

- 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 ¹ | Actual 2012 ² | Actual 2013 | Test Year 2014 | Test Year 2015 |
|--|----------------|----------------|----------------|----------------|-----------------------------|-----------------------------|------------------|-------------------|-------------------|
| Itemized listing of operating costs | | | | | | | | | |
| 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 |
| Operations & Maintenance | | | | | 2,348,219 | 2,365,746 | 2,412,467 | 2,353,690 | 2,561,840 |
| Depreciation and interest ⁴ | | | | | 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 |
| Allocations | | | | | | | | | |
| 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 [] .