

## **COMPARISON OF ASSET SERVICE FEES**

### **1.0 PURPOSE**

This evidence presents the period-over-period changes in the asset service fees charged to the regulated hydroelectric and nuclear business units.

### **2.0 OVERVIEW**

This evidence supports the approvals sought for asset service fees. Ex. F3-2-2 Table 1 sets out a comparison of budget to actual amounts and the year-over-year asset service fee costs for 2010 - 2015 for the regulated hydroelectric and newly regulated hydroelectric businesses. As shown in Ex. F3-2-2 Table 1, the asset service fee charged in 2011 is lower than 2010, the fee remains stable over the 2012 - 2015 period.

Exhibit F3-2-2 Table 2 provides a comparison of budget to actual amounts and the year-over-year asset service fee costs for 2010 – 2015 for the nuclear business. As shown in this table, the asset service fee charged in 2011 is lower than 2010 and the fee remains stable over the 2012 – 2014 period with an increase in 2015 as discussed in the following section.

### **3.0 PERIOD-OVER-PERIOD CHANGES – TEST PERIOD, NUCLEAR**

#### **2015 Plan versus 2014 Plan**

The asset service fee for the nuclear business unit in 2015 is \$3.5M greater than the 2014 plan primarily due to higher IT in-service additions and depreciation expense.

#### **2014 Plan versus 2013 Budget**

The asset service fee for the nuclear business unit in 2014 is \$0.6M greater than the 2013 plan primarily due to higher IT depreciation expense.

### **4.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEAR, NUCLEAR**

#### **2013 Budget versus 2012 Actual**

Asset service fees for nuclear decreased by \$0.3M in the 2013 budget versus the 2012 actual mainly due to lower than planned IT depreciation.

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2 **2012 Actual versus 2012 Board Approved Budget**

3 Actual asset service fees for nuclear decreased by \$0.7M versus the 2012 Board approved  
4 budget due to lower than planned operating costs and property tax.

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6 **5.0 PERIOD-OVER-PERIOD CHANGES – HISTORICAL PERIOD, NUCLEAR**

7 Actual asset service fees increased by \$0.9M in 2012 compared to 2011 actual due to higher  
8 operating costs and offset by lower IT depreciation expense.

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10 **2011 Actual versus 2011 Board Approved**

11 Actual asset service fees decreased by \$2.0M in 2011 compared to 2011 Board approved,  
12 due to lower than planned operating costs, property tax and IT depreciation expense.

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14 **2011 Actual versus 2010 Actual**

15 Actual asset service fees decreased by \$2.4M in 2011 compared to the 2010 actual costs,  
16 primarily due to lower IT depreciation expense.

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18 **2010 Actual versus 2010 Budget**

19 Actual asset service fees are flat compared to 2010 budget.