

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

3 Page 5, lines 11-12 - What allocators, other than average users, were considered for
4 Hydro's telephone and LAN costs and why were they rejected?

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7 A. Hydro's goal was to identify an allocator that is a reasonable indicator of usage, is
8 simple to administer and is traceable. Costs of providing LAN and telephones are
9 correlated with average users and given that average user met all criteria, no other
10 allocator was considered. This allocator was reviewed by Deloitte in its analysis of
11 intercompany charges, referenced in response NP-NLH-024 and was considered fair
12 and reasonable and in line with the practices of other utilities.