

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

3           Page 3, lines 11-12 - Provide an itemized list of and the amount of the operating  
4           costs incurred by Hydro's Safety and Health department each year from 2007 to  
5           2012 and the amounts budgeted for each operating cost for 2013 to 2015. Identify  
6           any departmental operating costs that were excluded from the pool of operating  
7           costs allocated to the lines of business.

8

9

10    A.    Please refer to PUB-NLH-184 Attachment 1.

| Cost Type Description                                            | Actual<br>2007    | Actual<br>2008    | Actual<br>2009    | Actual<br>2010 <sup>1</sup> | Actual<br>2011    | Actual<br>2012    | Forecast<br>2013  | Forecast<br>2014  | Forecast<br>2015  |
|------------------------------------------------------------------|-------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Itemized listing of operating costs</b>                       |                   |                   |                   |                             |                   |                   |                   |                   |                   |
| Salaries & Fringe Benefits                                       | \$ 479,545        | \$ 503,087        | \$ 507,188        | \$ 553,567                  | \$ 620,854        | \$ 707,907        | \$ 724,812        | \$ 630,922        | \$ 649,850        |
| System Equipment Maintenance                                     | 9,204             | 23,209            | 16,180            | 17,155                      | 10,946            | 7,149             | 53,269            | 44,500            | 45,613            |
| Office Supplies & Expenses                                       | 11,969            | 6,243             | 9,592             | 5,880                       | 32,630            | 36,161            | 38,034            | 34,300            | 35,158            |
| Professional Services                                            | 81,392            | 67,181            | 148,457           | 167,448                     | 211,066           | 169,314           | 189,070           | 243,200           | 249,280           |
| Equipment Rentals                                                | 96                | -                 | -                 | 76                          | 333               | 0                 | -                 | 1,000             | 1,025             |
| Travel                                                           | 26,911            | 33,098            | 20,654            | 35,948                      | 37,919            | 51,619            | 44,371            | 45,750            | 46,894            |
| Miscellaneous Expenses                                           | 2,271             | 3,272             | 529               | 1,901                       | 3,481             | 2,803             | 2,611             | 4,550             | 4,664             |
| Building Rental & Maintenance                                    | 34,692            | 11,384            | 16,920            | 68,187                      | 86,808            | 95,656            | 88,781            | 89,700            | 91,943            |
| Cost Recoveries                                                  | (249)             | (501)             | (15,139)          | (451,604)                   | (358,525)         | (390,254)         | (450,082)         | (397,551)         | (408,540)         |
| <b>Total operating costs</b>                                     | <b>\$ 645,831</b> | <b>\$ 646,973</b> | <b>\$ 704,381</b> | <b>\$ 398,558</b>           | <b>\$ 645,512</b> | <b>\$ 680,356</b> | <b>\$ 690,866</b> | <b>\$ 696,371</b> | <b>\$ 715,885</b> |
| <b>Determination of Common Service Costs</b>                     |                   |                   |                   |                             |                   |                   |                   |                   |                   |
| Total operating costs as per above                               | \$ 645,831        | \$ 646,973        | \$ 704,381        | \$ 398,558                  | \$ 645,512        | \$ 680,356        | \$ 690,866        | \$ 696,371        | \$ 715,885        |
| Add back cost recoveries for Admin fee                           | -                 | -                 | 10,014            | 280,938                     | 323,068           | 348,504           | 402,841           | 397,551           | 408,540           |
| <b><u>Hydro specific costs excluded from cost allocation</u></b> |                   |                   |                   |                             |                   |                   |                   |                   |                   |
| Recharged salaries                                               |                   |                   |                   |                             | (67,536)          | (105,147)         | (92,136)          | (112,506)         | (115,881)         |
| Group insurance refund                                           |                   |                   |                   | 150,000                     |                   |                   |                   |                   |                   |
| A Total                                                          | \$ 645,831        | \$ 646,973        | \$ 714,395        | \$ 829,496                  | \$ 901,044        | \$ 923,714        | \$ 1,001,572      | \$ 981,416        | \$ 1,008,543      |
| <b>Allocations</b>                                               |                   |                   |                   |                             |                   |                   |                   |                   |                   |
| B Total FTEs                                                     |                   |                   |                   | 1,262.1                     | 1,290.2           | 1,306.7           | 1,415.5           | 1,492.3           | 1,492.3           |
| C Cost per FTE (A / B)                                           |                   |                   |                   | \$ 657                      | \$ 698            | \$ 707            | \$ 708            | \$ 658            | \$ 676            |
| D Hydro Regulated FTEs                                           |                   |                   |                   | 832.5                       | 827.6             | 813.7             | 858.8             | 887.8             | 887.8             |
| E Other lines of business FTEs                                   |                   |                   |                   | 429.6                       | 462.6             | 493.0             | 556.7             | 604.5             | 604.5             |
| Total FTEs                                                       |                   |                   |                   | 1,262.1                     | 1,290.2           | 1,306.7           | 1,415.5           | 1,492.3           | 1,492.3           |
| F Hydro Regulated (C * D) <sup>2</sup>                           | \$ 645,831        | \$ 646,973        | \$ 704,381        | \$ 547,121                  | \$ 577,975        | \$ 575,209        | \$ 607,652        | \$ 583,865        | \$ 600,003        |
| G Other lines of business (C * E) <sup>2</sup>                   | \$ -              | \$ -              | \$ 10,014         | \$ 282,374                  | \$ 323,068        | \$ 348,504        | \$ 393,920        | \$ 397,551        | \$ 408,540        |
| Total                                                            | \$ 645,831        | \$ 646,973        | \$ 714,395        | \$ 829,496                  | \$ 901,044        | \$ 923,714        | \$ 1,001,572      | \$ 981,416        | \$ 1,008,543      |
| <b>Notes</b>                                                     |                   |                   |                   |                             |                   |                   |                   |                   |                   |
| 1. 2010 was the first year of the new Admin fee methodology.     |                   |                   |                   |                             |                   |                   |                   |                   |                   |
| 2. Calculations in F and G begin in 2010.                        |                   |                   |                   |                             |                   |                   |                   |                   |                   |