

1 Q. **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**

2 **Exhibit 8**

3 Page 2, line 18 - Provide a detailed schedule showing the Common Service Costs

4 allocated by Hydro to each line of business in each year from 2007 to 2012 and the

5 amount budgeted for 2013 to 2016, displaying the line of business, the costs

6 allocated to the line of business by each Common Service department, and the

7 allocation basis.

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9

10 A. Please refer to PUB-NLH-169 Attachment 1 (Revision 4).

Hydro

Common Service Costs

	Actual 2007 ¹	Actual 2008	Actual 2009	Actual 2010 ²	Actual 2011 ⁴	Actual 2012	Actual 2013	Test Year 2014	Test Year 2015	Forecast 2016	Budget 2016
Human Resources											
A Costs allocated (\$000s)	\$ 5,161.9	\$ 2,223.2	\$ 2,657.5	\$ 1,474.0	\$ 1,465.9	\$ 1,687.5	\$ 1,795.6	\$ 1,867.0	\$ 2,033.9	\$ 2,123.9	\$ 2,192.6
<u>Allocator - FTE's</u>											
B Hydro Regulated				832.5	827.6	813.7	815.4	887.8	954.9	954.9	942.0
C Other lines of business				429.6	462.6	493.0	518.9	604.5	655.4	655.4	693.0
D Total				1,262.1	1,290.2	1,306.7	1,334.3	1,492.3	1,610.3	1,610.3	1,635.0
E Costs per FTE (A / D) ³			\$	1,168	\$ 1,136	\$ 1,291	\$ 1,346	\$ 1,251	\$ 1,263	\$ 1,319	\$ 1,341
<u>Allocations (\$000s)</u>											
F Hydro Regulated (B * E) ³	\$ 5,099.8	\$ 2,182.5	\$ 2,613.2	\$ 972.2	\$ 940.3	\$ 1,050.8	\$ 1,097.4	\$ 1,110.7	\$ 1,206.1	\$ 1,259.4	\$ 1,263.3
G Other lines of business (C * E) ³	\$ 62.1	\$ 40.7	\$ 44.3	\$ 501.8	\$ 525.6	\$ 636.7	\$ 698.3	\$ 756.3	\$ 827.8	\$ 864.4	\$ 929.4
Total	\$ 5,161.9	\$ 2,223.2	\$ 2,657.5	\$ 1,474.0	\$ 1,465.9	\$ 1,687.5	\$ 1,795.6	\$ 1,867.0	\$ 2,033.9	\$ 2,123.9	\$ 2,192.6
Safety and Health											
A Costs allocated (\$000s)	\$ 645.8	\$ 647.0	\$ 714.4	\$ 829.5	\$ 901.0	\$ 923.7	\$ 993.6	\$ 981.4	\$ 1,057.4	\$ 1,102.7	\$ 1,258.2
<u>Allocator - FTE's</u>											
B Hydro Regulated				832.5	827.6	813.7	815.4	887.8	954.9	954.9	942.0
C Other lines of business				429.6	462.6	493.0	518.9	604.5	655.4	655.4	693.0
D Total				1,262.1	1,290.2	1,306.7	1,334.3	1,492.3	1,610.3	1,610.3	1,635.0
E Costs per FTE (A / D) ³			\$	657	\$ 698	\$ 707	\$ 745	\$ 658	\$ 657	\$ 685	\$ 770
<u>Allocations (\$000s)</u>											
F Hydro Regulated (B * E) ³	\$ 645.8	\$ 647.0	\$ 704.4	\$ 547.1	\$ 578.0	\$ 575.2	\$ 607.2	\$ 583.9	\$ 627.0	\$ 653.9	\$ 724.9
G Other lines of business (C * E) ³	\$ -	\$ -	\$ 10.0	\$ 282.4	\$ 323.0	\$ 348.5	\$ 386.4	\$ 397.6	\$ 430.4	\$ 448.8	\$ 533.3
Total	\$ 645.8	\$ 647.0	\$ 714.4	\$ 829.5	\$ 901.0	\$ 923.7	\$ 993.6	\$ 981.4	\$ 1,057.4	\$ 1,102.7	\$ 1,258.2

Hydro Common Service Costs

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	Actual 2007 ¹	Actual 2008	Actual 2009	Actual 2010 ²	Actual 2011 ⁴	Actual 2012	Actual 2013	Test Year 2014	Test Year 2015	Forecast 2016	Budget 2016
Information Systems ⁶											
A Costs allocated (\$000s)	\$ 4,784.9	\$ 5,046.7	\$ 4,447.3	\$ 4,847.1	\$ 4,964.3	\$ 6,984.7	\$ 6,565.2	\$ 6,607.4	\$ 6,372.9	\$ 6,621.9	\$ 6,896.7
<u>Allocator - Average user</u>											
B Hydro Regulated				844.4	872.4	912.7	928.1	926.5	1,020.1	1,020.1	967.5
C Other lines of business				478.1	463.4	511.0	696.2	589.1	875.8	875.8	980.0
D Total				1,322.5	1,335.8	1,423.7	1,624.3	1,515.6	1,895.9	1,895.9	1,947.5
E Costs per Average user (A / D) ³			\$	3,665	\$ 3,716	\$ 4,906	\$ 4,042	\$ 4,360	\$ 3,362	\$ 3,493	\$ 3,541
<u>Allocations (\$000s) ⁷</u>											
F Hydro Regulated (B * E) ³	\$ 3,983.4	\$ 4,083.9	\$ 3,247.9	\$ 3,095.0	\$ 3,242.2	\$ 4,477.7	\$ 3,751.3	\$ 4,039.1	\$ 3,428.9	\$ 3,562.9	\$ 3,426.2
G Other lines of business (C * E) ³	\$ 801.5	\$ 962.8	\$ 1,199.5	\$ 1,752.1	\$ 1,722.2	\$ 2,507.0	\$ 2,814.0	\$ 2,568.2	\$ 2,944.0	\$ 3,059.0	\$ 3,470.5
Total	\$ 4,784.9	\$ 5,046.7	\$ 4,447.3	\$ 4,847.1	\$ 4,964.3	\$ 6,984.7	\$ 6,565.2	\$ 6,607.4	\$ 6,372.9	\$ 6,621.9	\$ 6,896.7
Office Space											
A Costs allocated (\$000s)				\$ 3,903.7	\$ 4,178.4	\$ 3,979.8	\$ 3,963.3	\$ 4,071.6	\$ 4,057.7	\$ 4,410.5	
<u>Allocator - Square Footage ⁵</u>											
B Hydro Regulated	134,941	128,331	120,391	117,530	117,802	86,108	92,345	84,674	103,822	103,822	89,123
C Other lines of business	12,159	18,769	26,709	29,570	29,298	66,393	60,156	67,827	48,679	48,679	63,378
D Total	147,100	147,100	147,100	147,100	147,100	152,501	152,501	152,501	152,501	152,501	152,501
E Costs per square footage (A / D) ³	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 26.54	\$ 27.40	\$ 26.10	\$ 25.99	\$ 26.70	\$ 26.61	\$ 28.92
<u>Allocations (\$000s) ⁷</u>											
F Hydro Regulated (B * E)				\$ 3,126.2	\$ 2,359.3	\$ 2,409.9	\$ 2,200.6	\$ 2,771.9	\$ 2,762.4	\$ 2,577.5	
G Other lines of business (C * E)	\$ 194.5	\$ 300.3	\$ 427.3	\$ 473.1	\$ 777.5	\$ 1,819.1	\$ 1,569.9	\$ 1,762.7	\$ 1,299.7	\$ 1,295.2	\$ 1,833.0
Total	\$ 194.5	\$ 300.3	\$ 427.3	\$ 473.1	\$ 3,903.7	\$ 4,178.4	\$ 3,979.8	\$ 3,963.3	\$ 4,071.6	\$ 4,057.7	\$ 4,410.5

Hydro Common Service Costs

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	Actual 2007 ¹	Actual 2008	Actual 2009	Actual 2010 ²	Actual 2011 ⁴	Actual 2012	Actual 2013	Test Year 2014	Test Year 2015	Forecast 2016	Budget 2016
LANS											
A Costs allocated (\$000s)			\$	195.3	\$ 195.3	\$ 195.3	\$ 186.0	\$ 190.1	\$ 194.8	\$ 199.7	\$ 199.7
<u>Allocator - LANS</u>											
B Hydro Regulated				807.2	795.8	736.9	989.3	953.8	718.7	718.7	593.8
C Other lines of business				176.8	188.2	247.1	251.7	287.2	522.3	522.3	647.3
D Total				984.0	984.0	984.0	1,241.0	1,241.0	1,241.0	1,241.0	1,241.0
E Costs per LAN (A / D) ³			\$	198	\$ 198	\$ 198	\$ 150	\$ 153	\$ 157	\$ 161	\$ 161
<u>Allocations (\$000s)</u>											
F Hydro Regulated (B * E) ³			\$	160.2	\$ 157.9	\$ 146.2	\$ 148.3	\$ 146.1	\$ 112.8	\$ 115.6	\$ 95.5
G Other lines of business (C * E) ³			\$	35.1	\$ 37.4	\$ 49.1	\$ 37.7	\$ 44.0	\$ 82.0	\$ 84.0	\$ 104.1
Total			\$	195.3	\$ 195.3	\$ 195.3	\$ 186.0	\$ 190.1	\$ 194.8	\$ 199.7	\$ 199.7
Telephones											
A Costs allocated (\$000s)			\$	223.8	\$ 223.8	\$ 223.8	\$ 236.1	\$ 241.3	\$ 247.4	\$ 253.5	\$ 253.5
<u>Allocator - Telephones</u>											
B Hydro Regulated				573.2	561.8	502.9	428.3	392.8	488.4	488.4	446.0
C Other lines of business				176.8	188.2	247.1	251.7	287.2	191.6	191.6	234.0
D Total				750.0	750.0	750.0	680.0	680.0	680.0	680.0	680.0
E Costs per telephone (A / D) ³			\$	298	\$ 298	\$ 298	\$ 347	\$ 355	\$ 364	\$ 373	\$ 373
<u>Allocations (\$000s)</u>											
F Hydro Regulated (B * E) ³	\$ -	\$ -	\$ -	171.0	\$ 167.7	\$ 150.1	\$ 148.7	\$ 139.4	\$ 177.7	\$ 182.1	\$ 166.3
G Other lines of business (C * E) ³	\$ 9.1	\$ 20.5	\$ 42.9	52.8	\$ 56.1	\$ 73.7	\$ 87.4	\$ 101.9	\$ 69.7	\$ 71.4	\$ 87.2
Total	\$ 9.1	\$ 20.5	\$ 42.9	223.8	\$ 223.8	\$ 223.8	\$ 236.1	\$ 241.3	\$ 247.4	\$ 253.5	\$ 253.5

Common Service Costs

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