

PUB-NLH-202
2013 NLH General Rate Application

Page 1 of 1

1 Q. **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**
2 **Exhibit 8**
3 Page 4, lines 3-22 and page 5, lines 1-5 - Provide a schedule showing the calculation
4 of the return on rate base included in calculation of the rental charge each year for
5 2007 to 2012 and the amounts budgeted for 2013 to 2015.
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8 A. Please refer to PUB-NLH-202 Attachment 1 for the calculation of the return on rate
9 base included in the calculation of the rental charge for each year the process was
10 in place.

	Actual 2011 ¹	Actual 2012	Forecast 2013	Forecast 2014	Forecast 2015
Opening NBV Hydro Place common assets	15,072,299	14,654,259	14,451,096	14,022,085	
Closing NBV Hydro Place common assets	14,654,259	14,451,096	14,022,085	14,103,659	
Average NBV (A)	14,863,279	14,552,677	14,236,590	14,062,872	
Weighted Average Cost of Capital (B)		7.53%	7.83%	7.83%	7.83%
Return on common assets (A * B)	887,300	1,119,205	1,139,475	1,114,725	1,101,123

Notes

1. 2011 was the first year of the new Admin fee methodology whereby rental rate is cost based.
2. In 2011, interest was estimated using average financing costs over the life of the assets.
3. 2012 return noted above has been restated as 2012 return included as part of the Admin fee (refer to PUB-NLH-200) was overstated by \$234K resulting in an overstatement of recovery of \$102K.
4. 2013 Forecast return noted above has been restated as 2013 Forecast return included as part of the Admin fee (refer to PUB-NLH-200) was understated by \$23K resulting in an understatement of recovery of \$10K.