

Q. **2013 General Rate Application, Intercompany Charges and Shared Services**

Page 3.17, Table 3.3 - Provide the insurance expenses incurred by Hydro for its own needs and the needs of other Nalcor entities each year from 2007 to 2012 and the amount budgeted for 2013 to 2015?

A. Insurance premiums relating to Hydro's regulated and non-regulated activities are billed directly to Hydro. In allocating these costs between regulated and non-regulated activities, Hydro uses the allocations provided by the insurance broker¹. The following table shows the total insurance expense incurred by Hydro in respect of those invoices, as well as the amounts allocated out to non-regulated activities:

(\$ thousands)	2007	2008	2009	2010	2011	2012	2013
Hydro (Legal Entity)	\$1,778	\$1,789	\$1,978	\$1,986	\$1,989	\$2,166	\$2,271
Hydro Regulated	\$1,703	\$1,783	\$1,937	\$1,960	\$1,965	\$2,109	\$2,211
Hydro Non-regulated	\$75	\$6	\$41	\$26	\$24	\$57	\$60

While the amount budgeted for 2013 (see Finance, Schedule 1, Page 9 of 11) was \$2.2 million, as discussed in the answer to PUB-NLH-42, the amount has increased to \$2.5 million, based on the 2013 policy renewal for the premium period July 1, 2013 to June 30, 2014.

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The insurance amount budgeted for Hydro for 2014 is \$2.7 million and for 2015 is \$2.8 million.

¹ See Hydro's response to PUB-NLH-161