

Q. Shown by major category, what has been the experience of the company with regard to the average life of the assets of the company?

A. The Company's 1996 Depreciation Study was approved by the Board in Order No. P.U. 7 (1996-97). The 1996 Depreciation Study was completed by the Company's depreciation experts, Gannett Fleming Valuation and Rate Consultants, Inc. ("Gannett Fleming"). Schedule 1 of the 1996 Depreciation Study summarized Gannett Fleming's average service life estimates for Newfoundland Power's utility plant in service as at December 31, 1995, by account. A copy of that Schedule 1 is included as Attachment A.