

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

3 Page 5, lines 11-12 - Why is average users considered to be a reasonable reflection
4 of the cost driver of Hydro's telephone and LAN costs?

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7 A. Hydro has made the assumption that an average user will typically access a LAN and
8 therefore average user was considered to be a reasonable reflection of the cost
9 driver. Similarly, the assumption was made that a typical average user will also
10 likely have a desk and telephone and average user was considered to be
11 reasonable. This allocator was reviewed by Deloitte in its analysis of intercompany
12 charges, referenced in response NP-NLH-024 and was considered fair and
13 reasonable and in line with the practices of other utilities.