

1 Q. Further to the response to CA-NLH-053, provide details of the treatment in the Cost
2 of Service of a fully contributed asset, including ownership, O&M, and any other
3 relevant factors.

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6 A. The original cost of a fully contributed asset in the Cost of Service is used for the
7 allocation of O&M expenses. The response to CA-NLH-053 includes details
8 regarding common transmission and terminal station assets, fully contributed by a
9 general service customer on the Labrador Interconnected System. The Labrador
10 Interconnected System transmission assets are assigned to both transmission and
11 distribution levels, as shown in Exhibit 13, Schedule 2.2E, lines 4 and 5.

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13 The fully contributed assets are owned by Hydro, have no depreciation expense,
14 and since the net book value of such assets is zero, attract no return on rate base.