

**PUB-NLH-195**  
**2013 NLH General Rate Application**

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1    Q.    **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**  
2            **Exhibit 8**

3            Page 3, lines 18-20 - Provide a schedule showing the calculation of the return on  
4            rate base included in the calculation of the IS charges each year for 2007 to 2012  
5            and the amounts budgeted from 2013 to 2015.

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8    A.    Please refer to PUB-NLH-195 Attachment 1 for the calculation of the return on rate  
9            base.

**Calculation of Return on Rate Base**  
 Information Systems Common Assets

**PUB-NLH-195, Attachment 1**  
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	<b>Actual 2012</b>	<b>Forecast 2013</b>	<b>Forecast 2014</b>	<b>Forecast 2015</b>
Opening NBV	2,799,605	2,443,753	1,964,262	1,639,585
Closing NBV	2,443,753	1,964,262	1,639,585	1,909,897
Average NBV (A)	2,621,679	2,204,008	1,801,924	1,774,741
Weighted Average Cost of Capital (B)	7.53%	7.83%	7.83%	7.83%
Return on IS common assets (A* B)	197,412	172,574	141,091	138,962

**Notes**

1. 2012 is the first year of the recovery of depreciation and interest on IS common assets.
2. 2012 return as noted above has been restated as the return included in Admin fee (refer to PUB NLH-192) in 2012 was overstated by \$114K resulting in an overstatement of recovery of \$41K.
3. 2013 return noted above has been restated as the return included in Admin fee (refer to PUB NLH-192) in 2013 was understated by \$173K resulting in an understatement of recovery of \$64K.