

1 Q. (a) Provide detailed calculations that support the depreciation expense amount
2 claimed in this filing. The detailed depreciation calculations should present
3 by depreciable category and vintage the following information for assets
4 depreciated using the sinking fund method: 1) Original Cost; 2) Annuity
5 Amount; 3) Accrued Depreciation. Also provide the depreciation
6 parameters used in the depreciation calculations, such as, the interest rate,
7 average service life and net salvage percent.

8

9 (b) For assets depreciated using the straight-line method, provide the
10 following information by depreciable category and vintage: 1) Original
11 Cost; 2) Annual Accrual Rate and Amount; 3) Accumulated Depreciation.
12 Also provide the parameters used in the depreciation calculations, such
13 as, the average service life, life span for all non-hydro generating stations.

14

15

16 A. (a) and (b)
17 The following table provides the original cost, the annual depreciation
18 expense, accumulated depreciation, and contributions by class of assets,
19 by sinking fund method and straight-line method.

20

21 The asset vintages range over numerous years ranging from 1967 to
22 present day.

23

24 The parameters used in the calculations range from 15 years to 100
25 years for sinking fund assets and from 3 years to 50 years for straight line
26 assets.

1 Please refer to NP-60 which provides the depreciation service lives
2 expressed in percentage rates.

3

4 The interest rates for the sinking fund method ranges from 5.25% to
5 15.34%.

6

7 As stated in NP-274 there has been no amount claimed for net salvage in
8 the calculation of depreciation expense (for this filing).

NEWFOUNDLAND AND LABRADOR HYDRIC
BREAKDOWN OF SINKING FUND AND STRAIGHT LINE ASSETS
2002

LINE
NUMBERS

SINKING FUND ASSETS

	CAPITAL COST	DEPRECIATION	ACCUMULATED DEPRECIATION	CONTRIBUTIONS
1 CLASS				
2 HYDRAULIC	\$720,981,193	\$3,158,691	(\$32,745,255)	(\$19,418,353)
3 THERMAL				
4 GAS TURBINES				
5 DIESEL				
6 TRANSMISSION LINES	\$291,673,501	\$4,290,390	(\$35,065,768)	(\$12,803,632)
7 SUB-STATIONS	\$146,852,203	\$3,573,385	(\$33,539,138)	(\$11,711,721)
8 METERS				
9 DISTRIBUTION				
10 TELECONTROL				
11 GENERAL PLANT				
12 FEAS. STUDIES-SHORT TERM				
13 FEAS. STUDIES-LONG TERM				
14 COMPUTER SOFTWARE				
16 TOTALS	\$1,159,506,897	\$11,022,466	(\$101,350,161)	(\$43,933,706)

STRAIGHT LINE ASSETS

	CAPITAL COST	DEPRECIATION	ACCUMULATED DEPRECIATION	CONTRIBUTIONS
	\$2,113,835	\$26,458	(\$212,311)	(\$1,089,067)
	\$182,356,683	\$2,017,940	(\$145,985,200)	(\$13,929)
	\$45,793,399	\$1,031,947	(\$30,648,514)	\$0
	\$65,516,431	\$2,523,242	(\$24,479,448)	(\$8,174,149)
	\$5,992,817	\$199,761	(\$2,704,952)	
	\$17,569,689	\$452,334	(\$5,693,016)	(\$3,675,037)
	\$3,444,090	\$91,780	(\$929,136)	(\$596,197)
	\$123,719,610	\$3,106,513	(\$32,807,676)	(\$26,631,107)
	\$53,364,337	\$2,926,926	(\$23,584,979)	(\$1,530,986)
	\$103,180,383	\$5,868,678	(\$58,628,849)	(\$1,560,671)
	\$321,504	\$20,000	(\$20,000)	\$0
	\$2,267,670	\$104,364	(\$2,063,787)	\$0
	\$14,700,344	\$2,397,885	(\$10,606,299)	\$0
	\$620,340,792	\$20,767,828	(\$338,364,167)	(\$43,271,143)

TOTAL

	CAPITAL COST	DEPRECIATION	ACCUMULATED DEPRECIATION	CONTRIBUTIONS
	\$723,095,028	\$3,185,149	(\$32,957,566)	(\$20,507,420)
	\$182,356,683	\$2,017,940	(\$145,985,200)	(\$13,929)
	\$45,793,399	\$1,031,947	(\$30,648,514)	\$0
	\$65,516,431	\$2,523,242	(\$24,479,448)	(\$8,174,149)
	\$297,666,318	\$4,490,151	(\$37,770,720)	(\$12,803,632)
	\$164,421,892	\$4,025,719	(\$39,232,154)	(\$15,386,758)
	\$3,444,090	\$91,780	(\$929,136)	(\$596,197)
	\$123,719,610	\$3,106,513	(\$32,807,676)	(\$26,631,107)
	\$53,364,337	\$2,926,926	(\$23,584,979)	(\$1,530,986)
	\$103,180,383	\$5,868,678	(\$58,628,849)	(\$1,560,671)
	\$321,504	\$20,000	(\$20,000)	\$0
	\$2,267,670	\$104,364	(\$2,063,787)	\$0
	\$14,700,344	\$2,397,885	(\$10,606,299)	\$0
	\$1,779,847,689	\$31,790,294	(\$439,714,328)	(\$87,204,849)