

1 Q. Reference: RFI V-NLH-001

2 Reference: RFI IN-NLH-114

3 Reference: Exhibit 13, 2013 Test Year Cost of Service, page 40 of 109

4 The depreciation amount for Vale's transmission lines is \$4059 (line 21, col 7). The
5 only explanation in V-NLH-001 is that "depreciation expense is a direct cost". Please
6 provide the depreciation method, depreciation period and the transmission line
7 amount that is being depreciated.

8

9

10 A. There should be no depreciation amount for Vale's transmission lines as the cost of
11 the assets is fully contributed by the customer. Hydro has incorrectly applied Vale's
12 contribution of \$75,780 related to an asset (Asset # 364577 Suspension Insulators)
13 against assets specifically assigned to Vale but coded as terminal station assets. As
14 a result, Hydro has overstated its depreciation related to transmission lines by
15 \$4,059 and understated its depreciation on its terminal station assets as discussed
16 in the response to V-NLH-064.