

- 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 an itemized list of and the amount  
4            of the operating costs included in the calculation of the rental charge each year  
5            from 2007 to 2012 and the amounts budgeted for each such operating cost for  
6            2013 to 2015.  
7  
8  
9    A.    Please refer to PUB-NLH-200 Attachment 1 (Revision 1).

## Hydro Building Rental Costs

Cost Type Description	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011 <sup>1</sup>	Actual 2012 <sup>2</sup>	Actual 2013	Test Year 2014	Test Year 2015
<b>Itemized listing of operating costs</b>									
Salaries & Fringe Benefits					\$ 1,011,088	\$ 854,238	\$ 959,284	1,006,090	1,014,260
System Equipment Maintenance					875,485	1,026,040	955,593	776,400	865,600
Office Supplies & Expenses					432,186	377,112	442,333	473,200	483,530
Professional Services					-	93,736	37,499	80,000	80,000
Travel					-	-	357		100,000
Miscellaneous Expenses					-	-	9,271		
Building Rental & Maintenance					29,461	14,619	8,130	18,000	18,450
<b>Operations &amp; Maintenance</b>						<b>2,348,219</b>	<b>2,365,746</b>	<b>2,412,467</b>	<b>2,353,690</b>
Depreciation and interest <sup>4</sup>					1,555,443	1,812,687	1,567,362	1,609,636	1,509,720
A	Totals Costs				3,903,662	4,178,433	3,979,829	3,963,326	4,071,560
<b>Allocations</b>									
B Square Footage	147,100	147,100	147,100	147,100	147,100	152,501	152,501	152,501	152,501
C Square Footage Rental Rate (A / B)	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 26.54	\$ 27.40	\$ 26.10	\$ 25.99	\$ 26.70
D Hydro Regulated square footage	134,941	128,331	120,391	117,530	117,802	86,108	92,345	84,674	103,822
E Other lines of business square footage	12,159	18,769	26,709	29,570	29,298	66,393	60,156	67,827	48,679
Total square footage	147,100	147,100	147,100	147,100	147,100	152,501	152,501	152,501	152,501
F Hydro Regulated (C * D)					\$ 3,126,176	\$ 2,359,295	\$ 2,409,929	\$ 2,200,580	\$ 2,771,903
G Other Nalcor lines of business (C * E)	\$ 194,544	\$ 300,304	\$ 427,344	\$ 473,116	\$ 777,487	\$ 1,819,138	\$ 1,569,899	\$ 1,762,746	\$ 1,299,657
Total	\$ 194,544	\$ 300,304	\$ 427,344	\$ 473,116	\$ 3,903,662	\$ 4,178,433	\$ 3,979,828	\$ 3,963,326	\$ 4,071,560

## Notes

1. 2011 is the first year of the new Admin fee methodology whereby rental rate was a cost based rate.
  2. Square Footage (B) changed in 2012 to include common space (ie. main lobby, meeting rooms, etc).
  3. Depreciation and Interest included in Admin fee in 2011 is understated by \$8K and recoveries understated by \$2K; in 2012 depreciation and interest included in Admin fee is overstated by \$205K and recoveries are overstated by \$89K [ ] .