

1 Q. Please explain in complete detail why O&M expense for Gas Turbine, Island
2 Interconnected, as shown on Schedule 2.4A, page 1 of 2, line 4 of Exhibit 13, 2013
3 Amended General Rate Application, November 10, 2014, has increased from
4 \$1,040,944 in the 2013 Test Year Cost of Service to \$5,995,298 in the 2015 Test
5 Year Cost of Service.

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8 A. This increase in O&M is primarily due to increased costs associated with the
9 Holyrood Blackstart Diesel (\$1,033,219) and the new Combustion Turbine
10 (\$3,677,403). A breakdown of the variance by cost type is as follows:

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Table 1

<u>Line No.</u>	<u>Gas Turbine O&M (\$)</u>	<u>Black Start</u>	<u>CT</u>	<u>Other</u>	<u>Total 2015 Variance</u>	<u>Evidence Reference</u>	<u>2013 O&M</u>	<u>Total 2015 O&M</u>
		(a)	(b)	(c)	(a) + (b) + (c) = (d)		(e)	(d) + (e) = (f)
1	Contract Labour	-	1,600,000	91,801	1,691,801	Page 2.46, Lines 9-16	358,164	2,049,965
2	Equipment Rentals	1,031,807	-	16,189	1,047,996	Page 2.51, Lines 5-6	-	1,047,996
3	Salaries and Benefits	-	985,725	32,941	1,018,666	Page 2.45, Lines 9-23	503,991	1,522,657
4	Materials	1,413	1,000,000	6,832	1,008,245	Page 2.46, Lines 9-16	154,411	1,162,656
5	Other	-	91,678	95,969	187,647		24,377	212,024
6	Total	1,033,219	3,677,403	243,732	4,954,354		1,040,944	5,995,298