

PUB-NLH-192
2013 NLH General Rate Application

Page 1 of 1

1 Q. **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**
2 **Exhibit 8**
3 Page 3, lines 17-18 - Provide an itemized list of and the amount of the operating
4 costs incurred by Hydro's IS department each year from 2007 to 2012 and the
5 amounts budgeted for each operating cost for 2013 to 2015. Identify any
6 departmental operating costs that were excluded from the pool of operating costs
7 allocated to the lines of business.
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10 A. Please refer to PUB-NLH-192 Attachment 1.

Hydro
Information Systems Common Service Business Unit

Cost Type Description	Actual 2007	Actual 2008	Actual 2009	Actual 2010 ¹	Actual 2011	Actual 2012	Forecast 2013	Forecast 2014	Forecast 2015
Itemized listing of operating costs									
Salaries & Fringe Benefits	\$ 3,120,196	\$ 3,196,803	\$ 3,333,717	\$ 3,470,303	\$ 3,439,070	\$ 3,504,658	\$ 4,130,626	4,000,864	\$ 4,120,890
System Equipment Maintenance	144,617	176,939	163,694	247,704	296,743	274,196	305,512	312,233	320,039
Office Supplies & Expenses	90,627	89,764	115,663	113,828	113,995	132,584	107,645	163,134	167,213
Professional Services	1,119,411	1,191,509	653,616	1,050,061	1,227,690	1,460,424	1,501,679	1,505,124	1,542,752
Equipment Rentals	73,789	88,878	86,161	109,673	96,886	102,415	106,975	109,328	112,061
Travel	114,268	81,300	88,952	66,690	49,880	62,073	101,503	103,736	106,330
Miscellaneous Expenses	7,120	7,583	4,509	7,152	4,548	10,752	7,938	8,113	8,316
Building Rental & Maintenance	7,136	936	1,003	216	294	378	1,045	1,068	1,095
Cost Recoveries	(693,740)	(749,829)	(1,199,464)	(1,746,823)	(1,722,214)	(2,509,419)	(2,797,104)	(2,568,226)	(2,599,865)
Operations & Maintenance	\$ 3,983,425	\$ 4,083,882	\$ 3,247,851	\$ 3,318,806	\$ 3,506,894	\$ 3,038,061	\$ 3,465,819	\$ 3,635,375	\$ 3,778,830
Determination of Common Service Costs									
Total operating costs as per above	3,983,425	4,083,882	3,247,851	3,318,806	3,506,894	3,038,061	3,465,819	3,635,375	3,778,830
Add back cost recoveries	801,490	962,825	1,199,464	1,746,823	1,722,214	2,509,419	2,797,104	2,568,226	2,599,865
Depreciation and interest on common assets ³						1,828,338	1,774,234	735,158	649,770
<u>Hydro specific costs excluded from cost allocation</u>									
Recharged salaries					(8,174)	(4,510)	-	(4,826)	(4,970)
Software Maintenance Costs				(218,489)	(256,611)	(386,590)	(404,264)	(326,559)	(334,723)
A Total	\$ 4,784,915	\$ 5,046,707	\$ 4,447,315	\$ 4,847,139	\$ 4,964,324	\$ 6,984,718	\$ 7,632,893	\$ 6,607,374	\$ 6,688,771
Allocations									
B Total average users					1,322.5	1,335.8	1,423.7	1,401.9	1,515.6
C Cost per average user (A / B)					\$ 3,665	\$ 3,716	\$ 4,906	\$ 5,445	\$ 4,360
D Hydro Regulated average users					844.4	872.4	912.7	885.7	926.5
E Other lines of business average users					478.1	463.4	511.0	516.2	589.1
Total average users					1,322.5	1,335.8	1,423.7	1,401.9	1,515.6
F Hydro Regulated (C * D) ²	\$ 3,983,425	\$ 4,083,882	\$ 3,247,851	\$ 3,095,022	\$ 3,242,159	\$ 4,477,735	\$ 4,822,454	\$ 4,039,247	\$ 4,089,008
G Other lines of business (C * E) ²	801,490	962,825	1,199,464	1,752,117	1,722,165	2,506,982	2,810,439	2,568,126	2,599,764
Total	\$ 4,784,915	\$ 5,046,707	\$ 4,447,315	\$ 4,847,139	\$ 4,964,324	\$ 6,984,718	\$ 7,632,893	\$ 6,607,374	\$ 6,688,771

Notes

1. 2010 was the first year of the new Admin fee methodology.
2. Calculations in F and G begin in 2010.
3. Depreciation and Interest in 2012 is overstated by \$706K and recoveries overstated by \$253K; in 2013 Forecast depreciation and interest is overstated by \$550K and recoveries overstated by \$202K.