

1 Q. Further to response to Request for Information NP-NLH-020, Attachment 1, Page 1  
2 of 6, Line 7:

3 Please provide a breakdown of operating expenses for Proposed 2014 by cost type  
4 (consistent with Volume 1, Section 3, Finance Schedule I, page 9 of 11). For  
5 comparison purposes, please also include the 2012 and 2013 Test Year amounts on  
6 the schedule.

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9 A. Please see NP-NLH-243 Attachment 1.

| <b>Newfoundland and Labrador Hydro<br/>Operating Expense by Cost Type<br/>(\$ millions)</b> |                        |                          |                          |
|---|------------------------|--------------------------|--------------------------|
|   | <b>Actual<br/>2012</b> | <b>Proposed<br/>2013</b> | <b>Proposed<br/>2014</b> |
| <b>1 Salaries and benefits</b>  |                        |                          |                          |
| 2 Salaries and benefits   | 70.9                   | 76.0                     | 80.3                     |
| 3 Employee future benefits  | 7.0                    | 9.3                      | 8.2                      |
| 4 Group insurance   | 2.4                    | 2.6                      | 2.4                      |
| 5 Overtime  | 10.6                   | 8.6                      | 10.3                     |
| 6 Capitalized salaries  | <u>(19.1)</u>          | <u>(19.3)</u>            | <u>(22.4)</u>            |
| 7   | 71.9                   | 77.2                     | 78.7                     |
| 8 Cost recoveries allocation  | <u>(2.6)</u>           | <u>(3.0)</u>             | <u>(3.1)</u>             |
| 9   | <u>69.3</u>            | <u>74.3</u>              | <u>75.6</u>              |
| 10  |                        |                          |                          |
| <b>11 System equipment maintenance</b>  |                        |                          |                          |
| 12 System equipment maintenance   | 19.7                   | 21.5                     | 21.4                     |
| 13 Deferred major extraordinary repairs   | <u>0.6</u>             | -                        | -                        |
| 14  | 20.3                   | 21.5                     | 21.4                     |
| 15 Cost recoveries allocation   | <u>(0.7)</u>           | <u>(0.8)</u>             | <u>(0.5)</u>             |
| 16  | <u>19.5</u>            | <u>20.7</u>              | <u>20.9</u>              |
| 17  |                        |                          |                          |
| <b>18 Other operating expenses</b>  |                        |                          |                          |
| 19 Office supplies and expenses   | 2.2                    | 2.6                      | 2.7                      |
| 20 Professional services  | 7.3                    | 6.7                      | 7.7                      |
| 21 Insurance  | 2.1                    | 2.2                      | 2.7                      |
| 22 Equipment rentals  | 1.7                    | 1.7                      | 1.8                      |
| 23 Travel   | 3.0                    | 3.2                      | 3.5                      |
| 24 Miscellaneous expenses   | 5.0                    | 6.3                      | 5.7                      |
| 25 Building rental and maintenance  | 1.0                    | 1.1                      | 1.1                      |
| 26 Transportation   | 1.9                    | 2.3                      | 2.3                      |
| 27 Customer costs   | 0.1                    | 0.1                      | 0.1                      |
| 28 Deferred regulatory costs  | -                      | 0.3                      | 0.3                      |
| 29  | 24.4                   | 26.4                     | 28.0                     |
| <b>30 Cost recoveries allocation</b>  | <u>(2.5)</u>           | <u>(3.5)</u>             | <u>(3.7)</u>             |
| 31  | <u>21.9</u>            | <u>22.9</u>              | <u>24.3</u>              |
| 32  |                        |                          |                          |
| <b>33 Total operating expenses before other cost recoveries</b>                             | 110.7                  | 117.9                    | 120.8                    |
| 34  |                        |                          |                          |
| <b>35 Other cost recoveries</b>   | <u>(4.2)</u>           | <u>(4.0)</u>             | <u>(4.1)</u>             |
| <b>36 Total operating expenses</b>  | <u>106.5</u>           | <u>113.8</u>             | <u>116.8</u>             |