

1 Q. Further to response to Request for Information NP-NLH-076:

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3 Operating costs for Regulatory Affairs are forecast to increase from \$3,663,000 in  
4 2016 to \$4,930,000 in 2019T. Please provide full details of this \$1,267,000 increase,  
5 together with a description of the actual and forecast regulatory proceedings, for  
6 the period 2016 through 2019T.

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9 A. Operating costs for Regulatory Affairs have increased primarily due to:

- 10 • \$0.8 million in regulatory costs, primarily due to the Cost of Service hearing  
11 amortization, consulting, and legal costs, and an increase in Board annual  
12 assessment costs, which is partially offset by a reduction in GRA costs and the  
13 corresponding compliance review; and
- 14 • \$0.5 million in salary and benefits, primarily due to resource requirements to  
15 address an increase in regulatory applications and compliance activities. Please  
16 refer to Hydro's response to PUB-NLH-033 for a listing of new positions for  
17 Regulatory Affairs. Please refer to NP-NLH-196, Attachment 1, for a description  
18 of the actual and forecast regulatory proceedings for the periods from 2016  
19 through 2019TY.

**Table 1 Regulatory Affairs Operating Costs Per Regulatory Proceeding (\$000s)**

Proceeding	Description	Cost Type	2016	2017	2018	2019	2019TY-2016 Actual
			Actual	Forecast	Test Year	Test Year	Variance
GRA <sup>1</sup>	GRA Amortization	Board Costs	500	250	400	400	(100)
GRA <sup>1</sup>	General Legal/Consulting	Consultants	607	555	213	213	(394)
GRA <sup>1</sup>	General Legal/Consulting	Legal	-	340	188	200	200
			<b>1,107</b>	<b>1,145</b>	<b>801</b>	<b>813</b>	<b>(294)</b>
Cost of Service	Cost of Service Amortization	Board's Costs	-	-	150	150	150
Cost of Service	General Legal/Consulting	Consultants	-	-	363	363	363
Cost of Service	General Legal/Consulting	Legal	-	-	63	200	200
			-	-	<b>576</b>	<b>713</b>	<b>713</b>
General <sup>2</sup>	Board Annual Assessment	Board Costs	649	1,000	1,100	1,150	501
General	Capital Budget	Board Costs	80	-	-	-	(80)
General	Annual Financial Reviews	Board Costs	70	200	200	200	130
General	Compliance Review	Board Costs	239	-	-	-	(239)
General	Other Applications	Board Costs	259	150	100	100	(159)
General	General Legal/Consulting	Consultants	67	75	120	120	53
			<b>1,364</b>	<b>1,425</b>	<b>1,520</b>	<b>1,570</b>	<b>206</b>
Outage Inquiry <sup>3</sup>	General Legal/Consulting	Consultants	(146)	-	-	-	146
			<b>(146)</b>	-	-	-	<b>146</b>
		<b>Professional Services Total</b>	<b>2,325</b>	<b>2,570</b>	<b>2,897</b>	<b>3,096</b>	<b>771</b>
General	General	Labour Related Costs	1,296	1,671	1,726	1,784	488
General	General	Other Costs	42	78	49	50	8
		<b>Total Regulatory Costs</b>	<b>3,663</b>	<b>4,319</b>	<b>4,672</b>	<b>4,930</b>	<b>1,267</b>

<sup>1</sup> Includes the Amended 2013 GRA, Outage Inquiry, 2017 GRA.

<sup>2</sup> Actual Board Annual Assessment in 2016 was \$0.9M. In 2016, Hydro switched to an accrual basis for recognizing the Board Annual Assessment costs.

<sup>3</sup> \$146,000 of costs incurred in 2015 related to the Outage Inquiry that was deferred in 2016.