

1 Q. Provide the calculation for the proposed specifically assigned charges for Tacora and IOC.

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4 A. The operating and maintenance (“O&M”) costs specifically assigned to Tacora Resources Inc.
5 (“Tacora”) and the Iron Ore Company of Canada (“IOC”) were calculated utilizing estimated
6 direct costs for preventative maintenance on assets specifically assigned to the customer, plus
7 an indirect loader, calculated as:

$$\text{Indirect Loader} = \frac{\text{Transmission A\&G} + \text{Transmission Other}}{\text{Transmission Direct O\&M} + \text{Terminals Direct O\&M}}$$

8 The estimated direct costs for IOC and Tacora are \$24,562 and \$2,250, respectively. The
9 derivation of these direct costs is provided in PUB-NLH-046, Attachment 1. The total specifically
10 assigned charge includes these direct cost estimates, plus an indirect loader of 12.53%.

11 The total specifically assigned charges are shown in Table 1.

Table 1: Proposed Specifically Assigned Charges – Tacora and IOC¹ (\$)

Customer	Direct O&M ²	Indirect O&M ³	General Depreciation ⁴	Expense Credits ⁵	Return on Debt ⁶	Return on Equity ⁶	Specifically Assigned Charge ⁷
Tacora	2,250	282	563	(23)	4,926	3,060	11,058
IOC	24,562	3,078	6,141	(76)	(5)	(3)	33,697
	26,812	3,360	6,704	(99)	4,921	3,057	44,755

¹ Totals may not add due to rounding.

² Per PUB-NLH-046, Attachment 1.

³ Indirect O&M is the Direct O&M x Indirect Loader of 12.53%.

⁴ General depreciation allocated based on share of O&M.

⁵ Proportionate share of expense credit allocated on Plant Value.

⁶ Relates to disconnects specifically assigned to Tacora that Hydro is financing and collecting the capital cost recovery through the specifically assigned charge. These assets were installed prior to the policy change requiring customer contributions.

⁷ Numbers may not add due to rounding.

1 Newfoundland and Labrador Hydro did not include the depreciation on a specifically assigned
2 asset for Tacora within the specifically assigned summary. Table 2 includes this adjustment,
3 which results in minor changes to the specifically assigned amounts for Tacora and IOC.

Table 2: Proposed Specifically Assigned Charges – Tacora and IOC⁸ (\$)

Customer	Direct O&M ⁹	Indirect O&M ¹⁰	Depreciation	General Depreciation ¹¹	Expense Credits	Return on Debt ¹²	Return on Equity ¹³	Specifically Assigned Charges
Tacora	2,250	282	1,324	346	(23)	4,926	3,060	12,165
IOC	24,562	3,078	-	3,781	(76)	(5)	(3)	31,337
	26,812	3,360	1,324	4,127	(99)	4,921	3,057	43,502

⁸ *Supra*, f.n. 1.

⁹ *Supra*, f.n. 2.

¹⁰ *Supra*, f.n. 3.

¹¹ *Supra*, f.n. 4.

¹² *Supra*, f.n. 6.

¹³ *Supra*, f.n. 6.

Newfoundland and Labrador Hydro
Annualized Preventive Maintenance to IOC

PM Inspection	Asset	Total Cost (\$)	Annual Cost (\$)
Transformer Oil Testing PM	WABTST13	597	597
Transformer Furan Test PM	WABTST13	597	149
Transformer Electrical PM	WABTST13	7,799	1,248
Transformer Doble PM	WABTST13	2,668	427
Transformer Oil Testing PM	WABTST13S	597	597
Transformer Furan Test PM	WABTST13S	597	149
Transformer Electrical PM	WABTST13S	7,799	1,248
Transformer Doble PM	WABTST13S	2,668	427
Transformer Electrical PM	WABTS_SC3_SST3	7,799	1,248
Reactor Electrical PM	WABTSREACT	7,799	1,248
Breaker Electrical PM	WABB4L6	3,362	537
Breaker Operate PM	WABB4L6	239	239
Breaker Electrical PM	WABB4L7	3,362	537
Breaker Operate PM	WABB4L7	239	239
Breaker Electrical PM	WABB3L1	3,362	420
Breaker Operate PM	WABB3L1	239	239
Breaker Electrical PM	WABB3L3	3,362	420
Breaker Operate PM	WABB3L3	239	239
Breaker Electrical PM	WABB3B5	3,362	537
Breaker Operate PM	WABB3B5	239	239
Breaker Electrical PM	WABB4B5	3,362	537
Breaker Operate PM	WABB4B5	239	239
Breaker Electrical PM	WABB6X1	3,362	537
Breaker Electrical PM	WABB6SC3	3,362	537
Breaker Electrical PM	WABB6SS3	3,362	537
Breaker Electrical PM	WABB3L4	3,362	420
Breaker Operate PM	WABB3L4	239	239
Breaker Electrical PM	WABB3L5A	3,362	537
Breaker Operate PM	WABB3L5A	239	239
Breaker Electrical PM	WABB3SS1	3,362	537
Breaker Operate PM	WABB3SS1	239	239
Breaker Electrical PM	WABB4L5B	3,362	537
Breaker Operate PM	WABB4L5B	239	239
Disconnect PM	WABB4L6-1	858	137
Disconnect PM	WABB4L6-2	858	137
Disconnect PM	WABB3L1-1	858	137
Disconnect PM	WABB3L1-2	858	137
Disconnect PM	WABB3L2-1	858	137
Disconnect PM	WABB3L2-2	858	137
Disconnect PM	WABB3L3-1	858	137
Disconnect PM	WABB3L3-2	858	137
Disconnect PM	WABB3L4-1	858	137
Disconnect PM	WABB3L4-2	858	137
Disconnect PM	WABB3L5A-1	858	137
Disconnect PM	WABB3L5A-2	858	137
Disconnect PM	WABB4L5B-1	858	137
Disconnect PM	WABB4L5B-2	858	137
Disconnect PM	WABB4B5-1	858	137
Disconnect PM	WABB4L7-1	858	137
Disconnect PM	WABB4L7-2	858	137
Disconnect PM	WABB3B5-1	858	137
Disconnect PM	WABB3B5-2	858	137
Disconnect PM	WABB4B5-2	858	137
PT Electrical PM	WABTSPT_SC3_T13	243	39
SC Motor Oil Change	WABTS_SC3_PMOTOR	841	841
Relay PM	WABTS_PROT_L1(IOC)	953	153
Relay PM	WABTS_PROT_L2(IOC)	953	153
Relay PM	WABTS_PROT_L3(IOC)	953	153
Relay PM	WABTS_PROT_L4(IOC)	953	153
Relay PM	WABTS_PROT_L5(IOC)	953	153
Relay PM	WABTS_PROT_L6(IOC)	953	153
Relay PM	WABTS_PROT_L7(IOC)	953	153
Relay PM	WABTS_SC#3_PROT_B6	953	153
Relay PM	WABTS_SC#3_PROT_T13	953	153
Relay PM	WABTS_SC#3_PROT_P1_SC3	953	153
Relay PM	WABTS_SC#3_PROT_P2_SC3	953	153
Relay PM	WABTS_SC#3_PROT_X1	953	153
Relay PM	WABTS_SC#3_SC3-SG-2_ARCD	953	153
Relay PM	WABTS_SC#3_PROT_P2_SST3	953	153
Relay PM	WABTSPT_SC3_B6	953	153
Relay PM	WABTSPT_SC3_SC3	953	153
Relay PM	WABTSPT_SC3_X1	953	153
Relay PM	WABTS_P&C_SC#3_B3B5	953	153
Relay PM	WABTS_P&C_SC#3_B4B5	953	153
Battery Bank PM	WABTS125BATSC3	1,681	1,681
Sub-total		123,037	24,562

Newfoundland and Labrador Hydro
Annualized Preventive Maintenance to Tacora

PM Inspection	Comments	Total Cost (\$)	Annual Cost
Breaker Electrical PM	WABB4L34	3,340	534
Breaker Operate PM	WABB4L34	235	235
Breaker Electrical PM	WABB4L35	3,340	534
Breaker Operate PM	WABB4L35	235	235
Disconnect PM	WABB4L34-1	851	137
Disconnect PM	WABB4L35-1	851	137
Disconnect PM	WABB4L35-2	851	137
Relay PM	WABTS_PROT_L34(TAC-1)	942	151
Relay PM	WABTS_PROT_L35(TAC-2)	942	151
Sub-total		11,589	2,250