

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 General is \$31,463 (line 21, col 10). The only
5 explanation in V-NLH-001 is that “depreciation expense is a direct cost”. Please
6 confirm that this is a direct expense. If it is, provide the depreciation method,
7 depreciation period and the terminal station amount that is being depreciated.

8 If it is not a direct expense, please provide on one page, all the calculations used to
9 derive the \$31,463 amount. The calculation are to include the total amount in line
10 28, col 10 of page 40 of 109, the derivation of the three components of this total on
11 page 31 of 109 as well as any other calculations required to clearly understand this
12 cost.

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15 A. Please note that the \$31,463 in the question has been changed to \$24,386, based
16 on Hydro's Amended Application. The depreciation amount for Vale's
17 Administrative and General of \$24,386 (line 21, col 10) shown in Exhibit 13, 2015
18 Test Year Cost of Service, page 40 of 109, in the Amended Application, is not a
19 direct expense.

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21 Please see V-NLH-065 Attachment 1 (Revision 1) for the calculation.

<u>Item</u>	<u>Amount</u>	<u>Reference</u>
1. Total Specifically Assigned Depreciation Expense	\$1,187,278	Schedule 2.5A, Page 1 of 1, Column 18, Line 40
2. Total Specifically Assigned Depreciation Expense - Transmission Lines (Directly Expensed)	616,408	Schedule 3.3A, Page 1 of 1, Column 7, Line 28
3. Total Specifically Assigned Depreciation Expense - Terminal Stations (Directly Expensed)	430,761	Schedule 3.3A, Page 1 of 1, Column 8, Line 28
4. Specifically Assigned Depreciation Expense Allocated Based Upon O&M (Line 1 - Line 2 - Line 3)	140,109	Schedule 3.3A, Page 1 of 1, Column 10, Line 28
5. O&M Expense Specifically Assigned to Vale - Transmission Lines and Terminal Stations	223,726	See response to V-NLH-062
6. Total O&M Expense Specifically Assigned - Transmission Lines and Terminal Stations	1,285,395	Schedule 3.3A, Page 1 of 1, Column 10, Line 9
7. Depreciation Expense Allocated to Vale (Line 4 X Line 5 ÷ Line 6)	24,386	Schedule 3.3A, Page 1 of 1, Column 10, Line 21