

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

3 Page 3, line 18 - Why is average users considered to be a reasonable reflection of
4 the cost driver of Hydro's IS department?

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7 A. Hydro's IS department provides services in relation to overall application and
8 technology deployment. These services include work place set up, connectivity and
9 communication, file and print, core applications, service desk, security and risk
10 management and software distribution. Benefits from these services are shared
11 across the lines of business and are correlated with the number of users within a
12 line of business; accordingly, average users is the allocator used to charge these
13 costs. This allocator was reviewed by Deloitte in its analysis of intercompany
14 charges, referenced in response NP-NLH-024 and was considered fair and
15 reasonable and in line with the practices of other utilities.