

2015 COST OF SERVICE METHODOLOGY REVIEW

Manitoba Hydro Undertaking # 6

Manitoba Hydro to provide how indirect costs were allocated to each of the generating assets and what assumptions were made to do that, and what portion of the total cost shown in column 8 is indirect cost

Response:

Please see the table below. The allocation of the indirect costs represents 31% of the Total Cost shown in column 8 of the attachment as provided in response to PUB/MH I-63b. Costs functionalized as Generation in the PCOSS but unrelated to operation of the stations such as DSM, power purchases and Diesel facilities have been excluded from the analysis.

Indirect Cost Description	Allocation Basis
Common Generation Cost	Allocated on GS energy
Mitigation/Water Management	Allocated by river system on GS energy
Town Site	Assigned to associated GS
Gillam Services	Allocated to Lower Nelson GS on energy
Northern Collector Circuit	Assigned to associated Lower Nelson GS
Bipoles/Radisson/Henday	Allocated to Lower Nelson GS on energy
Communication	Allocated on GS energy
Building/General Equipment (Interest & Cap Tax)	Allocated on GS net investment
Grants-in-Lieu of Taxes	Allocated on GS net investment