

1 Q. Further to responses to Requests for Information NP-NLH-031 and
2 NP-NLH-130:

3

4 Depreciation related to the Business System Fee is forecast to increase from
5 \$74,000 in 2016 to \$3,210,000 in 2019T. Please provide full details of this
6 \$3,136,000 increase, together with a full business justification for the requirement
7 for the increase.

8

9

10 A. Please refer to Table 1 for details of the increase in depreciation related to the
11 Business System Fee from \$74,000 in 2016 to \$3,210,000 in the 2019 Test Year.
12 Please refer to Hydro's response to NP-NLH-185 for the business justification for the
13 related projects.

(rest of page left intentionally blank)

Table 1 Depreciation – Business Systems Fee (\$000s)

Asset	2016	2019TY	Variance
Computers/Servers/Other Total	73	80	7
Software			
JD Edwards Enterprise One Project	-	2,020	2,020
Budgeting and Forecasting Project	-	756	756
Information Management Electronic Document Management System	-	353	353
Software Total	-	3,129	3,129
Total Depreciation¹	74	3,210	3,136
Hydro's Share of Depreciation	48	1,632	1,585

The variance in depreciation from 2016 to 2019 Test Year is primarily due to the implementation of new software for three capital projects. This software is being amortized over 120 months.

¹ Please refer to Hydro's response to PUB-NLH-052, which explains that depreciation on computers and software prior to 2017 was included in depreciation expense and not operating expense. Please refer to Hydro's response to NP-NLH-031 for the allocation to Hydro.