

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.

13

14

15     A.    The depreciation amount for Vale General of \$31,463 (line 21, col 10) is not a direct  
16       expense.

17

18       Please see V-NLH-065 Attachment 1 for the calculation.

<u>Item</u>	<u>Amount</u>	<u>Reference</u>
1. Total Specifically Assigned Depreciation Expense	\$1,132,536	Schedule 2.5A, Page 1 of 1, Column 18, Line 40
2. Total Specifically Assigned Depreciation Expense - Transmission Lines (Directly Expensed)	600,084	Schedule 3.3A, Page 1 of 1, Column 7, Line 28
3. Total Specifically Assigned Depreciation Expense - Terminal Stations (Directly Expensed)	360,947	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)	171,505	Schedule 3.3A, Page 1 of 1, Column 10, Line 28
5. O&M Expense Specifically Assigned to Vale - Transmission Lines and Terminal Stations	247,748	See response to V-NLH-062
6. Total O&M Expense Specifically Assigned - Transmission Lines and Terminal Stations	1,350,483	Schedule 3.3A, Page 1 of 1, Column 10, Line 9
7. Depreciation Expense Allocated to Vale (Line 4 X Line 5 ÷ Line 6)	31,463	Schedule 3.3A, Page 1 of 1, Column 10, Line 21