forecast
Salaries and Benefits ¹	18.7	19.7	17.7	18.9	18.1	19.3	19.4	20.4	22.9	25.4	26.5
SEM Expenses	1.9	1.9	1.8	2.1	2.2	2.0	1.9	2.7	2.1	2.1	2.1
Other Operating Costs ¹	11.4	10.4	10.8	14.6	11.1	13.7	15.2	14.9	21.6	18.4	18.4
Cost Recoveries	(2.9)	(3.9)	(4.0)	(4.2)	(6.5)	(6.8)	(9.2)	(10.3)	(10.4)	(7.8)	(8.0)
Total Operating Expenses	29.1	28.1	26.3	31.4	24.9	28.2	27.3	27.7	36.2	38.1	39.0

Table 2.13

Corporate Services Salaries & Benefits (\$millions)											
Cost Category	2007 Test Year	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Test Year	2015 Test Year	2016 Forecast
Executive Leadership	1.9	2.2	1.5	1.0	1.1	1.0	0.9	1.1	1.7	1.6	2.1
HROE	4.1	3.9	3.7	3.8	3.7	4.9	5.0	5.0	5.6	6.3	6.5
Finance	6.6	7.4	6.8	7.3	7.0	7.4	8.1	8.6	9.5	10.3	10.6
Project Execution and Technical Services ¹	3.8	3.7	3.2	3.8	3.3	2.8	1.9	2.2	2.4	3.0	3.0
Corporate Relations	2.3	2.5	2.5	3.0	3.0	3.2	3.5	3.5	3.7	4.2	4.3
Total Operating Expenses	18.7	19.7	17.7	18.9	18.1	19.3	19.4	20.4	22.9	25.4	26.5

1. In 2013, the System Planning group moved from Project Execution and Technical Services to Systems Operations and Planning. Costs have been restated for comparative purposes to include this group.