

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. Please note that Hydro is presently
7 preparing the 2014 and 2015 forecast and this information will be provided when
8 complete.

Table 2.6

Table 2.6																											
Other Operating Expenses																											
(\$million's)																											
	2007	Cost	2007	2007	Cost	2007	2008	Cost	2008	2009	Cost	2009	2010	Cost	2010	2011	Cost	2011	2012	Cost	2012	2014	Cost	2014	2015	Cost	2015
Cost Type	Budget	Recovery	Net	Actual	Recovery	Net	Actual	Recovery	Net	Actual	Recovery	Net	Actual	Recovery	Net	Actual	Recovery	Net	Actual	Recovery	Net	Forecast	Recovery	Net	Forecast	Recovery	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						
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						
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						
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						
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						
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						
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						
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						
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						

Table 2.5

Table 2.5									
Capital Labour (\$million's)									
<u>Cost Type</u>	<u>2007 Test Year</u>	<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2014 Forecast</u>	<u>2015 Forecast</u>
Capital Labour	(6.6)	(7.6)	(8.6)	(10.0)	(12.9)	(12.6)	(14.0)		
Capital Overtime	(0.4)	(1.7)	(3.0)	(3.4)	(4.4)	(4.5)	(5.0)		
Overhead Allocation	(2.2)	(2.0)	(3.0)	(2.5)	(2.1)	(2.6)	0.0		
Total Capital Labour	(9.2)	(11.3)	(14.6)	(15.9)	(19.4)	(19.7)	(19.0)		

Table 2.7

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

Table 2.8

Operations and Corporate Services Operating Expenses (Net of Cost Recoveries) (\$millions)									
	2007	2007	2008	2009	2010	2011	2012	2014	2015
Operations	Test Year	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast
Generation (Thermal & Hydraulic)	28.4	32.1	31.4	30.6	31.0	33.1	32.1		
System Operations	2.2	2.3	2.5	2.2	2.5	2.4	2.6		
Transmission and Rural Operations (TRO)	32.8	34.5	36.0	35.2	38.0	40.3	43.4		
Total Operations	63.4	68.9	69.9	68.0	71.5	75.8	78.1		
Corporate Services	29.9	28.8	26.8	31.9	25.5	28.8	28.4		
Asset Write-down	-	-	-	0.5	-	-	-		
Total Operating Expenses	93.3	97.7	96.7	100.4	97.0	104.6	106.5		

Table 2.9

Transmission and Rural Operations Operating Expenses (\$millions)									
<u>Cost Category</u>	<u>2007 Test Year</u>	<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2014 Forecast</u>	<u>2015 Forecast</u>
Salaries and Benefits	20.5	20.8	22.3	22.7	24.3	26.4	29.1		
SEM Expenses	6.6	7.5	7.3	7.6	8.2	8.0	8.1		
Other Operating Costs	5.7	6.4	6.9	6.8	6.4	6.6	7.1		
Cost Recoveries	0.0	(0.2)	(0.5)	(1.9)	(0.9)	(0.7)	(0.9)		
Total Operating Expenses	32.8	34.5	36.0	35.2	38.0	40.3	43.4		

Table 2.10

Generation Operating Expenses (\$millions)									
	2007	2007	2008	2009	2010	2011	2012	2014	2015
<u>Cost Category</u>	<u>Test Year</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>
Thermal Generation									
Salaries and Benefits	8.2	9.2	9.4	9.2	10.1	11.2	11.7		
SEM Expenses	10.5	12.3	11.6	11.2	9.9	10.1	7.9		
Other Operating Expenses	1.1	1.5	1.5	0.8	0.8	0.8	1.0		
Thermal Generation	19.8	23.0	22.5	21.2	20.8	22.1	20.6		
Hydraulic Generation									
Salaries and Benefits	6.3	6.6	6.5	7.2	7.8	8.2	8.2		
SEM Expenses	1.5	1.7	1.5	1.3	1.5	1.5	2.3		
Other Operating Expenses	0.8	0.8	0.9	0.9	0.9	1.3	1.0		
Hydraulic Generation	8.6	9.1	8.9	9.4	10.2	11.0	11.5		
Total Operating Expenses	28.4	32.1	31.4	30.6	31.0	33.1	32.1		

Table 2.11

System Operations Operating Expenses									
(\$millions)									
	2007	2007	2008	2009	2010	2011	2012	2014	2015
Cost Category	Test Year	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast
Salaries and Benefits	1.8	2.0	2.2	2.1	2.3	2.2	2.5		
SEM Expenses	0.0	0.1	0.1	0.0	0.0	0.0	0.0		
Other Operating Costs	0.4	0.2	0.2	0.1	0.2	0.2	0.1		
Cost Recoveries	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total Operating Expenses	2.2	2.3	2.5	2.2	2.5	2.4	2.6		

Table 2.12

Corporate Services Operating Expenses									
(\$millions)									
	2007	2007	2008	2009	2010	2011	2012	2014	2015
<u>Cost Category</u>	<u>Test Year</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>
Salaries and Benefits	19.4	20.3	18.1	19.2	18.5	19.8	20.5		
SEM Expenses	1.9	1.9	1.8	2.1	2.2	2.0	1.9		
Other Operating Costs	11.5	10.5	10.9	14.8	11.3	13.8	15.2		
Cost Recoveries	(2.9)	(3.9)	(4.0)	(4.2)	(6.5)	(6.8)	(9.2)		
Total Operating Expenses	29.9	28.8	26.8	31.9	25.5	28.8	28.4		

Table 2.13

Corporate Services Salaries & Benefits (\$millions)									
	2007	2007	2008	2009	2010	2011	2012	2014	2015
<u>Cost Category</u>	<u>Test Year</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>
Executive Leadership	1.9	2.2	1.5	1.0	1.1	1.0	0.9		
HROE	4.1	3.9	3.7	3.8	3.7	4.9	5.0		
Finance	6.6	7.4	6.8	7.3	7.0	7.4	8.1		
Project Execution and Technical Services	4.5	4.3	3.6	4.1	3.7	3.3	3.0		
Corporate Relations	2.3	2.5	2.5	3.0	3.0	3.2	3.5		
Total Operating Expenses	19.4	20.3	18.1	19.2	18.5	19.8	20.5		