

2015 COST OF SERVICE METHODOLOGY REVIEW

Manitoba Hydro Undertaking # 30

Manitoba Hydro to answer the following question: In regards to the cost-of-service study, in the tab called Average Rate Base Finance and Reserve, there's \$122 million of motor vehicle rate base that seems to disappear, where did it go, and where can the costs be found in other parts?

Response:

The costs of motor vehicles are functionalized in Cost of Service through the use of an hourly activity rate that is charged to cost centers through SAP. Motor vehicle operating costs (fuel, repairs, parts, and insurance) are embedded in the fully-costed cost centers that are then functionalized in Schedule C12-Amended, while depreciation is included in Schedule C6-Amended costs.

The \$122M investment related to motor vehicles is included in Schedule C8-Amended only to reconcile to total rate base.