

Undertaking 34**Re: PUB-NLH-403 Explanation for the 1.3 million of the overall 4.1 million increase in O&M on the Labrador Interconnected System.**

The other 1.2 million increase relates to the portion of total administrative and general operating and maintenance expense allocated to the Labrador Interconnected System which is based on direct operating and maintenance expense. It has increased from 0.3 million to 1.5 million (see Exhibit 13, Schedule 2.4E, Page 1 of 2) due to the increase in direct transmission operating and maintenance expense of 2.9 million. See Table 1 below.

Labrador Interconnected System
Transmission Demand Operating and Maintenance Expense (\$)

Line No.	Description	2015 TY	2013 TY	Difference
	Transmission:			
1	Transmission Lines	2,894,754	53,400	2,841,354
2	Terminal Stations	89,522	16,197	73,325
3	Other	110,091	93,769	16,322
4	Subtotal Transmission	<u>3,094,366</u>	<u>163,366</u>	<u>2,931,001</u>
	Administrative & General:			
	Plant-Related:			
5	Production	0	0	0
6	Transmission	152,886	133,136	19,751
7	Distribution	0	0	0
8	Prod, Trans, Distn Plant	0	0	0
9	Prod, Trans, Distn & General Plt	124,809	108,881	15,928
10	Property Insurance	21,200	11,244	9,956
	Revenue-Related:			
11	Municipal Tax	0	0	0
12	PUB Assessment	0	0	0
13	All Expense-Related	1,152,072	57,785	1,094,286
14	Prod, Trans & Distn Expense-Related	71,341	5,006	66,335
15	Subtotal Admin & General	<u>1,522,308</u>	<u>316,052</u>	<u>1,206,256</u>
16	Total Operating & Maintenance Expenses	<u>4,616,674</u>	<u>479,418</u>	<u>4,137,256</u>