

1 Q. **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**
2 **Exhibit 8**

3 Page 3, lines 18-20 - Provide a schedule showing the calculation of the return on
4 rate base included in the calculation of the IS charges each year for 2007 to 2012
5 and the amounts budgeted from 2013 to 2015.
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8 A. Refer to Attachment 1 PUB-NLH-195 (Revision 1) for the calculation of the return on
9 rate base.

**Calculation of Return on Rate Base
Information Systems Common Assets**

	Actual 2012	Actual 2013	Test Year 2014	Test Year 2015
Opening NBV	2,799,605	2,443,753	1,964,262	1,715,994
Closing NBV	2,443,753	1,954,910	1,639,585	1,778,591
Average NBV (A)	2,621,679	2,199,331	1,801,924	1,747,292
Weighted Average Cost of Capital (B)	7.53%	7.44%	7.83%	7.53%
Return on IS common assets (A* B)	197,412	163,630	141,091	131,571

Notes

1. 2012 is the first year of the recovery of depreciation and interest on IS common assets.
2. 2012 return as noted above has been restated as the return included in Admin fee (refer to PUB-NLH-192) in 2012 was overstated by \$114K resulting in an overstatement of recovery of \$41K.

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