

VOLUME 3: EXPERT EVIDENCE & STUDIES

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**REPORT:
COST OF CAPITAL**

**PREPARED FOR:
NEWFOUNDLAND POWER INC.**

**BEFORE THE:
NEWFOUNDLAND AND LABRADOR BOARD OF COMMISSIONERS OF
PUBLIC UTILITIES**

OCTOBER 16, 2015



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1 **I. INTRODUCTION**

2 **A. Qualifications**

3 My name is James M. Coyne, and I am employed by Concentric Energy Advisors, Inc.
4 ("Concentric") as a Senior Vice President. My business address is 293 Boston Post Road West,
5 Suite 500, Marlborough, MA 01752. I am testifying on behalf of Newfoundland Power Inc.
6 ("Newfoundland Power" or the "Company"), a subsidiary of Fortis, Inc.

7 I am among Concentric's professionals who provide expert testimony before federal, state and
8 Canadian provincial agencies on matters pertaining to economics, finance, and public policy in the
9 energy industry. Concentric provides financial, economic and regulatory advisory services to
10 clients across North America, including utility companies, regulatory and public agencies, and
11 utility sector investors. I regularly advise utilities, generating companies, public agencies and
12 private equity investors on business issues pertaining to the utilities industry. This work includes
13 calculating the cost of capital for the purpose of ratemaking, and providing expert testimony and
14 studies on matters pertaining to incentive regulation, rate policy, valuation, capital costs, demand
15 side management, low-income programs, fuels and power markets. I have testified or provided
16 expert evidence in state, provincial and federal jurisdictions in Canada and the U.S. This work has
17 been provided on behalf of utilities, regulatory commissions, and staff.

18 I am also a frequent speaker and author of articles and white papers on the energy industry.
19 Recently, on behalf of the Canadian Gas Association and the Canadian Electric Association, I
20 prepared a discussion paper for utility executives and provincial regulators that examined the roles
21 that Canada's utilities and regulators can play to promote innovation. In addition, I facilitated
22 workshops between Canadian regulators and utility executives on regulatory and utility responses
23 to a low carbon world, and drafted follow-up white papers to facilitate further discussion on
24 emerging industry issues. In collaboration with the Canadian Gas and Canadian Electricity
25 Associations, I also publish a newsletter summarizing allowed ROEs and capital structures for gas
26 and electric utilities in Canada and the U.S. I have been an invited speaker for several CAMPUT
27 events, including the recent Energy Regulation Course at Queen's University where I spoke on
28 "Innovations in Utility Business Models and Regulation".



Prior to joining Concentric, I was Senior Managing Director in the Corporate Economics Practice for FTI/Lexecon, and Managing Director for Arthur Andersen's Energy & Utilities Corporate Finance Practice. In those positions, I provided expert testimony and advisory services on mergers, acquisitions, divestitures and capital markets for clients in the energy industry. In addition to the foregoing positions, I was also Managing Director for Navigant Consulting, with responsibility for the firm's Financial Services practice, Director in DRI's Electric and Natural Gas practices, and Senior Economist for the Massachusetts Energy Facilities Siting Council, where I analyzed the supply plans and facilities proposals from the state's electric and gas utilities. I also served as State Energy Economist for the Maine Office of Energy Resources. I hold a B.S. in Business Administration from Georgetown University and a M.S. in Resource Economics from the University of New Hampshire. My qualifications are detailed more fully in Attachment 1.

B. Executive Summary

I have been asked to provide an estimate of the cost of capital for Newfoundland Power Inc. ("Newfoundland Power") for the purpose of establishing the return on equity ("ROE") and capital structure. In order to estimate the cost of capital, I have relied upon analytical tools and data sources normally used for such purposes before regulators in Canada and the U.S. I have also reviewed past decisions of the Newfoundland and Labrador Board of Commissioners of Public Utilities (the "Board") in consideration of such matters. The analysis provided in this report supports my overall recommendation on the cost of equity and capital structure for Newfoundland Power. That analysis includes the following:

- 1) examination of the legal and regulatory requirements for determination of a fair rate of return;
- 2) selection of Canadian, U.S. and North American proxy groups with companies comparable to Newfoundland Power with respect to business and financial risks;
- 3) estimation of the cost of common equity for the proxy group companies using the Discounted Cash Flow ("DCF") method and the Capital Asset Pricing Model ("CAPM");
- 4) examination of authorized returns on equity for other investor-owned electric utilities in Canada and the U.S.; and



5) development of a range of results for the Canadian, U.S. and North American proxy groups.

In Appendix A, I provide an assessment of the appropriateness of Newfoundland Power's proposed capital structure based on an examination of the Company's business and financial risks relative to the respective proxy groups.

As shown in Figure 1, the various ROE estimation models produce a range of results for the proxy group companies from 9.0 percent to 12.8 percent. The average of all methods is 10.1 percent. Because the utilities selected in the North American Electric Utilities proxy group are most representative of Newfoundland Power, I place greater weight on those results.

Figure 1: Summary of Results (including flotation costs)¹

	Canadian Regulated Utilities	US Electric Utilities	North American Electric Utilities	Average
CAPM	9.0%	10.4%	10.1%	9.8%
Constant Growth DCF	12.8%	9.8%	9.6%	10.7%
Multi-Stage DCF	10.3%	9.5%	9.2%	9.6%
Average	10.7%	9.9%	9.7%	10.1%

The average of all three methods for the North American proxy group is 9.7 percent, within the range of 9.2 – 10.1 percent. Based on this analysis, I believe that a reasonable estimate of Newfoundland Power's required cost of equity is 9.5 percent. This is just below the average of 9.7 percent across all three methods, centered within the North American range, and supported by all other methods and proxy groups with the exception of the Canadian CAPM. In addition, as discussed in more detail in Appendix A on capital structure, a common equity ratio of 45 percent remains reasonable, given the business risks of Newfoundland Power.

¹ DCF results are based on average 90-day stock prices for proxy group companies.



1 **C. Report Organization**

2 The remainder of the report is organized as follows: Section II discusses the legal requirements
3 and regulatory precedents for the determination of a fair rate of return; Section III provides an
4 overview of economic and financial market conditions in Canada and how those conditions affect
5 the cost of equity for Newfoundland Power. Section IV describes the selection of proxy group
6 companies to estimate the cost of equity for Newfoundland Power and discusses the precedent in
7 Canada for considering the use of U.S. data; Section V discusses the methods used to estimate the
8 cost of equity and summarizes the results of the DCF and CAPM analyses. Section VI addresses
9 the use of an automatic adjustment mechanism for future ROE determinations, and Section VII
10 summarizes my overall conclusions and recommendations. The accompanying Appendix A
11 provides an assessment of a reasonable capital structure for Newfoundland Power given the
12 business and financial risks of the Company.

13 **II. LEGAL REQUIREMENTS AND KEY REGULATORY PRECEDENTS FOR**
14 **THE DETERMINATION OF A FAIR RETURN**

15 **A. The Fair Return Standard**

16 The principles surrounding the concept of a “fair return” for a regulated company were first
17 established by the Supreme Court of Canada in *Northwestern Utilities v. City of Edmonton* (1929)
18 (“*Northwestern*”), where the Supreme Court found:

19 By a fair return is meant that the company will be allowed as large a return on
20 the capital invested in its enterprise (which will be net to the company) as it
21 would receive if it were investing the same amount in other securities
22 possessing an attractiveness, stability and certainty equal to that of the
23 company’s enterprise.²

24 United States common law regarding fair return for utility cost of capital has evolved similarly. In
25 *Bluefield Water Works & Improvement Company v. Public Service Commission of West Virginia* (262 U.S.
26 679, 693 (1923)), the Court stated:

27 The return should be reasonably sufficient to assure confidence in the financial
28 soundness of the utility and should be adequate, under efficient and

² *Northwestern*, at p. 186.



1 economical management, to maintain and support its credit and enable it to
2 raise the money necessary for the proper discharge of its public duties. A rate
3 of return may be reasonable at one time and become too high or too low by
4 changes affecting opportunities for investment, the money market and
5 business conditions generally.

6 The U.S. Supreme Court further elaborated on this requirement in its decision in *Federal Power*
7 *Commission v. Hope Natural Gas Company* (320 U.S. 591, 603 (1944)), when it described the relevant
8 criteria as follows:

9 From the investor or company point of view it is important that there be
10 enough revenue not only for operating expenses but also for the capital costs
11 of the business. These include service on the debt and dividends on the
12 stock.... By that standard the return to the equity owner should be
13 commensurate with returns on investments in other enterprises having
14 corresponding risks. That return, moreover, should be sufficient to assure
15 confidence in the financial integrity of the enterprise, so as to maintain its
16 credit and to attract capital.

17 With the passage of time, the Fair Return Standard has been interpreted many times in both
18 Canada and the U.S. For example, the National Energy Board (“NEB”) summarized its
19 interpretation of the “fair return standard” in its RH-2-2004 Phase II Decision and more recently
20 reiterated that interpretation in its *Trans Québec & Maritimes Pipelines Inc.* RH-1-2008 Decision.

21 The Board is of the view that the fair return standard can be articulated by
22 having reference to three particular requirements. Specifically, a fair or
23 reasonable return on capital should:

- 24 • be comparable to the return available from the application of the
25 invested capital to other enterprises of like risk (the comparable
26 investment standard);
- 27 • enable the financial integrity of the regulated enterprise to be
28 maintained (the financial integrity standard); and
- 29 • permit incremental capital to be attracted to the enterprise on
30 reasonable terms and conditions (the capital attraction standard).
- 31 • In the Board’s view, the determination of a fair return in accordance
32 with these enunciated standards will, when combined with other
33 aspects for the Mainline’s revenue requirement, result in tolls that are
34 just and reasonable.³

³ National Energy Board RH-2-2004 Reasons for Decision, TransCanada PipeLines Ltd, Phase II, April 2005, at p. 17.



1 All three standards must be met, and none ranks in priority to the others. To that point, the
2 Ontario Energy Board (“OEB”) articulated the legal requirements for satisfying the Fair Return
3 Standard in Canada in its 2009 Generic Cost of Capital Order as follows:

4 The Board affirms its view that the Fair Return Standard frames the discretion
5 of a regulator, by setting out the three requirements that must be satisfied by
6 the cost of capital determinations of the tribunal. Meeting the standard is not
7 optional; it is a legal requirement. Notwithstanding this obligation, the Board
8 notes that the Fair Return Standard is sufficiently broad that the regulator that
9 applies it must still use informed judgment and apply its discretion in the
10 determination of a rate regulated entity’s cost of capital.⁴

11 ***

12 ... all three standards or requirements (comparable investment, financial
13 integrity, and capital attraction) must be met and none ranks in priority to the
14 others. The Board agrees with the comments made to the effect that the cost
15 of capital must satisfy all three requirements which can be measured through
16 specific tests and that focusing on meeting the financial integrity and capital
17 attraction tests without giving adequate comparability to the comparable
18 investment test is not sufficient to meet the [Fair Return Standard].⁵

19 The Board embraces the same legal standards for the application of the fair return standard as
20 those put forth by the NEB, the OEB and those established through Canadian and U.S. common
21 law. In that regard, the Board has stated:

22 In determining a fair return, the Board is required to observe the power policy
23 of the Province as set out in the *Electrical Power Control Act, 1994, SNL 1994, c.*
24 *E-5.1*. Paragraph 3(a)(iii) states that the rates for the supply of power within
25 the Province should provide sufficient revenue to enable a utility to earn a just
26 and reasonable return so that it is able to achieve and maintain a sound credit
27 rating in the financial markets of the world.⁶

28 In 2009, the Board addressed the three elements of the fair return standard directly, writing: “To
29 be considered fair the return must be commensurate with the return on investments of similar risk
30 and sufficient to assure financial integrity and to attract necessary capital.”⁷

⁴ Ontario Energy Board, EB-2009-084, Report of the Board on the cost of Capital for Ontario’s Regulated Utilities, December 11, 2009, at i.

⁵ *Ibid*, at p. 19.

⁶ Newfoundland and Labrador Board of Commissioners of Public Utilities, Order No. P.U. 13(2013), at 12.

⁷ Newfoundland and Labrador Board of Commissioners of Public Utilities, Order No. P.U. 43(2009), at 11.



1 The assessment of whether the Fair Return Standard has been met requires an examination of the
2 required returns by investors in comparable risk enterprises. Investors must consider whether
3 there are alternative investment opportunities that would provide a better return for the same risk.
4 This weighing of alternatives and the highly competitive nature of capital markets causes stocks
5 and bonds to settle on a price that provides investors with a return that is adequate for the risks
6 involved. Thus, for any given level of risk, there is a corresponding return that investors expect
7 in order to take on that risk and not invest their money elsewhere. That return is referred to as
8 the “opportunity cost” of capital or “investor required” return.

9 In addition to setting the fair return at the “opportunity cost” of capital, a fair return must also be
10 adequate to maintain the financial integrity of the utility, which requires a return sufficient to
11 maintain credit metrics such that the utility can maintain a favorable credit rating in order to
12 minimize debt costs and provide lenders assurance that the company’s earnings are adequate to
13 meet its fixed obligations. Finally, a fair return must be sufficient to attract incremental capital on
14 reasonable terms and conditions, to the benefit of both investors and customers.

15 **B. The Stand-Alone Principle**

16 The Stand-Alone Principle provides that the utility must be regulated as if it were a stand-alone
17 entity, raising capital on the merits of its own business and financial characteristics. In this way,
18 capital may be efficiently allocated, with each business segment earning a return based on its own
19 unique set of risks and business characteristics regardless of affiliations within the holding
20 company structure. In order to establish a fair return and satisfy the Stand-Alone Principle, the
21 utility must be allowed a return sufficient to meet all three requirements of the Fair Return
22 Standard on the basis of the utility’s individual merits.

23 **C. The Relationship Between Capital Structure and ROE**

24 The cost of common equity depends in part on the company’s capital structure. The equity ratio
25 and equity rate of return must therefore be considered together to determine whether the Fair
26 Return Standard has been met. Other factors being equal, firms with lower common equity ratios
27 require higher rates of return to compensate shareholders for the additional financial risks.
28 Consequently, when a regulator approves a capital structure, that decision impacts the required



1 rate of return on common equity. Appendix A provides an assessment of the appropriate capital
2 structure for Newfoundland Power.

3 The risk to the earnings stream of the company is a function of both its business and financial
4 risk. Business risk refers to the political and regulatory environment that the company operates
5 within and the operational and competitive forces that could potentially exert pressure on earnings.
6 Financial risk refers to the amount of debt in the utility's capital structure and the extent to which
7 fixed debt obligations must be met before utility shareholders receive their returns. Both business
8 and financial risks therefore need to be considered when setting the capital structure.

9 **III. ECONOMIC AND CAPITAL MARKET CONDITIONS**

10 **A. Changes in Economic and Capital Market Conditions Since 2012**

11 Globally, economic and capital market conditions today are generally more favorable than in
12 September 2012 when the Company last filed cost of capital evidence, although the outlook is
13 somewhat mixed. In September 2012, the Canadian and U.S. economies were still recovering
14 from the global financial crisis. As of September 2015, the financial system has stabilized,
15 economic growth had resumed albeit at somewhat lower than normal levels prior to sliding into a
16 technical recession for the first two quarters of 2015, and unemployment rates have declined in
17 Canada.

18 The global economy has become increasingly interdependent. It is nearly impossible for a
19 disruption in one major economy not to have a ripple effect throughout the global economy. This
20 has been underscored by the recent weakness in the Chinese economy and its reverberations
21 throughout global economies and capital markets. Beginning from that global perspective, the
22 Bank of Canada rates the key risks to the Canadian financial system to range from "moderate" to
23 "elevated,"⁸ and projects a modest pickup in global economic growth for 2015 and 2016, as
24 investor confidence increases and consumers and businesses realize the benefits of recent
25 deleveraging, accommodative monetary policy, low oil prices and financial repair.

⁸ Bank of Canada, Financial System Review June 2015, at 3.



1 The U.S. was identified as leading the global recovery. The Bank of Canada predicts that monetary
2 policy will begin to normalize in advanced economies, and interest rates are projected to rise.
3 Financial market volatility will begin to reflect two-sided interest rate risk. The Bank of Canada
4 sees challenges to the global economic outlook arising from the repercussions of rising interest
5 rates on emerging market economies, the significant challenges faced by the Chinese economy due
6 to its sharp slow-down in economic growth, a real estate market correction and slower growth in
7 investment spending, and the impact of low oil prices on the Canadian economy. Prolonged low
8 oil prices in Canada will increase the vulnerability of the Canadian financial system to adverse
9 shocks to employment and income.⁹

10 The Bank of Canada predicts that the U.S. economic recovery will continue to strengthen despite
11 a weaker than expected start to the year, attributed to a harsh winter. The stalled growth in China
12 and the euro area may serve as a drag on the Canadian economy. The Canadian economy is
13 currently in a technical recession, with two consecutive quarters of negative GDP growth. The
14 Bank of Canada acknowledges that much of the world, including Canada and the U.S., continues
15 to be highly dependent on stimulative monetary conditions which have resulted in interest rates
16 near historic lows, equity indexes near all-time highs, and volatility in financial markets. These
17 stimulative monetary policies cause certain vulnerabilities in the Canadian financial system.¹⁰

18 The Conference Board of Canada (“Conference Board”) adopts a similar view. Economic
19 conditions in Canada are expected to weaken in 2015 as plummeting oil prices have a significant
20 negative impact on the Canadian economy. In addition to low oil prices, economic growth will
21 also be affected by weaker growth in household spending, a result of high debt levels and ongoing
22 fiscal restraint at both the national and provincial levels.¹¹ Though low oil prices provide a benefit
23 to Canadian consumers, the negative impact on the Canadian oil industry more than offset these
24 gains. Commodity prices have risen modestly from recent lows, but remain well below levels of
25 a year ago. Weak oil prices and the weaker-than-expected U.S. recovery in the first quarter of
26 2015 led to a contraction in the Canadian economy in the beginning of 2015.

⁹ *Ibid*, at 1-3.

¹⁰ *Ibid*.

¹¹ The Conference Board of Canada, “Provincial Outlook 2015, Long-Term Economic Forecast,” April 2015, at i.



1 The Bank of Canada projects the Canadian economy will continue to strengthen despite lower oil
2 prices due to the anticipated strengthening of the U.S. economy and supportive financial
3 conditions.¹² The U.S. continues its economic recovery at a steady, but uneven pace. Based on
4 recently revised data, U.S. GDP growth for Q1 2015 was 0.6 percent, and rebounded in Q2 2015
5 to an annual rate of 3.7 percent. With consumer confidence reaching the highest point in the last
6 five years, the U.S. economy is on track to continue its strengthening trend with expectations of 3
7 percent real GDP growth for 2015 and 2016.¹³ U.S. consumer spending has benefited from a
8 drop in fuel prices, with the price of West Texas Intermediate now in the mid \$40/barrel range,
9 after dropping from over \$100/barrel. The U.S. economic recovery is also fueled by an improving
10 job market, with unemployment rates dropping to 5.3 percent in August 2015, and projected to
11 continue to decline in to 5.0 percent in 2016.¹⁴ The strong U.S. dollar and a European economic
12 downturn may negatively affect U.S. exports, but the loss from declining exports has thus far been
13 more than offset by the savings on oil imports due to lower oil prices.

14 As shown in Figure 2, the 30-day average yields on 10- and 30-year long-term Canadian
15 government bonds were 1.49 percent and 2.24 percent, respectively, in August 2015 compared to
16 levels of 1.74 percent and 2.33 percent in June 2012. Despite an uptick in the second half of 2012
17 and the first half of 2013, bond yields remain near all-time lows and reflect the prolonged period
18 of accommodative monetary policy in Canada and the U.S. following the financial crisis. The
19 Bank of Canada surprised investors in both January and July 2015 when it cut short-term interest
20 rates by 0.25 percent each time, citing concerns about the Canadian economy due to the rapid
21 drop in oil prices and weak exports. Although the Canadian economy is currently in a technical
22 recession, the Bank of Canada projects a return to economic growth in the third quarter of 2015,
23 led by improvement in the non-resources sectors of the economy. According to Blue Chip
24 Financial Forecast, almost 96 percent of panelists surveyed expect the U.S. Federal Reserve to
25 begin raising short-term interest rates before the end of 2015.¹⁵ These plans, however, may be

¹² Bank of Canada, Financial System Review, June 2015, at 5.

¹³ *Ibid.*

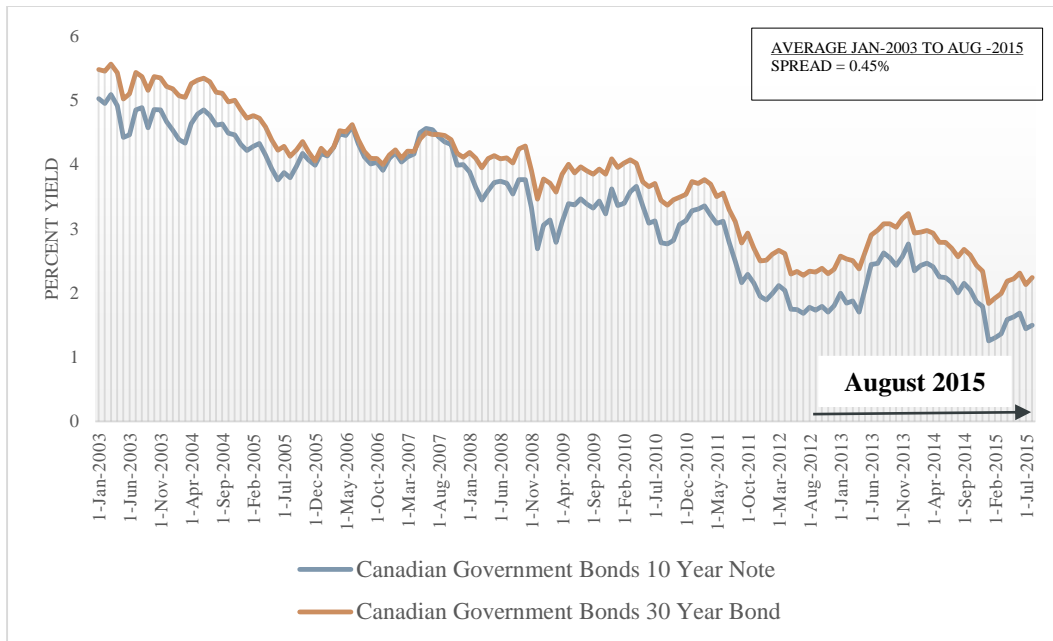
¹⁴ *Ibid.*

¹⁵ Blue Chip Financial Forecast, Volume 34, Issue No. 9, September 1, 2015, at 14.



tempered by the recent disruptions in global stock markets amid uncertainty regarding the impacts of a slowdown in the Chinese economy.

Figure 2: Canadian Government Bond Yields, 10-Year and 30-Year

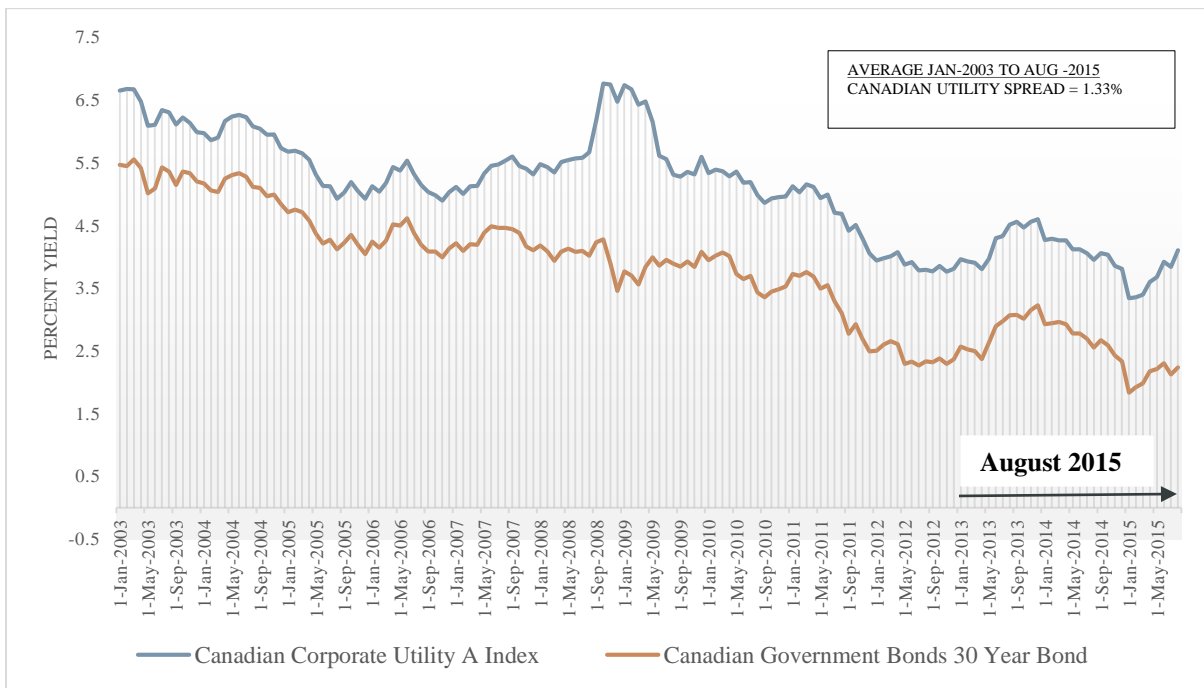


Source: Bloomberg series C29530Y

Despite lower government bond yields, yields on corporate bonds and credit spreads have actually moved up from June 2012. As Figure 3 shows, the Canadian Utility A-rated bond index yield increased from 3.92 percent in June 2012 to 4.10 percent in August 2015. Figure 4 shows that the Canadian Utility A-rated spread was 1.59 percent in June 2012 versus 1.87 percent in August 2015, or an increase of 28 basis points, suggesting that corporate and utility risk have not declined since 2012 in the eyes of debt investors, but have actually widened over the past several months.

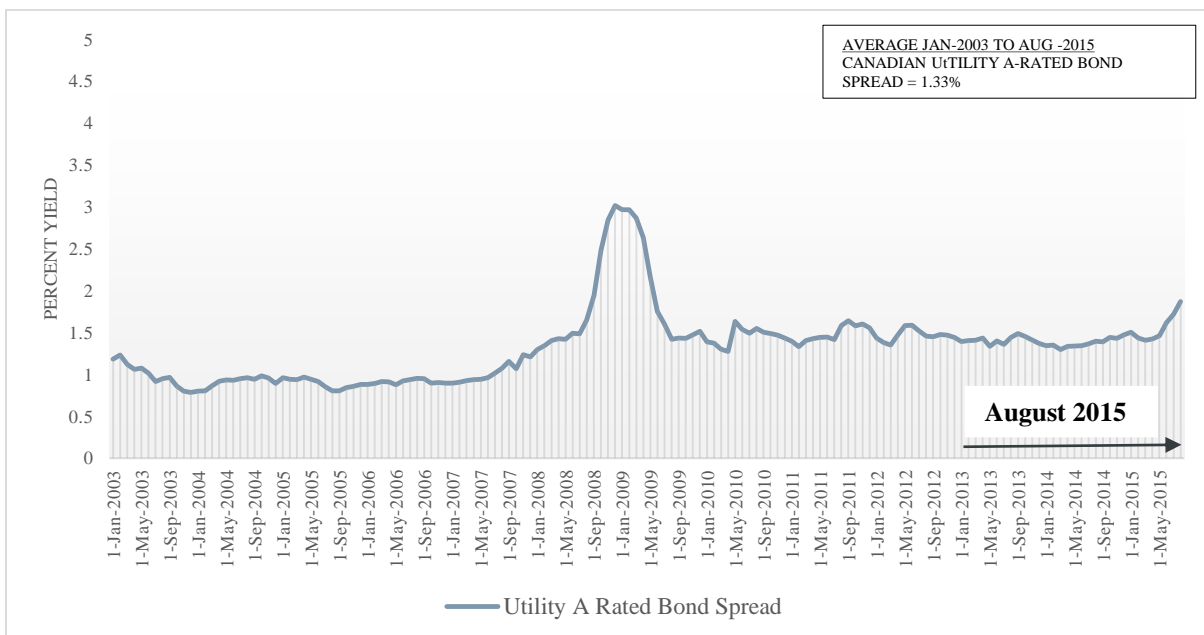


Figure 3: Canadian Utility A-Rated Bond vs. 30-Year Canada Long Bond



Source: Bloomberg series C29530Y

Figure 4: Canadian Utility A-Rated Bond Spread vs. 30-Year Canada Long Bond



Source: Bloomberg series C29530Y



1 Conditions in the Canadian equity market have also evolved since 2012, as the prolonged period
2 of low interest rates has encouraged investors to move out of low yielding investments such as
3 government bonds into higher return investments such as equities. This has caused valuation
4 levels of Canadian stocks (as measured by the Price/Earnings ratio) to increase over the past five
5 years, as share prices have risen faster than earnings. The same phenomenon has occurred among
6 shares of regulated utility companies, with valuations for these companies at elevated levels
7 compared to historical norms as investors seek out the dividend yields that utilities offer.

8 Overall, capital market conditions in Canada and the U.S. have generally improved since June
9 2012. Equity valuations have increased in this low interest rate environment. However, investor
10 expectations call for tighter monetary policy in the upcoming year, leading to higher interest rates
11 in both the U.S. and Canada. Corporate and utility debt costs have already moved modestly
12 higher. Recent volatility in equity markets is a reminder that global forces are at play in the
13 Canadian and U.S. economies that can cause unanticipated market disruptions.

14 **B. Integration of Canadian and U.S. Capital Markets**

15 In a world of increasingly linked economies and capital markets, investors seek returns from a
16 global basket of investment options, and they distinguish between risks on a country-to-country
17 basis, factoring in the comparability of the economies and the business environments. Country-
18 specific economic and business conditions that affect investment risk may be measured through
19 a variety of qualitative and quantitative metrics.

20 As shown in Exhibit JMC-1, the correlation between real GDP growth rates in Canada and the
21 U.S. has been strong, as has the correlation between the consumer price indices for each country,
22 indicating that these metrics have tended to move together over time. Over the 25-year period,
23 real GDP growth has been 2.29 percent in Canada and 2.41 percent in the U.S., while consumer
24 inflation has been 2.08 percent in Canada and 2.63 percent in the U.S. Unemployment rates over
25 the 25 year period have averaged higher in Canada (e.g., 7.40 percent in Canada vs. 6.12 percent
26 in the U.S. since 1990), but that trend reversed in 2008 when U.S. unemployment exceeded that
27 in Canada. The U.S. was harder hit and initially slower to recover from the recent recession than
28 its Canadian neighbors, but the U.S. continues its economic recovery, the gap in unemployment



1 rates between the two countries has closed, and current U.S. unemployment of 5.3 percent is now
2 lower than that in Canada.

3 The average yield on 10-year government bonds has also been very similar in Canada and the U.S.
4 Over the past decade, the average yield on 10-year Canadian government bonds was 3.17 percent,
5 compared to 3.33 percent in the U.S. The 5-year averages for the Canadian and U.S. 10-year
6 government bond yields are very close at 2.46 percent for Canada and 2.54 percent for the U.S.
7 The average yield on 10-year government bonds for 2014 was 2.23 percent in Canada and 2.53
8 percent in the U.S. The correlation between average yields on 10-year government bonds in
9 Canada and the U.S. since 1990 has been very strong at 0.97, the highest of all macroeconomic
10 indicators compared. Correlations of this degree are reflective of closely integrated financial
11 markets.

12 The magnitude and significance of trade between the two countries reflects the high degree of
13 integration between the two economies. In 2014, in terms of trade in goods, 76.8 percent of
14 Canada's total exports went to the U.S., and imports from the U.S. accounted for 54.3 percent of
15 Canada's total imports.¹⁶ According to a report by the Congressional Research Service ("CRS"),
16 Canada is the largest single-nation trading partner of the U.S. The CRS observes:

17 That the United States and Canada trade substantial volumes of the same
18 goods bespeaks the economic integration of the two economies. This
19 integration has been assisted by trade liberalization over the past 40 years,
20 beginning with the Automotive Agreement of 1965 (which eliminated tariffs
21 on shipments of autos and auto parts between the two countries), through the
22 Canada-U.S. Free Trade Agreement of 1989, and NAFTA [the North
23 American Free Trade Agreement of 1994].¹⁷

24 The recently announced Trans-Pacific Partnership is expected to further expand Canadian-U.S.
25 trade with the other members of the 12-nation group. Of this group, Canada is the largest trade
26 partner of the U.S. at \$685 billion, with only Mexico at \$534 billion near this level of combined
27 import/export trade.¹⁸

¹⁶ Source: Trade Data Online – Canadian Trade Industry, Industry Canada.

¹⁷ Ian F. Fergusson, "United States – Canada Trade and Economic Relationship: Prospects and Challenges," Congressional Research Service, September 14, 2011, at 3.

¹⁸ The New York Times, October 6, 2015.



On balance, the economic and business environments of Canada and the U.S. are highly integrated and exhibit strong correlation across a variety of metrics, including GDP growth and government bond yields. Based on these macroeconomic indicators, there are no fundamental dissimilarities between Canada and the U.S. (*i.e.*, in terms of economic growth, inflation, unemployment, or government bond yields) that would cause a reasonable investor to have materially different return expectations for a group of comparably situated utilities in the two countries.

IV. SELECTION OF PROXY COMPANIES

Since the ROE is a market-based concept, and given the fact that Newfoundland Power is not publicly-traded, it is necessary to establish a group of companies that are both publicly-traded and comparable to Newfoundland Power's business and financial characteristics to serve as its "proxy" for purposes of the ROE estimation process. Even if Newfoundland Power's regulated electric utility operations made up the entirety of a publicly traded entity, transitory events could bias that entity's market value in one way or another over a given period of time. A significant benefit of using a proxy group is that it provides the ability to mitigate the effects of anomalous events that may be associated with any one company. The proxy companies used in my ROE analyses possess a set of business and financial characteristics that are similar to Newfoundland Power's regulated electric utility operations, and thus provide a reasonable basis for the derivation and assessment of ROE and capital structure estimates.

I developed three proxy groups for the ROE analysis. The first proxy group is comprised of publicly traded, regulated Canadian electric and natural gas utility companies. Recognizing there are few publicly traded companies in the utility sector in Canada, the only screening criterion was an investment grade credit rating, which all companies in the sector have. Fortis, Inc. has been excluded from the Canadian Utility proxy group because it is the parent company of Newfoundland Power. Further, TransCanada has been excluded from the Canadian Utility proxy group due to the risk profile of the TransCanada Mainline, which arguably presents more risk than electric utility operations. The following four companies comprise the Canadian Utility Proxy Group:



Figure 5: Canadian Utility Proxy Group

Company	Ticker
Canadian Utilities Limited	CU
Emera, Inc.	EMA
Enbridge, Inc.	ENB
Valener	VNR

The second proxy group is comprised of U.S. electric utility companies that would be considered by investors as generally comparable in risk to Newfoundland Power. To obtain companies of like-risk, I performed a number of screens to develop a group of companies that is primarily engaged in the provision of regulated electric utility service. Starting with the 46 companies Value Line classifies as Electric Utilities, I further screened for companies that meet the following criteria:

- 1) Credit ratings of at least BBB+ from S&P or Baa1 from Moody's;
- 2) Consistently pay quarterly cash dividends;
- 3) Positive earnings growth rate projections from at least two sources;
- 4) At least 70 percent of their operating income derived from regulated operations in the period from 2012-2014;
- 5) At least 90 percent of their regulated operating income derived from electric utility service in the period from 2012-2014; and
- 6) Not involved in a merger or other significant transformative transaction during the evaluation period.

I also considered whether each company that passed the screening criteria was, in fact, generally comparable to Newfoundland Power in terms of business and financial risk. On that basis, two additional companies were excluded: Edison International and ITC Holdings Corp.



The following seven U.S. electric utility companies met the screening criteria:

Figure 6: U.S. Electric Proxy Group

Company	Ticker
ALLETE, Inc.	ALE
Duke Energy Corporation	DUK
Eversource Energy	EV
Great Plains Energy Inc.	GXP
OGE Energy Corporation	OGE
Pinnacle West Capital Corp.	PNW
Westar Energy, Inc.	WR

The third proxy group is comprised of all seven U.S. electric utilities in Figure 6 plus the two Canadian investor-owned utilities that are primarily engaged in the provision of electricity (i.e., Canadian Utilities Limited and Emera). This group is referred to as the North American Electric proxy group.

Figure 7: North American Electric Proxy Group

Company	Ticker
ALLETE, Inc.	ALE
Canadian Utilities Limited	CU
Duke Energy Corporation	DUK
Emera, Inc.	EMA
Eversource Energy	EV
Great Plains Energy Inc.	GXP
OGE Energy Corporation	OGE
Pinnacle West Capital Corp.	PNW
Westar Energy, Inc.	WR

Profiles of each Canadian and U.S. proxy group company are provided in Exhibit JMC-2.



1 **A. Use of U.S. Data and Proxy Groups**

2 Canadian regulators have accepted the use of U.S. data and proxy groups to estimate the allowed
3 ROE for Canadian regulated utilities. The development of a proxy group comprised entirely of
4 Canadian electric utilities is compromised by the small number of publicly traded utilities in
5 Canada and the fact that many of those Canadian companies derive a significant percentage of
6 revenues and net income from operations other than regulated electric utility service. This
7 problem has been exacerbated by the continuing trend toward mergers and acquisitions in the
8 utility industry, both within Canada and across the border with U.S. utility companies.

9 The British Columbia Utilities Commission (“BCUC”), for example, has accepted the use of U.S.
10 proxy group data in Canadian ROE analysis, primarily due to the lack of sufficient Canadian data,
11 but also in recognition of the need for Canadian utilities to compete for capital in a global
12 marketplace.¹⁹ In 2013, the BCUC reaffirmed its position on the use of U.S. data.²⁰ Similarly, the
13 NEB, the OEB and the Régie de L’Energie (Quebec) have also accepted the use of U.S. data and
14 proxy groups for purposes of establishing the allowed ROE and common equity ratio for
15 Canadian electric and gas utilities.²¹ In its most recent rate decision for Newfoundland Power, the
16 Board weighed the results of both U.S. and Canadian data in its cost of capital determination.²²

17 In summary, multiple regulatory authorities in Canada have recognized that Canadian utility
18 companies are competing for capital in global financial markets and that Canadian data are limited
19 by the small number of publicly traded utilities. Regulators have also recognized the integrated
20 nature of Canadian and U.S. financial markets, and the similarity of the utility regulatory regimes.

¹⁹ British Columbia Utilities Commission, In the Matter of Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc., Terasen Gas (Whistler) Inc., Return on Equity and Capital Structure, Decision G-158-09, December 16, 2009, at 15-16.

²⁰ British Columbia Utilities Commission, Generic Cost of Capital Proceeding (Stage 1), Decision May 10, 2013, at 19.

²¹ National Energy Board, Reasons for Decision, TQM RH-1-2008 (March 2009), at 66-72; Ontario Energy Board, EB-2009-0084, Report of the Board on the Cost of Capital for Ontario’s Regulated Utilities, December 11, 2009, at 23; and English translation of Régie de l’Energie, Decision 2009-156 (R-3690-2009), Gaz Metro, December 7, 2009, at paragraph [249].

²² Op. cit., Order No. P.U. 13(2013), at 33-34.



V. METHODS FOR ESTIMATING THE COST OF EQUITY

A. Financial Models to Estimate the Cost of Equity

Analysts use multiple approaches to estimate the cost of common equity. The required ROE can be estimated using one or more analytical techniques that rely on market-based data to quantify investor expectations regarding required equity returns, adjusted for certain incremental costs and risks. Quantitative models produce a range of results from which the market-required ROE is determined. A consideration in determining the cost of equity is to ensure that the methodologies employed reasonably reflect investors' forward views of financial markets in general, and the subject company (in the context of the proxy group) in particular.

No financial model can exactly pinpoint the correct return on equity; rather, each test brings its own perspective and set of inputs that inform the estimate of the ROE. Consistent with the *Hope* standard, it is "the result reached, not the method employed, which is controlling."²³ Although each model brings a different perspective and adds depth to the analysis, each model also has its own inherent weaknesses and should not be relied upon individually without corroboration from other approaches. Regardless of which analyses are used to estimate the investor's required ROE, the analyst must apply informed judgment to assess the reasonableness of results and to determine the appropriate weighting to apply to results under prevailing capital market conditions.

The Board has acknowledged the need to use multiple methodologies in determining a fair return on equity for Newfoundland Power, stating: "The Board accepts the evidence of the experts that there are challenges with each of the methodologies which can be exacerbated in certain financial and economic conditions."²⁴ The Board has also recognized that "other regulators are moving away from sole reliance on the capital asset pricing model," and concluded that given the current financial and economic conditions a simple application of the capital asset pricing model cannot be relied upon to produce a fair return for Newfoundland Power" due to concerns about the "abnormally low long-term Canada bond yields."²⁵ For these reasons, in the 2013 Order,²⁶ the

²³ See *Hope Natural Gas v. Federal Power Commission*.

²⁴ Op. cit., Order No. P.U. 13(2013), at 20.

²⁵ *Ibid.*

²⁶ *Ibid.*



Board decided that it would “look to the other evidence in relation to a fair return for Newfoundland Power and in particular the results of other models.”

1. Discounted Cash Flow (“DCF”) Model

The premise underlying the DCF model is that investors value a given investment according to the present value of its expected cash flows over time. The standard DCF model is shown in Formula [1]:

$$P = \frac{D_0(1+g)^1}{(1+r)^1} + \frac{D_1(1+g)^2}{(1+r)^2} + \dots + \frac{D_{n-1}(1+g)^n}{(1+r)^n} \quad [1]$$

where:

P = the current stock price

g = the dividend growth rate

D_n = the dividend in year n

r = the cost of common equity.

Assuming a constant growth rate in dividends, the model may be rearranged to compute the ROE, as shown in Formula [2]:

$$r = \frac{D}{P} + g \quad [2]$$

Stated otherwise, the cost of common equity is equal to the dividend yield plus the expected dividend growth rate.

a. Constant Growth DCF Model Assumptions

The Constant Growth DCF model requires the following assumptions: (1) a constant average growth rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a constant price-to-earnings multiple; and (4) a discount rate greater than the expected growth rate. As discussed later in the report, other forms of the DCF model do not rely on the assumption of constant growth in perpetuity.



1 **b. Dividend Yield**

2 As shown in equation [3], the dividend yield component of the DCF model is calculated as follows:

$$[3] \quad Y = \frac{D_0(1+0.5g)^1}{P_0}$$

3 One half year's growth rate is applied to the annual dividend rate to account for increases in
4 quarterly dividends at different times throughout the year. It is reasonable to assume that dividend
5 increases will be evenly distributed over calendar quarters. This adjustment ensures that the
6 expected dividend yield is, on average, representative of the coming twelve-month period and does
7 not overstate the aggregated dividends to be paid during that time.

8 The dividend yields were calculated for each company in the respective proxy groups by dividing
9 the current annualized dividend by the average stock price for each company for the 90-trading
10 days ended July 31, 2015. Those dividend yields are multiplied by one-half the growth rate to
11 reflect expected future dividend increases.

12 **c. Growth Rate Estimates**

13 In considering the appropriate growth rate for the DCF model, the most relied upon indicator of
14 investors' expectations is analysts' estimates of future earnings growth. I have relied on earnings
15 growth estimates from SNL Financial, Value Line, Zacks and Thomson First Call for the
16 companies in the respective proxy groups. Those growth rates are shown on Exhibit JMC-3.

17 Investors typically rely on projected earnings growth rates rather than dividend growth rates for
18 several reasons. First, although the DCF model is based on dividend growth rates, a company's
19 dividend growth is derived from and can only be sustained by earnings growth. Second, in order
20 to reduce the long-term growth rate to a single measure, as required in the Constant Growth DCF
21 model, it is necessary to assume a constant payout ratio, and that earnings per share, dividends per
22 share and book value per share grow at a constant rate. Third, earnings growth rates are less
23 influenced by dividend decisions that companies may make in response to near-term changes in



1 the business environment. Finally, analysts' forecasts of earnings growth are widely available,
2 whereas dividend and book value growth rates are generally available only from Value Line.²⁷

3 Some utility regulators have expressed concern that analyst's earnings growth rates may be overly
4 optimistic. If optimism bias were present in analysts' earnings forecasts, it could create an upward
5 bias in the estimated cost of capital that results from the DCF approach. However, several changes
6 have been implemented by financial regulators that are designed to provide fair disclosure and to
7 reduce or eliminate the possibility of analysts' bias. For example, on August 15, 2000, the U.S.
8 Securities and Exchange Commission ("SEC") adopted Regulation FD to address the selective
9 disclosure of information by publicly traded companies. Regulation FD provides that when an
10 issuer discloses material nonpublic information, the issuer must publicly disclose that information
11 to all investors at the same time. In this way, the rule aims to promote full and fair disclosure.

12 Also, in 2002 the SEC, the New York Stock Exchange, the New York Attorney General, and
13 other state regulators introduced guidelines regarding the interaction between analysts and
14 investment banks that became known as the "Global Settlement." The Global Settlement outlined
15 several structural reforms that limit the interaction between analysts and investment banks, thus
16 removing any incentive for analysts to produce upwardly biased growth forecasts.

17 In Canada, regulators took a parallel set of actions, with Policy 11 as the core framework. On
18 April 12, 2001, the Securities Industry Committee on Analyst Standards released a draft report
19 containing recommendations aimed at improving the independence of research and ensuring the
20 professional practice of Canadian securities industry analysts. The Investment Dealers
21 Association ("IDA") published the initial proposed Policy 11 on July 5, 2002, a revised version on
22 April 25, 2003, and a summary of comments on August 8, 2003. Policy 11 requires more
23 disclosures from analysts and independence of research departments. Also, in a letter dated
24 August 15, 2002, the Ontario Securities Commission ("OSC") requested information from
25 financial institutions about current practices to address conflicts of interest relating to equity

²⁷ Value Line is the only publication of which I am aware that projects dividend and book value growth rates. Those estimates represent the Value Line analyst's perspective on dividend and book value growth. In contrast, many of the earnings growth rates that are publicly available are consensus estimates with contributions provided by several analysts.



analysts. Accordingly, in September 2002, most financial institutions had adjusted their practice and replied to OSC.

A 2010 article in Financial Analyst Journal found that analyst forecast bias had declined significantly or disappeared entirely since the Global Settlement:

Introduced in 2002, the Global Settlement and related regulations had an even bigger impact than Reg FD on analyst behavior. After the Global Settlement, the mean forecast bias declined significantly, whereas the median forecast bias essentially disappeared. Although disentangling the impact of the Global Settlement from that of related rules and regulations aimed at mitigating analysts' conflicts of interest is impossible, forecast bias clearly declined around the time the Global Settlement was announced. These results suggest that the recent efforts of regulators have helped neutralize analysts' conflicts of interest.²⁸

2. Multi-Stage DCF Model

In order to address some of the limiting assumptions underlying the Constant Growth form of the DCF model, I also considered the results of a multi-period (three-stage) DCF Model. The Multi-stage DCF model tempers the assumption of constant growth in perpetuity with a three-stage approach based on near-term, transitional and long-term growth rates.

The Multi-stage DCF model transitions from near-term growth (i.e. the average of Value Line, Zacks, SNL Financial and First Call forecasts used in the Constant Growth model) for the first stage (years 1-5) to the long-term forecast of nominal GDP growth for the third stage (year 11 and beyond). The second, or transitional, stage connects near-term growth with long-term growth by changing the growth rate each year on a pro rata basis. In the terminal stage, the dividend cash flow then grows in perpetuity at the same rate as nominal GDP (or a total of 200 years). The return on equity is the internal rate of return based on the current price and this stream of dividend payments.

²⁸ Armen Hovakimian and Ekkachai Saenyasiri, *Conflicts of Interest and Analyst Behavior: Evidence from Recent Changes in Regulation*, Financial Analysts Journal, Volume 66, Number 4, July/August 2010, at p. 105.



a. Long-Term Growth Rate

Nominal GDP growth rates for both proxy groups were developed using data for each country as reported by Consensus Economics, Inc. for the period from 2021-2025. These forecasts are based on real (constant dollar) growth rates and estimates for inflation. The inflation estimate was applied to the estimate of real GDP growth to develop the nominal (post-inflation) GDP growth rate. The estimates of nominal GDP growth are summarized below:

Figure 8: Estimates of Nominal GDP Growth ²⁹

Source	Canada	U.S.
Real GDP Growth	1.9%	2.3%
Inflation	2.0%	2.2%
Nominal GDP Growth	3.94%	4.55%

3. DCF Results

The DCF results are shown in Figure 9 and in Exhibits JMC-3 and JMC-4. As shown in Figure 9, the DCF analyses produce an average cost of common equity of 11.55 percent for the Canadian Utility proxy group, 9.61 percent for the U.S. Electric proxy group, and 9.44 percent of the North American Electric Utility proxy group, including an adjustment for flotation costs and financial flexibility.

²⁹ Consensus Forecasts, for 2021-2025, April 13, 2015, at 3 (U.S.) and 28 (Canada).



Figure 9: DCF Results (including flotation costs)

DCF Model			
Market Averaging Period	Constant Growth	Multi-Stage	Average
Canadian Utility Proxy Group			
90-day	12.84%	10.26%	11.55%
U.S. Electric Utility Proxy Group			
90-day	9.77%	9.45%	9.61%
North American Electric Utility Proxy Group			
90-day	9.64%	9.24%	9.44%

The Board has previously found that Canadian utility data is inadequate to complete a DCF analysis, and that it may be informative to look to data from the U.S. The Board, however, also determined that an adjustment of 50 to 100 basis points was appropriate at the time due to concerns with the comparability of U.S. utility companies to Newfoundland Power.³⁰ I do not believe that any adjustment to the DCF results for the U.S. proxy group is necessary in this proceeding. As discussed in more detail in Appendix A on Capital Structure, the U.S. electric utility proxy group is more comparable to Newfoundland Power than the Canadian utility proxy group companies, many of which have significant non-electric operations and unregulated operations. Conversely, the U.S. electric utility proxy group is comprised of companies that derive almost 100 percent of net operating income and operating revenues from electric utility operations, and dedicate almost 100 percent of assets to regulated electric utility service. For that reason, I have not adjusted the DCF results for the U.S. electric utility proxy group, or the North American proxy group.

³⁰ Op. cit., Order No. P.U. 13(2013), at 31.



4. **Capital Asset Pricing Model (“CAPM”)**

The CAPM method is based on the relationship between the required return of a security and the systematic risk of that security. As shown in Equation [4], the CAPM is defined by four components, each of which must be a forward-looking estimate:

$$[4] \quad K_e = r_f + \beta(r_m - r_f)$$

where:

K_e = the required ROE for a given security;

β = Beta of an individual security;

r_f = the risk-free rate of return; and

r_m = the required return for the market as a whole.

The term $(r_m - r_f)$ represents the Market Risk Premium (“MRP”). According to the theory underlying the CAPM, since unsystematic risk can be diversified away, investors should be concerned only with systematic or non-diversifiable risk. Non-diversifiable risk is measured by Beta, which is defined as:

$$[5] \quad \beta = \frac{\text{Covariance}(r_e, r_m)}{\text{Variance}(r_m)}$$

where:

r_e = the rate of return for the individual security or portfolio.

The variance of the market return, noted in Equation [5], is a measure of the variability in the general market, and the covariance between the return on a specific security and the market reflects the extent to which the return on that security will respond to a given change in the market return. Thus, Beta represents the risk of the security relative to the market.

a. **Risk Free Rate**

Current bond yields remain near historical lows; consequently, adjustments are necessary to better reflect forward-looking circumstances. Use of forecast bond yields, as opposed to the current risk



free rate, reflects the current market reality that while bond yields remain near all-time lows, investors are factoring higher interest rates into their longer-term expectations and required returns.

My CAPM analysis relies on the 2016 through 2018 average *Consensus Economics* forecast of the Canadian 10-year government bond (shown in Figure 10) plus the historical spread between 10-year and 30-year government debt.

Figure 10: Long-term Forecast for 10-Year Government Bond Yields 2016-2018³¹

	2016	2017	2018	Average
Canada	2.1	3.2	3.6	2.97
U.S.	2.8	3.9	4.1	3.60

With an average spread between 10-year and 30-year Government bond yields of 71 basis points in Canada and 69 basis points in the U.S.,³² the corresponding longer-term yield on 30-year government bonds over the period 2016 – 2018 is shown in Figure 11.

Figure 11: Risk Free Rate

30-Year Risk Free Yield	Canada	U.S.
April 2015 Consensus Forecast Average 2016-2018 Forecasts	2.97%	3.60%
Average Daily Spread between 10-year and 30-year government bonds (August 2015)	0.71%	0.69%
Sum	3.68%	4.29%

b. Beta

I have employed several methods of measuring the Beta coefficient for the Canadian and U.S. proxy groups using estimates from both Value Line and Bloomberg.³³ Value Line publishes the

³¹ Consensus Forecasts by Consensus Economics Inc., Survey Date April 30, 2015, at 28 and 3.

³² Historical spreads were calculated using daily bond yields from August 1, 2015 through August 31, 2015.

³³ I have used Bloomberg betas for the Canadian proxy group and both Value Line and Bloomberg betas for the U.S.



historical Beta for each company based on five years of weekly stock returns and uses the New York Stock Exchange as the market index.³⁴ Bloomberg produces Beta estimates based on parameters entered by the user. I have computed Bloomberg betas based on five years of weekly stock returns and use the S&P 500 or the S&P/TSX Composite as the market index. Both Value Line and Bloomberg report adjusted betas to compensate for the tendency of beta to revert towards the market average of 1.0 over time. The betas used in my CAPM analyses are shown in Figure 12.

Figure 12: Value Line and Bloomberg Betas

	Value Line	Bloomberg
Canadian Group	N/A	0.64
U.S. Electric Utility Group	0.76	0.70
North American Electric Group	0.76	0.69

There are two primary reasons to adjust raw betas. First, numerous empirical studies have provided evidence that an individual company beta is more likely than not to move toward the market average of 1.0 over time. Second, adjusting beta serves a statistical purpose. Because betas are statistically estimated and have associated error terms, betas that are greater than 1.0 tend to have positive estimated errors and thus tend to overestimate future returns. Betas that are below the market average of 1.0 tend to have negative error terms and underestimate future returns. Consequently, it is necessary to adjust forecasted betas toward 1.0 in an effort to improve forecasts.³⁵ Because current stock prices reflect expected risk, one must use an expected beta to appropriately reflect investors' expectations. A raw beta reflects only where the stock price has been relative to the market historically and is an inferior proxy for the expected returns when compared to the adjusted beta.

The betas I have used in my analysis are supported by the Brattle study conducted for the BCUC on cost of capital methodologies.

proxy group.

³⁴ http://www.valueline.com/sup_glossb.html.

³⁵ Roger A. Morin, *New Regulatory Finance*, at p. 74.



Beta estimates are provided by many data services for Canadian, American and other traded companies. The most common methodology to estimate betas is to use the most recent five years of weekly or monthly return data. These betas may then be adjusted towards one as an adjustment for sampling reversion that was first identified by Professor Marshall Blume (1971, 1975).³⁶

c. Market Risk Premium (MRP)

Estimates of the MRP generally fall into two categories, *ex-post* (historical arithmetic average) and *ex-ante* (forward looking). The historical MRP is based on the arithmetic mean of the equity market returns over the income only return on long-term government bonds, based on data from Morningstar and Duff & Phelps. The forward-looking MRP is calculated by subtracting the risk-free rate for each country from the estimated total return for the overall market, as calculated using the DCF methodology for the S&P/TSX Composite Index in Canada and the S&P 500 Index in the U.S.

Because the U.S. and Canadian economies are highly integrated and capital flows freely across the border, the risk premiums for each country are highly correlated. Accordingly, it is reasonable to derive a single forward-looking estimate. Figure 13 provides the historical and forward-looking MRP for Canada and the U.S. Exhibits JMC-5 and JMC-6 show the derivation of the forward-looking MRP for Canada and the U.S.

Figure 13: Market Risk Premia – Canada and U.S.

	Canadian MRP	U.S. MRP
Historical	5.6%	7.0%
Forward-Looking	9.8%	8.1%
Average	7.6%	

As shown in Figure 13, forward-looking MRPs currently are greater than historical MRPs, reflecting the fact that the historical MRP is based on much higher government bond yields than

³⁶ The Brattle Group (May 31, 2012) – Survey of Cost of Capital Practices in Canada, at 15.



1 are available in the current low interest rate environment. There is an inverse relationship between
2 interest rates and the MRP, meaning that as interest rates increase (decrease), the MRP decreases
3 (increases). Historic MRPs would therefore underestimate MRPs in the current low bond yield
4 environment.

5 Another way to illustrate this point is by analyzing the historic relationship between the equity risk
6 premium and bond yields. I have separately examined these MRP estimates by conducting a
7 regression analysis on bond yields and annual market risk premiums calculated by Morningstar
8 Ibbotson through 2011 and by Duff & Phelps thereafter. As shown in Exhibit JMC-7, I have
9 isolated the effects of the global financial crisis in 2008 as an anomalous event that did not align
10 with the normal relationship between government bond yields and market risk premiums. I have
11 set this period aside by assigning a dummy variable to it. My analysis yielded a statistically
12 significant value at the 95 percent confidence for the Y-intercept and also the dummy variable for
13 the global financial crisis. However, the coefficient for the 30-year bond yield had a slightly weaker
14 confidence at roughly 80 percent, but in my opinion is still informative for the relationship
15 between bond yields and market risk premiums. Using the 30-year Canadian bond yield forecast
16 from Figure 11 of 3.68 percent, the regression formula produced by my analysis yields a market
17 risk premium of 10.09 percent. Accordingly, my estimate of the forward-looking market risk
18 premium is reasonable and is more reflective of the current low interest rate environment than the
19 long term historical average. I have nonetheless used the more conservative average of both
20 historic and forward looking MRP's in my analysis.



5. CAPM Results

The results of the CAPM analysis, including flotation costs, are provided in Figure 14 and in Exhibit JMC-8.

Figure 14: CAPM Results (including flotation costs)

	Mean Result
Canadian Utilities	9.04%
U.S. Electric Utilities	10.37%
North American Utilities	10.12%

6. Flotation Costs and Financing Flexibility

It is common practice for Canadian regulators to allow an adjustment for flotation costs and financing flexibility. The Board has previously determined that it is appropriate to add an allowance for financing flexibility of 0.50 percent to the allowed equity return.³⁷ The adjustment for flotation costs and financial flexibility compensates the equity holder for the costs associated with the sale of new issues of common equity. These costs include out-of-pocket expenditures for the preparation, filing, underwriting and other costs of issuance of common equity including the costs of financial flexibility such that there is adequate cushion to raise equity in challenging capital market conditions. Because the purpose of the allowed rate of return in a regulatory proceeding is to estimate the cost of capital the regulated company would incur to raise money in the “primary” markets, an estimate of the returns required by investors in the “secondary” markets must be adjusted for flotation costs in order to provide an estimate of the cost of capital that the regulated company requires. I have adjusted the DCF and CAPM results upwards by 50 basis points for flotation costs and financing flexibility.

³⁷ *Ibid*, at 21.



7. Comparison to Other Authorized ROEs

Regulators also consider authorized ROEs and common equity ratios for other investor-owned electric utilities in Canada and the U.S when setting allowed returns. Given the “opportunity cost” concept underlying a fair return, this is appropriate, as an investor would shift capital to a higher return for the same level of risk, if available. As shown in Figure 15, the average allowed ROE for Canadian investor-owned electric utilities in 2015 is approximately 8.97 percent, while in the U.S., the average allowed ROE for electric utilities in 2014 and 2015 has been 9.71 percent.

Figure 15: Allowed ROEs

	Allowed ROE
Newfoundland Power (proposed)	9.50%
Canadian Electric Utilities	
Nova Scotia Power	9.00%
Maritime Electric Company Ltd	9.75%
FortisOntario Inc.	9.30%
ATCO Electric Distribution	8.30%
FortisAlberta Inc.	8.30%
FortisBC Inc.	9.15%
Average	8.97%
U.S. Utilities³⁸	
Electric Utilities	9.71%

VI. AUTOMATIC ADJUSTMENT MECHANISM

An automatic adjustment formula was originally established for Newfoundland Power in 1999. At that time, the Board stated that there may be circumstances which would render the use of an automatic adjustment formula inappropriate for Newfoundland Power, including changes in financial market conditions which would suggest the formula is not accurately reflecting the

³⁸ Source: SNL Financial. Figures are from January 1, 2014 through August 31, 2015.



1 appropriate return on equity.³⁹ In 2013, the Board determined that a return to the automatic
2 adjustment formula was not supported by current financial conditions. In particular, the Board
3 noted the low interest rate environment, as follows:

4 While the Board sees the value of an automatic adjustment formula, the
5 evidence is clear that the formula as it is currently structured may not result in
6 a fair return for Newfoundland Power in the current circumstances. Long-
7 term Canada bond yields are abnormally low which is particularly problematic
8 in the operation of the automatic adjustment formula. In the absence of a
9 clear relationship between the long-term Canada bond yield and the cost of
10 equity it is difficult to see that the established return can be appropriately
11 adjusted for 2015 without the exercise of further judgment.⁴⁰

12 As Newfoundland Power discusses in the Company's evidence, interest rates on the long-term
13 Canada bond remain abnormally low. Nothing has changed since the Board's previous
14 determination in 2013 that the automatic adjustment formula is not appropriate when financial
15 market conditions are likely to impede the ability of the formula to produce a fair return for
16 Newfoundland Power. As such, I agree with Newfoundland Power's position that the Board
17 should not adopt an automatic adjustment formula for the Company at this time.

³⁹ Newfoundland and Labrador Board of Public Utility Commissioners, Order No. P.U. 13(2013), at 36.

⁴⁰ *Ibid*, at 36.



VII. OVERALL CONCLUSIONS AND RECOMMENDATIONS

Based on the analyses discussed throughout this report, I believe that an appropriate ROE for Newfoundland Power is 9.5 percent. This recommendation is consistent with the allowed ROEs for other investor-owned electric utilities in Canada, given the relative risk of Newfoundland Power to those companies.

In addition, for the reasons discussed previously in this report, it is appropriate to consider both the DCF and CAPM results when establishing the authorized ROE for Newfoundland Power. The results of my DCF and CAPM analyses are summarized in Figure 16.

Figure 16: Summary of Results (including flotation costs)

	Canadian Regulated Utilities	US Electric Utilities	North American Electric Utilities	Average
CAPM	9.0%	10.4%	10.1%	9.8%
Constant Growth DCF	12.8%	9.8%	9.6%	10.7%
Multi-Stage DCF	10.3%	9.5%	9.2%	9.6%
Average	10.7%	9.9%	9.7%	10.1%

The Constant Growth and Multi-Stage DCF methods produce a fairly tight range of 9.5 percent to 9.8 percent for the U.S. Electric Utilities proxy group and 9.2 percent to 9.6 percent for the North American Electric Utilities proxy group, and a wide range for the Canadian proxy group of 10.3 percent to 12.8 percent.

I have concerns with the ability of the CAPM to produce reasonable results without adjustments for the current market environment. Bond yields in Canada and the U.S. have been driven to all-time lows, and most would agree below sustainable levels in the longer term. The historical MRP is also impacted by the current low level of interest rates. There is a substantial gap between historic equity returns and the higher returns implied in current stock market data. These are problems with the CAPM, and in general, in the current market environment.



1 I have attempted to compensate for these concerns by using forward-looking inputs, including a
2 forecasted Canadian risk-free rate, an MRP that combines both Canadian and U.S. market inputs,
3 including both historic and forward-looking estimates, and the adjusted beta coefficient for the
4 Canadian and U.S. proxy companies. Floatation costs are included, consistent with regulatory
5 practice across Canada.

6 As shown in Figure 16, the various ROE estimation models produce a range of results for the
7 proxy group companies from 9.0 percent to 12.8 percent. The average of all methods is 10.1
8 percent. Because the utilities selected in the North American Electric Utilities proxy group are
9 most representative of Newfoundland Power, I place greater weight on those results. The average
10 of all three methods for the North American proxy group is 9.7 percent, within the range of 9.2 –
11 10.1 percent. Based on this analysis, I believe that a reasonable estimate of Newfoundland Power's
12 required cost of equity is 9.5 percent. This is just below the average of 9.7 percent across all three
13 methods, centered within the North American range, and supported by all other methods and
14 proxy groups with the exception of the Canadian CAPM. In addition, as discussed in Appendix A
15 on capital structure, a common equity ratio of 45 percent remains reasonable for Newfoundland
16 Power, given the higher relative business risks of Newfoundland Power as compared to the proxy
17 group companies.



James M. Coyne
Senior Vice President

Mr. Coyne provides financial, regulatory, strategic, and litigation support services to clients in the natural gas, power, and utilities industries. Drawing upon his industry and regulatory expertise, he regularly advises utilities, public agencies and investors on business strategies, investment evaluations, and matters pertaining to rate and regulatory policy. Prior to Concentric, Mr. Coyne worked in senior consulting positions focused on North American utilities industries, in corporate planning for an integrated energy company, and in regulatory and policy positions in Maine and Massachusetts. He has authored numerous articles on the energy industry and provided testimony and expert reports before the Federal Energy Regulatory Commission and numerous jurisdictions in the U.S. and Canada. Mr. Coyne holds a B.S. in Business from Georgetown University with honors and an M.S. in Resource Economics from the University of New Hampshire.

REPRESENTATIVE PROJECT EXPERIENCE

Expert Testimony Experience

- FortisBC Energy Inc.: Before the British Columbia Utilities Commission, provided expert testimony on the cost of capital and business risk for the Company's BC gas distribution operations. (Docket No.)
- Green Mountain Power Company: Before the Vermont Public Service Board, provided expert testimony on the cost of capital for the Company's Vermont Electric Utility Business. (Docket No. 8191)
- Northern States Power Company: Before the Public Service Commission of Wisconsin, provided expert testimony on the cost of capital for the company's Wisconsin electric and natural gas utility operations. (Docket No. 4220-UR-119)
- Hydro Quebec: Before the Régie de l'énergie, filed expert testimony on the cost of capital and business risk for the Company's Québec electric transmission and distribution businesses, with John Trogonoski. (R-3842-2013)
- Enbridge: Before the Ontario Energy Board, filed expert testimony with Jim Simpson and Melissa Bartos in support of the Company's proposed 2nd Generation Incentive Regulation plan. Our work focused on development of a proposed plan consistent with the OEB's objectives for such plans, while recognizing the Company's operating environment and business objectives, and capitalizing on the experience with other IR programs. Concentric conducted a series of analyses, including industry benchmarking, and productivity analyses for the industry and Enbridge using both total factor productivity "TFP" analysis and partial factor productivity ("PFP") analysis. These analyses produced productivity measures ("X factors") for both Enbridge and the industry peer group that were utilized to test parameters for the proposed IR plan. Concentric also evaluated alternative measures of inflation ("I factors") for utility inputs. Lastly, we examined Enbridge's anticipated 2014 to 2016 costs, and evaluated the ability of a traditional I-X framework to accommodate the Company's cost profile. (EB-2012-0459)



- Gaz Métro: Before the Régie de l'énergie, filed expert testimony on the cost of capital, business risk, and capital structure for the Company's Québec gas distribution operations. (R-3809-2012)
- Startrans IO, LLC: Before the Federal Energy Regulatory Commission, filed expert testimony on the appropriate cost of equity for the Startrans transmission facilities in Nevada and California, and the economic and business environment for transmission investments. (FERC Dockets Nos. ER13-272-000, and EL13-26-000)
- Nova Scotia Power: Before the Nova Scotia Utility and Review Board, provided direct and rebuttal evidence on the business risk of Nova Scotia Power in relation to its North American peers for purposes of determining the appropriate cost of capital. (Docket No. 2013 GRA)
- FortisBC Utilities: Before the British Columbia Utilities Commission, provided direct evidence and a supporting study on formulaic approaches to the determination of the cost of capital. (BCUC 2012 Generic Cost of Capital Proceeding)
- Northern States Power Company: Before the South Dakota Public Utilities Commission provided expert testimony on the appropriate cost of capital for the company's South Dakota electric utility operations. (Docket No. EL12 -)
- Vermont Gas Systems, Inc: Before the Vermont Public Service Board, filed expert testimony on the appropriate cost of equity and capital structure. (Docket No. 7803A)
- Northern States Power Company: Before the South Dakota Public Utilities Commission, provided expert testimony on the appropriate cost of capital for the company's South Dakota electric utility operations. (Docket No. EL11-019)
- Public Service Commission of Wisconsin: Provided expert testimony on the cost of capital for the company's Wisconsin electric and natural gas utility operations. (Docket No. 4220-UR-117)
- Atlantic Path 15, LLC: Before the Federal Energy Regulatory Commission, filed expert testimony on the appropriate rate of return for the Path 15 transmission facilities in California, and the economic and business environment for transmission investments. (FERC Dockets Nos. ER11-2909 and EL11-29)
- Enbridge: Cost of capital witness for the company's 2013 rate filing, providing testimony on recommended ROE and capital structure for the company's Ontario gas distribution business, and a separate benchmarking analysis designed to illustrate the efficiency of the company's operations in relation to its' North American peers. (EB-2011-0354)
- Northern States Power Company: Before the Public Service Commission of Wisconsin, provided expert testimony on the cost of capital for the company's Wisconsin electric and natural gas utility operations. (Docket No. 4220-UR-117)
- FortisBC Energy, Inc: Provided a detailed study of alternative automatic adjustment mechanisms for setting the cost of equity, filed with the British Columbia Public Utilities Commission, December, 2010. (In response to BCUC Order No. G-158-09)
- Commonwealth of Massachusetts, Superior Court, Central Water District vs. Burncoat Pond Watershed District: Provided expert testimony on the appropriate method for computing interest in an eminent domain taking. (Civil Action No. WDCV2001-01051, May 2010)



- Retained by the Ontario Energy Board to evaluate the existing DSM regulatory framework and guidelines for gas distributors, and based on research on best practices in other jurisdictions, make recommendations and lead a stakeholder conference on proposed changes. (2009-2010)
- ATCO Utilities: Primary cost of capital witness on behalf of ATCO Utilities in the 2009 Alberta Generic Cost of Capital proceeding, for the establishment of the return on equity and capital structure for each of Alberta's gas and electric utilities. (AUC Proceeding ID. 85)
- Enbridge: Primary cost of capital witness before the Ontario Energy Board in its Consultative Process on the Board's policy for determination of the cost of capital. (EB-2009-0084)
- Provided written comments to the Ontario Energy Board on behalf of Enbridge Gas Distribution, and separately for Hydro One Networks and the Coalition of Large Distributors in response to the Board's invitation to interested stakeholders to provide comments to help the Board better understand whether current economic and financial market conditions have an impact on the reasonableness of the Cost of Capital parameter values calculated in accordance with the Board's established Cost of Capital methodology; and to help the Board determine if, when, and how to make any appropriate adjustments to those parameter values. (2009)
- Atlantic Path 15, LLC: Before the Federal Energy Regulatory Commission, provided expert testimony on the appropriate rate of return, capital structure, and rate incentives for the development and operation of the Path 15 transmission facilities in California. (FERC Docket ER08-374-000)
- Wisconsin Power and Light Company: Before the Public Service Commission of Wisconsin, on establishing ratemaking principles for the company's proposed wind and coal electric generation facility additions, providing expert testimony on the appropriate return on equity. (PSCW Docket Nos. 6680-CE-170 and 6680-CE-171, 2007)
- Aquarion Water Company: Before the Connecticut Department of Public Utility Control, providing expert testimony on establishing the appropriate return on equity for the Company's Connecticut operations. (DPUC Docket No. 07-05-19, 2007)
- Central Maine Power Company: Before the Maine Public Utilities Commission, provided expert testimony on the theoretical and analytical soundness of the Company's sales forecast for ratemaking purposes. (MPUC Docket No. 2007-215, 2007)
- Vermont Gas Systems, Inc.: Before the State of Vermont Public Board, on the company's petition for approval of an alternative regulation plan, provided expert testimony on models of incentive regulation and their relative benefits for VGS and its ratepayers. (VPSB Docket No. 7109, 2006)
- Texas New Mexico Power Company: Before the Public Utility Commission of Texas, on the approval of the company's stranded cost recovery associated with the auction of the company's generating assets. (PUC Docket No. 29206, 2004)
- TransCanada Corporation: Provided an independent expert valuation of a natural gas pipeline, filed with the American Arbitration Association. (AAA Case No. 50T 1810018804, 2004)



- Advised the Board of Directors of El Paso Corporation on settlement matters pertaining to western power and gas markets before FERC. (2003)
- Conectiv: Before the New Jersey Board of Public Utilities, on the approval of the proposed sale of Atlantic City Electric Company's fossil and nuclear generating assets. (NJBPU Docket No. EM00020106, 2000-2001)
- Bangor Hydro Electric Company: Before the Maine Public Utilities Commission, on the approval of the proposed sale of the company's hydroelectric and fossil generation assets. (MPUC Docket No. 98-820, 1998)
- Maine Office of Energy Resources: Before the Maine Public Utilities Commission on behalf of the Maine Office of Energy on the establishment of avoided costs rates for generators under PURPA. (1981-1982)

Regulatory Support Experience

- Retained by Gaz Métro to provide an independent assessment of the comprehensive incentive rate mechanism designed to improve the performance of Gaz Métro, and evaluate the proposed mechanism resulting from the Company's collaboration with a stakeholder working group. (R-3693-2009, 2011)
- For the Canadian Gas Association, facilitated workshops between Canadian regulators and utility executives on regulatory and utility responses to a low carbon world, and drafted follow-up white paper to facilitate further discussion on emerging industry issues. (2010-2013)
- Retained by Ontario's Coalition of Large Distributors (Enersource Hydro, Horizon Utilities, Hydro Ottawa, PowerStream, Toronto Hydro, and Veridian Connections) to examine the cost of capital for Ontario's electric utilities in relation to those in other provinces and in the U.S. (2008)
- Retained by the Ontario Energy Board to analyze ROE awards for the past two years in Ontario, and compare against other jurisdictions in Canada, the U.S., the U.K., and select other European jurisdictions. Differences in awarded ROEs were examined for underlying factors, including ROE methodology, company size, business risks, tax issues, subsidiary vs. parent, and sources of capital. The analysis also addressed the question of whether Canadian utilities compete for capital on the same basis as U.S. utilities. (2007)
- Retained by the Nantucket Planning and Economic Development Commission to educate government officials and island residents on the wind industry, and provide analysis leading to constructive input to the Army Corps of Engineers and the Minerals Management Service on the siting of proposed wind projects. (2004-2007)
- Interim manager of Government and Regulatory affairs for Boston Generating, LLC. Coordinate activities and interventions before FERC, NE-ISO, state regulatory agencies, and local communities hosting Boston Generating power plants. (2004)
- Facilitated the development of an Alternative Regulation Plan with the Department of Public Service and Vermont Gas Systems providing research and advice leading to a rate proposal for the Vermont Public Service Board. Conducted several workshops including the major stakeholders and regulatory agencies to develop solutions satisfying both public policy and utility objectives. (2004-2005)



- For an independent power company, perform market analysis and annual audits of its utility power contract. Services provided include verification of the contract price as a function of its index components, surveys of regional competitive energy suppliers, and analysis of regional spot prices for an independent benchmark. Meet with PUC staff to discuss and represent the company in its annual adjustment process, and report results to the company and its creditors. (2003-2004)

Areas of Expertise

- **Energy Regulation**
 - Rate policy
 - Cost of capital
 - Incentive regulation
 - Fuels and power markets
- **Management and Business Strategy**
 - Fuels and power market assessments
 - Investment feasibility
 - Corporate and business unit planning
 - Benchmarking and productivity analysis
- **Financial and Economic Advisory**
 - Valuation analysis
 - Due diligence
 - Buy and sell-side advisory

PUBLICATIONS AND RESEARCH

- “Stimulating Innovation on Behalf of Canada’s Electricity and Natural Gas Consumers” (with Robert Yardley), prepared for the Canadian Gas Association and Canadian Electricity Association, May, 2015.
- “Autopilot Error: Why Similar U.S. and Canadian Risk Profiles Yield Varied Rate-making Results” (with John Trogonoski), Public Utilities Fortnightly, May 2010
- “A Comparative Analysis of Return on Equity of Natural Gas Utilities” (with Dan Dane and Julie Lieberman), prepared for the Ontario Energy Board, June, 2007
- “Do Utilities Mergers Deliver?” (with Prescott Hartshorne), Public Utilities Fortnightly, June 2006
- “Winners and Losers: Utility Strategy and Shareholder Return” (with Prescott Hartshorne), Public Utilities Fortnightly, October 2004
- “Winners and Losers in Restructuring: Assessing Electric and Gas Company Financial Performance” (with Prescott Hartshorne), white paper distributed to clients and press, August 2003
- “The New Generation Business,” commissioned by the Electric Power Research Institute (EPRI) and distributed to EPRI members to contribute to a series on the changes in the Power Industry, December 2001



- Potential for Natural Gas in the United States, Volume V, Regulatory and Policy Issues (co-author), National Petroleum Council, December 1992
 - “Natural Gas Outlook,” articles on U.S. natural gas markets, published quarterly in the Data Resources Energy Review and Natural Gas Review, 1984-1989
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SELECTED SPEAKING ENGAGEMENTS

- “Innovations in Utility Business Models and Regulation”, The Canadian Association of Members of Public Utility Tribunals (CAMPUT) 2015 Energy Regulation Course, Queens University, Kingston, Ontario, June 2015
 - “M&A and Valuations,” Panelist at Infocast Utility Scale Solar Summit, September 2010
 - “The Use of Expert Evidence,” The Canadian Association of Members of Public Utility Tribunals (CAMPUT) 2010 Energy Regulation Course, Queens University, Kingston, Ontario, June 2010
 - “A Comparative Analysis of Return on Equity for Utilities in Canada and the U.S.,” The Canadian Association of Members of Public Utility Tribunals (CAMPUT) Annual Conference, Banff, Alberta, April 22, 2008
 - “Nuclear Power on the Verge of a New Era,” moderator for a client event co-hosted by Sutherland Asbill & Brennan and Lexecon, Washington D.C., October 2005
 - “The Investment Implications of the Repeal of PUCHA,” Skadden Arps Client Conference, New York, NY, October 2005
 - “Anatomy of the Deal,” First Annual Energy Transactions Conference, Newport, RI, May 2005
 - “The Outlook for Wind Power,” Skadden Arps Annual Energy and Project Finance Seminar, Naples, FL, March 2005
 - “Direction of U.S. M&A Activity for Utilities,” Energy and Mineral Law Foundation Conference, Sanibel Island, FL, February 2002
 - “Outlook for U.S. Merger & Acquisition Activity,” Utility Mergers & Acquisitions Conference, San Antonio, TX, October 2001
 - “Investor Perspectives on Emerging Energy Companies,” Panel Moderator at Energy Venture Conference, Boston, MA, June 2001
 - “Electric Generation Asset Transactions: A Practical Guide,” workshop conducted at the 1999 Thai Electricity and Gas Investment Briefing, Bangkok, Thailand, July 1999
 - “New Strategic Options for the Power Sector,” Electric Utility Business Environment Conference, Denver, CO, May 1999
 - “Electric and Gas Industries: Moving Forward Together,” New England Gas Association Annual Meeting, November 1998
 - “Opportunities and Challenges in the Electric Marketplace,” Electric Power Research Institute, July 1998
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PROFESSIONAL HISTORY

Concentric Energy Advisors, Inc. (2006 – Present)

Senior Vice President

Vice President

FTI Consulting (Lexecon) (2002 – 2006)

Senior Managing Director – Energy Practice

Arthur Andersen LLP (2000 – 2002)

Managing Director, Andersen Corporate Finance – Energy and Utilities

Navigant Consulting, Inc. (1996 – 2000)

Managing Director, Financial Services Practice

Senior Vice President, Strategy Practice

TotalFinaElf (1990 – 1996)

Manager, Corporate Planning and Development

Manager, Investor Relations

Manager of Strategic Planning and Vice President, Natural Gas Division

Arthur D. Little, Inc. (1989 – 1990)

Senior Consultant – International Energy Practice

DRI/McGraw-Hill (1984 – 1989)

Director, North American Natural Gas Consulting

Senior Economist, U.S. Electricity Service

Massachusetts Energy Facilities Siting Council (1982 – 1984)

Senior Economist – Gas and Electric Utilities

Maine Office of Energy Resources (1981 – 1982)

State Energy Economist

EDUCATION

M.S., Resource Economics, University of New Hampshire, with Honors, 1981

B.S., Business Administration and Economics, Georgetown University, Cum Laude, 1975

DESIGNATIONS AND AFFILIATIONS

NASD General Securities Representative and Managing Principal (Series 7, 63 and 24 Certifications), 2001



NARUC, Advanced Regulatory Studies Program, Michigan State University, 1984
American Petroleum Institute, CEO's Liaison to Management and Policy Committees, 1994-1996
National Petroleum Council, Regulatory and Policy Task Forces, 1992
President, International Association for Energy Economics, Dallas Chapter, 1995
Gas Research Institute, Economics Advisory Committee, 1990-1993
Georgetown University, Alumni Admissions Interviewer, 1988 – current



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Alberta Utilities Commission				
ATCO Utilities Group	2008	ATCO Gas; ATCO Pipelines Ltd.; ATCO Electric Ltd.	Application No. 1578571 / Proceeding ID. 85	2009 Generic Cost of Capital Proceeding (Gas & Electric)
American Arbitration Association				
TransCanada Corporation	2004	TransCanada Corporation	AAA Case No. 50T 1810018804	Valuation of Natural Gas Pipeline
British Columbia Utilities Commission				
FortisBC	2012	FortisBC Utilities	G-20-12	Cost of Capital Adjustment Mechanisms
FortisBC	2015	FortisBC Utilities		Return on Equity (Gas)
Connecticut Department of Public Utility Control				
Aquarion Water Company of CT/ Macquarie Securities	2007	Aquarion Water Company of CT	DPUC Docket No. 07-05-19	Return on Equity (Water)
Federal Energy Regulatory Commission				
Atlantic Power Corporation	2007	Atlantic Path 15, LLC	ER08-374-000	Return on Equity (Electric)
Atlantic Power Corporation	2010	Atlantic Path 15, LLC	Docket No. ER11-2909-000	Return on Equity (Electric)
Atlantic Power Corporation	2011	Atlantic Path 15, LLC	Docket Nos. ER11-2909 and EL11-29	Rate of Return (Electric Transmission)
Startrans IO, LLC	2012	Startrans IO, LLC	ER-13-272-000	Cost of Capital (Electric Transmission)



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Maine Public Utility Commission				
Bangor Hydro Electric Company	1998	Bangor Hydro Electric Company	MPUC Docket No. 98-820	Transaction-Related Financial Advisory Services, valuation
Central Maine Power Company	2007	Central Maine Power Company	MPUC Docket No. 2007-215	Sales Forecast
Massachusetts Superior Court				
Burncoat Pond Watershed District	2010	Central Water District v. Burncoat Pond Watershed District	WDCV 2001-0105	Valuation / Eminent Domain
New Jersey Board of Public Utilities				
Conectiv	2000-2001	Atlantic City Electric Company	NJBPU Docket No. EM00020106	Transaction-Related Financial Advisory Services
Nova Scotia Utility and Review Board				
Nova Scotia Power Inc.	2012	Nova Scotia Power Inc.	2013 GRA	Return on Equity/Business Risk (Electric)
Ontario Energy Board				
Enbridge Gas Distribution and Hydro One Networks and the Coalition of Large Distributors	2009	Enbridge Gas Distribution and Hydro One Networks and the Coalition of Large Distributors	EB-2009-0084	Ontario Energy Board's 2009 Consultative Process on Cost of Capital Review (Gas & Electric)
Enbridge Gas Distribution	2012	Enbridge Gas Distribution	EB-2011-0354	Industry Benchmarking Study and Cost of Capital (Gas Distribution)



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Enbridge Gas Distribution	2014	Enbridge Gas Distribution	EB-2012-0459	Incentive Regulation Plan and Industry Productivity Study
Régie de l'énergie du Québec				
Gaz Métro	2012	Gaz Métro	R-3809-2012	Return on Equity/Business Risk/ Capital Structure (Gas Distribution)
Hydro-Québec Distribution and Hydro- Québec TransÉnergie	2013	Hydro-Québec Distribution and Hydro- Québec TransÉnergie	R-3842-2013	Return on Equity/Business Risk (Electric)
Hydro-Québec Distribution	2014	Hydro-Québec Distribution	R-3905-2014	Remuneration of Deferral Accounts
South Dakota Public Service Commission				
Northern States Power Company-MN	2012	Northern States Power Company-MN	EL 11-019	Return on Equity
Texas Public Utility Commission				
Texas New Mexico Power Company	2004	Texas New Mexico Power Company	PUC Docket No. 29206	Auction Process and Stranded Cost Recovery
Vermont Public Service Board				
Vermont Gas Systems, Inc.	2006	Vermont Gas Systems, Inc.	VPSB Docket No. 7109	Models of Incentive Regulation
Vermont Gas Systems, Inc.	2012	Vermont Gas Systems	Docket No. 7803A	Cost of Capital (Gas Distribution)



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Green Mountain Power Corporation	2013	Green Mountain Power Corporation	Docket No. 8191	Return on Equity (Electric)
Wisconsin Public Service Commission				
Wisconsin Power and Light Company	2007	Wisconsin Power and Light Company	PSCW Docket No. 6680-CE-170	Return on Equity (Electric)
Wisconsin Power and Light Company	2007	Wisconsin Power and Light Company	PSCW Docket No. 6680-CE-171	Return on Equity (Electric)
Northern States Power Company	2011	Northern States Power Company	PSCW Docket No. 4220-UR-117	Return on Equity (Electric)
Northern States Power Company	2013	Northern States Power Company	PSCW Docket No. 4220-UR-119	Return on Equity (Gas & Electric)
Northern States Power Company	2015	Northern States Power Company		Return on Equity (Gas & Electric)

Canadian & U.S. Macroeconomic Factors

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[11]	[12]	[13]	[14]
	Total Return on:		Total Return on:		Real GDP Growth		CPI		10-year Gov't Bond		Exports		Unemployment		Currency
	S&P/TSX	S&P 500	S&P/TSX Utilities	S&P 500 Utilities	Canada	U.S.	Canada	U.S.	Canada	U.S.	Canada to U.S./ Canadian GDP	U.S. to Canada / U.S. GDP	Canada	U.S.	Exchange Rate (CAD / USD)
1990	-14.8	-3.11	--	--	0.1	1.9	4.8	5.4	10.76	8.55	16.12	1.96	7.7	5.6	1.17
1991	12.02	30.47	--	--	-2.1	-0.2	5.6	4.2	9.42	7.86	15.55	1.86	9.8	6.8	1.15
1992	-1.43	7.62	--	--	0.9	3.4	1.4	3.0	8.05	7.01	17.28	2.10	10.7	7.5	1.21
1993	32.55	10.08	--	--	2.6	2.9	1.9	3.0	7.22	5.87	20.04	2.51	10.8	6.9	1.29
1994	-0.18	1.32	--	--	4.6	4.1	0.1	2.6	8.42	7.09	22.95	3.00	9.6	6.1	1.37
1995	14.53	37.58	--	--	2.7	2.5	2.2	2.8	8.08	6.57	24.82	3.19	8.6	5.6	1.37
1996	28.35	22.96	--	--	1.7	3.7	1.5	3.0	7.20	6.44	25.94	3.13	8.8	5.4	1.36
1997	14.98	33.36	--	--	4.3	4.5	1.7	2.3	6.11	6.35	26.82	3.51	8.4	4.9	1.38
1998	-1.58	28.58	--	--	4.2	4.4	1.0	1.6	5.30	5.26	28.67	3.94	7.7	4.5	1.48
1999	31.71	21.04	--	--	5.2	4.8	1.8	2.2	5.55	5.65	30.75	3.96	7.0	4.2	1.49
2000	7.41	-9.11	--	--	5.1	4.1	2.7	3.4	5.89	6.03	32.57	3.97	6.1	4.0	1.49
2001	-12.57	-11.89	--	--	1.7	1.1	2.5	2.8	5.47	5.02	30.90	3.82	6.5	4.7	1.55
2002	-12.44	-22.10	--	--	2.8	1.8	2.2	1.6	5.29	4.61	29.26	3.76	7.0	5.8	1.57
2003	26.72	28.68	24.96	26.27	2.0	2.5	2.8	2.3	4.79	4.01	26.34	3.02	6.9	6.0	1.40
2004	14.48	10.88	9.42	24.28	3.2	3.5	1.8	2.7	4.59	4.27	26.36	2.74	6.4	5.5	1.30
2005	24.13	4.91	38.30	16.83	3.1	3.1	2.2	3.4	4.05	4.29	26.01	2.49	6.0	5.1	1.21
2006	17.26	15.79	7.01	21.00	2.7	2.7	2.0	3.2	4.22	4.80	24.23	2.25	5.5	4.6	1.13
2007	9.83	5.49	11.80	19.38	2.1	1.9	2.2	2.8	4.28	4.63	22.64	2.07	5.2	4.6	1.07
2008	-33.00	-37.00	-20.46	-28.98	1.1	-0.3	2.3	3.8	3.58	3.66	22.41	2.10	5.3	5.8	1.07
2009	35.05	26.46	19.00	11.92	-2.8	-3.1	0.3	-0.4	3.29	3.26	17.25	1.93	7.3	9.3	1.14
2010	17.61	15.06	18.42	5.46	3.2	2.4	1.8	1.6	3.20	3.22	17.75	1.85	7.1	9.6	1.03
2011	-8.71	2.10	6.47	19.95	2.6	1.8	2.9	3.2	2.78	2.78	18.72	1.84	6.5	8.9	0.99
2012	7.19	16.00	4.00	0.47	1.8	2.2	1.5	2.1	1.85	1.80	18.59	1.89	6.3	8.1	1.00
2013	12.98	32.39	-3.71	14.79	2.0	2.2	0.9	1.5	2.26	2.35	19.63	1.79	7.1	7.4	1.03
2014	10.55	13.68	16.08	28.98	2.5	2.4	2.0	1.6	2.23	2.53	22.37	1.79	6.7	6.2	1.10
25-year Avg.	9.31	11.25	--	--	2.29	2.41	2.08	2.63	5.36	4.96	23.36	2.66	7.40	6.12	1.25
10-year Avg.	9.29	9.49	9.69	10.98	1.83	1.53	1.81	2.28	3.17	3.33	20.96	2.00	6.30	6.95	1.08
5-year Avg.	7.92	15.85	8.25	13.93	2.42	2.20	1.82	2.00	2.46	2.54	19.41	1.83	6.74	8.02	1.03
Correlation	0.71		0.64		0.86		0.72		0.97		0.90		0.21		--
Consensus Forecasts [15]															
2015					2.00	2.90	1.00	0.10	1.60	2.20			6.80	5.40	1.28
2016					2.10	2.80	2.10	2.20	2.10	2.80			6.60	5.00	1.26
2017					2.30	2.60	2.10	2.30	3.20	3.90					1.20

Notes:

- [1] Source: Morningstar and Bloomberg Professional; includes price appreciation and dividend yield
[2] Source: Morningstar and Bloomberg Professional; includes price appreciation and dividend yield
[3] Source: Bloomberg Professional; includes price appreciation and dividend yield, however dividend data for S&P/TSX Utilities not available prior to 2003
[4] Source: Bloomberg Professional; includes price appreciation and dividend yield
[5] Source: Statistics Canada; expenditure-based GDP at market prices, chained 2007 prices, seasonally adjusted
[6] Source: U.S. Bureau of Economic Analysis
[7] Source: Statistics Canada; not seasonally adjusted
[8] Source: U.S. Bureau of Labor Statistics; not seasonally adjusted, U.S. city average, all items
[9] Source: Bank of Canada
[10] Source: Bloomberg Professional
[11] Source: Government of Canada (exports to United States, merchandise only), Office of the United States Trade Representative (exports to Canada, merchandise only), United States Census Bureau (Trade in Goods with Canada), The World Bank (Total GDP), U.S. Bureau of Economic Analysis (U.S. GDP)
[12] Source: 1989-2012: U.S. Bureau of Labor Statistics, International Unemployment Rates and Employment Indexes, Seasonally Adjusted, 2013: Statistics Canada
[13] Source: U.S. Bureau of Labor Statistics, International Unemployment Rates and Employment Indexes, Seasonally Adjusted
[14] Source: Federal Reserve Economic Data
[15] Source: Consensus Forecasts, Survey Date April 13, 2015



I. DETAILED RISK OVERVIEW FOR CANADIAN PROXY GROUP

MEMBERS

Canadian Utilities (TSX: CU)

Company Overview ¹	
With more than 6,800 employees and assets of approximately \$17 billion, Canadian Utilities Limited is an ATCO company, a diversified global corporation delivering service excellence and innovative business solutions through leading companies engaged Utilities (pipelines, natural gas and electricity transmission and distribution) and Energy (power generation and sales, industrial water infrastructure, natural gas gathering, processing, storage and liquids extraction).	
S&P Ratings Summary (A/Stable/A-1) ²	
Business Risk – Excellent We believe the Alberta-based regulated utilities that CU Ltd. holds will continue to generate stable cash flow, which we expect to increase to more than 60% of consolidated cash flow in the next few years, anchoring the business risk profile. CU is predominantly exposed to a single regulator, the Alberta Utilities Commission (AUC), so it does not benefit from meaningful regulatory diversity. However, we expect the AUC's regulatory framework to continue to support cost recovery, and a return on and of capital and stable cash flow. In our view, all of CU's regulated utilities benefit from a reasonably independent, transparent, and predictable approach to regulation. The AUC operates within its legislative framework and sets rates for utilities in Alberta without political interference. Rate decisions are generally based on lengthy, but public, cost-of-service hearings; decisions are published and the rationale explained. We don't expect incentive-based ratemaking for the distribution utilities to increase the risk of lower returns or capital disallowance. To date, material decisions from a credit perspective have been consistent and largely predictable (in particular with respect to deemed capital structure and returns allowed). Rate decisions often take time (up to a year), but we don't expect this to have a rating impact and timeliness could improve with the recent introduction of performance-based ratemaking for distribution utilities. We expect ATCO Power, which operates in an environment with "moderately high" industry risk will contribute approximately 15%-20% of cash flows with some variability. ATCO Power's level of fleet contractedness of about 60%, strong counterparties, and declining project-financed nonrecourse debt in its independent power projects offset the higher industry risk. The fleet is concentrated in Alberta but has what	Financial Risk – Significant We have assessed ATCO's financial risk profile as "significant" using our medial volatility table. The majority of cash flow comes from regulated activities and a majority of operating cash flow from those regulated activities benefits from a better-than-adequate regulatory advantage. We expect weighted average AFFO-to-debt at about 17%, with large investments in the regulated rate base placing downward pressure on consolidated credit metrics but increasing the proportion of regulated assets. Absent any major acquisitions, Standard & Poor's expects ATCO's capital structure to remain stable in the medium term, because the company will partially fund growth in the regulated business with debt. We base this on ATCO's track record of managing the utility balance sheets in line with the regulator-established deemed capital structure to set rates, amortizing project finance debt at ATCO Power's contracted power assets that approximately matches the duration of contract terms, no or low levels of debt in other riskier parts of the organizational structure, and no debt at the parent level.



<p>we view as a good operational track record. ATCO Structures and Logistics' cash flow are typically project-focused, so the company has near-term cash flow visibility. It has more variable long-term cash flow that is influenced by commodity pricing and the macroeconomic environment, which drive the need for their products and services. Cash flow from this segment accounts for 15%-20% of consolidated cash flow. The "strong" management and governance score for the group has no direct impact on the ratings but reflects our assessment of management's consistently conservative approach to risk mitigation, with policies and a track record of keeping cash on hand; a stable, long-term strategic horizon compared with that of peers; demonstrated operational effectiveness; and no history of earnings or cash flow surprises.</p>	
<p align="center">Operating Characteristics</p>	
<p>Operations/State/Customers (000's)³</p>	<ul style="list-style-type: none"> • ATCO Electric - 252 <ul style="list-style-type: none"> ○ ATCO Electric, NUY, NWT and AEY own and operate 27 diesel, natural gas turbine and hydro-generating plants, with an aggregate nameplate capacity of 62 MW in Alberta, the Yukon and Northwest Territories. The maximum peak load demand for these plants during 2014 was 30 MW. • ATCO Gas – 1,100 • ATCO Gas Australia – 700
<p>Total Assets (2014 \$CAD billions)⁴</p>	<p>\$16.7 billion</p>
<p>% of Assets in Regulated Distribution Operations (2014)⁵</p>	<p>Utility group makes up 80% of total assets (which includes gas and electric transmission operations in addition to distribution operations), inclusion of ATCO Australia brings total to 87% (which includes power operations in addition to gas distribution operations)</p>
<p>Customer Mix (2014)⁶</p>	<ul style="list-style-type: none"> • ATCO Electric, NUY, NWT and AEY (Customers) <ul style="list-style-type: none"> ○ Customers <ul style="list-style-type: none"> ▪ Residential – 70% ▪ Commercial – 13% ▪ Industrial – 5% ▪ Rural, REAs, Other – 12% ○ Delivered GWh <ul style="list-style-type: none"> ▪ Residential – 12% ▪ Commercial – 21% ▪ Industrial – 62% ▪ Rural, REAs, Other – 5%



	<ul style="list-style-type: none"> • ATCO Gas <ul style="list-style-type: none"> ○ Customers <ul style="list-style-type: none"> ▪ Residential – 92% ▪ Commercial – 8% ▪ Industrial – --% ▪ Other – --% ○ Delivered PJ <ul style="list-style-type: none"> ▪ Residential – 48% ▪ Commercial – 47% ▪ Industrial – 5% ▪ Rural, REAs, Other – --% • ATCO Gas Australia <ul style="list-style-type: none"> ○ Customers <ul style="list-style-type: none"> ▪ Residential – 98% ▪ Commercial – 2% ▪ Industrial – --% ▪ Other – --% ○ Delivered PJ <ul style="list-style-type: none"> ▪ Residential – 38% ▪ Commercial – 11% ▪ Industrial – 51%
CAPEX Spend⁷	<ul style="list-style-type: none"> • Gross Capex for 2014 was \$2.3 billion, and the utilities portion was 2.1 billion or 91%, driven primarily by electric transmission operations. • In 2015 – 2017 CU plans Capex of \$5.8 billion, \$4.8 billion for Canadian utility operations <ul style="list-style-type: none"> ○ \$3.1 billion for electric transmission operations. ○ \$1.7 billion to be shared between gas distribution and pipeline operations. • Capex for Canadian Gas Distribution operations runs ~\$300 million annually
Residential Retail Choice⁸	<p>In 2004, ATCO Gas and ATCO Electric transferred their retail energy supply businesses to Direct Energy. The legal obligations of ATCO Gas and ATCO Electric for the retail functions transferred to Direct Energy, which include the supply of natural gas and electricity to customers as well as billing and customer care, remain if Direct Energy fails to perform. In certain circumstances, the functions will revert to ATCO Gas and/or ATCO Electric, with no refund of the transfer proceeds to Direct Energy.</p>
Supply Availability and Deliverability	<ul style="list-style-type: none"> • N/A



Regulatory Environment	
RRA Ranking (as available)/ DBRS Ranking⁹	<p>Rankings are Above Average, Average and Below Average, 1 indicates stronger rating “+” and 3 indicates weaker rating “-” DBRS Ranking out of 50, higher is better.</p> <p>ALB – DBRS 30.5</p>
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> Coal fueled power generation assets in Alberta will be impacted by changing environmental regulations. The federal government of Canada has already released regulations for greenhouse gas emissions that will limit the life of the Company’s coal-fired generating plants. ATCO Power estimates that the total capital costs relating to air quality control equipment over the period 2015 to 2017 will be ~ \$16 million in order to create emissions credits and achieve compliance with the existing Alberta regulations for NOx and SO2 emissions.¹⁰
Regulatory Model	<ul style="list-style-type: none"> Cost of Service regulatory model – ATCO Gas Transmission, ATCO Electric Transmission, Yukon and Northwest Territories operations, ATCO Gas Australia Performance Based Ratemaking – ATCO Gas Distribution, ATCO Electric Distribution
Test Year¹¹	<ul style="list-style-type: none"> Forecast – ATCO Gas, ATCO Electric, ATCO Pipelines Projected test year for five year period – ATCO Gas Australia
Interim Rates¹²	<p>Routinely allowed – ATCO Gas, ATCO Electric</p> <p>Not allowed – ATCO Gas Australia</p>
Typical Rate Case Lag¹³	ALB – ~12 mos.
Most Recent Authorized ROE¹⁴	<p>ATCO Gas – 8.30%</p> <p>ATCO Electric – 8.30%</p> <p>ATCO Electric Transmission – 8.30%</p> <p>ATCO Pipelines – 8.30%</p> <p>ATCO Gas Australia – WACC or ROA = 7.75%</p>
Most Recent Authorized Equity Ratio¹⁵	<p>ATCO Gas – 38%</p> <p>ATCO Electric – 38%</p> <p>ATCO Electric Transmission – 36%</p> <p>ATCO Pipelines – 37%</p> <p>ATCO Gas Australia – 40%</p>
Gas Supply Risk Mitigation and Incentives	Purchased Gas Adjustment Clauses:



	<ul style="list-style-type: none"> N/A ATCO Gas and ATCO Electric have assigned all supply responsibilities to Direct Energy, though they both retain limited POLR obligations¹⁶
Volume /Demand Risk Mitigation	<ul style="list-style-type: none"> Revenue Stabilization <ul style="list-style-type: none"> Weather Normalization Deferral Account – ATCO Gas¹⁷ ATCO Electric Transmission <ul style="list-style-type: none"> Transmission costs are equalized by having each owner of transmission facilities charge its costs to the Alberta Electric System Operator (AESO). The AESO then aggregates these costs and charges a common transmission rate to all transmission system users.¹⁸
Capital Cost Recovery Risk Mitigation¹⁹	<ul style="list-style-type: none"> PBR Mechanism provides K-factor to recover significant CAPEX between rebasing – ATCO Gas and ATCO Electric distribution operations. AFUDC – ATCO Electric Established pre-approved capital investment programs <ul style="list-style-type: none"> ATCO Electric Transmission - new transmission projects are direct assigned to TFOs based on the service areas of the distribution companies they have been historically affiliated with. Facilities ownership will change at service area boundaries, except where, in the AESO's opinion, only a small portion of the project is in another service area. This rule applies to all transmission projects except interprovincial intertie projects and those deemed "critical" by the Alberta government. ATCO Gas – Urban Pipeline Replacement Program Capital Trackers – ATCO Gas, ATCO Electric - pending
Other Significant Deferral and Variance Accounts²⁰	<ul style="list-style-type: none"> PBR Mechanism provides Y-factor to recover or refund annual variances in



	<p>predetermined deferral and variance accounts – ATCO Gas and ATCO Electric distribution operations.</p> <ul style="list-style-type: none">○ Site Restoration and Removal Deferral○ Load Balancing Deferral○ Defined benefit pension plans and OPEB plans○ Deferred income taxes○ Transmission Access Payments○ Direct Assign Capital Variance account
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Emera (TSX: EMA)

Company Overview ²¹	
<p>Emera Inc. is geographically diverse energy and services company headquartered in Halifax, Nova Scotia with \$9.84 billion in assets and 2014 revenues of \$2.97 billion. The company invests in electricity generation, transmission and distribution, as well as gas transmission and utility energy services. Emera's strategy is focused on the transformation of the electricity industry to cleaner generation and the delivery of that clean energy to market. Emera has investments throughout northeastern North America, and in four Caribbean countries. Emera continues to target having 75-85% of its adjusted earnings come from rate-regulated businesses.</p>	
S&P Ratings Summary (BBB+/Stable/--) ²²	
<p>Business Risk – Excellent</p> <p>Emera's "excellent" business risk profile reflects our view of its diversified portfolio of regulated operations in jurisdictions with generally supportive regulatory environment. Approximately 80% of the company's revenues come from rate-regulated subsidiaries, with approximately 60% of consolidated revenues from NSPI alone. NSPI is regulated under a cost-of-service model, with rates set to recover prudently incurred costs of providing electricity service to customers, and provide an appropriate return to investors. Emera's exposure to unregulated revenues is primarily through its 24.3% ownership in Algonquin Power & Utilities Corp., which it accounts for using the equity method, and the recently acquired New England assets that it consolidates. We believe that Emera's regulated revenues could form a greater portion of its total revenues as the Maritime Link project begins operations in 2017. Although we believe that the company will start benefiting from the project once it begins operations, in addition to inherent construction risks associated with a project of this scale, there will be no cash flow from the project during its construction.</p>	<p>Financial Risk – Significant</p> <p>Emera's "significant" financial risk profile reflects the stability and predictability of the company's regulated cash flow. We project Emera's AFFO-to-debt ratio to range from 12%-13% in the next two years. We have added to the company's consolidated debt C\$250 million and C\$600 million of debt for 2014 and 2015, respectively, for the Maritime Link project, reflecting the project's importance to Emera and our view that the company would support the project if required.</p>
Operating Characteristics	
<p>Operations/State/Customers (000's)²³</p>	<ul style="list-style-type: none"> • Nova Scotia Power – fully integrated electric utility – 504 • Emera Maine (formerly Bangor Hydro Electric Co. and Maine Public Service Company) provides electric transmission and distribution – 155 • 80.6% interest in Emera Caribbean (formerly Light and Power Holdings – parent of Barbados L&P – vertically integrated electric utility)- 126 • 41.8% interest in Dominica Electricity Services – 35 • 15.4% interest in St. Lucia Electricity Services



	<ul style="list-style-type: none"> 50% direct interest and 30.4% indirect interest in Grand Bahama Power Co. – 19
Total Assets (2014 \$CAD billions)²⁴	\$9.8 billion
% of Operating Revenues in Regulated Distribution Operations (2014)²⁵	North American and Caribbean Distribution companies make up 70% of operating revenues; North American distribution operations make up 54% of distribution operations; and NSPI makes up 46% of operating revenues.
Customer Mix (2014)²⁶	<ul style="list-style-type: none"> NSPI <ul style="list-style-type: none"> Electric Revenues (2014) <ul style="list-style-type: none"> Residential – 51% Commercial – 29% Industrial – 16% Other – 4% Emera Maine <ul style="list-style-type: none"> Electric Revenues (2014) <ul style="list-style-type: none"> Residential – 48% Commercial – 38% Industrial – 8% Other – 6% Emera Caribbean <ul style="list-style-type: none"> Electric Revenues (2014) <ul style="list-style-type: none"> Residential – 33% Commercial – 59% Industrial – 6% Other – 2%
%CAPEX Spend²⁷	<ul style="list-style-type: none"> Capex plan for 2015 is \$1.2 billion, and the utilities portion was \$0.456 billion or 37% (Canadian portion – NSPI is \$0.273 billion), 2016 is \$1.276, the utilities portion was \$527 million or 41%, and 2017 was \$966 for \$471 million or 43%. Capex for Canadian Distribution operations runs ~\$300 million annually
Residential Retail Choice²⁸	Electricity generation is deregulated in Maine, but electric sales pricing is regulated
Supply Availability and Deliverability²⁹	<ul style="list-style-type: none"> A large portion of NSPI's fuel supply comes from international suppliers and is subject to commodity price and foreign exchange risk. The Company seeks to manage this risk through the use of financial hedging instruments and physical contracts and utilizes a portfolio strategy for fuel procurement with a combination of long, medium, and short-term supply agreements. It also provides for supply and supplier diversification. Foreign exchange risk is managed through forward and swap contracts. Fuel contracts may also be exposed to broader global conditions which



	may include impacts on delivery reliability and price, despite contracted terms. The adoption and implementation of the FAM has helped NSPI further manage this risk.
Regulatory Environment	
RRA Ranking (as available)/ DBRS Ranking³⁰	<p>Rankings are Above Average, Average and Below Average, 1 indicates stronger rating “+” and 3 indicates weaker rating “-” DBRS Ranking out of 50, higher is better.</p> <p>Nova Scotia – DBRS 36 Maine – RRA Ranking Average/2</p>
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> The Government of Nova Scotia announced new energy efficiency legislation to remove a previous charge for conservation and efficiency programs from power bills of NSPI customers effective January 1, 2015. In addition, the legislation requires NSPI to purchase electricity efficiency and conservation activities (“Program Costs”) from Efficiency Nova Scotia, when it is cheaper than generation, on a go-forward basis. The Program Costs are capped for 2015 at \$35.0 million. The UARB will provide regulatory oversight of the Program Costs thereafter. The Program Costs for 2015 will be deferred as a regulatory asset and recoverable from customers over an eight year period beginning in 2016. The UARB will determine how the Program Costs will be recovered from customers for 2016 and beyond.³¹
Regulatory Model³²	<ul style="list-style-type: none"> Cost of Service regulatory model – <ul style="list-style-type: none"> NSPI, electric rates are subject to UARB approval - not subject to annual review process – but based on periodic hearings as necessary Emera Maine Barbados Light & Power Performance Based Ratemaking – Flexible Rate Adjustment Model - Grand Bahama Power Company Earnings Sharing Mechanism - Grand Bahama Power Company
Test Year³³	<ul style="list-style-type: none"> Forecast – NSPI Historical with known and measurable differences – Emera Maine
Interim Rates	<p>Allowed in certain circumstances - Maine³⁴ Not allowed – Nova Scotia³⁵</p>



Typical Rate Case Lag	Nova Scotia – 6.5 mos. ³⁶ Maine – 6 to 9 mos. ³⁷
Most Recent Authorized ROE³⁸	<ul style="list-style-type: none"> • NSPI – 8.75% to 9.25% • Emera Maine – was 10.2% (effective July 1, 2014 became 9.55%) <ul style="list-style-type: none"> ○ Transmission operations ROEs are regulated by FERC and earn incentive returns • Barbados Light & Power – WACC of 10% • Grand Bahama Power Company WACC of 10%
Most Recent Authorized Equity Ratio³⁹	<ul style="list-style-type: none"> • NSPI – 40% • Emera Maine – was 50% (effective July 1, 2014 became 49%) <ul style="list-style-type: none"> ○ Transmission operations common equity components based on most recent 2 year average. • Barbados Light & Power – N/A • Grand Bahama Power Company – N/A
Gas Supply Risk Mitigation and Incentives⁴⁰	<p>Purchased Gas Adjustment Clauses:</p> <ul style="list-style-type: none"> • NSPI has an annual fuel adjustment mechanism, fuel costs subject to annual audit • Barbados Light & Power – monthly fuel adjustment mechanism • Grand Bahama Power Company – monthly fuel adjustment mechanism
Volume /Demand Risk Mitigation⁴¹	<ul style="list-style-type: none"> • Revenue Stabilization <ul style="list-style-type: none"> ○ NSPI - Fixed Cost Recovery Deferral – 2012 Large Industrial Customers (recovers lost revenues associated with 2 large customers)
Capital Cost Recovery Risk Mitigation⁴²	<ul style="list-style-type: none"> • AFUDC – NSPI, Emera Maine and GBPC all include an equity component in AFUDC. • Established pre-approved capital investment programs <ul style="list-style-type: none"> ○ None noted • Capital Trackers – none noted
Other Significant Deferral and Variance Accounts⁴³	<ul style="list-style-type: none"> • Fixed cost recovery deferral – NSPI defers a portion of fixed cost recovery to future periods (subject to reduction for excess earnings and subject to revenue cap) • Emera Maine – 5 year deferral of \$5 million of costs associated with major ice storm • Stranded Asset Recovery – Emera Maine (recovers all prudently incurred costs resulting from restructuring electric industry)



	<p>in 2000)</p> <ul style="list-style-type: none">• Restructuring above market PPA – Emera Maine• Pension and post retirement medical plan
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Enbridge Inc. (TSX: ENB)

Company Overview ⁴⁴	
<p>Enbridge, a Canadian Company, is a North American leader in delivering energy and has been included on the Global 100 Most Sustainable Corporations in the World ranking for the past six years. As a transporter of energy, Enbridge operates, in Canada and the United States, the World's longest crude oil and liquids transportation system. The Company also has significant and growing involvement in natural gas gathering, transmission and midstream businesses, and an increasing involvement in power transmission. As a distributor of energy, Enbridge owns and operates Canada's largest natural gas distribution company and provides distribution services in Ontario, Quebec, New Brunswick and New York State. As a generator of energy, Enbridge has interests in more than 2,200 MW (1,600 MW net) of renewable and alternative energy generating capacity and is expanding its interests in wind, solar and geothermal facilities. Enbridge employs more than 11,000 people, primarily in Canada and the United States and is ranked as one of Canada's Top 100 Employers for 2014.</p>	
S&P Ratings Summary (A-/Stable/A-2) ⁴⁵	
<p>Business Risk – Excellent</p> <p>We view Enbridge's business risk as "excellent," with an "excellent" competitive position. The company generates a significant portion of its cash flow through tolls on the liquids pipelines and earnings from regulated gas distribution. Although the competitive tolling settlement expose Enbridge to a higher degree of volume risk, the fundamentals of increasing Alberta crude oil production and constrained export capacity bode well for seeing volumes remain strong. The company does not take direct commodity risk on the pipelines, and the contract profile is long-term with generally creditworthy counterparties. We expect new projects to feature long-term contracts that limit volume risk, with no commodity exposure that generate stable cash flows. Gas distribution accounts for approximately 15% of cash flow, and we believe consistent and predictable regulation, commodity cost pass-through, and a demonstrated ability to earn the allowed return on equity established by the regulator support the excellent competitive position.</p>	<p>Financial Risk – Significant</p> <p>We view Enbridge's financial risk profile as "significant". A very large capital program to expand existing and build new liquids pipelines will pressure financial metrics for the next several years. We expect that there will be very limited headroom above our 13% AFFO-to-debt downgrade threshold, and that financial policy, including the mix of external financing and dividend growth, will be crucial to maintaining the rating.</p>
Operating Characteristics	
<p>Operations/State/Customers (000's)⁴⁶</p>	<p>Operating segments are liquids pipelines (38% of total assets); gas distribution (13% of total assets); gas pipelines, processing and energy services (10% of total assets); sponsored investments (32% of total assets); and corporate (7% of total assets).</p> <ul style="list-style-type: none"> • EGDI – 2,000 • Enbridge Gas New Brunswick - 11⁴⁷
<p>Total Assets (2014 \$CAD billions)⁴⁸</p>	<p>\$72.9 billion</p>
<p>% of Assets in Regulated Distribution Operations (2014)⁴⁹</p>	<p>Gas distribution operations assets are 9.3 billion or 13%. Gas distribution makes up 9% of revenues and 13% of operating income.</p>



Customer Mix (2014)⁵⁰	<ul style="list-style-type: none"> EGDI Revenues (2014) <ul style="list-style-type: none"> Residential – 33% Commercial – 27% Industrial – 23% Wholesale – 16%
%CAPEX Spend⁵¹	<ul style="list-style-type: none"> A key focus of Enbridge's corporate strategy is the successful execution of its growth capital program. In 2014, Enbridge successfully placed into service approximately \$10 billion of growth projects across several business units. Enbridge also expanded its portfolio of commercially secured growth projects to \$34 billion. All of these projects are expected to come into service by 2018; with more than \$9 billion during 2015. Capex for Canadian Distribution operations was \$663 million for 2014; and is forecast at \$1 billion for 2015. The average in recent years has been \$527 million.⁵²
Residential Retail Choice⁵³	<p>Customers have a choice with respect to natural gas supply. One option is a sales service option, whereby the customer purchases natural gas from the Company's supply portfolio (system supply). The Company does not earn a margin on the natural gas commodity it provides to customers. Alternatively, a natural gas user may select a direct purchase option, which is a transportation service arrangement.</p> <p>Under the transportation service arrangement, a customer supplies natural gas at a TransCanada Pipelines Limited (TransCanada) receipt point in western Canada or at a TransCanada delivery point in Ontario, and the Company redelivers an equivalent amount of natural gas to the customer's end-use location. As a third option, a customer may select an unbundled service arrangement. Similar to the transportation service arrangement, customers deliver their own natural gas into the Company's distribution system, but they are responsible for balancing consumption with deliveries on a daily basis. These arrangements are billed by the Company under the OEB approved rate schedules.</p>
Supply Availability and Deliverability⁵⁴	<ul style="list-style-type: none"> EGDI owns rate regulated and non-regulated natural gas storage facilities in Ontario.⁵⁵ EGDI maintains a diversified natural gas supply portfolio. During the year ended December 31, 2014, the Company acquired approximately 9.1 billion cubic metres of natural gas (2013 - 7.8 billion cubic metres), of which 58% (2013 - 47%) was acquired



	<p>from western Canadian producers, 17% (2013 - 23%) was acquired from suppliers in Chicago and 25% (2013 - 30%) was acquired on a delivered basis in Ontario. The Company also transported 4.7 billion cubic metres (2013 - 4.7 billion cubic metres) of natural gas on behalf of direct purchase customers operating under a transportation service arrangement. The Company's system supply natural gas contracts have pricing structures responsive to supply and demand conditions in the North American natural gas market. The prices in these contracts may be indexed to Alberta, Chicago or New York based prices.</p> <ul style="list-style-type: none"> • TransCanada transports approximately 69% or 9.1 billion cubic metres (2013 - 60% or 7.4 billion cubic metres) of the annual natural gas supply requirements of the Company's customers.
Regulatory Environment	
RRA Ranking (as available)/ DBRS Ranking⁵⁶	<p>Rankings are Above Average, Average and Below Average, 1 indicates stronger rating "+" and 3 indicates weaker rating "-." DBRS Ranking out of 50, higher is better.</p> <p>Ontario – DBRS 33 New Brunswick – DBRS 30 Quebec – DBRS 38 New York – RRA Ranking Average/2</p>
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> • Ontario is a signatory to the Western Climate Initiative. Ontario is currently developing a carbon management strategy which will be released in 2015. The Company reports greenhouse gas (GHG) emissions from combustion sources only in Ontario, and all reported data is verified by a third party. There were no issues identified for the 2014 reporting year.⁵⁷ • Government of New Brunswick enacted legislation that in 2011 permitted the government to change the franchise agreement between EGNB and the province. According to the new legislation, EGNB no longer met criteria for rate regulated accounting and was forced to write off \$262 million of regulatory assets. The new regulation changed the regulatory model in New Brunswick to lower of cost of service or market. Legal proceedings are ongoing.⁵⁸
Regulatory Model⁵⁹	<ul style="list-style-type: none"> • EGDI- rates are updated annually (including



	<p>ROE)</p> <ul style="list-style-type: none"> ○ Performance Based Ratemaking ○ Earnings Sharing Mechanism ○ Incentive Mechanism that allows the company to earn above its allowed return. ● Enbridge Gas New Brunswick <ul style="list-style-type: none"> ○ Lower of cost of service or market-based rates
Test Year⁶⁰	<ul style="list-style-type: none"> ● Forecast – EGDI (billing determinants and ROE are updated annually) <ul style="list-style-type: none"> ○ St. Lawrence rates set by cost of service
Interim Rates	Allowed through Revenue Adjustment deferral account for EGDI ⁶¹
Typical Rate Case Lag	EGDI has formula rates for 5-year period, typically cases are decided within 8 months ⁶²
Most Recent Authorized ROE⁶³	<ul style="list-style-type: none"> ● EGDI – 9.36% <ul style="list-style-type: none"> ○ St. Lawrence – 10.5%⁶⁴
Most Recent Authorized Equity Ratio⁶⁵	<ul style="list-style-type: none"> ● EGDI – 36% <ul style="list-style-type: none"> ○ St. Lawrence – 50.0%⁶⁶
Gas Supply Risk Mitigation and Incentives⁶⁷	<p>Purchased Gas Adjustment Clauses:</p> <ul style="list-style-type: none"> ● EGDI – has quarterly fuel adjustment through QRAM mechanism, difference between actual and forecast fuel prices are recovered over subsequent 12 month period, sometimes collections are deferred beyond one year⁶⁸
Volume /Demand Risk Mitigation⁶⁹	<ul style="list-style-type: none"> ● Revenue Stabilization <ul style="list-style-type: none"> ○ EGDI – Average use true up account mitigates volume differences for residential customer class – industrial and commercial customers are at risk for actual volumes that differ from forecast volume.
Capital Cost Recovery Risk Mitigation	<ul style="list-style-type: none"> ● EGDI may capitalize IDC only (i.e. no equity component)⁷⁰ ● Established pre-approved capital investment programs⁷¹ <ul style="list-style-type: none"> ○ Greater Toronto Area (GTA) project – OEB approval received in January 2014 - \$756 million to be completed in 2015. ○ St. Lawrence Gas expansion (received regulatory approval in July 2012) – expected to be completed in 2018. Total capital cost is \$52 million.



	<ul style="list-style-type: none">• Capital Trackers⁷²<ul style="list-style-type: none">○ Rate plan includes core capital allocation to meet customer growth and integrity management programs (averaging approximately \$440 million/year through 2018)○ GTA Project DVA account
Other Significant Deferral and Variance Accounts⁷³	<ul style="list-style-type: none">• EGDI<ul style="list-style-type: none">○ Customer care mechanism○ DSM mechanism○ Greenhouse Gas Emissions Deferral account⁷⁴○ Pension and other OPEB mechanism○ Constant dollar net salvage adjustment○ Unabsorbed demand cost○ Design day criteria transportation○ DSM management incentive○ Deferred rate hearing costs○ Future removal and site restoration○ Storage and transportation○ Transactional services deferral○ Revenue adjustment mechanism (adjusts for interim rates)• Z factor approved for material unforeseen events (i.e. > \$1.5 million)



Valener Inc. (TSX: VNR)

Company Overview ⁷⁵	
<p>Valener is a public company that is 100% owned by the public investor and serves as the investment vehicle in Gaz Métro. Through its investment in Gaz Métro, Valener offers its shareholders a solid investment in a diversified and largely regulated energy portfolio in Quebec and Vermont. As a strategic partner, Valener, on one hand, contributes to Gaz Métro's growth, and on the other hand invests in wind power production in Quebec together with Gaz Métro. Valener favors energy sources and uses that are innovative, clean, competitive and profitable.</p>	
S&P Ratings Summary (BBB+/Stable/--) ⁷⁶	
<p>Business Risk – Strong</p> <p>The "strong" business risk profile reflects the inherent link to GMLP, as well as our opinion of the highly stable underlying nature of the cash flows at the GMLP level. We base our assessment of Valener's business risk on GMLP's underlying regulated natural gas distribution businesses in Quebec and Vermont, as well as its regulated electric transmission and distribution assets in Vermont. GMLP also has interests in the Seigneurie de Beaupre wind power projects. We expect residual cash flows from wind power to be more volatile than those from regulated gas distribution due to the nature of wind generation. In our view, the relationship between GMLP and Valener is key to the ratings. Valener has no direct operations or staff, and is managed by GMLP pursuant to a management and administration support agreement. Three of its five board members are also on the GMLP board, and its stated strategy is to maintain its 29% proportional interest in GMLP as it increases in overall size. GMLP has supported Valener, providing an additional C\$20 million in distributions to support its dividends in the past. Our base-case operating scenario forecasts no change in the relationship between the two entities, and no change in Gaz Metro's or Valener's dividend policy.</p>	<p>Financial Risk – Significant</p> <p>Valener's significant financial risk profile reflects our view of the company's degree of leverage and future financing needs. Valener receives distributions from GMLP, and accounts for its interest as equity. The distributions reflect residual cash flows from GMLP after it has satisfied its own financing needs. Pursuant to the partnership agreement, GMLP has to distribute at least 85% of its net income, excluding nonrecurring items. Any distributions less than 85% will require 90% approval from GMLP's board, which provides an effective veto to the three Valener directors nominated to the board. GMLP is distributing above this level, so we view this as a lower limit to cash flows at Valener, recognizing the fact that earnings are variable.</p>
Operating Characteristics	
<p>Operations/State/Customers (000's)⁷⁷</p>	<p>Valener owns a 29% interest in Gaz Metro Limited Partnership. In addition to distribution facilities listed below, Gaz Metro owns a 50% interest in TQM, that connects to TCPL, owns Champion (2 pipelines that cross the Ontario border and supply the northwest corner of Gaz Metro's distribution system); and owns at 38.3% interest in PNGTS (starts at the Quebec border and serves Boston); As well, Gaz Metro owns interests (51%) in wind farms (272MW sold to HQ), Valener owns the remaining 49%. Also has an energy services division that includes Gaz Metro LNG (ensures the liquefaction capacity of Gaz Metro's LSR plant and</p>



	<p>the new LNG plant to be constructed); and transport solution, providing CNG and LNG for fleet transportation fuels. Energy distribution accounted for 97% of Gaz Metro's net income, with Gaz Metro accounting for 66% of distribution net income.</p> <ul style="list-style-type: none"> • Gaz Metro – 2,000 • VGS – 45 • GMP – <ul style="list-style-type: none"> ○ MOU upon acquisition of CVPS, that GMP must generate at least US\$144 of synergy savings for its customers over a 10 year period. Schedule of payments to customers is as follows: <ul style="list-style-type: none"> ▪ Fixed amounts 2013-2015 (2014 \$5 million, 2015 \$8 million) ▪ Shared equally 2016-2020 ▪ 100% to customers 2021-2022
Total Assets (2014 \$CAD billions)⁷⁸	<p>\$0.815 billion Valener \$6.144 billion Gaz Metro Limited Partnership</p>
% of Assets in Regulated Distribution Operations (2014)⁷⁹	<p>Energy distribution assets are 84% of total Gaz Met partnership assets. Gaz Metro distribution makes up 46% of total energy distribution assets.</p>
Customer Mix (2014)⁸⁰	<ul style="list-style-type: none"> • Gaz Metro Normalized Gas Volume (2014) (10⁶m³) <ul style="list-style-type: none"> ○ Industrial <ul style="list-style-type: none"> ▪ Firm – 2,983 (50%) ▪ Interruptible – 498 (8%) ○ Commercial – 1,846 (31%) ○ Residential – 673 (11%) • Gaz Metro electricity distribution (gigawatt hours) <ul style="list-style-type: none"> ○ Residential – 1,558 (36%) ○ Small commercial and industrial (37%) ○ Large commercial and industrial – 1170 (27%) • Gaz Metro's major customers (numbering over 200) comprise 52% of natural gas deliveries and 22% of total revenues.
%CAPEX Spend⁸¹	<p>CAPEX for remainder of 2015 ~\$227 million</p> <ul style="list-style-type: none"> • CAPEX of ≈ \$180M for extensions and improvements to energy distribution systems <ul style="list-style-type: none"> ○ Gaz Métro - QDA: ≈ \$80M ○ VGS & GMP: ≈ \$100M



	<ul style="list-style-type: none"> • CAPEX of \approx \$47M for LSR plant expansion (total cost of LSR Plant expansion is \$118 million)⁸² • VGS system expansion total cost \$121.6 million
Residential Retail Choice⁸³	Gas market restructuring and retail competition has not occurred in Gaz Metro's gas service territories in Quebec or Vermont.
Supply Availability and Deliverability⁸⁴	<ul style="list-style-type: none"> • Gaz Metro relies on a varied portfolio of transportation and storage with differing expirations to meet its delivery requirements. <ul style="list-style-type: none"> ○ Firm capacity on TCPL that delivers from Western Canada or from Dawn. ○ Contracts for storage capacity in Quebec and at Dawn in Ontario. ○ Gaz Metro buys natural gas required to supply customers. ○ Supply plan submitted to Régie once a year for approval. Régie recently approved request to move supply receipt point from Empress to Dawn (closer and takes better advantage of cheap and abundant U.S. supply) • TransCanada has recently filed (2014) a case to convert a portion of their gas mainline to a liquids pipeline transporting oil from western to eastern Canada which may pose a supply risk to the utilities in eastern Canada. • GMP's supply portfolio consists of multiple generation sources, mainly hydro and to a lesser degree, nuclear and wind. Owns commercial scale wind farm \sim70 MW – largest wind producer in the state. • New England electric power market continues to have adequate supply to meet demand in the region, but pipeline capacity gets constrained in the winter months.
Regulatory Environment	
RRA Ranking (as available)/ DBRS Ranking⁸⁵	<p>Rankings are Above Average, Average and Below Average, 1 indicates stronger rating "+" and 3 indicates weaker rating "-" DBRS Ranking out of 50, higher is better.</p> <p>Quebec – DBRS 38 VT – RRA Ranking Average/3</p>
Regulatory and Legislated Initiatives⁸⁶	<ul style="list-style-type: none"> • Gaz Metro is subject to the CATS (carbon cap and trade market) Regulation as of January 1, 2015. Gaz Metro will be required



	<p>to reduce emissions and to purchase GHG emissions allowances. This regulation replaces annual duty under the Green Fund. Estimated compliance costs for 2015 are \$45 million and over \$70 million for 2016.</p> <ul style="list-style-type: none"> • Climate Change Action Plan 2013-2020 to reduce reliance on fossil fuels. Government actions will focus on transportation, industry and buildings. • Government of Quebec biomethanation program – Gaz Metro plans on providing biomethane in 2015. • Vermont encourages development of renewable energy resources – 20% statewide electricity sales be generated with renewable electricity. • GMP participates in RGGI, multi state cap and trade program, GMP has one plant subject to compliance and costs to comply are low and expected to remain so.
Regulatory Model⁸⁷	<ul style="list-style-type: none"> • Distribution rates are set by cost of service method – Gaz Metro, VGS, GMP • GMP has alt reg plan which includes earnings, sharing, power supply adjustment mechanism, and a formula ROE. Alt reg plan commenced January 2014 and will be in effect for 3 years. • Earnings sharing – Gaz Metro, GMP • Performance Incentives for energy savings – Gaz Metro \$1 million (GEEP).
Test Year⁸⁸	<ul style="list-style-type: none"> • Forecast – Gaz Met • Historical Average rate base with adjustment for known and measurable differences – VGS, GMP
Interim Rates⁸⁹	Régie approved an interim distribution rate based on a 1.8% inflation rate that will go into effect January 1, 2015 and will remain until decision is reached on Phase III of the 2015 rate case.
Typical Rate Case Lag	QC - ~ 7 mos. ⁹⁰ VT – 8 mos. ⁹¹
Most Recent Authorized ROE⁹²	<ul style="list-style-type: none"> • Gaz Metro – 8.9% (9.25% earned) • VGS – 10.20% • GMP – 9.6%
Most Recent Authorized Equity Ratio⁹³	<ul style="list-style-type: none"> • Gaz Metro – 38.5% • VGS – 55% equity • GMP – 50% equity
Gas Supply Risk Mitigation and Incentives⁹⁴	<p>Purchased Gas (or Fuel) Adjustment Clauses:</p> <ul style="list-style-type: none"> • Quarterly adjustment mechanism – VGS, GMP



Volume /Demand Risk Mitigation⁹⁵	<ul style="list-style-type: none"> • Revenue Stabilization <ul style="list-style-type: none"> ○ Gaz Metro – weather normalization (based on normal temperature and wind velocity) deferral adjustment; recovered from/returned to customers over 5-year period. ○ VGS – weather normalization ○ GMP – Alt Reg Plan mitigates how certain volume/cost variations due to weather impact earnings.
Capital Cost Recovery Risk Mitigation⁹⁶	<ul style="list-style-type: none"> • Gaz Met capitalizes AFUDC at its WACC. • Established pre-approved capital investment programs⁹⁷ <ul style="list-style-type: none"> ○ LSR facility expansion – Gaz Metro ○ System expansion -VGS • Capital Trackers <ul style="list-style-type: none"> ○ None noted
Other Significant Deferral and Variance Accounts⁹⁸	<ul style="list-style-type: none"> • Gaz Metro <ul style="list-style-type: none"> ○ Green fund surcharge – Gaz Metro ○ Bad debt deferral account – Gaz Metro ○ Energy efficiency-Gaz Metro, GMP ○ Pensions and OPEB – Gaz Metro, GMP ○ Grants paid – Gaz Metro, VGS ○ Inventory stabilization- Gaz Metro ○ Site decontamination and dismantling costs – VGS, GMP ○ Deferred vacation – Gaz Metro ○ Storm costs – GMP ○ System expansion and reliability fund – VGS ○ Future costs of retiring PP&E – Gaz Metro
Other Significant Deferral and Variance Accounts⁹⁹	<ul style="list-style-type: none"> • Pension and Post Retirement Benefits • Interest Rate Contracts • Social Benefits Clause • Remediation Adjustment Clause • New Jersey Clean Energy Program • Universal Service Fund • Pipeline Integrity Management regulations • Superstorm Sandy



End Notes

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- ¹ SNL Financial.
 - ² S&P Ratings Direct, Summary: Canadian Utilities Ltd. (September 3, 2014).
 - ³ Canadian Utilities Annual Information Form (2014) at 5-7.
 - ⁴ Canadian Utilities Consolidated Financial Statements (2014).
 - ⁵ Canadian Utilities Consolidated Financial Statements (2014).
 - ⁶ Canadian Utilities Annual Information Form (2014) at 6.
 - ⁷ Canadian Utilities Annual Information Form (2014) and MD&A.
 - ⁸ Canadian Utilities MD&A (2014).
 - ⁹ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States.
 - ¹⁰ Canadian Utilities MD&A (2014).
 - ¹¹ Canadian Utilities Annual Information Form (2014) and AUC Decision 2012-237 at 9.
 - ¹² Canadian Utilities Annual Information Form (2014) and MD&A (2014).
 - ¹³ Canadian Utilities Annual Information Form (2014).
 - ¹⁴ AUC 2013 GCOC Decision 2191-D01-2015; Canadian Utilities Annual Information Form (2014).
 - ¹⁵ AUC 2013 GCOC Decision 2191-D01-2015; Canadian Utilities Annual Information Form (2014).
 - ¹⁶ Canadian Utilities MD&A (2014).
 - ¹⁷ Canadian Utilities Consolidated Financial Statements (2014) at 22.
 - ¹⁸ Canadian Utilities Annual Information Form (2014) at 6.
 - ¹⁹ Canadian Utilities Annual Information Form (2014) and MD&A (2014).
 - ²⁰ Canadian Utilities Annual Information Form (2014) and Consolidated Financial Statements (2014).
 - ²¹ SNL Financial.
 - ²² S&P Ratings Direct, Summary: Emera Inc. (September 17, 2014).
 - ²³ Emera Inc. Consolidated Financial Statements (2014).
 - ²⁴ Emera Inc. Consolidated Financial Statements (2014).
 - ²⁵ Emera Inc. Consolidated Financial Statements (2014).
 - ²⁶ Emera Inc. MD&A (2014).
 - ²⁷ Emera Inc. Consolidated Financial Statements (2014).
 - ²⁸ Emera Inc. MD&A (2014).
 - ²⁹ Emera Inc. MD&A (2014).
 - ³⁰ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States.
 - ³¹ Emera Inc. MD&A (2014).
 - ³² Emera Inc. Consolidated Financial Statements (2014).
 - ³³ 2012 NSUARB 227 and SNL Financial.
 - ³⁴ SNL Financial.
 - ³⁵ 2012 NSUARB 227.
 - ³⁶ 2012 NSUARB 227.
 - ³⁷ SNL Financial.
 - ³⁸ Emera Inc. Consolidated Financial Statements (2014).
 - ³⁹ Emera Inc. Consolidated Financial Statements (2014).
 - ⁴⁰ Emera Inc. Consolidated Financial Statements (2014).
 - ⁴¹ Emera Inc. Consolidated Financial Statements (2014).
 - ⁴² Emera Inc. Consolidated Financial Statements (2014).
 - ⁴³ Emera Inc. Consolidated Financial Statements (2014).
 - ⁴⁴ SNL Financial.
 - ⁴⁵ S&P Ratings Direct, Summary: Enbridge Inc. (May 16, 2014).
 - ⁴⁶ Enbridge Inc. Consolidated Financial Statements (2014).
 - ⁴⁷ Enbridge Inc. Annual Information Form (2014).
 - ⁴⁸ Enbridge Inc. Consolidated Financial Statements (2014).
 - ⁴⁹ Enbridge Inc. Consolidated Financial Statements (2014).
 - ⁵⁰ Enbridge Gas Distribution Inc. Annual Information Form (2014) at 7.
 - ⁵¹ Enbridge Inc. Consolidated Financial Statements (2014).
 - ⁵² Enbridge Gas Distribution MD&A (2014) at 14.



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- 53 Enbridge Gas Distribution Inc. Annual Information Form (2014) at 5.
54 Enbridge Gas Distribution Inc. Annual Information Form (2014) at 5.
55 Enbridge Gas Distribution Inc. Annual Information Form (2014) at 3.
56 SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States.
57 Enbridge Gas Distribution Inc. Annual Information Form (2014) at 9.
58 Enbridge Gas Distribution Inc. Annual Information Form (2014) at 28.
59 Enbridge Gas Distribution Inc. Annual Information Form (2014) at 8 and Enbridge Inc. Consolidated Financial Statements at 23 and MD&A at 48.
60 Enbridge Gas Distribution Co. MD&A (2014) at 11.
61 Enbridge Gas Distribution Co. Consolidated Financial Statements (2014) at 16.
62 OEB website.
63 Enbridge Inc. Consolidated Financial Statements (2014).
64 Enbridge Inc. Consolidated Financial Statements (2014).
65 Enbridge Inc. Consolidated Financial Statements (2014).
66 Enbridge Inc. Consolidated Financial Statements (2014).
67 Enbridge Gas Distribution MD&A (2014) at 13.
68 EB-2014-0039.
69 Enbridge Gas Distribution MD&A at 22 (2014).
70 EB-2011-0354, Application Exhibit E2, Tab 2, Schedule 1, *Equity Thickness Evaluation and Recommendation*, Prepared for: Enbridge Gas Distribution by Concentric Energy Advisors, Inc. January 27, 2012.
71 Enbridge Gas Distribution Inc. Annual Information Form (2014) at 8.
72 OEB Decision EB-2012-0459 at 70.
73 Enbridge Gas Distribution Co. MD&A (2014) at 6.
74 OEB Decision EB-2012-0459 at 70.
75 SNL Financial.
76 S&P Ratings Direct, Summary: Valener Inc. (June 26, 2014).
77 Valener Inc. Annual Report (2014).
78 Valener Inc. Consolidated Financial Statements (2014).
79 Valener Inc. Consolidated Financial Statements (2014).
80 Valener Inc. Consolidated Financial Statements (2014).
81 Valener Inc. Investor Presentation (2014).
82 Valener Inc. Annual Report (2014).
83 Enbridge Gas Distribution Inc. Annual Information Form (2014) at 5.
84 Valener Annual Report (2014).
85 SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States.
86 Valener Inc. Annual Report (2014).
87 Valener Inc. Annual Report (2014).
88 SNL Financial and Valener Inc. Annual Report (2014).
89 Valener Inc. Annual Report (2014).
90 Valener Inc. Annual Report (2014) at 23.
91 SNL Financial.
92 Valener Inc. Annual Report (2014).
93 Valener Inc. Annual Report (2014).
94 Valener Inc. Annual Report (2014).
95 Valener Inc. Annual Report (2014) at 32.
96 Valener Inc. Annual Report (2014) at 32, 100.
97 Valener Inc. Annual Report (2014).
98 Valener Inc. Annual Report (2014) at 32.
99 SNL Financial and SJI 10-K (2014) at 72 – 75.



II. DETAILED RISK OVERVIEWS FOR U.S. PROXY GROUP MEMBERS

ALLETE, Inc. (NYSE: ALE)

Company Overview ¹	
<p>ALLETE is an energy company headquartered in Duluth, Minnesota. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin ("SWL&P"), ALLETE owns BNI Coal in Center, N.D., ALLETE Clean Energy, based in Duluth, U.S. Water Services headquartered in St. Michael, Minnesota, and has an eight percent equity interest in the American Transmission Company (ATC).</p>	
S&P Ratings Summary (BBB+/Stable/A-2) ²	
<p>Business Risk – Strong</p> <p>We view ALLETE's business risk profile as "strong" reflecting its lower-risk regulated utilities. ALLETE's utilities serve about 180,000 customers in Minnesota and Wisconsin. ALLETE's business risk profile reflects some of the lowest average retail rates in the U.S., in part due to low-cost, coal-fired generation. Regulatory support for various environmental upgrades should help bolster financial measures during ongoing construction. Access to emissions-reduction riders should help ensure timely recovery of environmental investments. The company's business risk profile also reflects its high concentration of industrial customers (accounting for half of all electric sales) in cyclical industries, such as taconite processing and paper and wood product manufacturing. Take-or-pay clauses in industrial customer contracts help temper related cash flow volatility that comes from the ongoing demand nomination process, when the customers state their forthcoming power needs for the next few months. The utility has entered into contracts or used access to the Midwest Independent System Operator market to sell any excess capacity and energy.</p> <p>ALLETE's low-cost generation should give the company a competitive advantage and support off-system sales if industrial sales were to decrease. The company has stated that its demand nominations for the rest of 2014 indicate the customers are operating near full capacity for the period, which should continue to bolster cash flow protection measures.</p>	<p>Financial Risk – Significant</p> <p>We use the medial volatility table for ALLETE, reflecting the company's lower-risk regulated-utility business model that includes regulated generation and distribution. We view ALLETE's financial risk profile as "significant." As of Dec. 31, 2013, ALLETE generated \$251 million in adjusted FFO and had total adjusted debt of \$1.3 billion. For the same period, adjusted debt to EBITDA was 4.05x, and adjusted FFO to total debt was 19%. We expect financial measures to remain at least at these levels.</p> <p>ALLETE projects capital spending for 2014-2018 of about \$1.6 billion, including environmental, renewable, and transmission projects. To support cash flow during ongoing construction, the company has indicated it will seek recovery of about one-half of the capital spending through rate riders.</p>
Operating Characteristics	
<p>Operations/State/Customers³</p>	<ul style="list-style-type: none"> Minnesota Power – MN – 144,000 customers (Electric). SWL&P – WI – 15,000 customers (Electric), 12,000 customers (Gas), and 10,000 customers (Water)



	<ul style="list-style-type: none"> • Small ownership interest in ATC (ATC is a Wisconsin based utility that owns and operates electric transmission assets in Wisconsin, Michigan, Minnesota and Illinois).
Total Assets (billions)	\$4.4 ⁴
Customer Mix (2014 kWh Electric Sales) ⁵	<ul style="list-style-type: none"> • Residential – 9% • Commercial – 10% • Industrial – 54% (customers primarily in the taconite mining, iron concentrate, paper, pulp and secondary wood products, and pipeline industries) • Municipal - 6% • Other Power Suppliers – 21%
CAPEX Spend	<ul style="list-style-type: none"> • Gross CAPEX for 2014 was \$0.60 billion⁶ <ul style="list-style-type: none"> ○ \$0.58 billion – Regulated CAPEX ○ \$0.02 billion – Non-Regulated CAPEX • Breakdown of capital spending from 2015-2019 is as follows⁷: <ul style="list-style-type: none"> ○ \$1.24 billion – Regulated CAPEX ○ \$0.15 billion – Non-Regulated CAPEX • Rate base is projected to grow by approximately 15 percent from 2014 year-end through 2019.
Residential Retail Choice Program	<ul style="list-style-type: none"> • No electric residential retail choice programs in MN and WI.⁸
Supply Availability and Deliverability	<ul style="list-style-type: none"> • Supply composed of company-owned generation (66%) and purchased power (34%).⁹ • Breakdown of Power Supply: <ul style="list-style-type: none"> ○ Coal (Company-Owned) – 56% ○ Biomass/NG (Company-Owned)- 1% ○ Hydro (Company-Owned) – 2% ○ Wind (Company-Owned) – 7% ○ Long-Term Purchased Power – 15% ○ Other Purchased Power – 19%.
Regulatory Environment	
RRA Ranking (as available); DBRS Ranking¹⁰	RRA maintains three principal rating category: Above Average, Average, and Below Average. Within these principal categories, 1 indicates



	<p>stronger rating and 3 indicates weaker rating. DBRS Ranking is out of 50, higher is better.</p> <ul style="list-style-type: none"> • MN - Average/2; DBRS 46 • WI – Above Average/2; DBRS 41
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> • Minnesota Power is subject to government mandated renewable energy requirements (25% by 2025).¹¹ • In May 2013, legislation was enacted by the state of Minnesota requiring at least 1.5 percent of total retail electric sales, excluding sales to certain industrial customers, to be generated by solar energy by the end of 2020.¹² • Minnesota Power is subject to various EPA and state regulations which target coal emissions.¹³
Regulatory Model	<ul style="list-style-type: none"> • Cost of Service regulatory model – Minnesota Power¹⁴
Test Year	<ul style="list-style-type: none"> • MN – Partial Forecast.¹⁵
Interim Rates	<ul style="list-style-type: none"> • MN - 60 days after filing for a permanent rate increase.¹⁶
Typical Rate Case Lag	<ul style="list-style-type: none"> • MN – 12 months¹⁷
Most Recent Authorized ROE	<ul style="list-style-type: none"> • Minnesota Power – 10.38%¹⁸
Most Recent Authorized Equity Ratio	<ul style="list-style-type: none"> • Minnesota Power – 54.29%¹⁹
Supply Risk Mitigation and Incentives	<ul style="list-style-type: none"> • Fuel Adjustment Clauses – Monthly Adjustment.²⁰ • Non-administrative Midcontinent Independent System Operator costs can be recovered through the fuel adjustment clause.²¹
Capital Cost Recovery Risk Mitigation	<ul style="list-style-type: none"> • Transmission Cost Recovery Rider - Minnesota Power has an approved cost recovery rider in place for certain transmission investments and expenditures.²² • Renewable Cost Recovery Rider²³ • Environmental Improvement Rider²⁴



Duke Energy Corporation (NYSE: DUK)

Company Overview ²⁵	
<p>Duke Energy is the largest electric power holding company in the United States with approximately \$120 billion in total assets. Its regulated utility operations serve approximately 7.3 million electric customers located in six states in the Southeast and Midwest. It's Commercial Portfolio and International business segments own and operate diverse power generation assets in North America and Latin America, including a growing portfolio of renewable energy assets in the United States. Headquartered in Charlotte, N.C., Duke Energy is a Fortune 250 company traded on the New York Stock Exchange under the symbol DUK.</p>	
S&P Ratings Summary (BBB+/Stable/A-2) ²⁶	
<p>Business Risk – Strong</p> <p>We assess Duke Energy's business risk profile as "excellent", incorporating the company's regulated utility operations that serve more than 7 million customers, span six states, and provide about 85% of operating income while benefiting from operating and regulatory diversity. Duke Energy's business risk profile also benefits from regulated utility operations under generally constructive regulatory frameworks. The majority of Duke Energy's customers are residential and commercial, providing incremental support to revenues and cash flow. On aggregate, Duke Energy's customer base grew by about 1%, reflecting the service territory's robust economic profile. Our assessment of business risk also accounts for Duke Energy's unregulated merchant generation operations in the U.S. and Latin America as well as for the company's renewable energy projects in the U.S., which combined can contribute as much as 15% of operating income. We view these ventures and the merchant generation business in particular, as having higher risk than Duke Energy's regulated operations.</p> <p>Over the past few years, Duke Energy has reached a number of rate case decisions and settlements aimed at enabling the company to recover significant invested capital, thereby providing certainty and stability to the company's cash flow generation.</p> <p>In early 2014, Duke Energy announced its plans to exit the U.S. merchant generation business with the sale of its Midwest generation fleet. We expect that once closed, the transaction will shift somewhat the company's focus to an incrementally more predictable cash flow business model. This is because Duke Energy still plans to maintain ownership of its Latin America merchant generation business, which usually operates on a highly contracted basis. Moreover, the company plans to grow its renewable business, with an emphasis toward solar projects. While we ascribe higher business risk to such investments compared with the regulated utility</p>	<p>Financial Risk – Significant</p> <p>We view Duke Energy's financial risk profile as being in the "significant" category using the medial volatility financial ratio benchmarks, reflecting our base case scenario that the company will maintain credit protection measures that remain mostly toward the middle of the category, with FFO to debt of about 17% to 19% and debt to EBITDA that remains elevated at close to 4.5x. Our assessment of the financial risk profile accounts for Duke Energy's ongoing need for external financing given its large capital spending program, somewhat offset by material deferred tax benefits that Duke Energy expects to realize in the next few years.</p>



<p>operations, the company's efforts to contract all output somewhat mitigates the risks involved.</p> <p>Finally, Duke Energy must contend and effectively address in a credit neutral manner the coal ash storage ponds it owns in North and South Carolina. Because the cost to convert all coal ash ponds to dry storage can be prohibitive, the company is planning to pursue alternatives that meet the standards of the state's environmental agency but that will also comply with any federal rules for coal ash storage developed by the Environmental Protection Agency.</p>	
Operating Characteristics	
<p>Operations/State/Customers</p>	<p>Business segment composed of Regulated Utilities, International Energy and Commercial Power.²⁷ Regulated Utilities business segment serves 7.3 million retail electric customers in six states in the Southeast and Midwest regions of the United States.²⁸</p> <ul style="list-style-type: none"> • Duke Energy Carolinas – NC and SC – 2.5 million electric customers. • Duke Energy Progress – NC and SC – 1.5 million electric customers. • Duke Energy Indiana – IN – 810,000 electric customers. • Duke Energy Ohio/Kentucky – OH and KY – 840,000 electric and 500,000 natural gas customers. • Duke Energy Florida – FL – 1.7 million electric customers.
<p>Total Assets (billions)</p>	<p>\$118.58²⁹</p> <ul style="list-style-type: none"> • Duke Energy Carolinas: \$33.8³⁰ • Duke Energy Progress: \$22.4³¹ • Duke Energy Ohio: \$0.5³² • Duke Energy Indiana: \$11.0³³ • Duke Energy Florida: \$15.5³⁴
<p>Customer Mix (Billed Sales)³⁵</p>	<ul style="list-style-type: none"> • Duke Energy Carolinas: <ul style="list-style-type: none"> ○ Residential – 32% ○ General Service – 32% ○ Industrial – 25% ○ Wholesale and Other – 11%. • Duke Energy Progress: <ul style="list-style-type: none"> ○ Residential – 29% ○ General Service – 24% ○ Industrial – 16% ○ Wholesale and Other – 31%. • Duke Energy Indiana: <ul style="list-style-type: none"> ○ Residential – 28% ○ General Service – 25% ○ Industrial – 32%



	<ul style="list-style-type: none"> ○ Wholesale and Other – 15%. • Duke Energy Ohio: <ul style="list-style-type: none"> ○ Residential – 36% ○ General Service – 39% ○ Industrial – 24% ○ Wholesale and Other – 1%. • Duke Energy Florida: <ul style="list-style-type: none"> ○ Residential – 49% ○ General Service – 39% ○ Industrial – 8% ○ Wholesale and Other – 4%.
CAPEX Spend	<ul style="list-style-type: none"> • Gross CAPEX for 2014 was \$5.5 billion³⁶ <ul style="list-style-type: none"> ○ \$5.0 billion – Regulated CAPEX ○ \$0.6 billion – Non-Regulated and Other CAPEX • Forecasted capital spending from 2015-2017 is as follows³⁷: <ul style="list-style-type: none"> ○ Company Total: <ul style="list-style-type: none"> ▪ \$7.4 billion (2015) ▪ \$9.4 billion (2016) ▪ \$7.8 billion (2017) ○ Regulated Utilities: <ul style="list-style-type: none"> ▪ \$6.0 billion (2015) ▪ \$7.8 billion (2016) ▪ \$6.3 billion (2017) ○ Non-Regulated and Other: <ul style="list-style-type: none"> ▪ \$1.5 billion (2015) ▪ \$1.6 billion (2016) ▪ \$1.6 billion (2017)
Residential Retail Choice Program	<ul style="list-style-type: none"> • Residential electric retail choice programs only in Ohio.³⁸
Supply Availability and Deliverability	<ul style="list-style-type: none"> • Supply composed of company-owned generation (87%) and purchased power (13%).³⁹ • Breakdown of Power Supply: <ul style="list-style-type: none"> ○ Coal – 37% ○ Nuclear – 28% ○ Gas and Oil – 21% ○ Hydro and Solar – 1% ○ Purchased Power and Net Interchange – 13%
Regulatory Environment	
RRA Ranking (as available); DBRS Ranking⁴⁰	<p>RRA maintains three principal rating category: Above Average, Average, and Below Average. Within these principal categories, 1 indicates stronger rating and 3 indicates weaker rating. DBRS Ranking is out of 50, higher is better.</p> <ul style="list-style-type: none"> • FL - Above Average/3; DBRS 42



	<ul style="list-style-type: none"> • IN – Above Average/3; DBRS 45 • KY – Average/1; DBRS 44 • NC – Average/1; DBRS 38.5 • OH – Average/2; DBRS 40 • SC – Average/1; DBRS 45
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> • Subject to numerous environmental laws and regulations affecting many aspects of their present and future operations, including coal combustion residuals (CCRs), air emissions, water quality, wastewater discharges, solid waste and hazardous waste. ⁴¹ • Uncertainty regarding the extent and timing of future additional costs and liabilities related to the Dan River ash basin release, including the amount and extent of any pending or future civil or criminal penalties, and resulting litigation. ⁴²
Regulatory Model	<ul style="list-style-type: none"> • Cost of Service regulatory model⁴³
Test Year	<ul style="list-style-type: none"> • Duke Energy Florida - Forecast⁴⁴ • Duke Energy Indiana - Historical • Duke Energy Kentucky – Historical/Forecasted • Duke Energy Carolinas – NC - Historical • Duke Energy Carolinas – SC - Historical • Duke Energy Ohio - Historical
Interim Rates	<ul style="list-style-type: none"> • Duke Energy Florida - Yes⁴⁵ • Duke Energy Indiana - Yes • Duke Energy Kentucky – Only if the PSC determines that the credit or operation of the utility would be materially impaired in the absence of such treatment. • Duke Energy Carolinas – NC – Only if the NCUC determines that an emergency condition exists. • Duke Energy Carolinas – SC - Yes • Duke Energy Ohio - Only if the PUC determines that a financial emergency condition exists.
Typical Rate Case Lag	<ul style="list-style-type: none"> • Duke Energy Florida – 11 months⁴⁶ • Duke Energy Indiana - 16 months • Duke Energy Kentucky – 6 months • Duke Energy Carolinas – NC - 7 months • Duke Energy Carolinas – SC - 5 months • Duke Energy Ohio – 9 months
Most Recent Authorized ROE	Below is a breakdown of most recent authorized ROE ⁴⁷ :



	<ul style="list-style-type: none"> • Duke Energy Carolinas – NC: 10.2% • Duke Energy Carolinas – SC: 10.2% • Duke Energy Progress – NC: 10.2% • Duke Energy Ohio: 9.84% (both electric and gas) • Duke Energy Florida: 10.5%.
Most Recent Authorized Equity Ratio	<p>Below is a breakdown of most recent authorized equity ratio⁴⁸:</p> <ul style="list-style-type: none"> • Duke Energy Carolinas – NC: 53% • Duke Energy Carolinas – SC: 53% • Duke Energy Progress – NC: 53% • Duke Energy Ohio: 53% (both electric and gas) • Duke Energy Florida: 49%.
Supply Risk Mitigation and Incentives	<ul style="list-style-type: none"> • Fuel Adjustment Clauses: ⁴⁹ <ul style="list-style-type: none"> ○ Duke Energy Florida – Annually ○ Duke Energy Indiana – Quarterly (Duke Energy Indiana is authorized to recover 100% of purchased power capacity/demand charges through a summer reliability tracking mechanism that is to remain in place until the company's next base rate proceeding. The fuel component of purchased power is recovered through the FAC. ○ Duke Energy Kentucky – Monthly ○ Duke Energy Carolinas – NC - Annually ○ Duke Energy Carolinas – SC - Monthly ○ Duke Energy Ohio – Not Applicable.
Volume /Demand Risk Mitigation	<ul style="list-style-type: none"> • Duke Energy Indiana - Recovery of net lost revenues through energy efficiency rider.⁵⁰ • Duke Energy Kentucky – Recovery of costs associated with electric energy efficiency programs; these riders also include partial decoupling provisions that permit recovery of lost revenues related to these programs. ⁵¹ • Duke Energy Ohio – SFV rate design⁵²



Capital Cost Recovery Risk Mitigation	<ul style="list-style-type: none">• Duke Energy Florida⁵³:<ul style="list-style-type: none">○ Energy Conservation Cost Recovery Clause (ECCRC) for electric and gas conservation-related expenditures.○ Environmental Cost Recovery Clause that enables each utility to recover compliance costs associated with environmental laws or mandates that became effective after 1993.• Duke Energy Indiana⁵⁴:<ul style="list-style-type: none">○ Environmental Compliance/Infrastructure Upgrades--State law allows the URC to authorize the utilities to recover, through a rate adjustment mechanism, 80% of the costs associated with certain federally-mandated emissions-control and transmission/distribution reliability projects. The remaining 20% of such costs are to be deferred for future recovery.○ Environmental cost recovery riders to recover O&M costs and depreciation expense after the environmental facilities become operational, as well as a return on the related investment.○ Transmission, Distribution, and Storage System Improvement Charge (TDSIC)- In 2013, Senate Bill (S.B.) 560 was enacted, thereby permitting the URC to authorize the utilities to implement a TDSIC rider to facilitate recovery of the costs associated with certain electric and gas infrastructure expansion projects,• Duke Energy Kentucky⁵⁵:<ul style="list-style-type: none">○ Energy Efficiency riders to recover costs associated with electric energy efficiency programs• Duke Energy Carolinas – NC⁵⁶:<ul style="list-style-type: none">○ State law authorizes the NCUC to approve an annual rider outside of a general rate case for electric utilities to recover reasonable and prudent costs incurred for the implementation of demand-side
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	<p>management (DSM) and energy efficiency (EE) programs. Recoverable costs include, but are not limited to, all capital costs, including cost of capital and depreciation expenses, administrative costs, implementation costs, incentive payments to program participants, and operating costs.</p>
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Other Significant Deferral and Variance Accounts	<ul style="list-style-type: none">• Duke Energy Florida⁵⁷:<ul style="list-style-type: none">○ State law permits Florida's utilities, subject to PSC approval, to securitize storm damage restoration costs.○ Duke Energy Florida may recover prudently incurred costs to construct, acquire, or uprate existing generation of up to 1,150 MW prior to the end of 2017. In addition, Duke Energy Florida is authorized to increase base rates without a general rate case through a Generation Base Rate Adjustment (GBRA) to recover the costs of up to 1,800 MW of additional new generation in 2018.• Duke Energy Indiana⁵⁸:<ul style="list-style-type: none">○ Mechanisms in place that allow the companies to flow through regional-transmission-organization-related costs on a timely basis.• Duke Energy Kentucky⁵⁹:<ul style="list-style-type: none">○ Mechanisms in place to recover variations in certain taxes and franchise fees.• Duke Energy Carolinas – NC⁶⁰:<ul style="list-style-type: none">○ Costs to procure renewable energy are recoverable through the fuel clause and the renewable energy portfolio standard (REPS) rider.• Duke Energy Ohio⁶¹:<ul style="list-style-type: none">○ Under Duke Energy Ohio's current electric security plans (ESPs), the company's generation requirements for non-switching customers are procured and priced through a competitive bid process (CBP). Rider RC (retail capacity) and Rider RE (retail energy) are in place, both of which are fully by-passable for switching customers.
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Eversource Energy (NYSE: ES)

Company Overview ⁶²	
Eversource (NYSE:ES) transmits and delivers electricity and natural gas for more than 3.6 million electric and natural gas customers in Connecticut, Massachusetts and New Hampshire. Eversource harnesses the commitment of its more than 8,000 employees across three states to build a single, united company around the mission of delivering reliable energy and superior customer service.	
S&P Ratings Summary (A-/Positive/A-2) ⁶³	
Business Risk – Excellent <ul style="list-style-type: none"> • A conservative business strategy with a focus on fully regulated transmission and distribution (T&D) operations. • A distribution regulatory environment that we view as more challenging than the transmission regulatory climate. • Regulatory, geographic, economic, and operating diversity. • Large customer base that is mostly residential and commercial, providing for a reasonably predictable revenue stream and some insulation from cyclical volatility. • Efficient operations. • New Hampshire customers can select alternative electric suppliers. A credit and cost-conscious management team. 	Financial Risk – Significant <p>We apply the low volatility table to NU because most of its cash flow comes from relatively predictable low-risk regulated T&D operations and more effective management of regulatory risk compared with peers.</p> <p>We currently view NU's consolidated financial risk profile at the upper end of the "significant" category. However, if the company continues to execute its strategies of effectively managing regulatory risk and achieves constructive rate outcomes, aggressively cuts costs while earning its allowed returns, manages to avoid cost overruns in its massive construction program, and is not noticeably harmed by a potentially lower FERC-allowed ROE, we believe that its financial measures could consistently be in the "intermediate" financial risk profile category.</p> <p>Improvement in the company's 2013 consolidated financial measures reflects lower O&M expenses, recovery of the balance of NSTAR Electric's transition deferral, and incorporates a full year of NSTAR. The 2012 financial results reflected one-time items such as merger-related costs and incorporated only nine months of NSTAR, since the merger closed April 1, 2012. Our baseline forecast results in adjusted FFO to total debt consistently above 15% and debt to EBITDA of about 4x. We expect that discretionary cash flow will be negative because the company will continue to support a heavy capital spending program that will annually average more than \$1.8 billion over the next four years.</p>
Operating Characteristics	
Operations/State/Customers	<ul style="list-style-type: none"> • Three reportable segments: Electric Distribution; Electric Transmission; and Natural Gas Distribution. ⁶⁴ • Electric Distribution segment consists of⁶⁵: <ul style="list-style-type: none"> ○ Connecticut Light and Power Company (CL&P), which provides service to approximately 1.2 million



	<p>residential, commercial and industrial customers in parts of Connecticut.</p> <ul style="list-style-type: none"> ○ NSTAR Electric Company (NSTAR Electric), which serves approximately 1.2 million residential, commercial and industrial customers in parts of Massachusetts ○ Western Massachusetts Electric Company (WMECO), which serves 208,000 residential, commercial and industrial customers in parts of western Massachusetts. ○ Public Service Company of New Hampshire (PSNH), an electric utility that serves approximately 504,000 residential, commercial and industrial customers in parts of New Hampshire and owns generation assets used to serve customers. <ul style="list-style-type: none"> • Electric Transmission segment consists of transmission facilities owned and maintained by CL&P, NSTAR Electric, PSNH, and WMECO that are part of an interstate power transmission grid over which electricity is transmitted throughout New England. ⁶⁶ • Natural Gas Distribution segment consists of⁶⁷: <ul style="list-style-type: none"> ○ NSTAR Gas Company, a regulated natural gas distribution utility that serves approximately 282,000 residential, commercial and industrial customers in 51 communities in central and eastern of Massachusetts. ○ Yankee Gas Services Company, a natural gas utility that serves residential, commercial and industrial customers in parts of Connecticut.
Total Assets (2014 billions)	<p>\$29.8⁶⁸</p> <ul style="list-style-type: none"> • CL&P: \$9.4⁶⁹ • NSTAR Electric: \$7.3⁷⁰ • WMECO: \$1.8⁷¹ • PSNH: \$3.4⁷²
Customer Mix (2014 Revenues)	<ul style="list-style-type: none"> • CL&P: ⁷³ <ul style="list-style-type: none"> ○ Residential – 58% ○ Commercial – 35% ○ Industrial – 6% ○ Other – 1%. • NSTAR Electric: ⁷⁴ <ul style="list-style-type: none"> ○ Residential – 46% ○ Commercial – 49% ○ Industrial – 4% ○ Other – 1%. • WMECO: ⁷⁵



	<ul style="list-style-type: none"> ○ Residential – 56% ○ Commercial – 31% ○ Industrial – 9% ○ Other – 4%. • PSNH: ⁷⁶ <ul style="list-style-type: none"> ○ Residential – 54% ○ Commercial – 34% ○ Industrial – 8% ○ Other – 4%. • NSTAR Gas and Yankee Gas: ⁷⁷ <ul style="list-style-type: none"> ○ Residential – 55% ○ Commercial – 35% ○ Industrial – 10%.
CAPEX Spend	<ul style="list-style-type: none"> • CAPEX for 2014 by segment was as follows: <ul style="list-style-type: none"> ○ Electric Distribution & Generation – \$747 million⁷⁸ ○ Natural Gas Distribution - \$194 million⁷⁹ ○ Electric Transmission - \$701 million.⁸⁰ • Forecasted capital spending from 2015-2018 is as follows⁸¹: <ul style="list-style-type: none"> ○ Total - \$8.4 billion. ○ Electric Distribution – \$3.1 billion. ○ Natural Gas Distribution - \$1.1 billion. ○ Electric Transmission - \$3.9 ○ Other - \$0.3 billion.
Residential Retail Choice Program	<ul style="list-style-type: none"> • Distribution customers of CL&P, NSTAR Electric, WMECO, and PSNH are entitled to choose their energy suppliers. ⁸²
Supply Availability and Deliverability	<ul style="list-style-type: none"> • PSNH- 59% of PSNH's load was met through its own generation, long-term power supply provided pursuant to orders of the NHPUC, and contracts with competitive energy suppliers. The remaining 41 % of PSNH's load was met by short-term (less than one year) purchases and spot purchases in the competitive New England wholesale power market. ⁸³
Regulatory Environment	
RRA Ranking (as available); DBRS Ranking⁸⁴	RRA maintains three principal rating category: Above Average, Average, and Below Average. Within these principal categories, 1 indicates stronger rating and 3 indicates weaker rating. DBRS Ranking is out of 50, higher is better.



	<ul style="list-style-type: none"> • CT - Below Average/2; DBRS 34 • MA – Average/3; DBRS 37 • NH – Average/3; DBRS 39
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> • Subject to various federal, state and local requirements with respect to water quality, air quality, toxic substances, hazardous waste and other environmental matters. Additionally, major generation and transmission facilities may not be constructed or significantly modified without a review of the environmental impact of the proposed construction or modification by the applicable federal or state agencies.⁸⁵ • Subject to state RPS requirements:⁸⁶ <ul style="list-style-type: none"> ○ CT – 27% by 2020 ○ MA – 22% by 2020 ○ NH – 25% by 2025
Regulatory Model	<ul style="list-style-type: none"> • Cost of Service regulatory model⁸⁷
Test Year	<ul style="list-style-type: none"> • CL&P, NSTAR Electric, WMECO, and PSNH - Historical⁸⁸
Interim Rates	<ul style="list-style-type: none"> • CT – Yes, only after demonstrating financial emergency.⁸⁹ • MA – Yes. • NH – Yes.
Typical Rate Case Lag	<ul style="list-style-type: none"> • CT (CL&P) – 6 months⁹⁰ • MA (NSTAR Electric, WMECO) - 6 months⁹¹ • NH (PSNH) – 12 months⁹²
Most Recent Authorized ROE	<p>Below is a list of most recent authorized ROE⁹³:</p> <ul style="list-style-type: none"> • CL&P – 9.17% • NSTAR Electric – 10.5% • WMECO – 9.60% • PSNH – 9.67%.
Most Recent Authorized Equity Ratio	<p>Below is a list of most recent authorized equity ratio⁹⁴:</p> <ul style="list-style-type: none"> • CL&P – 50.38% • NSTAR Electric – N/A⁹⁵ • WMECO – 50.70% • PSNH – 52.40%.
Supply Risk Mitigation and Incentives	<ul style="list-style-type: none"> • CL&P <ul style="list-style-type: none"> ○ Electric generation services charge (GSC), which recovers energy-related costs incurred as a result of providing electric generation service supply to all



	<p>customers that have not migrated to competitive energy suppliers. The GSC is adjusted periodically and reconciled semi-annually in accordance with the directives of PURA.⁹⁶</p> <ul style="list-style-type: none"> • NSTAR Electric and WMECO <ul style="list-style-type: none"> ○ A basic service charge that represents the collection of energy costs, including costs related to charge-offs of uncollected energy costs from customers. Electric distribution companies in Massachusetts are required to obtain and resell power to retail customers through basic service for those who choose not to buy energy from a competitive energy supplier.⁹⁷ • PSNH <ul style="list-style-type: none"> ○ A default energy service charge (ES) is charged to customers who have selected not to receive their energy supply from a competitive energy supplier. These charges recover the costs of PSNH's generation, as well as purchased power, and include the NHPUC allowed ROE on PSNH's generation investment.⁹⁸
Volume /Demand Risk Mitigation	<ul style="list-style-type: none"> • CL&P <ul style="list-style-type: none"> ○ A revenue decoupling adjustment (effective December 1, 2014) that reconciles the amounts recovered from customers, on an annual basis, to the distribution revenue requirement approved by the PURA.⁹⁹ • WEMCO <ul style="list-style-type: none"> ○ A revenue decoupling adjustment that reconciles distribution revenue, on an annual basis, to the amount of distribution revenue approved by the DPU.¹⁰⁰
Capital Cost Recovery Risk Mitigation	<ul style="list-style-type: none"> • NSTAR Electric and WMECO <ul style="list-style-type: none"> ○ An energy efficiency charge that represents a legislatively-mandated charge to collect costs for energy efficiency programs.¹⁰¹



Other Significant Deferral and Variance Accounts	<ul style="list-style-type: none">• CL&P<ul style="list-style-type: none">○ A federally-mandated congestion charge (FMCC), which recovers any costs imposed by the FERC as part of the New England Standard Market Design, including locational marginal pricing, locational installed capacity payments, and any costs approved by PURA to reduce these charges. The FMCC also recovers costs associated with CL&P's system resiliency program. The FMCC is adjusted periodically and reconciled semi-annually in accordance with the directives of PURA. ¹⁰²○ A competitive transition assessment charge (CTA), assessed to recover stranded costs associated with electric industry restructuring such as various IPP contracts. The CTA is reconciled annually to actual costs incurred and reviewed by PURA, with any difference refunded to, or recovered from, customers. ¹⁰³○ A Clean Energy Fund charge, which is used to promote investment in renewable energy sources. Amounts collected by this charge are deposited into the Clean Energy Fund and administered by the Clean Energy Finance and Investment Authority. ¹⁰⁴○ A conservation charge, comprised of a statutory rate established to implement cost-effective energy conservation programs and market transformation initiatives, plus a conservation adjustment mechanism charge to recover the residual energy efficiency spending associated with the expanded energy efficiency costs directed by the Comprehensive Energy Strategy Plan for Connecticut. ¹⁰⁵• NSTAR Electric and WMECO:<ul style="list-style-type: none">○ A transition charge that represents costs to be collected primarily from previously held investments in generating plants,
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	<p>costs related to existing above-market power contracts, and contract costs related to long-term power contract buy-outs.¹⁰⁶</p> <ul style="list-style-type: none">○ Reconciling adjustment charges that recover certain DPU-approved costs as follows: pension and PBOP benefits, low income customer discounts, lost revenue and credits associated with net-metering facilities installed by customers, storms, consultants retained by the attorney general, and energy efficiency programs and lost base revenue not recovered in the energy efficiency charge.¹⁰⁷● NSTAR Electric<ul style="list-style-type: none">○ NSTAR Electric has reconciling adjustment charges that collect costs associated with certain safety and reliability projects, a Smart Grid pilot program, and long-term renewable contracts.¹⁰⁸● WMECO<ul style="list-style-type: none">○ WMECO has a reconciling adjustment charge that recovers costs associated with certain solar projects owned and operated by WMECO.¹⁰⁹● PSNH<ul style="list-style-type: none">○ Reliability enhancement and vegetation management program provide for recovery of both the capital investment and increases to operation and maintenance expenses necessary for ongoing system reliability and vegetation management efforts.¹¹⁰○ A stranded cost recovery charge (SCRC), which allows PSNH to recover its stranded costs, including above-market expenses incurred under mandated power purchase obligations and other long-term investments and obligations.¹¹¹
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Great Plains Energy Inc. (NYSE: GXP)

Company Overview ¹¹²	
Headquartered in Kansas City, Mo., Great Plains Energy Incorporated (NYSE: GXP) is the holding company of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company, two of the leading regulated providers of electricity in the Midwest. Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company use KCP&L as a brand name.	
S&P Ratings Summary (BBB+/Stable/A-2) ¹¹³	
<p>Business Risk – Excellent</p> <p>We view GPE's business risk as "excellent", which incorporates our assessment of the regulated utility industry risk as "very low" and country risk as "very low" based on the company's focus on U.S. operations and markets. The business risk profile reflects a competitive position of "strong". This incorporates utility subsidiaries Kansas City Power & Light Co. (KCP&L), which serves electricity to about 500,000 customers in and around Kansas City and its suburbs, and KCP&L Greater Missouri Operations Co. (GMO), which serves electricity to about 300,000 customers in western Missouri.</p> <p>The company operates with generally supportive regulation, a primarily residential customer base that supports cash flow stability, good operating efficiency, and absence of competition. GPE continues to focus on a regulated business strategy. The ongoing capital spending will require timely recovery of these costs through various rate mechanisms, including base rates and rate surcharges that should strengthen cash flow. Riders also exist for the recovery of fuel costs and transmission charges. The company has pending rate cases in Missouri and Kansas in part to begin recovery costs for the La Cygne emissions-control construction and spending at the Wolf Creek nuclear plant. Once recovery begins for these costs, which we estimate to be by 2016, operating cash flow should increase. This should help the company earn its authorized return and provide for stable profitability.</p>	<p>Financial Risk – Significant</p> <p>Based on the medial volatility financial ratio benchmarks, our assessment of GPE's financial risk profile is "significant", reflecting our expectations that financial measures will continue to reach current levels. For the 12 months ended Dec. 31, 2014, the core ratio of FFO to total debt was 16.5% and the supplemental ratio of operating cash flow (OCF) to debt was 15%. Both are in line with our "significant" determination. Under our base case forecast, we expect FFO to total debt to average 18% over the next three years and OCF to debt to average about 15%, within the significant category. We estimate debt to EBITDA to average 4.5x over the next three years. As construction tapers off following the completion of the La Cygne air emissions equipment and cash flow is boosted through higher operating cash flow, we forecast negative discretionary cash flow to lessen, assuming capital spending does not ramp up and dividends do not grow faster than our forecasted levels.</p>
Operating Characteristics	
<p>Operations/State/Customers</p>	<ul style="list-style-type: none"> • KCP&L is an integrated, regulated electric utility that provides electricity to customers primarily in the states of Missouri and Kansas.¹¹⁴ • GMO is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri.¹¹⁵ • The "Electric utility" segment consists of KCP&L, GMO's regulated utility



	<p>operations and GMO Receivables Company.¹¹⁶</p> <ul style="list-style-type: none"> Electric utility serves approximately 838,400 customers located in western Missouri and eastern Kansas.¹¹⁷
Total Assets (billions)	<ul style="list-style-type: none"> \$10.5¹¹⁸
Customer Mix (Number of Customers)¹¹⁹	<ul style="list-style-type: none"> Residential – 737,400 Commercial – 98,400 Industrial, Municipalities, & Other Electric Utilities – 2,600
CAPEX Spend	<ul style="list-style-type: none"> Gross CAPEX for 2014 was \$774 million and the entire amount was associated with the Electric utility segment.¹²⁰ Forecasted Capital Expenditures for the Electric utility segment¹²¹: <ul style="list-style-type: none"> 2015 - \$791 million 2016 - \$599 million 2017 - \$651 million 2018 - \$560 million 2019 - \$579 million
Residential Retail Choice Program	<ul style="list-style-type: none"> No electric residential retail choice programs in Kansas and Missouri.¹²²
Supply Availability and Deliverability	<ul style="list-style-type: none"> Estimated fuel mix for owned generation in 2015¹²³: <ul style="list-style-type: none"> Coal – 82% Nuclear – 15% Natural Gas & Oil – 1% Wind – 2% Purchased power averaged 16% of the total MWh requirements over the last three years.¹²⁴
Regulatory Environment	
RRA Ranking (as available); DBRS Ranking¹²⁵	<p>RRA maintains three principal rating category: Above Average, Average, and Below Average. Within these principal categories, 1 indicates stronger rating and 3 indicates weaker rating. DBRS Ranking is out of 50, higher is better.</p> <ul style="list-style-type: none"> KS - Average/2; DBRS 44 MO - Average/2; DBRS 40
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> Subject to extensive federal, state and local environmental laws, regulations and permit requirements relating to air and water quality, waste management and disposal, natural resources and health and safety.



	<p>List of regulations impacting Electric utility segment: ¹²⁶</p> <ul style="list-style-type: none"> ○ MATS and CSAPR ○ EPA BART Rule ○ Industrial Boiler Rule ○ GHG regulations by EPA ○ Section 316(b) of Clean Water Act ○ Regulation of CCRs under RCRA <ul style="list-style-type: none"> ● Mandatory renewable energy standards in Missouri and Kansas. ¹²⁷
Regulatory Model	<ul style="list-style-type: none"> ● Cost of Service regulatory model. ¹²⁸
Test Year	<ul style="list-style-type: none"> ● KS - Historical. ¹²⁹ ● MO – Historical (Rate requests are typically filed based on historical or partly forecasted test period data such that adopted test periods are historical at the time of PSC decisions). ¹³⁰
Interim Rates	<ul style="list-style-type: none"> ● KS - Yes. ¹³¹ ● MO – Yes, but only if the company can demonstrate emergency situation. ¹³²
Typical Rate Case Lag	<ul style="list-style-type: none"> ● KS – 7 months ¹³³ ● MO – 10 months ¹³⁴
Most Recent Authorized ROE	<ul style="list-style-type: none"> ● KCP&L-KS – 9.3% ¹³⁵ ● KCP&L-MO- 9.5% ¹³⁶
Most Recent Authorized Equity Ratio	<ul style="list-style-type: none"> ● KCP&L-KS – 50.48% ¹³⁷ ● KCP&L-MO- 50.09% ¹³⁸
Supply Risk Mitigation and Incentives	<ul style="list-style-type: none"> ● Fuel Adjustment Clauses: <ul style="list-style-type: none"> ○ KS – Monthly Adjustment. ¹³⁹ ○ MO – Bi-Annual Adjustment. ¹⁴⁰ ● The fuel adjustment for KCP&L's Kansas operations is part of their Energy Cost Adjustment (ECA). The ECA tariff reflects the projected annual amounts of fuel, purchased power, emission allowances, transmission costs and asset based off-system sales margin. The difference between the projected and actual amounts are recovered or refunded to customers in the succeeding year. ¹⁴¹
Volume /Demand Risk Mitigation	<ul style="list-style-type: none"> ● MO - Both KCP&L and GMO offer energy efficiency and demand side management programs to their Missouri retail customers under Missouri Energy



	<p>Efficiency Investment Act (MEEIA) and recover both program costs and throughput disincentive in retail rates.¹⁴²</p> <ul style="list-style-type: none">○ KCP&L recovers these items through a rider mechanism.○ GMO recovers these items through base rates.
Capital Cost Recovery Risk Mitigation	<ul style="list-style-type: none">• KCP&L - KS recovers the costs associated with energy efficiency programs through an energy efficiency (EE) rider.¹⁴³



OGE Energy Corp. (NYSE: OGE)

Company Overview ¹⁴⁴	
<p>OGE Energy Corp. is the parent company of OG&E, a regulated electric utility with over 819,000 customers in Oklahoma and western Arkansas. In addition, OGE holds a 26.3 percent limited partner interest and a 50 percent general partner interest of Enable Midstream, created by the merger of OGE's Enogex LLC midstream subsidiary and the pipeline and field services businesses of Houston-based CenterPoint Energy.</p>	
S&P Ratings Summary (A-/Stable/A-2) ¹⁴⁵	
<p>Business Risk – Strong</p> <p>Our assessment of OGE Energy's business risk profile is "strong," based on what we view as the company's "satisfactory" competitive position, "very low" industry risk derived from the "very low" regulated utility industry and the "low" midstream energy industry, and the "very low" country risk of the U.S. OGE Energy's competitive position reflects the strength and stability of vertically integrated regulated utility OG&E, which provides electricity largely to Oklahoma customers and has an "excellent" business risk profile; and OGE Energy's investment in the midstream energy joint venture Enable Midstream Partners L.P., which has a "satisfactory" business risk profile.</p> <p>OG&E has a large capital spending program concentrated on transmission projects and distribution upgrades. The Oklahoma economy remains healthier than those in other regions of the country and electricity sales are modestly growing. Customer growth hovers at about historical levels of 1%, and the Oklahoma unemployment rate remains well below the national average. Prudent financing, constructive regulatory outcomes in Oklahoma and Arkansas, and credit-supportive actions by management will be essential to support key financial measures at levels suitable for the current ratings. Notably, construction of large pollution-control equipment will require ongoing and timely recovery of capital spending to maintain credit-supportive operating cash flow measures.</p> <p>We consider the Enable joint venture moderately strategic to OGE Energy because of the material distributions and the company's control over the joint venture. Although the formation of the joint venture reduces the influence of the midstream operations on OGE Energy's business risk profile, the joint venture's pipelines do transport natural gas to OG&E's gas-fired power plants.</p>	<p>Financial Risk – Intermediate</p> <p>We base our financial risk profile assessment of "intermediate" on the medial volatility financial ratio benchmarks. Bolstering the assessment are ownership distributions from the Enable joint venture that are, to a large extent, supported by long-term contracts. Under our base-case scenario, we expect OGE will generate FFO to total debt of 24% to 26% over the next few years. But we expect debt to EBITDA to remain around 3x, the middle of the category. The supplemental ratio of operating cash flow to debt is expected to range from 23% to 25%, further supporting the "intermediate" determination. Discretionary cash flow, or operating cash flow after capital spending and dividends, is expected to be both positive and negative over the next few years. Cost recovery during construction will be required to maintain cash flow measures and when discretionary cash flow is negative, external funding will likely be needed.</p>



Operating Characteristics	
Operations/State/Customers	<ul style="list-style-type: none"> 90% of Electric revenue in OK and remainder in AR.¹⁴⁶ 814,982 customers.¹⁴⁷
Total Assets (billions)	<ul style="list-style-type: none"> \$9.6¹⁴⁸
Customer Mix ¹⁴⁹	<ul style="list-style-type: none"> Millions of MWh <ul style="list-style-type: none"> Residential – 9.4 Commercial – 7.2 Industrial – 3.8 Oilfield – 3.4 Public authorities and street light- 3.2 Sales for resale – 1 Number of Customers <ul style="list-style-type: none"> Residential – 697,048 Commercial – 91,966 Industrial – 2,901 Oilfield – 6,460 Public authorities and street light- 16,581 Sales for resale – 26
CAPEX Spend	<ul style="list-style-type: none"> Gross CAPEX for 2014 was \$569 million¹⁵⁰ <ul style="list-style-type: none"> \$565 million – Electric Utility (i.e. OG&E) \$11 million – Other Operations (\$6.9) million - Eliminations Forecasted Capital Expenditures – Electric Utility (i.e. OG&E)¹⁵¹: <ul style="list-style-type: none"> 2015 - \$545 million 2016 - \$550 million 2017 - \$610 million 2018 - \$755 million 2019 - \$475 million
Residential Retail Choice Program	<ul style="list-style-type: none"> No electric residential retail choice programs in OK.¹⁵²
Supply Availability and Deliverability	<ul style="list-style-type: none"> Supply composed of company-owned generation (72%) and purchased power (28%).¹⁵³ Breakdown of Company-Owned Generation in 2014¹⁵⁴: <ul style="list-style-type: none"> 61% - Coal-fired Units 32% - Natural Gas-fired Units 7% - Wind-powered Units



Regulatory Environment	
RRA Ranking (as available); DBRS Ranking¹⁵⁵	<p>RRA maintains three principal rating category: Above Average, Average, and Below Average. Within these principal categories, 1 indicates stronger rating and 3 indicates weaker rating. DBRS Ranking is out of 50, higher is better.</p> <ul style="list-style-type: none"> OK - Average/2; DBRS 45
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> Subject to numerous, stringent and complex Federal, state and local laws and regulations governing environmental protection. It is estimated that OG&E's total expenditures to comply with environmental laws, regulations and requirements for 2015 will be approximately \$136.0 million, of which \$116.0 million is for capital expenditures.¹⁵⁶
Regulatory Model	<ul style="list-style-type: none"> Cost of Service regulatory model.¹⁵⁷
Test Year	<ul style="list-style-type: none"> OK – Historical (adjusted for certain known-and-measurable changes occurring within six months of the end of the test year.¹⁵⁸
Interim Rates	<ul style="list-style-type: none"> OK - 180 days after filing of a rate case.¹⁵⁹
Typical Rate Case Lag	<ul style="list-style-type: none"> OK – 11 months¹⁶⁰
Most Recent Authorized ROE	<ul style="list-style-type: none"> OG&E – 10.2%¹⁶¹
Most Recent Authorized Equity Ratio	<ul style="list-style-type: none"> N/A¹⁶²
Supply Risk Mitigation and Incentives	<ul style="list-style-type: none"> Fuel Adjustment Clauses – Semi-Annual Adjustment.¹⁶³
Volume /Demand Risk Mitigation	<ul style="list-style-type: none"> OG&E utilizes an energy efficiency rider that includes provisions to facilitate recovery of lost revenues associated with conservation programs.¹⁶⁴



Capital Cost Recovery Risk Mitigation	<ul style="list-style-type: none">• Generation-Related Riders:-OG&E utilizes a rider to recover the revenue requirement associated with the company's Crossroads Wind Farm, which was completed in early-2012; the rider is to remain in place until new base rates are implemented. ¹⁶⁵• OG&E is permitted to recover costs (both capital- and expense-related) associated with the company's "system hardening" and "vegetation management".¹⁶⁶• OG&E recovers certain Southwest Power Pool (SPP)-related costs through a rider. OG&E uses a rider to reflect in rates the Oklahoma-jurisdictional costs associated with certain transmission projects (e.g., the 345-KV Sunnyside-to-Hugo and Sooner-to-Rosehill projects) that have been approved by the SPP and that have been completed by the company. ¹⁶⁷
Other Significant Deferral and Variance Accounts	<ul style="list-style-type: none">• OG&E has a mechanism in place to recover variations in certain taxes and franchise fees. ¹⁶⁸• Rider for recovery of security/safety-related costs. ¹⁶⁹• OG&E uses a storm-cost recovery rider that is adjusted annually to reflect any differences between the level of storm costs reflected in base rates and the level of such costs actually incurred in that year. ¹⁷⁰• OG&E utilizes a rider to recover roughly \$220 million of total costs associated with the company's system-wide "Smart Grid" program. ¹⁷¹



Pinnacle West Capital Corp. (NYSE: PNW)

Company Overview ¹⁷²	
Pinnacle West Capital Corp., an energy holding company based in Phoenix, has consolidated assets of about \$15 billion, more than 6,400 megawatts of generating capacity and about 6,400 employees in Arizona and New Mexico. Through its principal subsidiary, Arizona Public Service, the Company provides retail electricity service to nearly 1.2 million Arizona homes and businesses.	
S&P Ratings Summary (A-/Stable/A-2) ¹⁷³	
Business Risk – Excellent Pinnacle West's primary business, representing about 100% of the company, is regulated utility Arizona Public Service Co. Its other business, El Dorado (\$15 million in assets), owns minority interests in several energy-related investments. Our "excellent" business risk profile assessment reflects our "very low" industry risk assessment of the regulated utility industry and a "very low" country risk based on the company's exclusive focus on U.S. operations and markets. Our assessment also reflects our opinion that the company will continue its strategy of focusing on electric generation and distribution to much of the state of Arizona. We have historically regarded this state as weak from a regulatory perspective, but conditions have improved substantially for the state's major utilities, culminating in a 2012 rate case that we view as credit-supportive.	Financial Risk – Intermediate For Pinnacle West, we use the medial volatility table, reflecting the company's low-risk regulated utility business model that includes the high operating risk of regulated generation. Our "intermediate" assessment of Pinnacle West's financial risk profile is based on our expectation that operating results will continue to reflect the improved regulatory environment and that the company will capably manage its capital structure. We expect the company's financial measures to weaken somewhat given the high capital spending program, but we generally expect FFO to debt to exceed 25%. We also expect gradual economic improvement in the company's service territory, which will help the company's financial measures. The choice of the 'a' anchor, given two potential outcomes ('a+' or 'a'), reflects our view of the company's business risk profile at the low half of the "excellent" business risk profile category. This includes the high operating risk of regulated generation, including nuclear generation.
Operating Characteristics	
Operations/State/Customers	<ul style="list-style-type: none"> Derives essentially all of our revenues and earnings from our wholly-owned subsidiary, APS. APS is a vertically integrated electric utility that provides either retail or wholesale electric service to most of the State of Arizona. APS currently provides electric service to approximately 1.2 million customers.¹⁷⁴
Total Assets (2014 billions)	<ul style="list-style-type: none"> \$14.3¹⁷⁵
Customer Mix ¹⁷⁶	<ul style="list-style-type: none"> Residential – 1,033,728 Commercial – 124,460 Industrial – 3,728 Other – 1,163
CAPEX Spend	<ul style="list-style-type: none"> Forecasted Capital Expenditures for APS¹⁷⁷:



	<ul style="list-style-type: none"> ○ 2015 - \$1,091million ○ 2016 - \$1,265 million ○ 2017 - \$1,293 million
Residential Retail Choice Program	<ul style="list-style-type: none"> • No electric residential retail choice programs in AZ.¹⁷⁸
Supply Availability and Deliverability	<ul style="list-style-type: none"> • Supply composed of company-owned generation (78%) and purchased power (22%).¹⁷⁹ • Breakdown of Supply in 2014¹⁸⁰: <ul style="list-style-type: none"> ○ 33.5% - Coal (Company-Owned) ○ 27.2% - Nuclear (Company-Owned) ○ 16.2% - Natural Gas / Oil (Company-Owned) ○ 1.3% - Renewables (Company-Owned) ○ 16.8 % - Purchased Power (Conventional) ○ 5.0 % - Purchased Power (Renewables)
Regulatory Environment	
RRA Ranking (as available); DBRS Ranking¹⁸¹	<p>RRA maintains three principal rating category: Above Average, Average, and Below Average. Within these principal categories, 1 indicates stronger rating and 3 indicates weaker rating. DBRS Ranking is out of 50, higher is better.</p> <ul style="list-style-type: none"> • AZ - Average/3; DBRS 41
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> • Subject to extensive federal, state and local environmental laws, regulations and permit requirements relating to air and water quality, waste management and disposal, natural resources and health and safety. List of regulations impacting Electric utility segment: ¹⁸² <ul style="list-style-type: none"> ○ GHG regulations by EPA ○ EPA BART Rule ○ MATS ○ Regulation of CCRs under RCRA ○ Effluent Limitation Guidelines ○ New Source Review • Subject to government mandated renewable energy requirements (15% by 2025). ¹⁸³
Regulatory Model	<ul style="list-style-type: none"> • Cost of Service regulatory model. ¹⁸⁴



Test Year	<ul style="list-style-type: none"> AZ – Historical (adjusted for certain known-and-measurable changes; APS's rate case decided in May 2012 included plant additions in rate base that were placed in service up to 15 months after the conclusion of the test period).¹⁸⁵
Interim Rates	<ul style="list-style-type: none"> Yes, the ACC has approved interim/temporary rates under certain circumstances.¹⁸⁶
Typical Rate Case Lag	<ul style="list-style-type: none"> AZ – 11 months¹⁸⁷
Most Recent Authorized ROE	<ul style="list-style-type: none"> 10.0%¹⁸⁸
Most Recent Authorized Equity Ratio	<ul style="list-style-type: none"> 53.9%¹⁸⁹
Supply Risk Mitigation and Incentives	<ul style="list-style-type: none"> Utilizes a Power Supply Adjustor (PSA), a mechanism that permits the deferral and recovery of fuel and purchased power costs outside of a rate case annually, with a \$4 million cap. ^{190, 191}
Volume /Demand Risk Mitigation	<ul style="list-style-type: none"> Lost Fixed Cost Recovery Mechanism (LCRF): The LFCR mechanism permits APS to recover on an after-the-fact basis a portion of its fixed costs that would otherwise have been collected by APS in the kWh sales lost due to APS energy efficiency programs and to distributed generation such as rooftop solar arrays. ¹⁹²
Capital Cost Recovery Risk Mitigation	<ul style="list-style-type: none"> APS is allowed to include a RES surcharge as part of customer bills to recover the approved amounts for use on renewable energy projects. ¹⁹³ On Dec. 18, 2014, the ACC authorized APS to implement, effective Jan. 1, 2015, a rider to reflect in rates the costs associated with the company's acquisition of a 48% share (739 MW) of the coal-fired Four Corners Units 4 and 5 (along with certain related facilities), and the retirement of Four Corners Units 1, 2, and 3 (100% owned by APS; 560 MW). ¹⁹⁴



Other Significant Deferral and Variance Accounts	<ul style="list-style-type: none">• System benefits charge for recovery of prudent costs associated with certain public purpose programs (conservation, wind power development, etc.)¹⁹⁵• Transmission cost adjustor (TCA) to flow through changes in Federal Energy Regulatory Commission-approved transmission rates.¹⁹⁶
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Westar Energy, Inc. (NYSE: WR)

Company Overview ¹⁹⁷	
<p>Westar Energy, Inc. (NYSE: WR) is Kansas' largest electric utility. For more than a century, we have provided Kansans the safe, reliable electricity needed to power their businesses and homes. Every day our team of professionals takes on projects to generate and deliver electricity, protect the environment and provide excellent service to our nearly 700,000 customers. Westar has 7,200 MW of electric generation capacity fueled by coal, uranium, natural gas, wind and landfill gas. We are also a leader in electric transmission in Kansas. Our innovative customer service programs include mobile-enabled customer care, digital meters and paving the way for electric vehicle adoption. Our employees live, volunteer and work in the communities we serve.</p>	
S&P Ratings Summary (BBB+/Stable/A-2) ¹⁹⁸	
<p>Business Risk – Excellent</p> <p>We view Westar's business risk as "excellent", incorporating our assessment of the regulated utility industry's risk as "very low" and country risk as "very low" based on the company's focus on U.S. operations and markets. The business risk profile reflects a competitive position of "strong". Westar and subsidiary Kansas Gas & Electric Co. are the largest electric operation in Kansas and provide electricity service to about 700,000 customers. The company operates with generally supportive regulation, a primarily residential customer base that supports cash flow stability, good operating efficiency, and absence of competition. Westar continues to focus on a regulated business strategy. The ongoing capital spending will require timely recovery of these costs through various rate mechanisms, including base rates and rate surcharges that should strengthen cash flow. Surcharge mechanisms exist for the recovery of fuel costs and transmission charges.</p>	<p>Financial Risk – Significant</p> <p>Based on the medial volatility financial ratio benchmarks, our assessment of Westar's financial risk profile is "significant" based on our expectations that financial measures will continue to reach current levels. For the 12 months ended Dec. 31, 2014, the core ratio of FFO to total debt was 19.4%, in line with the significant determination. The supplemental ratio of OCF to debt was about 20%, near the lower end of the intermediate benchmark range. Under our base case forecast, we expect FFO to total debt to average more than 19% over the next three years and OCF to debt to average more than 19%. As construction tapers off following the La Cygne air emissions equipment installation, we expect discretionary cash flow to be much less negative, reducing the need for external funding in the capital markets.</p>
Operating Characteristics	
Operations/State/Customers	<ul style="list-style-type: none"> Electric generation, transmission and distribution services to approximately 698,000 customers in Kansas ¹⁹⁹
Total Assets (billions)	<ul style="list-style-type: none"> \$10.5²⁰⁰
Customer Mix (2014 Revenue) ²⁰¹	<ul style="list-style-type: none"> Residential – 31% Commercial – 28% Industrial – 16% Wholesale – 15% Transmission - 9% Other – 1%
CAPEX Spend	<ul style="list-style-type: none"> Gross CAPEX for 2014 was \$852 million²⁰² Forecasted Capital Expenditures²⁰³: <ul style="list-style-type: none"> 2015 - \$692 million 2016 - \$661 million



	<ul style="list-style-type: none"> ○ 2017 - \$671 million
Residential Retail Choice Program	<ul style="list-style-type: none"> • No electric residential retail choice programs in Kansas.²⁰⁴
Supply Availability and Deliverability	<ul style="list-style-type: none"> • Breakdown of generating capability and net generation by fuel type²⁰⁵: <ul style="list-style-type: none"> ○ Fuel / % of Capability / % of Generation <ul style="list-style-type: none"> ▪ Coal / 48% / 71% ▪ Nuclear / 8% / 15% ▪ Natural Gas & Diesel / 35% / 5% ▪ Renewable / 9% / 9%
Regulatory Environment	
RRA Ranking (as available); DBRS Ranking²⁰⁶	<p>RRA maintains three principal rating category: Above Average, Average, and Below Average. Within these principal categories, 1 indicates stronger rating and 3 indicates weaker rating. DBRS Ranking is out of 50, higher is better.</p> <ul style="list-style-type: none"> • KS - Average/2; DBRS 44
Regulatory and Legislated Initiatives	<ul style="list-style-type: none"> • Subject to various federal, state and local environmental laws and regulations. List of regulations impacting Westar: ²⁰⁷ <ul style="list-style-type: none"> ○ GHG regulations by EPA ○ MATS and CSAPR ○ Section 316(b) of Clean Water Act ○ Regulation of CCB • Subject to Kansas law mandated renewable energy requirements (20% by 2025).²⁰⁸
Regulatory Model	<ul style="list-style-type: none"> • Cost of Service regulatory model.²⁰⁹
Test Year	<ul style="list-style-type: none"> • Historical.²¹⁰
Interim Rates	<ul style="list-style-type: none"> • Yes.²¹¹
Typical Rate Case Lag	<ul style="list-style-type: none"> • KS – 7 months²¹²
Most Recent Authorized ROE	<ul style="list-style-type: none"> • Kansas Gas and Electric - 10.40%²¹³ • Westar Energy - 10.00%²¹⁴
Most Recent Authorized Equity Ratio	<ul style="list-style-type: none"> • Kansas Gas and Electric – 50.13%²¹⁵ • Westar Energy – 52.63%²¹⁶



Supply Risk Mitigation and Incentives	<ul style="list-style-type: none">Fuel Adjustment Clauses – Quarterly Adjustment. ²¹⁷
Volume /Demand Risk Mitigation	<ul style="list-style-type: none">Westar and KG&E participate in certain energy efficiency programs and recover program-related costs and the related lost revenues through the energy efficiency cost recovery rider. ²¹⁸
Capital Cost Recovery Risk Mitigation	<ul style="list-style-type: none">Environmental Cost Recovery (ECR) rider to recover the costs incurred to comply with environmental regulations. ²¹⁹Transmission Delivery Charge (TDC) rider provides for the unbundling of Federal Energy Regulatory Commission (FERC)-regulated transmission charges. ²²⁰Have a mechanism in place to recover variations in certain taxes and franchise fees. ²²¹

END NOTES

¹ SNL Financial.

² S&P Ratings Direct, Summary: ALLETE Inc. (April 14, 2014)

³ ALLETE, Inc. 2014 Form 10-K at 7.

⁴ SNL Financial, balance as of 06/30/2015.

⁵ ALLETE, Inc. 2014 Form 10-K at 7.

⁶ ALLETE, Inc. 2014 Form 10-K at 35.

⁷ ALLETE, Inc. 2014 Form 10-K at 54.

⁸ <http://www.eia.gov/todayinenergy/detail.cfm?id=6250#>.

⁹ ALLETE, Inc. 2014 Form 10-K at 12.

¹⁰ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States

¹¹ ALLETE, Inc. 2014 Form 10-K at 18.

¹² ALLETE, Inc. 2014 Form 10-K at 19.

¹³ ALLETE, Inc. 2014 Form 10-K at 21-27.

¹⁴ ALLETE, Inc. 2014 Form 10-K at 15.

¹⁵ SNL Financial.

¹⁶ SNL Financial.

¹⁷ SNL Financial.

¹⁸ ALLETE, Inc. 2014 Form 10-K at 16.

¹⁹ ALLETE, Inc. 2014 Form 10-K at 16.

²⁰ SNL Financial.

²¹ SNL Financial.

²² ALLETE, Inc. 2014 Form 10-K at 81-82.

²³ ALLETE, Inc. 2014 Form 10-K at 81-82.

²⁴ ALLETE, Inc. 2014 Form 10-K at 81-82.

²⁵ SNL Financial.

²⁶ S&P Ratings Direct, Summary: Duke Energy Corp. (July 2, 2014)



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- ²⁷ Duke Energy Corp., 2014 Form 10-K at 9.
²⁸ Duke Energy Corp., Fact Sheet.
²⁹ SNL Financial, balance as of 06/30/2015..
³⁰ Duke Energy Corp., 2014 Form 10-K at 85.
³¹ Duke Energy Corp., 2014 Form 10-K at 95.
³² Duke Energy Corp., 2014 Form 10-K at 105.
³³ Duke Energy Corp., 2014 Form 10-K at 110.
³⁴ Duke Energy Corp., 2014 Form 10-K at 100.
³⁵ Duke Energy Corp., 2014 Form 10-K at 9.
³⁶ Duke Energy Corp., 2014 Form 10-K at 128.
³⁷ Duke Energy Corp., 2014 Form 10-K at 60.
³⁸ <http://www.eia.gov/todayinenergy/detail.cfm?id=6250#>.
³⁹ Duke Energy Corp., 2014 Form 10-K at 11.
⁴⁰ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States
⁴¹ Duke Energy Corp., 2014 Form 10-K at 20.
⁴² Duke Energy Corp., 2014 Form 10-K at 20.
⁴³ Duke Energy Corp., 2014 Form 10-K at 20.
⁴⁴ SNL Financial.
⁴⁵ SNL Financial.
⁴⁶ SNL Financial.
⁴⁷ Duke Energy Corp., 2014 Form 10-K at 15.
⁴⁸ Duke Energy Corp., 2014 Form 10-K at 15.
⁴⁹ SNL Financial.
⁵⁰ SNL Financial.
⁵¹ SNL Financial.
⁵² SNL Financial.
⁵³ SNL Financial.
⁵⁴ SNL Financial.
⁵⁵ SNL Financial.
⁵⁶ SNL Financial.
⁵⁷ SNL Financial.
⁵⁸ SNL Financial.
⁵⁹ SNL Financial.
⁶⁰ SNL Financial.
⁶¹ SNL Financial.
⁶² SNL Financial.
⁶³ S&P Ratings Direct, Summary: Northeast Utilities. (May 21, 2014)
⁶⁴ Eversource Energy, 2014 Form 10-K at 2.
⁶⁵ Eversource Energy, 2014 Form 10-K at 2.
⁶⁶ Eversource Energy, 2014 Form 10-K at 2.
⁶⁷ Eversource Energy, 2014 Form 10-K at 2.
⁶⁸ Eversource Energy, 2014 Form 10-K at 64.
⁶⁹ Eversource Energy, 2014 Form 10-K at 70.
⁷⁰ Eversource Energy, 2014 Form 10-K at 76.
⁷¹ Eversource Energy, 2014 Form 10-K at 88.
⁷² Eversource Energy, 2014 Form 10-K at 82.
⁷³ Eversource Energy, 2014 Form 10-K at 3.
⁷⁴ Eversource Energy, 2014 Form 10-K at 5.
⁷⁵ Eversource Energy, 2014 Form 10-K at 5.
⁷⁶ Eversource Energy, 2014 Form 10-K at 7.
⁷⁷ Eversource Energy, 2014 Form 10-K at 10.
⁷⁸ Eversource Energy, 2014 Form 10-K at 35.
⁷⁹ Eversource Energy, 2014 Form 10-K at 35.
⁸⁰ Eversource Energy, 2014 Form 10-K at 34.
⁸¹ Eversource Energy, 2014 Form 10-K at 36.
⁸² Eversource Energy, 2014 Form 10-K at 3, 5, 7.



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- ⁸³ Eversource Energy, 2014 Form 10-K at 8.
⁸⁴ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States
⁸⁵ Eversource Energy, 2014 Form 10-K at 13.
⁸⁶ Eversource Energy, 2014 Form 10-K at 13, 14.
⁸⁷ SNL Financial.
⁸⁸ SNL Financial.
⁸⁹ SNL Financial.
⁹⁰ SNL Financial.
⁹¹ SNL Financial.
⁹² SNL Financial.
⁹³ SNL Financial.
⁹⁴ SNL Financial.
⁹⁵ Not specified in most recent rate case, which was resolved through settlement agreement.
⁹⁶ Eversource Energy, 2014 Form 10-K at 4.
⁹⁷ Eversource Energy, 2014 Form 10-K at 6.
⁹⁸ Eversource Energy, 2014 Form 10-K at 7
⁹⁹ Eversource Energy, 2014 Form 10-K at 4.
¹⁰⁰ Eversource Energy, 2014 Form 10-K at 6.
¹⁰¹ Eversource Energy, 2014 Form 10-K at 6.
¹⁰² Eversource Energy, 2014 Form 10-K at 4.
¹⁰³ Eversource Energy, 2014 Form 10-K at 4.
¹⁰⁴ Eversource Energy, 2014 Form 10-K at 4.
¹⁰⁵ Eversource Energy, 2014 Form 10-K at 4.
¹⁰⁶ Eversource Energy, 2014 Form 10-K at 6.
¹⁰⁷ Eversource Energy, 2014 Form 10-K at 6.
¹⁰⁸ Eversource Energy, 2014 Form 10-K at 6.
¹⁰⁹ Eversource Energy, 2014 Form 10-K at 6.
¹¹⁰ SNL Financial.
¹¹¹ Eversource Energy, 2014 Form 10-K at 7
¹¹² SNL Financial.
¹¹³ S&P Ratings Direct, Summary: Great Plains Energy Inc. (April 28, 2015)
¹¹⁴ Great Plains Energy Inc., 2014 Form 10-K at 6.
¹¹⁵ Great Plains Energy Inc., 2014 Form 10-K at 6.
¹¹⁶ Great Plains Energy Inc., 2014 Form 10-K at 110.
¹¹⁷ Great Plains Energy Inc., 2014 Form 10-K at 110.
¹¹⁸ Great Plains Energy Inc., 2014 Form 10-K at 111.
¹¹⁹ Great Plains Energy Inc., 2014 Form 10-K at 110.
¹²⁰ Great Plains Energy Inc., 2014 Form 10-K at 111.
¹²¹ Great Plains Energy Inc., 2014 Form 10-K at 41.
¹²² <http://www.eia.gov/todayinenergy/detail.cfm?id=6250#>.
¹²³ Great Plains Energy Inc., 2014 Form 10-K at 8.
¹²⁴ Great Plains Energy Inc., 2014 Form 10-K at 9.
¹²⁵ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States
¹²⁶ Great Plains Energy Inc., 2014 Form 10-K at 89-94.
¹²⁷ Great Plains Energy Inc., 2014 Form 10-K at 12.
¹²⁸ SNL Financial.
¹²⁹ SNL Financial.
¹³⁰ SNL Financial.
¹³¹ SNL Financial.
¹³² SNL Financial.
¹³³ SNL Financial.
¹³⁴ SNL Financial.
¹³⁵ SNL Financial.
¹³⁶ SNL Financial.
¹³⁷ SNL Financial.
¹³⁸ SNL Financial.



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- ¹³⁹ SNL Financial.
¹⁴⁰ SNL Financial.
¹⁴¹ Great Plains Energy Inc., 2014 Form 10-K at 34.
¹⁴² Great Plains Energy Inc., 2014 Form 10-K at 34.
¹⁴³ SNL Financial.
¹⁴⁴ SNL Financial.
¹⁴⁵ S&P Ratings Direct, Summary: OGE Energy Corp. (May 22, 2015)
¹⁴⁶ OGE Energy Corp., 2014 Form 10-K at 3.
¹⁴⁷ OGE Energy Corp., 2014 Form 10-K at 5.
¹⁴⁸ SNL Financial, balance as of 06/30/2015.
¹⁴⁹ OGE Energy Corp., 2014 Form 10-K at 5.
¹⁵⁰ OGE Energy Corp., 2014 Form 10-K at 118.
¹⁵¹ OGE Energy Corp., 2014 Form 10-K at 14.
¹⁵² <http://www.eia.gov/todayinenergy/detail.cfm?id=6250#>.
¹⁵³ OGE Energy Corp., 2014 Form 10-K at 5.
¹⁵⁴ OGE Energy Corp., 2014 Form 10-K at 9.
¹⁵⁵ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States
¹⁵⁶ OGE Energy Corp., 2014 Form 10-K at 13.
¹⁵⁷ OGE Energy Corp., 2014 Form 10-K at 8.
¹⁵⁸ SNL Financial.
¹⁵⁹ SNL Financial.
¹⁶⁰ SNL Financial.
¹⁶¹ SNL Financial.
¹⁶² Not specified in most recent rate case, which was resolved through settlement agreement.
¹⁶³ SNL Financial.
¹⁶⁴ SNL Financial.
¹⁶⁵ SNL Financial.
¹⁶⁶ SNL Financial.
¹⁶⁷ SNL Financial.
¹⁶⁸ SNL Financial.
¹⁶⁹ SNL Financial.
¹⁷⁰ SNL Financial.
¹⁷¹ SNL Financial.
¹⁷² SNL Financial.
¹⁷³ S&P Ratings Direct, Summary: Pinnacle West Capital Corp. (June 30, 2014)
¹⁷⁴ Pinnacle West Capital Corp., 2014 Form 10-K at 3.
¹⁷⁵ Pinnacle West Capital Corp., 2014 Form 10-K at 44.
¹⁷⁶ Arizona Public Service Company, 2014 FERC Form 1 at 300-301.
¹⁷⁷ Pinnacle West Capital Corp., 2014 Form 10-K at 60.
¹⁷⁸ SNL Financial.
¹⁷⁹ Pinnacle West Capital Corp., 2014 Form 10-K at 5.
¹⁸⁰ Pinnacle West Capital Corp., 2014 Form 10-K at 5.
¹⁸¹ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States
¹⁸² Pinnacle West Capital Corp., 2014 Form 10-K at 17-22.
¹⁸³ Pinnacle West Capital Corp., 2014 Form 10-K at 13.
¹⁸⁴ SNL Financial.
¹⁸⁵ SNL Financial.
¹⁸⁶ SNL Financial.
¹⁸⁷ SNL Financial.
¹⁸⁸ Pinnacle West Capital Corp., 2014 Form 10-K at 89.
¹⁸⁹ Pinnacle West Capital Corp., 2014 Form 10-K at 89.
¹⁹⁰ SNL Financial.
¹⁹¹ Pinnacle West Capital Corp., 2014 Form 10-K at 91.
¹⁹² Pinnacle West Capital Corp., 2014 Form 10-K at 92.
¹⁹³ Pinnacle West Capital Corp., 2014 Form 10-K at 90.
¹⁹⁴ SNL Financial.



¹⁹⁵ SNL Financial.

¹⁹⁶ SNL Financial.

¹⁹⁷ SNL Financial.

¹⁹⁸ S&P Ratings Direct, Summary: Westar Energy Inc. (April 28, 2015)

¹⁹⁹ Westar Energy, Inc., 2014 Form 10-K at 7.

²⁰⁰ SNL Financial, balance as of 06/30/2015.

²⁰¹ Westar Energy, Inc., 2014 Form 10-K at 7.

²⁰² Westar Energy, Inc., 2014 Form 10-K at 48.

²⁰³ Westar Energy, Inc., 2014 Form 10-K at 48.

²⁰⁴ <http://www.eia.gov/todayinenergy/detail.cfm?id=6250#>.

²⁰⁵ Westar Energy, Inc., 2014 Form 10-K at 11.

²⁰⁶ SNL Financial and DBRS Regulatory Framework for Utilities: Canada vs. the United States

²⁰⁷ Westar Energy, Inc., 2014 Form 10-K at 27.

²⁰⁸ Westar Energy, Inc., 2014 Form 10-K at 27.

²⁰⁹ Westar Energy, Inc., 2014 Form 10-K at 16.

²¹⁰ SNL Financial.

²¹¹ SNL Financial.

²¹² SNL Financial.

²¹³ SNL Financial.

²¹⁴ SNL Financial.

²¹⁵ SNL Financial.

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²¹⁸ SNL Financial.

²¹⁹ SNL Financial.

²²⁰ SNL Financial.

²²¹ SNL Financial.

90-DAY CONSTANT GROWTH DCF -- U.S. PROXY GROUP

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
					Expected	Zacks		Value		Average			
Company	Ticker	Annualized Dividend	Stock Price	Dividend Yield	Dividend Yield	EPS Growth	SNL EPS Growth	Line EPS Growth	First Call Growth	Growth Rate	Low DCF ROE	Mean DCF ROE	High DCF ROE
ALLETE, Inc.	ALE	\$2.02	\$48.88	4.13%	4.26%	N/A	6.00%	6.50%	6.00%	6.17%	10.26%	10.43%	10.77%
Duke Energy Corp	DUK	\$3.18	\$74.39	4.27%	4.38%	4.70%	4.84%	5.00%	4.60%	4.79%	8.97%	9.16%	9.38%
Eversource Energy	ES	\$1.68	\$48.25	3.48%	3.60%	6.80%	5.97%	8.50%	6.21%	6.87%	9.56%	10.47%	12.13%
Great Plains Energy Inc.	GXP	\$0.98	\$25.61	3.83%	3.94%	6.10%	6.78%	5.00%	6.43%	6.08%	8.92%	10.02%	10.74%
OGE Energy Corp.	OGE	\$1.00	\$30.03	3.33%	3.40%	5.00%	5.30%	3.00%	3.34%	4.16%	6.38%	7.56%	8.72%
Pinnacle West Capital Corp	PNW	\$2.38	\$60.22	3.95%	4.05%	5.20%	5.28%	4.00%	5.37%	4.96%	8.03%	9.01%	9.43%
Westar Energy Inc.	WR	\$1.44	\$36.55	3.94%	4.02%	3.90%	3.55%	6.00%	3.40%	4.21%	7.41%	8.24%	10.06%
MEAN				3.85%	3.95%	5.28%	5.39%	5.43%	5.05%	5.32%	8.50%	9.27%	10.17%
Flotation Costs											0.50%	0.50%	0.50%
											9.00%	9.77%	10.67%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, 90-day average as of August 31, 2015

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [9])

[5] Source: Zacks at August 31, 2015

[6] Source: SNL Financial Median Long-Term EPS Growth Rate as of September 21, 2015

[7] Source: Value Line

[8] Source: Yahoo! Finance at August 31, 2015

[9] Equals Average([5], [6], [7], [8])

[10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])

[11] Equals [4] + [9]

[12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])

90-DAY CONSTANT GROWTH DCF -- CANADIAN PROXY GROUP

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
					Expected	Zacks		Value		Average			
Company	Ticker	Annualized Dividend	Stock Price	Dividend Yield	Dividend Yield	EPS Growth	SNL EPS Growth	Line EPS Growth	First Call Growth	Growth Rate	Low DCF ROE	Mean DCF ROE	High DCF ROE
Canadian Utilities Limited	CU	\$1.18	\$35.79	3.30%	3.37%	N/A	3.60%	N/A	4.78%	4.19%	6.96%	7.56%	8.16%
Emera Incorporated	EMA	\$1.60	\$43.69	3.66%	3.78%	N/A	6.60%	N/A	5.99%	6.30%	9.76%	10.07%	10.38%
Enbridge Inc.	ENB	\$1.86	\$54.98	3.38%	3.61%	12.00%	N/A	10.50%	18.40%	13.63%	14.06%	17.25%	22.09%
Valener Inc.	VNR	\$1.04	\$16.73	6.22%	6.47%	N/A	N/A	N/A	8.00%	8.00%	14.47%	14.47%	14.47%
MEAN				4.14%	4.31%	12.00%	5.10%	10.50%	9.29%	8.03%	11.31%	12.34%	13.77%
Flotation Costs											0.50%	0.50%	0.50%
											11.81%	12.84%	14.27%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, 90-day average as of August 31, 2015

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [9])

[5] Source: Zacks at August 31, 2015

[6] Source: SNL Financial Median Long-Term EPS Growth Rate as of September 21, 2015

[7] Source: Value Line

[8] Source: Yahoo! Finance at August 31, 2015

[9] Equals Average([5], [6], [7], [8])

[10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])

[11] Equals [4] + [9]

[12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])

90-DAY CONSTANT GROWTH DCF -- NORTH AMERICA ELECTRIC PROXY GROUP

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
					Expected	Zacks		Value		Average			
Company	Ticker	Annualized Dividend	Stock Price	Dividend Yield	Dividend Yield	EPS Growth	SNL EPS Growth	Line EPS Growth	First Call Growth	Growth Rate	Low DCF ROE	Mean DCF ROE	High DCF ROE
Canadian Utilities Limited	CU	\$1.18	\$35.79	3.30%	3.36%	N/A	2.90%	N/A	4.78%	3.84%	6.24%	7.20%	8.16%
Emera Incorporated	EMA	\$1.60	\$43.69	3.66%	3.78%	N/A	6.50%	N/A	5.99%	6.25%	9.76%	10.02%	10.28%
ALLETE, Inc.	ALE	\$2.02	\$49.06	4.12%	4.24%	N/A	6.00%	6.50%	6.00%	6.17%	10.24%	10.41%	10.75%
Duke Energy Corp	DUK	\$3.18	\$73.94	4.30%	4.40%	4.70%	4.92%	5.00%	4.60%	4.81%	9.00%	9.21%	9.41%
Eversource Energy	ES	\$1.68	\$49.31	3.41%	3.53%	6.80%	7.00%	8.50%	6.21%	7.13%	9.72%	10.66%	12.05%
Great Plains Energy Inc.	GXP	\$0.98	\$25.92	3.78%	3.89%	6.10%	5.88%	5.00%	6.43%	5.85%	8.88%	9.74%	10.33%
OGE Energy Corp.	OGE	\$1.00	\$29.36	3.41%	3.48%	5.00%	5.15%	3.00%	3.34%	4.12%	6.46%	7.60%	8.64%
Pinnacle West Capital Corp	PNW	\$2.38	\$61.85	3.85%	3.94%	5.20%	5.00%	4.00%	5.37%	4.89%	7.93%	8.83%	9.32%
Westar Energy Inc.	WR	\$1.44	\$35.72	4.03%	4.12%	3.90%	4.65%	6.00%	3.40%	4.49%	7.50%	8.61%	10.15%
MEAN				3.76%	3.86%	5.28%	5.33%	5.43%	5.12%	5.28%	8.41%	9.14%	9.90%
Flotation Costs											0.50%	0.50%	0.50%
											8.91%	9.64%	10.40%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, 90-day average as of August 31, 2015

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [9])

[5] Source: Zacks at August 31, 2015

[6] Source: SNL Financial Median Long-Term EPS Growth Rate as of September 21, 2015

[7] Source: Value Line

[8] Source: Yahoo! Finance at August 31, 2015

[9] Equals Average([5], [6], [7], [8])

[10] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7], [8])) + Minimum([5], [6], [7], [8])

[11] Equals [4] + [9]

[12] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7], [8])) + Maximum([5], [6], [7], [8])

90-DAY MULTI-STAGE DCF -- U.S. PROXY GROUP

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Company	Ticker	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
ALLETE, Inc.	ALE	\$2.02	\$48.88	6.17%	5.90%	5.63%	5.36%	5.09%	4.82%	4.55%	9.53%
Duke Energy Corp	DUK	\$3.18	\$74.39	4.79%	4.75%	4.71%	4.67%	4.63%	4.59%	4.55%	9.28%
Eversource Energy	ES	\$1.68	\$48.25	6.87%	6.48%	6.10%	5.71%	5.32%	4.94%	4.55%	8.93%
Great Plains Energy Inc.	GXP	\$0.98	\$25.61	6.08%	5.82%	5.57%	5.31%	5.06%	4.81%	4.55%	9.14%
OGE Energy Corp.	OGE	\$1.00	\$30.03	4.16%	4.23%	4.29%	4.36%	4.42%	4.49%	4.55%	8.07%
Pinnacle West Capital Corp	PNW	\$2.38	\$60.22	4.96%	4.89%	4.83%	4.76%	4.69%	4.62%	4.55%	8.97%
Westar Energy Inc.	WR	\$1.44	\$36.55	4.21%	4.27%	4.33%	4.38%	4.44%	4.49%	4.55%	8.75%
MEAN				5.32%	5.19%	5.06%	4.93%	4.81%	4.68%	4.55%	8.95%
Flotation Costs											0.50%
											9.45%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, 90-day average as of August 31, 2015

[3] Source: Constant Growth DCF

[4] Equals $[3] - ([3] - [9]) / 6$ [5] Equals $[4] - ([3] - [9]) / 6$ [6] Equals $[5] - ([3] - [9]) / 6$ [7] Equals $[6] - ([3] - [9]) / 6$ [8] Equals $[7] - ([3] - [9]) / 6$

[9] Consensus Economics Inc., Consensus Forecasts, April 13, 2015, at 3.

[10] Internal rate of return

90-DAY MULTI-STAGE DCF -- CANADIAN PROXY GROUP

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Company	Ticker	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
Canadian Utilities Limited	CU	\$1.18	\$35.79	4.19%	4.15%	4.11%	4.06%	4.02%	3.98%	3.94%	7.54%
Emera Incorporated	EMA	\$1.60	\$43.69	6.30%	5.90%	5.51%	5.12%	4.72%	4.33%	3.94%	8.52%
Enbridge Inc.	ENB	\$1.86	\$54.98	13.63%	12.02%	10.40%	8.79%	7.17%	5.55%	3.94%	10.45%
Valener Inc.	VNR	\$1.04	\$16.73	8.00%	7.32%	6.65%	5.97%	5.29%	4.62%	3.94%	12.53%
MEAN				8.03%	7.35%	6.67%	5.98%	5.30%	4.62%	3.94%	9.76%
Flotation Costs											0.50%
											10.26%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, 90-day average as of August 31, 2015

[3] Source: Constant Growth DCF

[4] Equals $[3] - ([3] - [9]) / 6$ [5] Equals $[4] - ([3] - [9]) / 6$ [6] Equals $[5] - ([3] - [9]) / 6$ [7] Equals $[6] - ([3] - [9]) / 6$ [8] Equals $[7] - ([3] - [9]) / 6$

[9] Consensus Economics Inc., Consensus Forecasts, April 13, 2015, at 28.

[10] Internal rate of return

90-DAY MULTI-STAGE DCF -- NORTH AMERICA ELECTRIC PROXY GROUP

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Company	Ticker	Annualized Dividend	Stock Price	Growth Rate, Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10	GDP Growth (perpetuity)	ROE
Canadian Utilities Limited	CU	\$1.18	\$35.79	3.84%	3.86%	3.87%	3.89%	3.91%	3.92%	3.94%	7.46%
Emera Incorporated	EMA	\$1.60	\$43.69	6.25%	5.86%	5.48%	5.09%	4.71%	4.32%	3.94%	8.51%
ALLETE, Inc.	ALE	\$2.02	\$49.06	6.17%	5.90%	5.63%	5.36%	5.09%	4.82%	4.55%	9.52%
Duke Energy Corp	DUK	\$3.18	\$73.94	4.81%	4.76%	4.72%	4.68%	4.64%	4.59%	4.55%	9.32%
Eversource Energy	ES	\$1.68	\$49.31	7.13%	6.70%	6.27%	5.84%	5.41%	4.98%	4.55%	8.91%
Great Plains Energy Inc.	GXP	\$0.98	\$25.92	5.85%	5.64%	5.42%	5.20%	4.98%	4.77%	4.55%	9.02%
OGE Energy Corp.	OGE	\$1.00	\$29.36	4.12%	4.19%	4.27%	4.34%	4.41%	4.48%	4.55%	8.14%
Pinnacle West Capital Corp	PNW	\$2.38	\$61.85	4.89%	4.84%	4.78%	4.72%	4.66%	4.61%	4.55%	8.83%
Westar Energy Inc.	WR	\$1.44	\$35.72	4.49%	4.50%	4.51%	4.52%	4.53%	4.54%	4.55%	8.92%
MEAN				5.28%	5.14%	4.99%	4.85%	4.70%	4.56%	4.41%	8.74%
Flotation Costs											0.50%
											9.24%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, 90-day average as of August 31, 2015

[3] Source: Constant Growth DCF

[4] Equals $[3] - ([3] - [9]) / 6$ [5] Equals $[4] - ([3] - [9]) / 6$ [6] Equals $[5] - ([3] - [9]) / 6$ [7] Equals $[6] - ([3] - [9]) / 6$ [8] Equals $[7] - ([3] - [9]) / 6$

[9] Consensus Economics Inc., Consensus Forecasts, April 13, 2015, at 3 and 28.

[10] Internal rate of return

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]				[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return				Forecast Canadian Government Bond 30 Year	Equity Risk Premium
S&P/TSX UTILITIES INDEX		3.28%	3.44%	10.02%	13.46%				3.68%	9.78%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Long-Term Growth Estimate	
Sun Life Financial Inc	SLF	612.078	41.700	25,524	1.8010%	3.65%	8.50%	0.0656%	0.1531%	
Enghouse Systems Ltd	ESL	26.285	48.690	1,280	0.0000%	0.99%	n/a	0.0000%	n/a	
H&R Real Estate Investment Trust	HR-U	276.087	22.440	6,195	0.0000%	6.02%	n/a	0.0000%	n/a	
West Fraser Timber Co Ltd	WFT	81.248	68.630	5,576	0.0000%	0.41%	n/a	0.0000%	n/a	
Brookfield Asset Management Inc	BAM/A	980.619	43.640	42,794	3.0197%	1.37%	13.00%	0.0415%	0.3926%	
Enbridge Income Fund Holdings Inc	ENF	70.351	34.530	2,429	0.0000%	4.47%	n/a	0.0000%	n/a	
Saputo Inc	SAP	392.510	30.210	11,858	0.8367%	1.72%	6.67%	0.0144%	0.0558%	
Pembina Pipeline Corp	PPL	332.338	40.370	13,416	0.9467%	4.53%	6.60%	0.0429%	0.0625%	
Secure Energy Services Inc	SES	136.107	12.780	1,739	0.0000%	1.88%	n/a	0.0000%	n/a	
Ritchie Bros Auctioneers Inc	RBA	106.045	34.850	3,696	0.2608%	2.01%	13.22%	0.0052%	0.0345%	
Seven Generations Energy Ltd	VII	245.153	16.320	4,001	0.0000%	n/a	n/a	n/a	n/a	
Performance Sports Group Ltd	PSG	45.526	22.480	1,023	0.0000%	n/a	13.69%	n/a	0.0000%	
Gildan Activewear Inc	GIL	242.394	41.490	10,057	0.7097%	0.77%	17.15%	0.0055%	0.1217%	
Descartes Systems Group Inc/The	DSG	75.495	20.050	1,514	0.0000%	n/a	15.00%	n/a	0.0000%	
Industrial Alliance Insurance & Financial Services Inc	IAG	101.174	42.010	4,250	0.2999%	2.67%	3.40%	0.0080%	0.0102%	
Innervex Renewable Energy Inc	INE	101.269	10.620	1,075	0.0000%	5.84%	n/a	0.0000%	n/a	
Manulife Financial Corp	MFC	1,970.270	23.210	45,730	3.2269%	2.93%	7.10%	0.0945%	0.2291%	
Element Financial Corp	EFN	264.204	19.750	5,218	0.0000%	n/a	n/a	n/a	n/a	
FirstService Corp	FSV	34.645	34.720	1,203	0.0849%	1.42%	15.00%	0.0012%	0.0127%	
Canadian Pacific Railway Ltd	CP	164.062	200.020	32,816	2.3156%	0.70%	15.30%	0.0162%	0.3544%	
Husky Energy Inc	HSE	983.840	23.890	23,504	1.6585%	5.02%	17.30%	0.0833%	0.2869%	
Bonavista Energy Corp	BNP	206.603	6.790	1,403	0.0000%	6.19%	n/a	0.0000%	n/a	
Baytex Energy Corp	BTE	205.599	19.430	3,995	0.2819%	6.18%	-101.42%	0.0174%	-0.2859%	
Crescent Point Energy Corp	CPG	452.279	25.630	11,592	0.8180%	10.77%	-14.60%	0.0881%	-0.1194%	
Centerra Gold Inc	CG	236.475	7.100	1,679	0.1185%	2.25%	0.50%	0.0027%	0.0006%	
Newalta Corp	NAL	56.237	14.220	800	0.0000%	3.52%	n/a	0.0000%	n/a	
Alaris Royalty Corp	AD	31.996	30.490	976	0.0000%	5.31%	n/a	0.0000%	n/a	
Intact Financial Corp	IFC	131.543	86.790	11,417	0.0000%	2.44%	n/a	0.0000%	n/a	
George Weston Ltd	WN	127.919	98.110	12,550	0.8856%	1.73%	36.10%	0.0153%	0.3197%	
MEG Energy Corp	MEG	223.847	20.400	4,566	0.0000%	n/a	n/a	n/a	n/a	
DREAM Unlimited Corp	DRM	75.993	9.690	736	0.0000%	n/a	n/a	n/a	n/a	
PrairieSky Royalty Ltd	PSK	149.409	31.510	4,708	0.0000%	4.13%	n/a	0.0000%	n/a	
Cameco Corp	CCO	395.793	17.870	7,073	0.4991%	2.24%	40.91%	0.0112%	0.2042%	
Turquoise Hill Resources Ltd	TRQ	2,012.309	4.750	9,558	0.0000%	n/a	n/a	n/a	n/a	
Canfor Corp	CFP	134.155	27.200	3,649	0.0000%	n/a	n/a	n/a	n/a	
ProMetic Life Sciences Inc	PLI	574.974	2.350	1,351	0.0000%	n/a	n/a	n/a	n/a	
Interfor Corp	IFP	70.030	20.490	1,435	0.0000%	n/a	n/a	n/a	n/a	
Cott Corp	BCB	109.375	12.210	1,335	0.0000%	2.45%	n/a	0.0000%	n/a	
Franco-Nevada Corp	FNV	156.480	59.570	9,322	0.6578%	1.74%	5.00%	0.0114%	0.0329%	
Cenovus Energy Inc	CVE	828.436	19.970	16,544	1.1674%	5.33%	20.40%	0.0622%	0.2381%	
AutoCanada Inc	ACQ	24.510	41.300	1,012	0.0000%	2.42%	n/a	0.0000%	n/a	
Athabasca Oil Corp	ATH	402.944	2.040	822	0.0000%	n/a	n/a	n/a	n/a	
Pretium Resources Inc	PVG	133.422	6.760	902	0.0000%	n/a	n/a	n/a	n/a	
Empire Co Ltd	EMP/A	58.049	87.970	5,107	0.3603%	1.36%	7.00%	0.0049%	0.0252%	
Loblaw Cos Ltd	L	412.628	63.080	26,029	1.8367%	1.59%	14.28%	0.0291%	0.2623%	
Metro Inc	MRU	248.891	33.520	8,343	0.5887%	1.39%	11.10%	0.0082%	0.0653%	
Tourmaline Oil Corp	TOU	216.063	37.520	8,107	0.0000%	n/a	n/a	n/a	n/a	
Bank of Montreal	BMO	644.256	74.010	47,681	3.3646%	4.43%	4.40%	0.1491%	0.1480%	
Bank of Nova Scotia/The	BNS	1,209.962	64.470	78,006	5.5044%	4.22%	5.73%	0.2322%	0.3156%	
Canadian Imperial Bank of Commerce/Canada	CM	397.276	92.070	36,577	2.5810%	4.74%	8.80%	0.1222%	0.2271%	
Canadian Western Bank	CWB	80.451	28.770	2,315	0.0000%	3.06%	n/a	0.0000%	n/a	
Laurentian Bank of Canada	LB	28.945	48.140	1,393	0.0000%	4.65%	n/a	0.0000%	n/a	
Concordia Healthcare Corp	CXR	33.265	90.250	3,002	0.0000%	0.42%	n/a	0.0000%	n/a	
National Bank of Canada	NA	329.390	46.920	15,455	1.0906%	4.43%	8.30%	0.0483%	0.0905%	
Toronto-Dominion Bank/The	TD	1,851.851	53.040	98,222	6.9309%	3.85%	12.00%	0.2666%	0.8317%	
Amaya Inc	AYA	133.384	34.220	4,564	0.0000%	n/a	n/a	n/a	n/a	
Osisko Gold Royalties Ltd	OR	94.142	15.720	1,480	0.1044%	0.76%	50.00%	0.0008%	0.0522%	
Sheritt International Corp	S	297.300	2.090	621	0.0000%	1.91%	n/a	0.0000%	n/a	
TORC Oil & Gas Ltd	TOG	156.916	8.700	1,365	0.0963%	6.21%	26.00%	0.0060%	0.0250%	
TMX Group Ltd	X	54.172	53.150	2,879	0.0000%	3.01%	n/a	0.0000%	n/a	
Ensign Energy Services Inc	ESI	153.060	12.240	1,873	0.0000%	3.92%	n/a	0.0000%	n/a	
Parrex Resources Inc	PXT	149.828	10.470	1,569	0.0000%	n/a	n/a	n/a	n/a	
Trican Well Service Ltd	TCW	148.918	4.150	618	0.0000%	n/a	10.05%	n/a	0.0000%	
Aimia Inc	AIM	164.724	13.600	2,240	0.0000%	5.59%	n/a	0.0000%	n/a	
Pure Industrial Real Estate Trust	AAR-U	189.411	4.710	892	0.0000%	6.62%	n/a	0.0000%	n/a	
Computer Modelling Group Ltd	CMG	78.543	12.660	994	0.0702%	3.16%	32.70%	0.0022%	0.0229%	
Genworth MI Canada Inc	MIC	93.172	32.800	3,056	0.0000%	4.76%	n/a	0.0000%	n/a	
Chemtrade Logistics Income Fund	CHE-U	68.275	20.300	1,386	0.0000%	5.91%	n/a	0.0000%	n/a	
Manitoba Telecom Services Inc	MBT	78.935	27.910	2,203	0.1555%	4.66%	0.70%	0.0072%	0.0011%	
Methanex Corp	MX	91.085	69.720	6,350	0.0000%	1.94%	n/a	0.0000%	n/a	

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]				[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return				Forecast Canadian Government Bond 30 Year	Equity Risk Premium
S&P/TSX UTILITIES INDEX		3.28%	3.44%	10.02%	13.46%				3.68%	9.78%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	BEst Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Long-Term Growth Estimate	
Restaurant Brands International Inc	QSR	202.304	47.870	9,684	0.6834%	1.04%	18.52%	0.0071%	0.1265%	
Constellation Software Inc/Canada	CSU	21.192	495.860	10,508	0.0000%	0.99%	n/a	0.0000%	n/a	
Suncor Energy Inc	SU	1,445.656	34.400	49,731	3.5092%	3.26%	16.90%	0.1143%	0.5930%	
Parkland Fuel Corp	PKI	89.708	24.880	2,232	0.0000%	4.34%	n/a	0.0000%	n/a	
Lundin Mining Corp	LUN	719.326	5.130	3,690	0.0000%	n/a	22.58%	n/a	0.0000%	
Novagold Resources Inc	NG	317.862	4.290	1,364	0.0000%	n/a	n/a	n/a	n/a	
Kelt Exploration Ltd	KEL	158.424	8.440	1,337	0.0000%	n/a	n/a	n/a	n/a	
Aecon Group Inc	ARE	56.448	12.750	720	0.0508%	3.14%	-4.00%	0.0016%	-0.0020%	
Atco Ltd/Canada	ACO/X	101.502	39.490	4,008	0.0000%	2.51%	n/a	0.0000%	n/a	
Intertain Group Ltd/The	IT	72.353	17.230	1,247	0.0000%	n/a	n/a	n/a	n/a	
TransForce Inc	TFI	101.212	25.330	2,564	0.0000%	2.68%	n/a	0.0000%	n/a	
Bonterra Energy Corp	BNE	32.170	31.490	1,013	0.0000%	5.72%	n/a	0.0000%	n/a	
Calfrac Well Services Ltd	CFW	95.868	7.710	739	0.0000%	3.24%	n/a	0.0000%	n/a	
Dorel Industries Inc	DII/B	28.127	33.410	940	0.0663%	4.39%	10.00%	0.0029%	0.0066%	
Royal Bank of Canada	RY	1,443.102	76.380	110,224	7.7778%	4.03%	9.05%	0.3136%	0.7039%	
Crombie Real Estate Investment Trust	CRR-U	77.248	12.470	963	0.0000%	7.14%	n/a	0.0000%	n/a	
Russel Metals Inc	RUS	61.702	22.730	1,402	0.0990%	6.69%	4.50%	0.0066%	0.0045%	
Stantec Inc	STN	93.976	36.500	3,430	0.2420%	1.15%	18.00%	0.0028%	0.0436%	
Transcontinental Inc	TCL/A	63.246	15.390	973	0.0687%	4.42%	-2.00%	0.0030%	-0.0014%	
Bankers Petroleum Ltd	BNK	261.394	3.100	810	0.0000%	n/a	n/a	n/a	n/a	
Home Capital Group Inc	HCG	70.226	43.280	3,039	0.0000%	2.03%	n/a	0.0000%	n/a	
Gran Tierra Energy Inc	GTE	277.211	3.740	1,037	0.0000%	n/a	n/a	n/a	n/a	
Fortuna Silver Mines Inc	FVI	128.846	4.550	586	0.0000%	n/a	n/a	n/a	n/a	
Hudson's Bay Co	HBC	182.100	27.750	5,053	0.3566%	0.72%	14.64%	0.0026%	0.0522%	
Painted Pony Petroleum Ltd	PPY	99.651	7.960	793	0.0000%	n/a	n/a	n/a	n/a	
Linamar Corp	LNR	65.112	81.120	5,282	0.0000%	0.49%	n/a	0.0000%	n/a	
Nevsun Resources Ltd	NSU	199.658	4.700	938	0.0000%	4.20%	n/a	0.0000%	n/a	
North West Co Inc/The	NWC	48.499	24.760	1,201	0.0000%	4.69%	n/a	0.0000%	n/a	
Celestica Inc	CLS	150.238	14.540	2,184	0.0000%	n/a	n/a	n/a	n/a	
SEMAFO Inc	SMF	294.086	3.360	988	0.0000%	n/a	-10.00%	n/a	0.0000%	
ShawCor Ltd	SCL	64.499	36.590	2,360	0.0000%	1.64%	n/a	0.0000%	n/a	
RONA Inc	RON	108.037	15.180	1,640	0.1157%	0.92%	0.38%	0.0011%	0.0004%	
Silver Standard Resources Inc	SSO	80.754	7.850	634	0.0000%	n/a	3.00%	n/a	0.0000%	
BlackBerry Ltd	BB	529.431	10.210	5,405	0.0000%	n/a	-17.60%	n/a	0.0000%	
Granite Real Estate Investment Trust	GRT-U	47.014	42.960	2,020	0.0000%	5.36%	n/a	0.0000%	n/a	
Toromont Industries Ltd	TIH	77.577	31.240	2,424	0.1710%	2.18%	7.26%	0.0037%	0.0124%	
First Majestic Silver Corp	FR	122.215	6.050	739	0.0000%	n/a	n/a	n/a	n/a	
Advantage Oil & Gas Ltd	AAV	170.666	7.900	1,348	0.0000%	n/a	n/a	n/a	n/a	
Colliers International Group Inc	CIG	36.643	47.800	1,752	0.1236%	1.05%	20.00%	0.0013%	0.0247%	
Dominion Diamond Corp	DDC	85.206	17.500	1,491	0.0000%	2.75%	n/a	0.0000%	n/a	
Cogeco Cable Inc	CCA	33.532	72.240	2,422	0.1709%	1.94%	13.37%	0.0033%	0.0229%	
Canadian Real Estate Investment Trust	REF-U	71.964	42.450	3,055	0.0000%	4.24%	n/a	0.0000%	n/a	
First Capital Realty Inc	FCR	222.046	17.880	3,970	0.0000%	4.81%	n/a	0.0000%	n/a	
First Quantum Minerals Ltd	FM	688.967	16.330	11,251	0.7939%	0.60%	52.31%	0.0047%	0.4153%	
Pason Systems Inc	PSI	83.609	22.350	1,869	0.0000%	3.04%	n/a	0.0000%	n/a	
Rogers Communications Inc	RCI/B	402.304	44.300	17,822	1.2576%	4.33%	3.67%	0.0545%	0.0462%	
Jean Coutu Group PJC Inc/The	PJC/A	83.566	23.200	1,939	0.1368%	1.90%	6.40%	0.0026%	0.0088%	
Major Drilling Group International Inc	MDI	80.137	6.250	501	0.0000%	0.64%	n/a	0.0000%	n/a	
Mullen Group Ltd	MTL	91.654	20.410	1,871	0.0000%	5.88%	n/a	0.0000%	n/a	
Maple Leaf Foods Inc	MFI	142.956	23.690	3,387	0.0000%	1.35%	n/a	0.0000%	n/a	
HudBay Minerals Inc	HBM	235.054	10.400	2,445	0.1725%	0.19%	43.00%	0.0003%	0.0742%	
Labrador Iron Ore Royalty Corp	LIF	64.000	14.260	913	0.0644%	7.01%	15.20%	0.0045%	0.0098%	
Dream Office Real Estate Investment Trust	D-U	108.123	24.540	2,653	0.0000%	9.13%	n/a	0.0000%	n/a	
CCL Industries Inc	CCL/B	32.436	153.200	4,969	0.0000%	0.98%	n/a	0.0000%	n/a	
Extendicare Inc	EXE	87.530	7.570	663	0.0000%	6.34%	n/a	0.0000%	n/a	
Superior Plus Corp	SPB	126.185	12.560	1,585	0.0000%	5.73%	n/a	0.0000%	n/a	
Freehold Royalties Ltd	FRU	97.990	16.140	1,582	0.0000%	6.69%	n/a	0.0000%	n/a	
Encana Corp	ECA	840.818	13.770	11,578	0.8170%	2.51%	-9.50%	0.0205%	-0.0776%	
Westshore Terminals Investment Corp	WTE	74.250	30.410	2,258	0.0000%	4.34%	n/a	0.0000%	n/a	
Northland Power Inc	NPI	167.951	15.820	2,657	0.0000%	6.83%	n/a	0.0000%	n/a	
Canadian Apartment Properties REIT	CAR-U	116.433	27.600	3,214	0.0000%	4.42%	n/a	0.0000%	n/a	
Inter Pipeline Ltd	IPL	334.580	28.700	9,602	0.0000%	5.12%	n/a	0.0000%	n/a	

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Company	Ticker	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
		Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Long-Term Growth Estimate	
Peyto Exploration & Development Corp	PEY	158,958	30.530	4,853	0.0000%	4.32%	n/a	0.0000%	n/a	
Avigilon Corp	AVO	46,638	16.840	785	0.0000%	n/a	n/a	n/a	n/a	
Algonquin Power & Utilities Corp	AQN	238,132	9.360	2,229	0.0000%	5.08%	n/a	0.0000%	n/a	
Veresen Inc	VSN	289,167	16.890	4,884	0.0000%	5.92%	n/a	0.0000%	n/a	
Dream Global Real Estate Investment Trust	DRG-U	109,015	9.930	1,083	0.0000%	8.06%	n/a	0.0000%	n/a	
Smart Real Estate Investment Trust	SRU-U	124,504	28.920	3,601	0.0000%	5.54%	n/a	0.0000%	n/a	
Alacer Gold Corp	ASR	290,918	2.930	852	0.0000%	n/a	-0.18%	n/a	0.0000%	
Pan American Silver Corp	PAA	151,643	10.740	1,629	0.1149%	2.27%	4.00%	0.0026%	0.0046%	
AltaGas Ltd	ALA	134,833	38.040	5,129	0.0000%	5.05%	n/a	0.0000%	n/a	
Cominar Real Estate Investment Trust	CUF-U	167,877	17.730	2,976	0.0000%	8.29%	n/a	0.0000%	n/a	
DH Corp	DH	105,568	39.920	4,214	0.0000%	3.21%	n/a	0.0000%	n/a	
Westjet Airlines Ltd	WJA	107,674	26.360	2,838	0.2003%	2.12%	12.98%	0.0043%	0.0260%	
Corus Entertainment Inc	CJR/B	83,343	16.670	1,389	0.0000%	6.84%	n/a	0.0000%	n/a	
Emera Inc	EMA	142,101	39.340	5,590	0.0000%	4.07%	n/a	0.0000%	n/a	
Birchcliff Energy Ltd	BIR	152,290	6.970	1,061	0.0000%	n/a	n/a	n/a	n/a	
MacDonald Dettwiler & Associates Ltd	MDA	36,133	91.270	3,298	0.0000%	1.62%	n/a	0.0000%	n/a	
Torex Gold Resources Inc	TXG	785,372	1.130	887	0.0000%	n/a	n/a	n/a	n/a	
Trinidad Drilling Ltd	TDG	133,425	4.400	539	0.0000%	4.95%	n/a	0.0000%	n/a	
Just Energy Group Inc	JE	146,559	6.510	954	0.0000%	7.68%	n/a	0.0000%	n/a	
Progressive Waste Solutions Ltd	BIN	115,180	33.500	3,859	0.2723%	1.91%	9.40%	0.0052%	0.0256%	
Northern Property Real Estate Investment Trust	NPR-U	31,822	22.380	712	0.0000%	7.28%	n/a	0.0000%	n/a	
Allied Properties Real Estate Investment Trust	AP-U	77,283	35.440	2,739	0.0000%	4.12%	n/a	0.0000%	n/a	
Keyera Corp	KEY	168,832	41.700	7,040	0.0000%	3.31%	n/a	0.0000%	n/a	
Power Financial Corp	PWF	711,174	35.870	25,510	1.8001%	4.15%	12.60%	0.0748%	0.2268%	
NuVista Energy Ltd	NVA	152,992	6.690	1,024	0.0000%	n/a	n/a	n/a	n/a	
Canadian Energy Services & Technology Corp	CEU	217,007	7.200	1,562	0.0000%	4.58%	n/a	0.0000%	n/a	
Barrick Gold Corp	ABX	1,164,670	13.350	15,548	1.0971%	1.87%	-1.93%	0.0205%	-0.0212%	
Crew Energy Inc	CR	140,984	5.710	805	0.0000%	n/a	n/a	n/a	n/a	
Cineplex Inc	CGX	63,067	47.020	2,965	0.0000%	3.32%	n/a	0.0000%	n/a	
BCE Inc	BCE	847,646	53.060	44,976	3.1737%	4.90%	5.07%	0.1555%	0.1609%	
Chartwell Retirement Residences	CSH-U	174,165	11.480	1,999	0.0000%	4.80%	n/a	0.0000%	n/a	
Trilogy Energy Corp	TET	105,240	5.650	595	0.0000%	n/a	n/a	n/a	n/a	
Black Diamond Group Ltd	BDI	41,086	17.510	719	0.0000%	5.48%	n/a	0.0000%	n/a	
Surge Energy Inc	SGY	220,060	3.540	779	0.0000%	8.47%	n/a	0.0000%	n/a	
Artis Real Estate Investment Trust	AX-U	134,866	13.710	1,849	0.0000%	7.88%	n/a	0.0000%	n/a	
Potash Corp of Saskatchewan Inc	POT	834,228	38.680	32,268	2.2769%	5.01%	6.00%	0.1141%	0.1366%	
Detour Gold Corp	DGC	170,563	14.370	2,451	0.0000%	n/a	7.00%	n/a	0.0000%	
TransCanada Corp	TRP	708,941	50.760	35,986	0.0000%	4.10%	n/a	0.0000%	n/a	
OceanaGold Corp	OGC	303,255	3.090	937	0.0661%	1.62%	-3.00%	0.0011%	-0.0020%	
Enerflex Ltd	EFX	78,999	13.500	1,066	0.0000%	2.52%	n/a	0.0000%	n/a	
B2Gold Corp	BTO	921,483	1.910	1,760	0.0000%	n/a	51.43%	n/a	0.0000%	
Valant Pharmaceuticals International Inc	VRX	304,859	277.070	94,442	0.0000%	n/a	16.10%	n/a	0.0000%	
Dollarama Inc	DOL	129,356	75.700	9,792	0.6910%	0.48%	16.78%	0.0033%	0.1159%	
Capital Power Corp	CPX	103,219	21.540	2,223	0.0000%	6.31%	n/a	0.0000%	n/a	
Eldorado Gold Corp	ELD	716,587	5.180	3,712	0.2619%	0.39%	13.90%	0.0010%	0.0364%	
Onex Corp	OCX	111,049	69.110	7,675	0.0000%	0.36%	n/a	0.0000%	n/a	
Tahoe Resources Inc	THO	224,000	15.140	3,391	0.2393%	1.96%	4.77%	0.0047%	0.0114%	
Imperial Oil Ltd	IMO	847,599	48.250	40,897	0.0000%	1.08%	n/a	0.0000%	n/a	
Air Canada	AC	286,835	13.210	3,789	0.0000%	n/a	40.13%	n/a	0.0000%	
ATS Automation Tooling Systems Inc	ATA	91,630	15.290	1,401	0.0000%	n/a	n/a	n/a	n/a	
Brookfield Renewable Energy Partners LP/CA	BEP-U	143,401	37.140	5,326	0.0000%	5.58%	n/a	0.0000%	n/a	
Alimentation Couche-Tard Inc	ATD/B	419,263	53.430	22,401	1.5807%	0.34%	17.98%	0.0053%	0.2841%	
Pacific Exploration and Production Corp	PRE	316,095	4.710	1,489	0.0000%	n/a	n/a	n/a	n/a	
Brookfield Property Partners LP	BPY-U	255,863	27.620	7,067	0.0000%	4.79%	n/a	0.0000%	n/a	
Agnico Eagle Mines Ltd	AEM	216,202	35.460	7,667	0.5410%	1.12%	4.40%	0.0061%	0.0238%	
Bombardier Inc	BBD/B	1,932,014	2.250	4,347	0.0000%	n/a	6.44%	n/a	0.0000%	
TELUS Corp	T	605,501	43.030	26,055	1.8385%	3.90%	8.00%	0.0718%	0.1471%	
Penn West Petroleum Ltd	PWT	502,163	2.150	1,080	0.0000%	1.86%	n/a	0.0000%	n/a	
CAE Inc	CAE	267,181	14.870	3,973	0.2803%	1.88%	10.85%	0.0053%	0.0304%	
Canadian Natural Resources Ltd	CNQ	1,094,180	33.900	37,093	2.6174%	2.71%	9.20%	0.0710%	0.2408%	
DHX Media Ltd	DHX/B	79,885	9.340	746	0.0000%	0.60%	n/a	0.0000%	n/a	
Canadian Tire Corp Ltd	CTC/A	73,603	133.580	9,832	0.6938%	1.57%	8.41%	0.0109%	0.0583%	
Primero Mining Corp	P	162,264	4.870	790	0.0000%	n/a	48.78%	n/a	0.0000%	
Canadian Utilities Ltd	CU	189,373	35.970	6,812	0.0000%	3.28%	n/a	0.0000%	n/a	
Western Forest Products Inc	WEF	395,065	2.230	881	0.0000%	3.59%	n/a	0.0000%	n/a	
CGI Group Inc	GIB/A	281,744	48.850	13,763	0.0000%	n/a	11.55%	n/a	0.0000%	
EnerCare Inc	ECI	91,941	13.300	1,223	0.0000%	6.32%	n/a	0.0000%	n/a	
New Gold Inc	NGD	509,083	3.350	1,705	0.0000%	n/a	3.50%	n/a	0.0000%	
Fairfax Financial Holdings Ltd	FFH	22,016	615.880	13,559	0.0000%	1.95%	n/a	0.0000%	n/a	

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Finning International Inc	FTT	172.374	23.490	4,049	0.2857%	3.11%	10.00%	0.0089%	0.0286%	
Badger Daylighting Ltd	BAD	37.046	26.190	970	0.0000%	1.37%	n/a	0.0000%	n/a	
Canaccord Genuity Group Inc	CF	102.621	7.780	798	0.0000%	2.57%	n/a	0.0000%	n/a	
Fortis Inc/Canada	FTS	277.493	35.080	9,734	0.0000%	3.88%	n/a	0.0000%	n/a	
Goldcorp Inc	G	829.793	20.270	16,820	1.1869%	3.65%	14.20%	0.0433%	0.1685%	
Great-West Lifeco Inc	GWO	996.699	36.360	36,240	2.5572%	3.59%	10.00%	0.0917%	0.2557%	
BRP Inc/CA	DOO	39.215	29.190	1,145	0.0000%	n/a	10.00%	n/a	0.0000%	
Enbridge Inc	ENB	856.713	58.410	50,041	3.5310%	3.18%	5.50%	0.1124%	0.1942%	
IGM Financial Inc	IGM	249.490	39.780	9,925	0.7003%	5.66%	5.30%	0.0396%	0.0371%	
Magna International Inc	MG	410.776	70.100	28,795	2.0319%	1.57%	10.18%	0.0319%	0.2068%	
Great Canadian Gaming Corp	GC	69.782	24.010	1,675	0.0000%	n/a	n/a	n/a	n/a	
Precision Drilling Corp	PD	292.823	8.400	2,460	0.1736%	3.33%	-27.28%	0.0058%	-0.0473%	
Paramount Resources Ltd	POU	106.188	28.700	3,048	0.0000%	n/a	-5.00%	n/a	0.0000%	
Shaw Communications Inc	SJR/B	448.986	27.200	12,212	0.8618%	4.36%	5.71%	0.0375%	0.0492%	
SNC-Lavalin Group Inc	SNC	152.142	41.960	6,384	0.0000%	2.38%	n/a	0.0000%	n/a	
Martintrea International Inc	MRE	85.756	13.350	1,145	0.0808%	0.90%	22.10%	0.0007%	0.0179%	
Teck Resources Ltd	TCK/B	566.863	12.380	7,018	0.4952%	2.42%	23.49%	0.0120%	0.1163%	
Boardwalk Real Estate Investment Trust	BEI-U	47.479	56.630	2,689	0.0000%	3.60%	n/a	0.0000%	n/a	
Thomson Reuters Corp	TRI	784.473	47.560	37,310	2.6327%	3.44%	8.35%	0.0907%	0.2198%	
Whitecap Resources Inc	WCP	298.023	13.180	3,928	0.0000%	5.69%	n/a	0.0000%	n/a	
Agrium Inc	AGU	143.250	132.370	18,962	1.3380%	3.26%	20.90%	0.0437%	0.2796%	
Norbord Inc	NBD	85.323	26.210	2,236	0.0000%	3.82%	n/a	0.0000%	n/a	
Pengrowth Energy Corp	PGF	539.684	3.120	1,684	0.0000%	7.69%	n/a	0.0000%	n/a	
Kinross Gold Corp	K	1,146.211	2.910	3,335	0.0000%	n/a	-4.80%	n/a	0.0000%	
RioCan Real Estate Investment Trust	REI-U	317.127	26.770	8,489	0.0000%	5.27%	n/a	0.0000%	n/a	
TransAlta Corp	TA	278.670	9.680	2,698	0.1903%	7.44%	31.60%	0.0142%	0.0601%	
Bellatrix Exploration Ltd	BXE	191.957	2.910	559	0.0000%	n/a	n/a	n/a	n/a	
Gibson Energy Inc	GEI	125.616	22.550	2,833	0.0000%	5.68%	n/a	0.0000%	n/a	
Vermilion Energy Inc	VET	109.261	53.950	5,895	0.4159%	4.78%	3.14%	0.0199%	0.0131%	
CI Financial Corp	CIX	283.439	33.600	9,524	0.6720%	3.93%	12.69%	0.0264%	0.0853%	
Yamana Gold Inc	YRI	941.575	3.760	3,540	0.2498%	1.97%	9.70%	0.0049%	0.0242%	
Silver Wheaton Corp	SLW	404.098	21.650	8,749	0.6173%	1.11%	14.50%	0.0069%	0.0895%	
Mitel Networks Corp	MNW	119.915	11.080	1,329	0.0000%	n/a	15.00%	n/a	0.0000%	
WSP Global Inc	WSP	89.632	39.310	3,523	0.0000%	3.82%	n/a	0.0000%	n/a	
Quebecor Inc	QBR/B	83.900	31.220	2,619	0.1848%	0.45%	6.87%	0.0008%	0.0127%	
Intertape Polymer Group Inc	ITP	59.587	18.720	1,115	0.0000%	3.16%	n/a	0.0000%	n/a	
Power Corp of Canada	POW	412.437	31.940	13,173	0.0000%	3.90%	n/a	0.0000%	n/a	
Alamos Gold Inc	AGI	n/a	n/a	n/a	0.0000%	n/a	33.00%	n/a	0.0000%	
Open Text Corp	OTC	122.224	50.730	6,200	0.0000%	1.97%	n/a	0.0000%	n/a	
Canadian National Railway Co	CNR	802.701	72.060	57,843	4.0816%	1.73%	11.30%	0.0708%	0.4612%	
Canadian Oil Sands Ltd	COS	484.614	10.100	4,895	0.3454%	1.98%	5.37%	0.0068%	0.0185%	
IAMGOLD Corp	IMG	391.336	2.500	978	0.0000%	n/a	0.50%	n/a	0.0000%	
Sierra Wireless Inc	SW	32.134	31.030	997	0.0000%	n/a	n/a	n/a	n/a	
ARC Resources Ltd	ARX	340.028	21.400	7,277	0.5135%	5.61%	3.60%	0.0288%	0.0185%	
Enerplus Corp	ERF	206.215	10.960	2,260	0.1595%	5.47%	-19.62%	0.0087%	-0.0313%	
Raging River Exploration Inc	RRX	197.666	8.730	1,726	0.0000%	n/a	n/a	n/a	n/a	
Average for Companies Paying Dividends with Positive Long-Term Growth Estimates						2.80%	13.15%	3.28%	10.02%	

Notes:

[1] Equals sum of Column [11]

[2] Equals Column [1] x (1 + 0.5 x Column [3])

[3] Equals sum of Column [12]

[4] Equals Column [2] + Column [3]

[5] Source: Bloomberg Finance L.P., as of September 2, 2015

[6] Source: Bloomberg Finance L.P., as of September 2, 2015

[7] Equals Column [5] x Column [6]

[8] Equals percent of sum of Column [7] if Current Dividend Yield does not equal "n/a" and Best Long-Term Growth Estimate does not equal "n/a" and is greater than 0%

[9] Source: Bloomberg Finance L.P., as of September 2, 2015

[10] Source: Bloomberg Finance L.P., as of September 2, 2015

[11] Equals Column [8] x Column [9]

[12] Equals Column [8] x Column [10]

[13] Source: April 2015 Consensus Forecast Average 2016-2018 Forecasts 10-Year bond yield plus Average Daily Spread between 10-year and 30-year government bonds August 201.

[14] Equals Column [4] - (Column [13]/100)

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]			[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return			Forecast US Government 30 Year Yield	Equity Risk Premium
S&P 500		2.58%	2.71%	9.66%	12.37%			4.29%	8.08%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long- Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long- Term Growth Estimate
Alcoa Inc	AA	1,309,818	9.450	12,378	0.0804%	1.27%	5.00%	0.0010%	0.0040%
LyondellBasell Industries NV	LYB	465,875	85.380	39,776	0.2583%	3.65%	5.67%	0.0094%	0.0146%
American Express Co	AXP	1,001,283	76.720	76,818	0.4988%	1.51%	9.62%	0.0075%	0.0480%
Verizon Communications Inc	VZ	4,065,691	46.010	187,062	1.2146%	4.78%	7.42%	0.0581%	0.0902%
Avago Technologies Ltd	AVGO	259,730	125.970	32,718	0.2124%	1.27%	21.18%	0.0027%	0.0450%
Boeing Co/The	BA	679,495	130.680	88,796	0.5765%	2.79%	11.28%	0.0161%	0.0651%
Caterpillar Inc	CAT	602,633	76.440	46,065	0.2991%	4.03%	9.00%	0.0121%	0.0269%
JPMorgan Chase & Co	JPM	3,698,100	64.100	237,048	1.5391%	2.75%	6.70%	0.0423%	0.1031%
Chevron Corp	CVX	1,881,735	80.990	152,402	0.9895%	5.28%	-2.02%	0.0523%	-0.0200%
Coca-Cola Co/The	KO	4,350,004	39.320	171,042	1.1105%	3.36%	6.40%	0.0373%	0.0710%
AbbVie Inc	ABBV	1,655,276	62.410	103,306	0.6707%	3.27%	8.55%	0.0219%	0.0573%
Walt Disney Co/The	DIS	1,687,858	101.880	171,959	1.1165%	1.30%	11.43%	0.0145%	0.1276%
El du Pont de Nemours & Co	DD	904,838	51.500	46,599	0.3026%	2.95%	3.40%	0.0089%	0.0103%
Exxon Mobil Corp	XOM	4,169,449	75.240	313,709	2.0368%	3.88%	11.36%	0.0790%	0.2313%
Phillips 66	PSX	537,660	79.070	42,513	0.2760%	2.83%	3.54%	0.0078%	0.0098%
General Electric Co	GE	10,096,429	24.820	250,593	1.6270%	3.71%	7.92%	0.0603%	0.1289%
Hewlett-Packard Co	HPQ	1,806,415	28.060	50,688	0.3291%	2.51%	4.01%	0.0083%	0.0132%
Home Depot Inc/The	HD	1,284,103	116.460	149,547	0.9710%	2.03%	13.64%	0.0197%	0.1324%
International Business Machines Corp	IBM	979,530	147.890	144,863	0.9406%	3.52%	6.65%	0.0331%	0.0625%
Johnson & Johnson	JNJ	2,769,106	93.980	260,241	1.6897%	3.19%	5.97%	0.0539%	0.1009%
McDonald's Corp	MCD	941,810	95.020	89,491	0.5810%	3.58%	7.89%	0.0208%	0.0459%
Merck & Co Inc	MRK	2,816,635	53.850	151,676	0.9848%	3.34%	6.33%	0.0329%	0.0624%
3M Co	MMM	624,745	142.140	88,801	0.5766%	2.88%	8.90%	0.0166%	0.0513%
Bank of America Corp	BAC	10,438,420	16.340	170,564	1.1074%	1.22%	6.65%	0.0136%	0.0736%
Pfizer Inc	PFE	6,167,348	32.220	198,712	1.2902%	3.48%	2.05%	0.0448%	0.0264%
Procter & Gamble Co/The	PG	2,713,146	70.670	191,738	1.2449%	3.75%	6.70%	0.0467%	0.0834%
AT&T Inc	T	6,151,000	33.200	204,213	1.3259%	5.66%	3.72%	0.0751%	0.0493%
Travelers Cos Inc/The	TRV	311,206	99.550	30,981	0.2011%	2.45%	8.62%	0.0049%	0.0173%
United Technologies Corp	UTX	890,598	91.610	81,588	0.5297%	2.79%	8.71%	0.0148%	0.0461%
Analog Devices Inc	ADI	313,675	55.860	17,522	0.1138%	2.86%	11.38%	0.0033%	0.0129%
Wal-Mart Stores Inc	WMT	3,220,549	64.730	208,466	1.3535%	3.03%	5.23%	0.0410%	0.0708%
Cisco Systems Inc	CSCO	5,085,889	25.880	131,623	0.8546%	3.25%	8.36%	0.0277%	0.0714%
Intel Corp	INTC	4,754,000	28.540	135,679	0.8809%	3.36%	7.99%	0.0266%	0.0704%
General Motors Co	GM	1,583,997	29.440	46,633	0.3028%	4.89%	11.86%	0.0148%	0.0359%
Microsoft Corp	MSFT	7,997,981	43.520	348,072	2.2599%	2.85%	10.47%	0.0644%	0.2366%
Dollar General Corp	DG	294,660	74.490	21,949	0.1425%	1.18%	11.85%	0.0017%	0.0169%
Kinder Morgan Inc/DE	KMI	2,191,937	32.410	71,041	0.4612%	6.05%	9.33%	0.0279%	0.0430%
Citigroup Inc	C	3,009,845	53.480	160,967	1.0451%	0.37%	20.61%	0.0039%	0.2154%
American International Group Inc	AIG	1,293,887	60.340	78,073	0.5069%	1.86%	9.04%	0.0094%	0.0458%
Honeywell International Inc	HON	781,762	99.270	77,606	0.5039%	2.09%	9.51%	0.0105%	0.0479%
Altria Group Inc	MO	1,960,695	53.580	105,054	0.6821%	4.22%	7.59%	0.0288%	0.0518%
HCA Holdings Inc	HCA	415,192	86.620	35,964	0.0000%	n/a	10.75%	n/a	0.0000%
Under Armour Inc	UA	179,962	95.530	17,192	0.0000%	n/a	22.75%	n/a	0.0000%
International Paper Co	IP	417,741	43.140	18,021	0.1170%	3.71%	8.28%	0.0043%	0.0097%
Abbott Laboratories	ABT	1,490,441	45.290	67,502	0.4383%	2.12%	12.28%	0.0093%	0.0538%
Aflac Inc	AFL	430,694	58.600	25,239	0.1639%	2.66%	8.79%	0.0044%	0.0144%
Air Products & Chemicals Inc	APD	214,982	139.530	29,996	0.1948%	2.32%	9.10%	0.0045%	0.0177%
Airgas Inc	ARG	74,654	96.520	7,206	0.0468%	2.49%	9.08%	0.0012%	0.0042%
Royal Caribbean Cruises Ltd	RCL	219,944	88.160	19,390	0.1259%	1.36%	20.54%	0.0017%	0.0259%
American Electric Power Co Inc	AEP	490,560	54.290	26,633	0.1729%	3.91%	5.10%	0.0068%	0.0088%
Hess Corp	HES	287,058	59.450	17,066	0.1108%	1.68%	-3.78%	0.0019%	-0.0042%
Anadarko Petroleum Corp	APC	508,012	71.580	36,363	0.2361%	1.51%	8.33%	0.0036%	0.0197%
Aon PLC	AON	280,043	93.440	26,167	0.1699%	1.28%	11.04%	0.0022%	0.0188%
Apache Corp	APA	377,987	45.240	17,100	0.1110%	2.21%	8.50%	0.0025%	0.0094%
Archer-Daniels-Midland Co	ADM	608,940	44.990	27,396	0.1779%	2.49%	4.21%	0.0044%	0.0075%
AGL Resources Inc	GAS	120,088	60.990	7,324	0.0476%	3.34%	6.50%	0.0016%	0.0031%
Automatic Data Processing Inc	ADP	465,810	77.320	36,016	0.2338%	2.53%	10.40%	0.0059%	0.0245%
AutoZone Inc	AZO	30,872	715.990	22,104	0.0000%	n/a	13.79%	n/a	0.0000%
Avery Dennison Corp	AVY	91,438	58.080	5,311	0.0345%	2.55%	7.35%	0.0009%	0.0025%
Baker Hughes Inc	BHI	435,882	56.000	24,409	0.1585%	1.21%	8.15%	0.0019%	0.0129%
Ball Corp	BALL	137,328	65.910	9,051	0.0588%	0.79%	9.07%	0.0005%	0.0053%
Bank of New York Mellon Corp/The	BK	1,106,518	39.800	44,039	0.2859%	1.71%	12.10%	0.0049%	0.0346%
CR Bard Inc	BCR	74,199	193.790	14,379	0.0934%	0.50%	10.00%	0.0005%	0.0093%
Baxter International Inc	BAX	545,539	38.450	20,976	0.1362%	1.20%	5.62%	0.0016%	0.0076%
Becton Dickinson and Co	BDX	210,254	141.020	29,650	0.1925%	1.70%	11.09%	0.0033%	0.0213%
Berkshire Hathaway Inc	BRK/B	1,247,366	134.040	167,197	0.0000%	n/a	5.80%	n/a	0.0000%
Best Buy Co Inc	BBY	352,771	36.740	12,961	0.0842%	2.50%	10.69%	0.0021%	0.0090%
H&R Block Inc	HRB	276,285	34.020	9,399	0.0610%	2.35%	11.00%	0.0014%	0.0067%
Boston Scientific Corp	BSX	1,343,957	16.740	22,498	0.0000%	n/a	9.72%	n/a	0.0000%
Bristol-Myers Squibb Co	BMJ	1,667,503	59.470	99,166	0.6439%	2.49%	13.58%	0.0160%	0.0875%
Brown-Forman Corp	BF/B	121,963	98.100	11,965	0.0777%	1.28%	8.80%	0.0010%	0.0068%
Cabot Oil & Gas Corp	COG	413,808	23.670	9,795	0.0636%	0.34%	42.75%	0.0002%	0.0272%

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]			[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return			Forecast US Government 30 Year Yield	Equity Risk Premium
S&P 500		2.58%	2.71%	9.66%	12.37%			4.29%	8.08%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	BEst Long- Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long- Term Growth Estimate
Campbell Soup Co	CPB	310.521	47.990	14,902	0.0968%	2.60%	3.64%	0.0025%	0.0035%
Kansas City Southern	KSU	110.360	92.740	10,235	0.0665%	1.42%	11.38%	0.0009%	0.0076%
Carnival Corp	CCL	593.457	49.230	29,216	0.1897%	2.44%	17.12%	0.0046%	0.0325%
Qorvo Inc	QRVO	149.531	55.510	8,300	0.0000%	n/a	16.84%	n/a	0.0000%
CenturyLink Inc	CTL	562.986	27.040	15,223	0.0988%	7.99%	-1.74%	0.0079%	-0.0017%
Chubb Corp/The	CB	226.977	120.810	27,421	0.1780%	1.89%	7.73%	0.0034%	0.0138%
Cigna Corp	CI	257.495	140.790	36,253	0.2354%	0.03%	11.36%	0.0001%	0.0267%
Frontier Communications Corp	FTR	1,168.207	5.070	5,923	0.0385%	8.28%	3.00%	0.0032%	0.0012%
Clorox Co/The	CLX	128.644	111.170	14,301	0.0929%	2.77%	7.05%	0.0026%	0.0065%
CMS Energy Corp	CMS	276.668	32.780	9,069	0.0589%	3.54%	6.03%	0.0021%	0.0036%
Coca-Cola Enterprises Inc	CCE	229.086	51.490	11,796	0.0766%	2.18%	6.19%	0.0017%	0.0047%
Colgate-Palmolive Co	CL	900.132	62.810	56,537	0.3671%	2.42%	8.41%	0.0089%	0.0309%
Comerica Inc	CMA	177.929	44.000	7,829	0.0508%	1.91%	9.41%	0.0010%	0.0048%
CA Inc	CA	441.305	27.290	12,043	0.0782%	3.66%	5.70%	0.0029%	0.0045%
Computer Sciences Corp	CSC	138.332	61.990	8,575	0.0557%	1.48%	9.30%	0.0008%	0.0052%
ConAgra Foods Inc	CAG	431.735	41.680	17,995	0.1168%	2.40%	-3.05%	0.0028%	-0.0036%
Consolidated Edison Inc	ED	292.872	62.910	18,425	0.1196%	4.13%	3.33%	0.0049%	0.0040%
SL Green Realty Corp	SLG	99.707	103.510	10,321	0.0670%	2.32%	5.78%	0.0016%	0.0039%
Corning Inc	GLW	1,225.935	17.210	21,098	0.1370%	2.79%	1.28%	0.0038%	0.0018%
CSX Corp	CSX	983.737	27.380	26,935	0.1749%	2.63%	9.53%	0.0046%	0.0167%
Cummins Inc	CMI	178.650	121.750	21,751	0.1412%	3.20%	9.99%	0.0045%	0.0141%
Danaher Corp	DHR	683.488	87.020	59,477	0.3862%	0.62%	12.73%	0.0024%	0.0491%
Target Corp	TGT	628.430	77.710	48,835	0.3171%	2.88%	9.25%	0.0091%	0.0293%
Deere & Co	DE	328.166	81.780	26,837	0.1742%	2.93%	5.27%	0.0051%	0.0092%
Dominion Resources Inc/VA	D	594.322	69.750	41,454	0.2692%	3.71%	6.40%	0.0100%	0.0172%
Dover Corp	DOV	156.465	61.950	9,693	0.0629%	2.71%	12.00%	0.0017%	0.0076%
Dow Chemical Co/The	DOW	1,158.102	43.760	50,679	0.3290%	3.84%	6.93%	0.0126%	0.0228%
Duke Energy Corp	DUK	688.330	70.910	48,809	0.3169%	4.65%	4.84%	0.0147%	0.0153%
Eaton Corp PLC	ETN	467.500	57.060	26,676	0.1732%	3.86%	8.51%	0.0067%	0.0147%
Ecolab Inc	ECL	295.092	109.140	32,206	0.2091%	1.21%	13.17%	0.0025%	0.0275%
PerkinElmer Inc	PKI	113.383	48.680	5,519	0.0358%	0.58%	8.54%	0.0002%	0.0031%
EMC Corp/MA	EMC	1,924.726	24.870	47,868	0.3108%	1.85%	10.66%	0.0057%	0.0331%
Emerson Electric Co	EMR	657.140	47.720	31,359	0.2036%	3.94%	5.83%	0.0080%	0.0119%
EOG Resources Inc	EOG	549.171	78.310	43,006	0.2792%	0.86%	-4.17%	0.0024%	-0.0116%
Entergy Corp	ETR	179.528	65.330	11,729	0.0762%	5.08%	4.73%	0.0039%	0.0036%
Equifax Inc	EFX	118.244	97.900	11,576	0.0752%	1.18%	12.67%	0.0009%	0.0095%
EQT Corp	EQT	152.404	77.820	11,860	0.0770%	0.15%	25.00%	0.0001%	0.0193%
XL Group PLC	XL	302.314	37.290	11,273	0.0732%	2.15%	9.50%	0.0016%	0.0070%
FedEx Corp	FDX	282.501	150.610	42,547	0.2763%	0.66%	14.80%	0.0018%	0.0409%
Macy's Inc	M	330.983	58.610	19,399	0.1260%	2.46%	8.78%	0.0031%	0.0111%
FMC Corp	FMC	133.615	42.310	5,653	0.0367%	1.56%	6.75%	0.0006%	0.0025%
Ford Motor Co	F	3,896.986	13.870	54,051	0.3509%	4.33%	15.44%	0.0152%	0.0542%
NextEra Energy Inc	NEE	452.104	98.410	44,492	0.2889%	3.13%	6.01%	0.0090%	0.0174%
Franklin Resources Inc	BEN	613.818	40.580	24,909	0.1617%	1.48%	8.87%	0.0024%	0.0143%
Freeport-McMoRan Inc	FCX	1,040.228	10.640	11,068	0.0719%	1.88%	-16.19%	0.0014%	-0.0116%
TEGNA Inc	TGNA	226.472	23.790	5,388	0.0350%	2.35%	4.08%	0.0008%	0.0014%
Gap Inc/The	GPS	417.355	32.810	13,693	0.0889%	2.80%	10.60%	0.0025%	0.0094%
General Dynamics Corp	GD	322.727	142.030	45,837	0.2976%	1.94%	10.64%	0.0058%	0.0317%
General Mills Inc	GIS	598.738	56.760	33,984	0.2207%	3.10%	7.25%	0.0068%	0.0160%
Genuine Parts Co	GPC	151.597	83.490	12,657	0.0822%	2.95%	9.17%	0.0024%	0.0075%
WW Grainger Inc	GWG	65.975	223.440	14,741	0.0957%	2.09%	11.87%	0.0020%	0.0114%
Halliburton Co	HAL	854.749	39.350	33,634	0.2184%	1.83%	12.60%	0.0040%	0.0275%
Harley-Davidson Inc	HOG	205.967	56.050	11,544	0.0750%	2.21%	11.33%	0.0017%	0.0085%
Harman International Industries Inc	HAR	71.172	97.740	6,956	0.0452%	1.43%	17.00%	0.0006%	0.0077%
Joy Global Inc	JOY	97.454	24.220	2,360	0.0153%	3.30%	13.60%	0.0005%	0.0021%
Harris Corp	HRS	123.592	76.820	9,494	0.0000%	2.60%	n/a	0.0000%	n/a
HCP Inc	HCP	462.587	37.060	17,143	0.1113%	6.10%	3.02%	0.0068%	0.0034%
Helmerich & Payne Inc	HP	107.751	59.010	6,358	0.0413%	4.66%	27.51%	0.0019%	0.0114%
Hershey Co/The	HSY	158.765	89.520	14,213	0.0923%	2.61%	8.20%	0.0024%	0.0076%
Hormel Foods Corp	HRL	264.275	61.100	16,147	0.1048%	1.64%	6.60%	0.0017%	0.0069%
Starwood Hotels & Resorts Worldwide Inc	HOT	170.379	71.470	12,177	0.0791%	2.10%	9.55%	0.0017%	0.0076%
Mondelēz International Inc	MDLZ	1,611.307	42.360	68,255	0.4432%	1.61%	10.86%	0.0071%	0.0481%

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]			[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return			Forecast US Government 30 Year Yield	Equity Risk Premium
S&P 500		2.58%	2.71%	9.66%	12.37%			4.29%	8.08%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	BEst Long- Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long- Term Growth Estimate
CenterPoint Energy Inc	CNP	430.262	18.620	8,011	0.0520%	5.32%	4.25%	0.0028%	0.0022%
Humana Inc	HUM	148.215	182.790	27,092	0.1759%	0.63%	12.55%	0.0011%	0.0221%
Illinois Tool Works Inc	ITW	366.089	84.530	30,946	0.2009%	2.60%	9.08%	0.0052%	0.0182%
Ingersoll-Rand PLC	IR	265.353	55.290	14,671	0.0953%	2.10%	10.22%	0.0020%	0.0097%
Interpublic Group of Cos Inc/The	IPG	410.401	18.880	7,748	0.0503%	2.54%	3.90%	0.0013%	0.0020%
International Flavors & Fragrances Inc	IFF	80.586	109.550	8,828	0.0573%	2.04%	9.20%	0.0012%	0.0053%
Jacobs Engineering Group Inc	JEC	123.799	40.410	5,003	0.0000%	n/a	8.42%	n/a	0.0000%
Johnson Controls Inc	JCI	654.069	41.140	26,908	0.1747%	2.53%	10.50%	0.0044%	0.0183%
Hanesbrands Inc	HBI	402.477	30.110	12,119	0.0787%	1.33%	11.25%	0.0010%	0.0089%
Kellogg Co	K	353.581	66.280	23,435	0.1522%	3.02%	5.07%	0.0046%	0.0077%
Perrigo Co PLC	PRGO	146.279	182.970	26,765	0.1738%	0.27%	12.29%	0.0005%	0.0214%
Kimberly-Clark Corp	KMB	364.275	106.530	38,806	0.2520%	3.30%	7.68%	0.0083%	0.0193%
Kimco Realty Corp	KIM	413.135	23.050	9,523	0.0618%	4.16%	4.69%	0.0026%	0.0029%
Kohl's Corp	KSS	197.876	51.030	10,098	0.0656%	3.53%	8.28%	0.0023%	0.0054%
Oracle Corp	ORCL	4,336.077	37.090	160,825	1.0442%	1.62%	7.89%	0.0169%	0.0824%
Kroger Co/The	KR	971.423	34.500	33,514	0.2176%	1.22%	10.42%	0.0026%	0.0227%
Legg Mason Inc	LM	109.708	44.330	4,863	0.0316%	1.80%	15.50%	0.0006%	0.0049%
Leggett & Platt Inc	LEG	136.829	44.420	6,078	0.0000%	2.88%	n/a	0.0000%	n/a
Lennar Corp	LEN	173.937	50.900	8,853	0.0575%	0.31%	20.20%	0.0002%	0.0116%
Leucadia National Corp	LUK	366.603	21.460	7,867	0.0000%	1.17%	n/a	0.0000%	n/a
Eli Lilly & Co	LLY	1,108.541	82.350	91,288	0.5927%	2.43%	10.45%	0.0144%	0.0619%
L Brands Inc	LB	291.964	83.900	24,496	0.1590%	2.38%	10.50%	0.0038%	0.0167%
Lincoln National Corp	LNC	250.952	50.790	12,746	0.0828%	1.58%	10.06%	0.0013%	0.0083%
Loews Corp	L	363.082	36.450	13,234	0.0000%	0.69%	n/a	0.0000%	n/a
Lowe's Cos Inc	LOW	932.686	69.170	64,514	0.4189%	1.62%	16.67%	0.0068%	0.0698%
Host Hotels & Resorts Inc	HST	751.123	17.730	13,317	0.0865%	4.51%	5.00%	0.0039%	0.0043%
Marsh & McLennan Cos Inc	MMC	529.993	53.730	28,477	0.1849%	2.31%	11.53%	0.0043%	0.0213%
Masco Corp	MAS	343.950	26.230	9,022	0.0586%	1.37%	15.39%	0.0008%	0.0090%
Mattel Inc	MAT	338.613	23.430	7,934	0.0515%	6.49%	9.65%	0.0033%	0.0050%
McGraw Hill Financial Inc	MHFI	272.500	96.990	26,430	0.1716%	1.36%	11.83%	0.0023%	0.0203%
Medtronic PLC	MDT	1,414.189	72.290	102,232	0.6638%	2.10%	9.10%	0.0140%	0.0604%
CVS Health Corp	CVS	1,114.486	102.400	114,123	0.7410%	1.37%	14.68%	0.0101%	0.1088%
Micron Technology Inc	MU	1,083.436	16.410	17,779	0.0000%	n/a	6.49%	n/a	0.0000%
Motorola Solutions Inc	MSI	206.777	64.820	13,403	0.0870%	2.10%	8.80%	0.0018%	0.0077%
Murphy Oil Corp	MUR	172.752	31.000	5,355	0.0348%	4.52%	13.00%	0.0016%	0.0045%
Mylan NV	MYL	491.554	49.590	24,576	0.0000%	n/a	11.00%	n/a	0.0000%
Laboratory Corp of America Holdings	LJH	101.100	117.810	11,911	0.0000%	n/a	10.27%	n/a	0.0000%
Tenet Healthcare Corp	THC	99.564	49.230	4,902	0.0000%	n/a	12.33%	n/a	0.0000%
Newell Rubbermaid Inc	NWL	267.800	42.130	11,282	0.0733%	1.80%	9.52%	0.0013%	0.0070%
Newmont Mining Corp	NEM	529.055	17.070	9,031	0.0586%	0.59%	2.10%	0.0003%	0.0012%
Twenty-First Century Fox Inc	FOXA	1,220.940	27.390	33,442	0.2171%	1.10%	15.58%	0.0024%	0.0338%
NIKE Inc	NKE	677.926	111.750	75,758	0.4919%	1.00%	11.21%	0.0049%	0.0552%
NISource Inc	NI	317.859	16.790	5,337	0.0347%	3.69%	-0.30%	0.0013%	-0.0001%
Noble Energy Inc	NBL	428.034	33.410	14,301	0.0929%	2.16%	3.53%	0.0020%	0.0033%
Norfolk Southern Corp	NSC	301.387	77.910	23,481	0.1525%	3.03%	9.37%	0.0046%	0.0143%
Eversource Energy	ES	317.173	47.240	14,983	0.0973%	3.54%	6.50%	0.0034%	0.0063%
Northrop Grumman Corp	NOC	187.393	163.740	30,684	0.1992%	1.95%	6.57%	0.0039%	0.0131%
Wells Fargo & Co	WFC	5,133.359	53.330	273,762	1.7775%	2.81%	11.71%	0.0500%	0.2081%
Nucor Corp	NUE	319.600	43.290	13,835	0.0898%	3.44%	12.43%	0.0031%	0.0112%
PVH Corp	PVH	82.692	118.980	9,839	0.0639%	0.13%	9.61%	0.0001%	0.0061%
Occidental Petroleum Corp	OXY	763.951	73.010	55,776	0.3621%	4.11%	7.00%	0.0149%	0.0253%
Omnicom Group Inc	OMC	242.948	66.980	16,273	0.1057%	2.99%	5.33%	0.0032%	0.0056%
ONEOK Inc	OKE	209.167	36.010	7,532	0.0489%	6.72%	9.63%	0.0033%	0.0047%
Owens-Illinois Inc	OI	160.768	20.850	3,352	0.0000%	n/a	2.37%	n/a	0.0000%
PG&E Corp	PCG	489.166	49.580	24,253	0.1575%	3.67%	6.00%	0.0058%	0.0094%
Parker-Hannifin Corp	PH	138.419	107.660	14,902	0.0968%	2.34%	8.95%	0.0023%	0.0087%
PPL Corp	PPL	669.970	30.990	20,762	0.1348%	4.87%	2.85%	0.0066%	0.0038%
PepsiCo Inc	PEP	1,468.993	92.930	136,514	0.8863%	3.02%	5.96%	0.0268%	0.0528%
Exelon Corp	EXC	861.618	30.760	26,503	0.1721%	4.03%	6.69%	0.0069%	0.0115%
ConocoPhillips	COP	1,233.459	49.150	60,625	0.3936%	6.02%	1.82%	0.0237%	0.0072%
PulteGroup Inc	PHM	352.790	20.690	7,299	0.0474%	1.55%	14.00%	0.0007%	0.0066%
Pinnacle West Capital Corp	PNW	110.814	59.530	6,597	0.0428%	4.00%	5.54%	0.0017%	0.0024%

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]			[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return			Forecast US Government 30 Year Yield	Equity Risk Premium
S&P 500		2.58%	2.71%	9.66%	12.37%			4.29%	8.08%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long- Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long- Term Growth Estimate
Pitney Bowes Inc	PBI	201.919	19.810	4,000	0.0260%	3.79%	14.00%	0.0010%	0.0036%
Plum Creek Timber Co Inc	PCL	174.729	38.490	6,725	0.0437%	4.57%	11.45%	0.0020%	0.0050%
PNC Financial Services Group Inc/The	PNC	513.600	91.120	46,799	0.3039%	2.24%	7.80%	0.0068%	0.0237%
PPG Industries Inc	PPG	270.721	95.290	25,797	0.1675%	1.51%	7.10%	0.0025%	0.0119%
Praxair Inc	PX	286.472	105.750	30,294	0.1967%	2.70%	9.00%	0.0053%	0.0177%
Precision Castparts Corp	PCP	137.498	230.250	31,659	0.2056%	0.05%	10.56%	0.0001%	0.0217%
Progressive Corp/The	PGR	585.932	29.960	17,555	0.1140%	2.29%	7.92%	0.0026%	0.0090%
Public Service Enterprise Group Inc	PEG	505.875	40.250	20,361	0.1322%	3.88%	5.67%	0.0051%	0.0075%
Raytheon Co	RTN	303.548	102.560	31,132	0.2021%	2.61%	8.35%	0.0053%	0.0169%
Robert Half International Inc	RHI	134.500	51.030	6,864	0.0446%	1.57%	14.10%	0.0007%	0.0063%
Ryder System Inc	R	53.374	81.970	4,375	0.0284%	2.00%	12.75%	0.0006%	0.0036%
SCANA Corp	SCG	142.917	52.890	7,559	0.0491%	4.12%	5.90%	0.0020%	0.0029%
Edison International	EIX	325.811	58.480	19,053	0.1237%	2.86%	5.68%	0.0035%	0.0070%
Schlumberger Ltd	SLB	1,265.449	77.370	97,908	0.6357%	2.59%	10.12%	0.0164%	0.0643%
Charles Schwab Corp/The	SCHW	1,315.624	30.380	39,969	0.2595%	0.79%	22.39%	0.0021%	0.0581%
Sherwin-Williams Co/The	SHW	93.211	255.810	23,844	0.1548%	1.05%	19.65%	0.0016%	0.0304%
JM Smucker Co/The	SJM	119.667	117.720	14,087	0.0915%	2.28%	8.83%	0.0021%	0.0081%
Snap-on Inc	SNA	58.172	159.770	9,294	0.0603%	1.33%	3.90%	0.0008%	0.0024%
AMETEK Inc	AME	242.164	53.820	13,033	0.0846%	0.67%	10.84%	0.0006%	0.0092%
Southern Co/The	SO	908.425	43.410	39,435	0.2560%	5.00%	4.16%	0.0128%	0.0107%
BB&T Corp	BBT	779.607	36.920	28,783	0.1869%	2.93%	8.37%	0.0055%	0.0156%
Southwest Airlines Co	LUV	659.356	36.700	24,198	0.1571%	0.82%	18.02%	0.0013%	0.0283%
Southwestern Energy Co	SWN	384.488	16.240	6,244	0.0000%	n/a	9.29%	n/a	0.0000%
Stanley Black & Decker Inc	SWK	153.239	101.520	15,557	0.1010%	2.17%	10.67%	0.0022%	0.0108%
Public Storage	PSA	172.967	201.270	34,813	0.2260%	3.38%	4.60%	0.0076%	0.0104%
SunTrust Banks Inc	STI	514.047	40.370	20,752	0.1347%	2.38%	6.59%	0.0032%	0.0089%
Sysco Corp	SY	586.766	39.870	23,394	0.1519%	3.01%	8.25%	0.0046%	0.0125%
TECO Energy Inc	TE	235.216	21.070	4,956	0.0322%	4.27%	5.00%	0.0014%	0.0016%
Tesoro Corp	TSO	123.097	92.010	11,326	0.0735%	2.17%	16.42%	0.0016%	0.0121%
Texas Instruments Inc	TXN	1,026.386	47.840	49,102	0.3188%	2.84%	9.23%	0.0091%	0.0294%
Textron Inc	TXT	276.422	38.800	10,725	0.0696%	0.21%	9.26%	0.0001%	0.0064%
Thermo Fisher Scientific Inc	TMO	398.488	125.370	49,958	0.3244%	0.48%	11.30%	0.0016%	0.0367%
Tiffany & Co	TIF	128.947	82.250	10,606	0.0689%	1.95%	11.57%	0.0013%	0.0080%
TJX Cos Inc/The	TJX	674.371	70.320	47,422	0.3079%	1.19%	10.92%	0.0037%	0.0336%
Torchmark Corp	TMK	125.115	58.460	7,314	0.0475%	0.92%	8.04%	0.0004%	0.0038%
Total System Services Inc	TSS	183.950	45.830	8,430	0.0547%	0.87%	11.75%	0.0005%	0.0064%
Tyco International Plc	TYC	421.516	36.290	15,297	0.0993%	2.26%	11.03%	0.0022%	0.0110%
Unipac Corp	UNP	867.692	85.740	74,396	0.4830%	2.57%	9.03%	0.0124%	0.0436%
UnitedHealth Group Inc	UNH	953.563	115.700	110,327	0.7163%	1.73%	12.53%	0.0124%	0.0897%
Unum Group	UNM	246.681	33.540	8,274	0.0537%	2.21%	8.50%	0.0012%	0.0046%
Marathon Oil Corp	MRO	677.185	17.290	11,709	0.0760%	4.86%	-20.11%	0.0037%	-0.0153%
Varian Medical Systems Inc	VAR	98.717	81.250	8,021	0.0000%	n/a	12.75%	n/a	0.0000%
Ventas Inc	VTR	332.502	55.020	18,294	0.1188%	5.74%	2.89%	0.0068%	0.0034%
VF Corp	VFC	425.642	72.430	30,829	0.2002%	1.77%	12.12%	0.0035%	0.0243%
Vornado Realty Trust	VNO	188.497	87.190	16,435	0.1067%	2.89%	6.26%	0.0031%	0.0067%
ADT Corp/The	ADT	169.933	32.780	5,570	0.0362%	2.56%	6.33%	0.0009%	0.0023%
Vulcan Materials Co	VMC	133.186	93.620	12,469	0.0810%	0.43%	41.23%	0.0003%	0.0334%
Weyerhaeuser Co	WY	514.194	27.940	14,367	0.0933%	4.44%	3.50%	0.0041%	0.0033%
Whirlpool Corp	WHR	78.418	168.100	13,182	0.0856%	2.14%	19.24%	0.0018%	0.0165%
Williams Cos Inc/The	WMB	749.711	48.200	36,136	0.2346%	4.90%	3.75%	0.0115%	0.0088%
WEC Energy Group Inc	WEC	315.684	47.650	15,042	0.0977%	1.96%	4.07%	0.0019%	0.0040%
Xerox Corp	XR	1,068.795	10.170	10,870	0.0706%	2.75%	9.00%	0.0019%	0.0064%
Adobe Systems Inc	ADBE	497.645	78.570	39,100	0.0000%	n/a	16.25%	n/a	0.0000%
AES Corp/VA	AES	682.827	12.000	8,194	0.0532%	3.33%	5.20%	0.0018%	0.0028%
Amgen Inc	AMGN	758.250	151.780	115,087	0.7472%	2.08%	8.63%	0.0156%	0.0645%
Apple Inc	AAPL	5,702.722	112.760	643,039	4.1751%	1.84%	16.92%	0.0770%	0.7064%
Autodesk Inc	ADSK	226.199	46.750	10,575	0.0000%	n/a	13.74%	n/a	0.0000%
Cintas Corp	CTAS	110.211	84.990	9,367	0.0608%	1.00%	11.70%	0.0006%	0.0071%
Comcast Corp	CMCSA	2,114.785	56.330	119,126	0.7735%	1.78%	12.68%	0.0137%	0.0981%
Molson Coors Brewing Co	TAP	162.774	68.090	11,083	0.0720%	2.41%	1.55%	0.0017%	0.0011%
KLA-Tencor Corp	KLAC	157.531	50.110	7,894	0.0513%	4.15%	17.27%	0.0021%	0.0089%
Mariott International Inc/MID	MAR	265.888	70.660	18,788	0.1220%	1.42%	14.42%	0.0017%	0.0176%
McCormick & Co Inc/MID	MKC	115.965	79.280	9,194	0.0000%	2.02%	n/a	0.0000%	n/a
Nordstrom Inc	JWN	190.534	72.880	13,886	0.0902%	2.03%	10.12%	0.0018%	0.0091%
PACCAR Inc	PCAR	354.968	58.970	20,932	0.1359%	1.63%	7.70%	0.0022%	0.0105%
Costco Wholesale Corp	COST	439.488	140.050	61,550	0.3996%	1.14%	9.79%	0.0046%	0.0391%

Market DCF Calculation as of August 31, 2015

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		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return			Forecast US Government 30 Year Yield	Equity Risk Premium
S&P 500		2.58%	2.71%	9.66%	12.37%			4.29%	8.08%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	BEst Long- Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long- Term Growth Estimate
Sigma-Aldrich Corp	SIAL	119,804	139.410	16,702	0.1084%	0.66%	5.13%	0.0007%	0.0056%
St Jude Medical Inc	STJ	281,745	70.810	19,950	0.1295%	1.64%	11.40%	0.0021%	0.0148%
Stryker Corp	SYK	376,558	98.650	37,147	0.2412%	1.40%	10.97%	0.0034%	0.0265%
Tyson Foods Inc	TSN	304,359	42.280	12,868	0.0836%	0.95%	6.00%	0.0008%	0.0050%
Altera Corp	ALTR	302,836	48.550	14,703	0.0955%	1.48%	12.27%	0.0014%	0.0117%
Applied Materials Inc	AMAT	1,200,619	16.085	19,312	0.1254%	2.49%	11.96%	0.0031%	0.0150%
Time Warner Inc	TWX	815,581	71.100	57,988	0.3765%	1.97%	15.14%	0.0074%	0.0570%
Bed Bath & Beyond Inc	BBBY	169,596	62.110	10,534	0.0000%	n/a	6.61%	n/a	0.0000%
American Airlines Group Inc	AAL	671,821	38.980	26,188	0.1700%	1.03%	17.78%	0.0017%	0.0302%
Cardinal Health Inc	CAH	327,359	82.270	26,932	0.1749%	1.88%	10.40%	0.0033%	0.0182%
Celgene Corp	CELG	790,540	118.080	93,347	0.0000%	n/a	23.83%	n/a	0.0000%
Cerner Corp	CERN	345,074	61.760	21,312	0.0000%	n/a	16.78%	n/a	0.0000%
Cincinnati Financial Corp	CINF	164,093	52.330	8,587	0.0000%	3.52%	n/a	0.0000%	n/a
Cablevision Systems Corp	CVC	222,337	25.170	5,596	0.0363%	2.38%	1.84%	0.0009%	0.0007%
DR Horton Inc	DHI	366,778	30.370	11,139	0.0723%	0.82%	21.50%	0.0006%	0.0155%
Flowserv Corp	FLS	133,368	45.130	6,019	0.0391%	1.60%	7.04%	0.0006%	0.0028%
Electronic Arts Inc	EA	311,746	66.150	20,622	0.0000%	n/a	11.68%	n/a	0.0000%
Express Scripts Holding Co	ESRX	675,731	83.600	56,491	0.0000%	n/a	12.12%	n/a	0.0000%
Expeditors International of Washington Inc	EXPD	189,160	48.970	9,263	0.0601%	1.47%	11.58%	0.0009%	0.0070%
Fastenal Co	FAST	290,165	38.540	11,183	0.0726%	2.91%	15.60%	0.0021%	0.0113%
M&T Bank Corp	MTB	133,238	118.240	15,754	0.1023%	2.37%	8.09%	0.0024%	0.0083%
Fiserv Inc	FISV	234,578	85.270	20,002	0.0000%	n/a	12.80%	n/a	0.0000%
Fifth Third Bancorp	FTTB	809,290	19.920	16,121	0.1047%	2.61%	4.20%	0.0027%	0.0044%
Gilead Sciences Inc	GILD	1,467,606	105.070	154,201	1.0012%	1.64%	4.40%	0.0164%	0.0440%
Hasbro Inc	HAS	124,903	74.590	9,317	0.0605%	2.47%	10.20%	0.0015%	0.0062%
Huntington Bancshares Inc/OH	HBAN	803,066	10.910	8,761	0.0569%	2.20%	8.64%	0.0013%	0.0049%
Health Care REIT Inc	HCN	351,885	63.350	22,292	0.1447%	5.21%	4.55%	0.0075%	0.0066%
Biogen Inc	BIIB	235,169	297.300	69,916	0.0000%	n/a	14.45%	n/a	0.0000%
Linear Technology Corp	LLTC	239,758	40.280	9,657	0.0627%	2.98%	7.20%	0.0019%	0.0045%
Range Resources Corp	RRC	169,362	38.620	6,541	0.0425%	0.41%	10.45%	0.0002%	0.0044%
Northern Trust Corp	NTRS	232,853	69.840	16,262	0.1056%	2.06%	13.79%	0.0022%	0.0146%
Paychex Inc	PAYX	361,206	44.660	16,131	0.1047%	3.76%	9.89%	0.0039%	0.0104%
People's United Financial Inc	PBCT	309,993	15.500	4,805	0.0000%	4.32%	n/a	0.0000%	n/a
Patterson Cos Inc	PDCO	103,376	45.830	4,738	0.0308%	1.92%	8.62%	0.0006%	0.0027%
QUALCOMM Inc	QCOM	1,571,202	56.580	88,899	0.5772%	3.39%	10.80%	0.0196%	0.0623%
Roper Technologies Inc	ROP	100,666	162.090	16,317	0.1059%	0.62%	13.20%	0.0007%	0.0140%
Ross Stores Inc	ROST	411,357	48.620	20,000	0.1299%	0.97%	10.67%	0.0013%	0.0139%
AutoNation Inc	AN	113,441	59.840	6,788	0.0000%	n/a	13.16%	n/a	0.0000%
Starbucks Corp	SBUX	1,484,200	54.710	81,201	0.5272%	1.17%	18.35%	0.0062%	0.0967%
KeyCorp	KEY	840,861	13.740	11,553	0.0750%	2.18%	7.10%	0.0016%	0.0053%
Staples Inc	SPLS	643,566	14.210	9,145	0.0594%	3.38%	0.89%	0.0020%	0.0005%
State Street Corp	STT	408,113	71.920	29,351	0.1906%	1.89%	9.01%	0.0036%	0.0172%
US Bancorp	USB	1,761,004	42.350	74,579	0.4842%	2.41%	8.12%	0.0117%	0.0393%
Symantec Corp	SYMC	684,173	20.490	14,019	0.0910%	2.93%	8.35%	0.0027%	0.0076%
T Rowe Price Group Inc	TROW	256,213	71.880	18,417	0.1196%	2.89%	11.26%	0.0035%	0.0135%
Waste Management Inc	WM	452,250	50.060	22,640	0.1470%	3.08%	7.88%	0.0045%	0.0116%
CBS Corp	CBS	444,408	45.240	20,105	0.1305%	1.33%	15.02%	0.0017%	0.0196%
Allergan plc	AGN	393,636	303.740	119,563	0.0000%	n/a	12.35%	n/a	0.0000%
Whole Foods Market Inc	WFM	357,858	32.760	11,723	0.0761%	1.59%	12.30%	0.0012%	0.0094%
Constellation Brands Inc	STZ	171,987	128.000	22,014	0.1429%	0.97%	12.21%	0.0014%	0.0175%
Xilinx Inc	XLNX	258,658	41.890	10,835	0.0704%	2.96%	8.58%	0.0021%	0.0060%
DENTSPLY International Inc	XRAY	139,808	52.410	7,327	0.0476%	0.55%	9.36%	0.0003%	0.0045%
Zions Bancorporation	ZION	204,170	29.000	5,921	0.0384%	0.83%	8.47%	0.0003%	0.0033%
Invesco Ltd	IVZ	428,719	34.110	14,624	0.0949%	3.17%	11.21%	0.0030%	0.0106%
Intuit Inc	INTU	275,669	85.750	23,639	0.1535%	1.40%	17.06%	0.0021%	0.0262%
Morgan Stanley	MS	1,953,385	34.450	67,294	0.4369%	1.74%	11.93%	0.0076%	0.0521%
Microchip Technology Inc	MCHP	211,091	42.500	8,971	0.0582%	3.37%	4.60%	0.0020%	0.0027%
ACE Ltd	ACE	323,805	102.160	33,080	0.2148%	2.62%	8.16%	0.0056%	0.0175%
Chesapeake Energy Corp	CHK	665,367	7.810	5,197	0.0000%	n/a	7.98%	n/a	0.0000%
O'Reilly Automotive Inc	ORLY	99,403	240.070	23,864	0.0000%	n/a	18.05%	n/a	0.0000%
Allstate Corp/The	ALL	400,390	58.280	23,335	0.1515%	2.06%	9.70%	0.0031%	0.0147%

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]			[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return			Forecast US Government 30 Year Yield	Equity Risk Premium
S&P 500		2.58%	2.71%	9.66%	12.37%			4.29%	8.08%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	BEst Long- Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long- Term Growth Estimate
FLIR Systems Inc	FLIR	140.248	28.630	4,015	0.0261%	1.54%	13.50%	0.0004%	0.0035%
Equity Residential	EQR	364.082	71.250	25,941	0.1684%	3.10%	8.52%	0.0052%	0.0143%
BorgWarner Inc	BWA	226.315	43.640	9,876	0.0641%	1.19%	11.03%	0.0008%	0.0071%
Newfield Exploration Co	NFX	162.989	33.310	5,429	0.0000%	n/a	7.21%	n/a	0.0000%
Urban Outfitters Inc	URBN	125.126	30.860	3,861	0.0000%	n/a	15.79%	n/a	0.0000%
Simon Property Group Inc	SPG	309.410	179.320	55,483	0.3602%	3.46%	7.55%	0.0125%	0.0272%
Eastman Chemical Co	EMN	148.664	72.460	10,772	0.0699%	2.21%	7.17%	0.0015%	0.0050%
AvalonBay Communities Inc	AVB	132.902	165.060	21,937	0.1424%	3.03%	7.40%	0.0043%	0.0105%
Prudential Financial Inc	PRU	451.000	80.700	36,396	0.2363%	2.87%	15.78%	0.0068%	0.0373%
United Parcel Service Inc	UPS	698.448	97.650	68,203	0.4428%	2.99%	11.49%	0.0132%	0.0509%
Apartment Investment & Management Co	AIV	156.282	36.030	5,631	0.0366%	3.33%	7.21%	0.0012%	0.0026%
Walgreens Boots Alliance Inc	WBA	1,092.283	86.550	94,537	0.6138%	1.66%	14.00%	0.0102%	0.0859%
McKesson Corp	MCK	232.403	197.580	45,918	0.2981%	0.57%	10.80%	0.0017%	0.0322%
Lockheed Martin Corp	LMT	310.535	201.180	62,473	0.4056%	2.98%	8.13%	0.0121%	0.0330%
AmmesourceBergen Corp	ABC	216.202	100.040	21,629	0.1404%	1.16%	17.79%	0.0016%	0.0250%
Cameron International Corp	CAM	191.514	66.760	12,785	0.0000%	n/a	2.27%	n/a	0.0000%
Capital One Financial Corp	COF	542.429	77.750	42,174	0.2738%	2.06%	6.42%	0.0056%	0.0176%
Waters Corp	WAT	82.270	121.380	9,986	0.0000%	n/a	9.69%	n/a	0.0000%
Dollar Tree Inc	DLTR	234.637	76.260	17,893	0.0000%	n/a	15.00%	n/a	0.0000%
Darden Restaurants Inc	DRI	127.683	68.010	8,684	0.0564%	3.23%	12.11%	0.0018%	0.0068%
SanDisk Corp	SNDK	204.439	54.560	11,154	0.0724%	2.20%	0.38%	0.0016%	0.0003%
Diamond Offshore Drilling Inc	DO	137.159	23.710	3,252	0.0000%	2.11%	n/a	0.0000%	n/a
NetApp Inc	NTAP	300.083	31.960	9,591	0.0623%	2.25%	10.02%	0.0014%	0.0062%
Citrix Systems Inc	CTXS	160.701	68.110	10,945	0.0000%	n/a	14.38%	n/a	0.0000%
Goodyear Tire & Rubber Co/The	GT	269.399	29.770	8,020	0.0521%	0.81%	7.00%	0.0004%	0.0036%
DaVita HealthCare Partners Inc	DVA	215.500	75.640	16,300	0.0000%	n/a	10.26%	n/a	0.0000%
Hartford Financial Services Group Inc/The	HIG	414.845	45.950	19,062	0.1238%	1.83%	9.25%	0.0023%	0.0114%
Iron Mountain Inc	IRM	210.826	28.340	5,975	0.0388%	6.70%	4.60%	0.0026%	0.0018%
Estee Lauder Cos Inc/The	EL	225.861	79.770	18,017	0.1170%	1.20%	11.49%	0.0014%	0.0134%
Yahoo! Inc	YHOO	941.391	32.240	30,350	0.0000%	n/a	13.33%	n/a	0.0000%
Principal Financial Group Inc	PFG	294.745	50.350	14,840	0.0964%	3.02%	10.17%	0.0029%	0.0098%
Stericycle Inc	SRCL	84.833	141.140	11,973	0.0000%	n/a	15.37%	n/a	0.0000%
Universal Health Services Inc	UIS	91.736	137.140	12,581	0.0817%	0.29%	10.19%	0.0002%	0.0083%
ETRADE Financial Corp	ETFC	290.307	26.290	7,632	0.0000%	n/a	17.42%	n/a	0.0000%
Skyworks Solutions Inc	SWKS	190.738	87.350	16,661	0.1082%	1.19%	21.08%	0.0013%	0.0228%
National Oilwell Varco Inc	NOV	383.809	42.330	16,247	0.1055%	4.35%	-14.01%	0.0046%	-0.0148%
Quest Diagnostics Inc	DGX	143.555	67.800	9,733	0.0632%	2.24%	11.30%	0.0014%	0.0071%
Activision Blizzard Inc	ATVI	729.020	28.630	20,872	0.1355%	0.80%	9.78%	0.0011%	0.0133%
Rockwell Automation Inc	ROK	134.106	111.830	14,997	0.0974%	2.33%	8.40%	0.0023%	0.0082%
Kraft Heinz Co/The	KHC	1,212.833	72.660	88,124	0.5722%	3.03%	12.30%	0.0173%	0.0704%
American Tower Corp	AMT	423.279	92.190	39,022	0.2534%	1.91%	14.48%	0.0048%	0.0367%
Regeneron Pharmaceuticals Inc	REGN	101.737	513.500	52,242	0.0000%	n/a	21.33%	n/a	0.0000%
Amazon.com Inc	AMZN	467.710	512.890	239,884	0.0000%	n/a	47.77%	n/a	0.0000%
Ralph Lauren Corp	RL	59.767	111.190	6,645	0.0431%	1.80%	11.09%	0.0008%	0.0048%
Boston Properties Inc	BXP	153.574	113.380	17,412	0.1131%	2.29%	6.35%	0.0026%	0.0072%
Amphenol Corp	APH	309.147	52.360	16,187	0.1051%	1.07%	6.69%	0.0011%	0.0070%
Pioneer Natural Resources Co	PXD	149.308	123.060	18,374	0.1193%	0.07%	8.73%	0.0001%	0.0104%
Valero Energy Corp	VLO	497.112	59.340	29,499	0.1915%	2.70%	-1.23%	0.0052%	-0.0023%
L-3 Communications Holdings Inc	LLL	80.332	105.470	8,473	0.0550%	2.47%	6.79%	0.0014%	0.0037%
Western Union Co/The	WU	511.432	18.440	9,431	0.0612%	3.36%	9.03%	0.0021%	0.0055%
CH Robinson Worldwide Inc	CHRW	141.801	67.430	9,562	0.0621%	2.25%	10.63%	0.0014%	0.0066%
Accenture PLC	ACN	624.135	94.270	58,837	0.3820%	2.16%	10.33%	0.0083%	0.0395%
Yum! Brands Inc	YUM	431.206	79.770	34,397	0.2233%	2.06%	11.82%	0.0046%	0.0264%
Prologis Inc	PLD	524.047	38.000	19,914	0.1293%	4.21%	4.99%	0.0054%	0.0064%
FirstEnergy Corp	FE	422.453	31.960	13,502	0.0877%	4.51%	-0.68%	0.0039%	-0.0006%
VeriSign Inc	VRSN	113.493	68.940	7,824	0.0000%	n/a	10.40%	n/a	0.0000%
Quanta Services Inc	PWR	196.832	24.240	4,771	0.0000%	n/a	7.45%	n/a	0.0000%
Ameren Corp	AEE	242.635	40.290	9,776	0.0635%	4.07%	6.77%	0.0026%	0.0043%
Henry Schein Inc	HSIC	83.397	136.810	11,410	0.0000%	n/a	11.12%	n/a	0.0000%
Broadcom Corp	BRCM	559.000	51.670	28,884	0.1875%	1.08%	12.24%	0.0020%	0.0230%
NVIDIA Corp	NVDA	539.000	22.480	12,117	0.0787%	1.73%	8.80%	0.0014%	0.0069%
Scaled Air Corp	SEE	205.842	51.450	10,591	0.0688%	1.01%	10.11%	0.0007%	0.0069%
Cognizant Technology Solutions Corp	CTSH	609.529	62.940	38,364	0.0000%	n/a	15.50%	n/a	0.0000%
Intuitive Surgical Inc	ISRG	37.019	510.950	18,915	0.0000%	n/a	15.36%	n/a	0.0000%
CONSOL Energy Inc	CNX	229.004	15.230	3,488	0.0226%	0.26%	12.40%	0.0001%	0.0028%
Aetna Inc	AET	348.688	114.520	39,932	0.2593%	0.87%	12.06%	0.0023%	0.0313%
Affiliated Managers Group Inc	AMG	54.284	186.440	10,121	0.0000%	n/a	14.71%	n/a	0.0000%
Republic Services Inc	RSG	348.917	40.980	14,299	0.0928%	2.93%	4.85%	0.0027%	0.0045%

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]			[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return			Forecast US Government 30 Year Yield	Equity Risk Premium
S&P 500		2.58%	2.71%	9.66%	12.37%			4.29%	8.08%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Long-Term Growth Estimate
eBay Inc	EBAY	1,218.228	27.110	33,026	0.0000%	n/a	9.71%	n/a	0.0000%
Goldman Sachs Group Inc/The	GS	432.871	188.600	81,639	0.5301%	1.38%	18.98%	0.0073%	0.1006%
Sempra Energy	SRE	247.580	94.850	23,483	0.1525%	2.95%	7.75%	0.0045%	0.0118%
Moody's Corp	MCO	200.300	102.310	20,493	0.1331%	1.33%	13.50%	0.0018%	0.0180%
Priceline Group Inc/The	PCLN	50.702	1,248.640	63,309	0.0000%	n/a	18.97%	n/a	0.0000%
F5 Networks Inc	FFIV	71.004	121.410	8,621	0.0000%	n/a	15.41%	n/a	0.0000%
Akamai Technologies Inc	AKAM	178.595	71.310	12,736	0.0000%	n/a	15.80%	n/a	0.0000%
Reynolds American Inc	RAI	714.551	83.750	59,844	0.3886%	3.44%	11.08%	0.0134%	0.0431%
Devon Energy Corp	DVN	411.000	42.660	17,533	0.1138%	2.25%	6.24%	0.0026%	0.0071%
Google Inc	GOOGL	289.886	647.820	187,794	0.0000%	n/a	17.33%	n/a	0.0000%
Red Hat Inc	RHT	183.483	72.210	13,249	0.0000%	n/a	17.86%	n/a	0.0000%
Hudson City Bancorp Inc	HCBK	529.529	9.300	4,925	0.0320%	1.72%	-3.00%	0.0006%	-0.0010%
Netflix Inc	NFLX	424.363	115.030	48,814	0.0000%	n/a	32.49%	n/a	0.0000%
Alliegon PLC	ALLJ	95.812	59.610	5,711	0.0371%	0.67%	14.70%	0.0002%	0.0055%
Agilent Technologies Inc	A	333.192	36.310	12,098	0.0786%	1.10%	5.90%	0.0009%	0.0046%
Anthem Inc	ANTM	261.587	141.050	36,897	0.2396%	1.77%	9.61%	0.0042%	0.0230%
CME Group Inc/IL	CME	337.756	94.440	31,898	0.2071%	2.12%	12.36%	0.0044%	0.0256%
Juniper Networks Inc	JNPR	384.427	25.710	9,884	0.0642%	1.56%	11.84%	0.0010%	0.0076%
BlackRock Inc	BLK	163.636	302.470	49,495	0.3214%	2.88%	14.62%	0.0093%	0.0470%
DTE Energy Co	DTE	179.330	78.060	13,998	0.0909%	3.74%	5.15%	0.0034%	0.0047%
NASDAQ OMX Group Inc/The	NDAQ	168.930	51.190	8,648	0.0561%	1.95%	6.88%	0.0011%	0.0039%
Philip Morris International Inc	PM	1,549.186	79.800	123,625	0.8027%	5.01%	5.87%	0.0402%	0.0471%
Time Warner Cable Inc	TWC	282.974	186.020	52,639	0.3418%	1.61%	9.75%	0.0055%	0.0333%
salesforce.com inc	CRM	660.000	69.360	45,778	0.0000%	n/a	25.57%	n/a	0.0000%
MetLife Inc	MET	1,116.881	50.100	55,956	0.3633%	2.99%	7.25%	0.0109%	0.0264%
Monanto Co	MON	467.835	97.650	45,684	0.2966%	2.21%	10.90%	0.0066%	0.0323%
Coach Inc	COH	276.627	30.250	8,368	0.0543%	4.46%	10.88%	0.0024%	0.0059%
Fluor Corp	FLR	144.943	45.620	6,612	0.0429%	1.84%	2.49%	0.0008%	0.0011%
Dun & Bradstreet Corp/The	DNB	36.111	105.970	3,827	0.0248%	1.75%	10.15%	0.0004%	0.0025%
Edwards Lifesciences Corp	EW	107.516	140.880	15,147	0.0000%	n/a	15.20%	n/a	0.0000%
Ameriprise Financial Inc	AMP	178.221	112.670	20,080	0.1304%	2.38%	11.65%	0.0031%	0.0152%
Xcel Energy Inc	XEL	507.211	33.730	17,108	0.1111%	3.79%	5.05%	0.0042%	0.0056%
Rockwell Collins Inc	COL	131.770	81.850	10,785	0.0700%	1.61%	9.88%	0.0011%	0.0069%
FMC Technologies Inc	FTI	229.474	34.780	7,981	0.0000%	n/a	7.58%	n/a	0.0000%
Zimmer Biomet Holdings Inc	ZBH	203.365	103.560	21,060	0.1367%	0.85%	10.87%	0.0012%	0.0149%
CBRE Group Inc	CBG	333.180	32.020	10,668	0.0000%	n/a	10.50%	n/a	0.0000%
Signet Jewelers Ltd	SIG	80.127	138.000	11,058	0.0718%	0.64%	8.00%	0.0005%	0.0057%
MasterCard Inc	MA	1,108.884	92.370	102,428	0.6650%	0.69%	16.58%	0.0046%	0.1103%
GameStop Corp	GME	106.720	42.480	4,533	0.0294%	3.39%	14.43%	0.0010%	0.0042%
CarMax Inc	KMX	208.042	61.000	12,691	0.0000%	n/a	14.98%	n/a	0.0000%
Intercontinental Exchange Inc	ICE	110.489	228.410	25,237	0.1639%	1.31%	15.55%	0.0022%	0.0255%
Fidelity National Information Services Inc	FIS	281.583	69.060	19,446	0.1263%	1.51%	12.62%	0.0019%	0.0159%
Chipotle Mexican Grill Inc	CMG	31.142	710.010	22,111	0.0000%	n/a	21.24%	n/a	0.0000%
Pepco Holdings Inc	POM	253.072	22.980	5,816	0.0378%	4.70%	4.70%	0.0018%	0.0018%
Wynn Resorts Ltd	WYNN	101.537	75.050	7,620	0.0495%	2.66%	7.90%	0.0013%	0.0039%
Hospira Inc	HSP	172.934	89.970	15,559	0.0000%	n/a	14.30%	n/a	0.0000%
Assurant Inc	AIZ	66.818	74.350	4,968	0.0323%	1.61%	8.14%	0.0005%	0.0026%
NRG Energy Inc	NRG	330.655	19.920	6,587	0.0428%	2.91%	23.90%	0.0012%	0.0102%
Genworth Financial Inc	GNW	497.419	5.180	2,577	0.0000%	n/a	5.00%	n/a	0.0000%
Monster Beverage Corp	MNST	204.193	138.460	28,273	0.0000%	n/a	20.50%	n/a	0.0000%
Regions Financial Corp	RF	1,324.907	9.590	12,706	0.0825%	2.50%	2.86%	0.0021%	0.0024%
Teradata Corp	TDC	141.600	29.230	4,139	0.0000%	n/a	8.11%	n/a	0.0000%
Mosaic Co/The	MOS	337.159	40.830	13,766	0.0894%	2.69%	9.30%	0.0024%	0.0083%
Expedia Inc	EXPE	116.334	114.990	13,377	0.0869%	0.83%	13.75%	0.0007%	0.0119%
Discovery Communications Inc	DISCA	149.302	26.600	3,971	0.0000%	n/a	13.57%	n/a	0.0000%
CF Industries Holdings Inc	CF	233.048	57.380	13,372	0.0868%	2.09%	12.00%	0.0018%	0.0104%
Viacom Inc	VIAB	347.460	40.770	14,166	0.0920%	3.92%	9.25%	0.0036%	0.0085%
Google Inc	GOOG	343.929	618.250	212,634	0.0000%	n/a	17.33%	n/a	0.0000%
Wyndham Worldwide Corp	WYN	118.111	76.480	9,033	0.0586%	2.20%	10.00%	0.0013%	0.0059%

Market DCF Calculation as of August 31, 2015

		[1]	[2]	[3]	[4]			[13]	[14]
		Dividend Yield	Dividend Yield x (1 + 0.50g)	Expected Growth Rate (g)	Secondary Market Investor Required Return			Forecast US Government 30 Year Yield	Equity Risk Premium
S&P 500		2.58%	2.71%	9.66%	12.37%			4.29%	8.08%
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long- Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long- Term Growth Estimate
Spectra Energy Corp	SE	671.363	29.070	19,517	0.1267%	5.09%	3.85%	0.0065%	0.0049%
First Solar Inc	FSLR	100.903	47.840	4,827	0.0000%	n/a	-2.95%	n/a	0.0000%
Enso PLC	ESV	235.679	18.110	4,268	0.0000%	3.31%	n/a	0.0000%	n/a
Mead Johnson Nutrition Co	MJN	202.739	78.340	15,883	0.1031%	2.11%	8.80%	0.0022%	0.0091%
TE Connectivity Ltd	TEL	402.384	59.290	23,857	0.1549%	2.23%	10.45%	0.0034%	0.0162%
Discover Financial Services	DFS	435.307	53.730	23,389	0.1519%	2.08%	9.22%	0.0032%	0.0140%
TripAdvisor Inc	TRIP	131.296	69.900	9,178	0.0000%	n/a	20.05%	n/a	0.0000%
Dr Pepper Snapple Group Inc	DPS	190.886	76.730	14,647	0.0951%	2.50%	7.26%	0.0024%	0.0069%
Scripps Networks Interactive Inc	SNI	94.201	53.090	5,001	0.0325%	1.73%	11.45%	0.0006%	0.0037%
Visa Inc	V	1,951.387	71.300	139,134	0.9034%	0.67%	18.08%	0.0061%	0.1634%
Xylem Inc/NY	XYL	181.499	32.450	5,890	0.0382%	1.74%	9.87%	0.0007%	0.0038%
Marathon Petroleum Corp	MPC	536.157	47.310	25,366	0.1647%	2.71%	2.58%	0.0045%	0.0043%
Tractor Supply Co	TSCO	135.819	85.310	11,587	0.0752%	0.94%	15.33%	0.0007%	0.0115%
Level 3 Communications Inc	LVT	355.833	44.730	15,916	0.0000%	n/a	26.99%	n/a	0.0000%
Transocean Ltd	RIG	363.554	14.230	5,173	0.0336%	4.22%	-25.40%	0.0014%	-0.0085%
Essex Property Trust Inc	ESS	65.744	214.620	14,110	0.0916%	2.68%	8.18%	0.0025%	0.0075%
General Growth Properties Inc	GGP	885.657	25.380	22,478	0.1459%	2.68%	7.91%	0.0039%	0.0115%
Realty Income Corp	O	234.869	44.690	10,496	0.0681%	5.10%	3.92%	0.0035%	0.0027%
Seagate Technology PLC	STX	302.034	51.400	15,525	0.1008%	4.20%	8.30%	0.0042%	0.0084%
WestRock Co	WRK	261.848	59.350	15,541	0.1009%	2.53%	7.46%	0.0026%	0.0075%
Western Digital Corp	WDC	230.403	81.960	18,884	0.1226%	2.44%	5.00%	0.0030%	0.0061%
Fossil Group Inc	FOSL	48.147	61.580	2,965	0.0000%	n/a	11.13%	n/a	0.0000%
JB Hunt Transport Services Inc	JBHT	116.251	72.780	8,461	0.0549%	1.15%	14.83%	0.0006%	0.0081%
Lam Research Corp	LRCX	158.187	72.770	11,511	0.0747%	1.65%	6.41%	0.0012%	0.0048%
Mohawk Industries Inc	MIHK	73.913	196.970	14,559	0.0000%	n/a	12.05%	n/a	0.0000%
Pentair PLC	PNR	180.056	55.290	9,955	0.0646%	2.32%	14.40%	0.0015%	0.0093%
Vertex Pharmaceuticals Inc	VRTX	244.656	127.520	31,199	0.0000%	n/a	25.67%	n/a	0.0000%
Facebook Inc	FB	2,259.737	89.430	202,088	0.0000%	n/a	24.17%	n/a	0.0000%
United Rentals Inc	URI	95.370	69.330	6,612	0.0000%	n/a	12.20%	n/a	0.0000%
Navient Corp	NAVI	374.033	12.790	4,784	0.0000%	5.00%	n/a	0.0000%	n/a
Delta Air Lines Inc	DAL	795.398	43.780	34,823	0.2261%	1.23%	22.14%	0.0028%	0.0501%
Baxalta Inc	BXLT	676.969	35.150	23,795	0.1545%	0.80%	4.55%	0.0012%	0.0070%
Mallinckrodt PLC	MNK	117.343	86.240	10,120	0.0000%	n/a	13.05%	n/a	0.0000%
Keurig Green Mountain Inc	GMCR	154.058	56.600	8,720	0.0566%	2.03%	14.20%	0.0012%	0.0080%
Macerich Co/The	MAC	158.321	76.180	12,061	0.0783%	3.41%	6.31%	0.0027%	0.0049%
Martin Marietta Materials Inc	MLM	67.001	167.800	11,243	0.0730%	0.95%	24.07%	0.0007%	0.0176%
PayPal Holdings Inc	PYPL	1,218.736	35.000	42,656	0.0000%	n/a	16.75%	n/a	0.0000%
Alexion Pharmaceuticals Inc	ALXN	226.155	172.190	38,942	0.0000%	n/a	23.19%	n/a	0.0000%
Columbia Pipeline Group Inc	CPGX	317.615	25.360	8,055	0.0523%	1.97%	36.00%	0.0010%	0.0188%
Endo International PLC	ENDP	208.251	77.000	16,035	0.0000%	n/a	8.97%	n/a	0.0000%
News Corp	NWSA	380.999	13.630	5,193	0.0337%	1.47%	10.35%	0.0005%	0.0035%
Crown Castle International Corp	CCI	333.762	83.390	27,832	0.1807%	3.93%	22.67%	0.0071%	0.0410%
Delphi Automotive PLC	DLPH	284.349	75.520	21,474	0.1394%	1.32%	13.73%	0.0018%	0.0191%
Advance Auto Parts Inc	AAP	73.217	175.250	12,831	0.0833%	0.14%	13.68%	0.0001%	0.0114%
Michael Kors Holdings Ltd	KORS	193.422	43.460	8,406	0.0000%	n/a	27.34%	n/a	0.0000%
Alliance Data Systems Corp	ADS	61.433	257.190	15,800	0.0000%	n/a	14.60%	n/a	0.0000%
Nielsen Holdings PLC	NLSN	366.860	45.230	16,593	0.1077%	2.48%	14.00%	0.0027%	0.0151%
Garmin Ltd	GRMN	190.936	37.610	7,181	0.0466%	5.42%	7.95%	0.0025%	0.0037%
Cimarex Energy Co	XEC	94.456	110.510	10,438	0.0678%	0.58%	-4.37%	0.0004%	-0.0030%
Zoetis Inc	ZTS	498.944	44.870	22,388	0.1454%	0.74%	12.50%	0.0011%	0.0182%
Equinix Inc	EQIX	56.958	269.770	15,366	0.0998%	2.51%	38.74%	0.0025%	0.0386%
Discovery Communications Inc	DISCK	274.284	25.360	6,956	0.0000%	n/a	13.57%	n/a	0.0000%
Average for Companies Paying Dividends with Positive Long-Term Growth Estimates						2.39%	10.00%	2.58%	9.66%

Notes:

- [1] Equals sum of Column [11]
[2] Equals Column [1] x (1 + 0.5 x Column [3])
[3] Equals sum of Column [12]
[4] Equals Column [2] + Column [3]
[5] Source: Bloomberg Finance L.P., as of August 31, 2015
[6] Source: Bloomberg Finance L.P., as of August 31, 2015
[7] Equals Column [5] x Column [6]

[8] Equals percent of sum of Column [7] if Current Dividend Yield does not equal "n/a" and Best Long-Term Growth Estimate does not equal "n/a" and is greater than 0%
[9] Source: Bloomberg Finance L.P., as of August 31, 2015
[10] Source: Bloomberg Finance L.P., as of August 31, 2015
[11] Equals Column [8] x Column [9]
[12] Equals Column [8] x Column [10]
[13] Source: April 2015 Consensus Forecast Average 2016-2018 Forecasts 10-Year bond yield plus Average Daily Spread between 10-year and 30-year government bonds August 2015
[14] Equals Column [4] - (Column [13]/100)

Regression Analysis of MRP to GOC Long-term Bond Yields from 1976 - 2014

	[1]	[2]	[3]
Year	Canada Long Bond	Dummy	MRP
1976	9.61	0	-0.2
1977	9.15	0	-2.3
1978	9.57	0	21.7
1979	10.50	0	40.8
1980	12.82	0	12.4
1981	15.59	0	-23.8
1982	14.75	0	-8.7
1983	12.08	0	22.1
1984	13.00	0	-13.6
1985	11.20	0	11.5
1986	9.30	0	-0.4
1987	9.75	0	-1.3
1988	10.05	0	-2.1
1989	9.66	0	11.4
1990	10.69	0	-22.1
1991	9.72	0	1.3
1992	8.68	0	-11.6
1993	7.86	0	15.2
1994	8.69	0	-4.3
1995	8.41	0	6.9
1996	7.75	0	22.4
1997	6.66	0	11.7
1998	5.59	0	-4.4
1999	5.72	0	40.5
2000	5.71	0	3.3
2001	5.76	0	-20.8
2002	5.68	0	-19.4
2003	5.34	0	21.4
2004	5.14	0	8.7
2005	4.40	0	21
2006	4.28	0	13.7
2007	4.32	0	6.2
2008	4.05	1	-35.5
2009	3.90	0	29.9
2010	3.73	0	11.1
2011	3.29	0	-12.1
2012	2.43	0	3.7
2013	2.84	0	11.1
2014	2.73	0	8.7

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.4457109
R Square	0.19865821
Adjusted R Square	0.15413922
Standard Error	15.6325895
Observations	39

ANOVA				
	df	SS	MS	F
Regression	2	2180.986958	1090.493479	4.46233
Residual	36	8797.602785	244.3778551	0.01857
Total	38	10978.58974		

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	14.1770905	6.345553584	2.234177095	0.03177	1.30771	27.0465	1.30771	27.0465
Canada Long Bond	-1.1105949	0.745857732	-1.48901713	0.14519	-2.6233	0.40207	-2.6233	0.40207
Dummy	-45.184734	16.0825281	-2.809554174	0.00797	-77.802	-12.568	-77.802	-12.568

RESIDUAL OUTPUT

Observation	redicted MRP	Residuals	andard Residuals
1	3.5033476	-3.703347603	-0.243390768
2	4.01237028	-6.312370284	-0.414860504
3	3.54592041	18.15407959	1.193119266
4	2.51121612	38.28878388	2.516408805
5	-0.0644386	12.46443864	0.819185672
6	-3.1370846	-20.66291536	-1.358004535
7	-2.2060359	-6.493964114	-0.426795182
8	0.76295459	21.33704541	1.402309593
9	-0.2624947	-13.33750526	-0.876565205
10	1.79842714	9.761572857	0.641548396
11	3.84393005	-4.243930051	-0.278918834
12	3.34693882	-4.646938815	-0.305405306
13	3.01931331	-5.119313308	-0.33645062
14	3.44596686	7.954033136	0.522753584
15	2.30205408	-24.40205408	-1.60374756
16	3.38766063	-2.08766063	-0.137204869
17	4.5352754	-16.1352754	-1.060439768
18	5.45059073	9.749409269	0.640748983
19	4.52972243	-8.829722427	-0.580305484
20	4.84068901	2.05931099	0.135341679

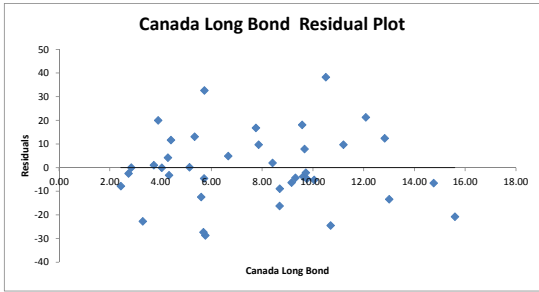
PROBABILITY OUTPUT

Percentile	MRP
1.28205	-35.5
3.84615	-23.8
6.41026	-22.1
8.97436	-20.8
11.5385	-19.4
14.1026	-13.6
16.6667	-12.1
19.2308	-11.6
21.7949	-8.7
24.359	-4.4
26.9231	-4.3
29.4872	-2.3
32.0513	-2.1
34.6154	-1.3
37.1795	-0.4
39.7436	-0.2
42.3077	1.3
44.8718	3.3
47.4359	3.7
50	6.2

Notes and Results of Analysis:

- [1] Bank of Canada, Data and Statistics Office, Selected Government of Canada Benchmark 1
[2] Dummy Variable for Global Economic Crisis in 2008
[3] MRP from Morningstar Ibbotson through 2011, and Duff & Phelps from 2011-2014

	Forecast 30-Yr. Bond Yield Scenario	August 31, 2015 Spot 30- Yr. Bond Yield Scenario
[4] Intercept	14.18%	14.18%
[5] Coefficient for Canadian Long Bond	-1.11%	-1.11%
[6] Coefficient for Global Economic Crisis	-45.18%	-45.18%
[7] Lower Bound of Confidence Interval for Canadian Long Bond Yi	-2.62%	-2.62%
[8] Upper Bound of Confidence Interval for Canadian Long Bond Yi	0.40%	0.40%
[9] 30-year Bond Yield, Forecast and Spot as of August 31, 2015	3.68	2.23
[10] Canadian Proxy Group Beta	0.62	0.62
[11] Calculation of Market Risk Premium = [4] + ([9] x [5]) + (0 x [6])	10.09%	11.70%
Calculation of Canadian Utility ROE = [9] + ([10]*[11])	9.97%	9.52%



21	5.57183068	16.82816932	1.105978022	52.5641	6.9
22	6.77960268	4.920397324	0.323377498	55.1282	8.7
23	7.96793926	-12.36793926	-0.812843556	57.6923	8.7
24	7.82263642	32.67736358	2.147616014	60.2564	11.1
25	7.83651886	-4.536518861	-0.298148305	62.8205	11.1
26	7.78006362	-28.58006362	-1.878333978	65.3846	11.4
27	7.66891121	-27.26891121	-1.792162647	67.9487	11.5
28	8.25114097	13.14885903	0.86416703	70.5128	11.7
29	8.47418546	0.225814544	0.014840944	73.0769	12.4
30	9.28862175	11.71137825	0.769693168	75.641	13.7
31	9.42004215	4.279957853	0.281286647	78.2051	15.2
32	9.37469285	-3.174692854	-0.208646612	80.7692	21
33	-35.5	-1.42109E-14	-9.33963E-16	83.3333	21.4
34	9.85132318	20.04867682	1.317635656	85.8974	21.7
35	10.0391988	1.060801174	0.069717791	88.4615	22.1
36	10.5232331	-22.62323312	-1.486840199	91.0256	22.4
37	11.4764938	-7.776493778	-0.511085374	93.5897	29.9
38	11.0230008	0.076999156	0.005060525	96.1538	40.5
39	11.1442408	-2.444240792	-0.160639969	98.7179	40.8

Capital Asset Pricing Model

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
						Average			
US Proxy Group	Ticker	Bloomberg	Value Line	Average Beta	Risk Free Rate	Market Risk Premium	Basic CAPM Calculation	Flotation Cost	Total CAPM
ALLETE, Inc.	ALE	0.75	0.80	0.78	4.29%	7.62%	10.20%	0.50%	10.70%
Duke Energy	DUK	0.55	0.60	0.58	4.29%	7.62%	8.68%	0.50%	9.18%
Eversource Energy	ES	0.68	0.75	0.71	4.29%	7.62%	9.72%	0.50%	10.22%
Great Plains	GXP	0.76	0.85	0.80	4.29%	7.62%	10.41%	0.50%	10.91%
OG&E Corp	OGE	0.78	0.90	0.84	4.29%	7.62%	10.70%	0.50%	11.20%
Pinnacle West Capital	PNW	0.72	0.70	0.71	4.29%	7.62%	9.68%	0.50%	10.18%
Westar	WR	0.67	0.75	0.71	4.29%	7.62%	9.71%	0.50%	10.21%
MEAN		0.70	0.76	0.73			9.87%		10.37%

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
						Average			
Canada Proxy Group	Ticker	Bloomberg	Value Line	Average Beta	Risk Free Rate	Market Risk Premium	Basic CAPM Calculation	Flotation Cost	Total CAPM
Canadian Utilities Limited	CU	0.62	N/A	0.62	3.68%	7.62%	8.37%	0.50%	8.87%
Emera Inc.	EMA	0.71	N/A	0.71	3.68%	7.62%	9.08%	0.50%	9.58%
Enbridge Inc.	ENB	0.79	N/A	0.79	3.68%	7.62%	9.71%	0.50%	10.21%
Valener Inc.	VNR	0.43	N/A	0.43	3.68%	7.62%	6.98%	0.50%	7.48%
MEAN		0.64		0.64			8.54%		9.04%

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
						Average			
North American Electric Proxy Group	Ticker	Bloomberg	Value Line	Average Beta	Risk Free Rate	Market Risk Premium	Basic CAPM Calculation	Flotation Cost	Total CAPM
ALLETE, Inc.	ALE	0.75	0.80	0.78	4.29%	7.62%	10.20%	0.50%	10.70%
Canadian Utilities Limited	CU	0.62	N/A	0.62	3.68%	7.62%	8.37%	0.50%	8.87%
Duke Energy	DUK	0.55	0.60	0.58	4.29%	7.62%	8.68%	0.50%	9.18%
Emera Inc.	EMA	0.71	N/A	0.71	3.68%	7.62%	9.08%	0.50%	9.58%
Eversource Energy	ES	0.68	0.75	0.71	4.29%	7.62%	9.72%	0.50%	10.22%
Great Plains	GXP	0.76	0.85	0.80	4.29%	7.62%	10.41%	0.50%	10.91%
OG&E Corp	OGE	0.78	0.90	0.84	4.29%	7.62%	10.70%	0.50%	11.20%
Pinnacle West Capital	PNW	0.72	0.70	0.71	4.29%	7.62%	9.68%	0.50%	10.18%
Westar	WR	0.67	0.75	0.71	4.29%	7.62%	9.71%	0.50%	10.21%
MEAN		0.69	0.76	0.72			9.62%		10.12%

Notes:

[1] Source: Bloomberg Professional; average of five years of weekly market-adjusted betas

[2] Source: Value Line as of August 31, 2015

[3] Equals mean of [1] and [2]

[4] Source: Equals average long-term Consensus Forecast of 10-year government bond yields for the period 2016-2018 as of April 13, 2015. (Pg. : plus the 30-day average spread between 10- and 30-year bond ending August 31, 2015.

[5] Source: Average of the Duff and Phelps Canada historical risk premium (1936-2013),

Duff and Phelps US historical risk premium (1926-2013),

Bloomberg; TSX total return less [4] as of August 31, 2015

Bloomberg; S&P 500 total return less [4] as of August 31, 2015

[6] Equals [4] + ([5] x [6])

[7] Flotation Costs

[8] Equals [6] + [8]

APPENDIX A:
CAPITAL STRUCTURE

OCTOBER 16, 2015



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1 **I. INTRODUCTION**

2 **A. Purpose and Background**

3 In Order No. P.U. 13(2013), the Newfoundland and Labrador Board of Commissioners of Public
4 Utilities (the “Board”) found that Newfoundland Power continues to be an average risk Canadian
5 utility.¹ The Board determined that it was appropriate to maintain the deemed common equity
6 ratio of 45 percent for Newfoundland Power. It is important to note that in the 2013 Order, the
7 Board observed that “Newfoundland Power has had a deemed common equity ratio of
8 approximately 45% for the last twenty-five years and the evidence is clear that the rating agencies
9 place importance on its strong common equity position.”²

10 In its 2013 Order, the Board also noted that it had been some time since Newfoundland Power’s
11 capital structure was comprehensively reviewed and that it may be appropriate for this issue to be
12 addressed in the Company’s next general rate application (“GRA”). The Board directed that
13 Newfoundland Power file a comprehensive report in relation to its capital structure with its next
14 GRA.³ This appendix to the cost of capital report was prepared for Newfoundland Power by
15 Concentric Energy Advisors, Inc. (“Concentric”) in response to the Board’s requirements in
16 Order No. P.U. 13(2013).

17 Concentric’s assessment of Newfoundland Power’s capital structure is based on an analysis of risk
18 and is organized in three parts:

- 19 1) Comparison of the risk of Newfoundland Power today to the circumstances at the time
20 of the Company’s last GRA filing in September 2012;
- 21 2) Comparison of the risk of Newfoundland Power to other investor-owned electric utilities
22 in Canada to determine if the Company continues to be an average risk Canadian utility;
23 and

¹ Newfoundland and Labrador Board of Commissioners of Public Utilities, Order No. P.U. 13(2013), at 17.

² *Ibid.*

³ *Ibid.*



- 3) Comparison of the current risk of Newfoundland Power to a proxy group of comparable electric utilities in the United States.

Concentric examines risk from two primary perspectives: (1) financial risk; and (2) business risk. Financial risk primarily relates to the risk associated with the way in which a company has financed its business, as evidenced by the relative percentages of debt and equity in the capital structure. To the extent the company is more highly leveraged, it requires higher net income to cover its fixed interest obligations, which must be paid before there is any net income for shareholders. Business risk for a regulated utility encompasses both operational risk (e.g., weather conditions/climate, geography, topography, etc.) and regulatory risk (e.g., opportunity for timely recovery of prudently incurred costs). Taken together, financial risk and business risk are the primary elements of investment risk that investors consider when establishing their return requirements.

B. Executive Summary

The following points summarize the conclusions of our risk assessment.

- 1) Newfoundland Power has higher business risk today than at the time of the Company's last GRA filing in 2012. In particular, Newfoundland Power is exposed to more risk due to changes in the electricity supply from Newfoundland and Labrador Hydro, which is expected to result in a substantial increase in the supply price over the near term. In addition, the provincial economy has been negatively impacted by the sharp drop in oil prices as the oil industry represents about 28 percent of the Newfoundland and Labrador GDP.
- 2) Newfoundland Power has comparable financial risk as the Canadian proxy group companies. Although Newfoundland Power has more common equity in its capital structure than the companies in the Canadian proxy group, Newfoundland Power's long-term issuer rating of Baa1 from Moody's (equivalent to BBB+ from S&P) is one notch lower than the Canadian proxy group average of A-. Furthermore, Newfoundland



Power's credit metrics are weaker than the average for the Canadian proxy group companies in terms of cash flow interest coverage and cash flow to debt.

3) Newfoundland Power has higher business risk than the Canadian utility proxy group. In particular, factors contributing to this higher risk profile include Newfoundland Power's small size, dependence on one supplier, weather and storm related risk, and weaker macroeconomic and demographic trends in the province as compared to the remainder of Canada.

4) Newfoundland Power has more financial leverage in its capital structure and weaker credit metrics than the U.S. electric utility proxy group companies. Newfoundland Power's long-term issuer rating of Baa1 is also one notch lower than the U.S. electric utility proxy group average of A-. While credit rating agencies may be satisfied with the degree of regulatory and cash flow protection for debt investors, these metrics expose equity investors to greater risk than their U.S. counterparts. As such, Newfoundland Power has greater financial risk than the U.S. proxy group.

5) Newfoundland Power has somewhat higher business risk than the proxy group of U.S. electric utility companies. In particular, factors contributing to this higher risk profile include Newfoundland Power's small size, dependence on one supplier, weather and storm related risk, as compared to companies in the U.S. proxy group.

II. FINANCIAL RISK

A. Definition of Financial Risk

Financial risk exists to the extent a company incurs debt obligations in financing its operations. These fixed obligations increase the level of income which must be generated to cover interest payments before common stockholders receive any return, and they are considered by both debt and equity investors in addition to business risks. Fixed financial obligations also reduce a



company's financial flexibility and its ability to respond to adverse economic circumstances and capital market conditions, such as those during the credit crisis and financial market disruptions of 2008 and 2009.

B. Implication of Capital Structure on Rate of Return

The capital structure relates to a company's financial risk, which represents the risk that a company may not have adequate cash flows to meet its financial obligations, and is a function of the percentage of debt (or financial leverage) in the capital structure. The Board has observed the relationship between rates of return and capital structure in previous decisions, stating: "The inter-relationship between rates of return and capital structure is quite strong and, therefore, selecting a range for capital structure is a critical component of the decision for all parties."⁴ Moreover, the Board has also stated: "However, the higher the debt as a proportion of total capital, the greater the risk to shareholders. Debtors rank ahead of shareholders for cash flow and in the event of liquidation."⁵ In that regard, as the percentage of debt and preferred equity in the capital structure increases, so do the fixed obligations for the repayment of that debt. Consequently, as the degree of financial leverage increases, the risk of financial distress for common equity holders (i.e., financial risk) also increases.⁶ Since the capital structure can affect the company's overall level of risk, it is an important consideration in establishing a fair return.

C. Newfoundland Power's Deemed Equity Ratio

In 2013, the Board reaffirmed the deemed common equity ratio for Newfoundland Power at 45 percent, stating:

NLP [Newfoundland Power] has had a deemed common equity ratio of approximately 45% for the last 25 years, and the evidence is clear that the rating agencies place importance on its strong common equity position. There is no evidence of a change in circumstances which would justify a change in the ratio and little substantive evidence demonstrating that the appropriate common equity ratio for Newfoundland Power is 40%. The Board therefore finds that

⁴ Order No. P.U. 16 (1998-99), at p. 47.

⁵ *Ibid*, at p. 49.

⁶ See Roger A. Morin, *New Regulatory Finance, Public Utility Reports, Inc.*, 2006, at pp. 45-46.



1 a change in the common equity ratio has not been justified in the
2 circumstances.⁷

3 In 1999, the Board explained the rationale for its decision supporting the 45.0 percent deemed
4 common equity ratio as follows: “The Board believes that in order to maintain an “A” rating and
5 appropriate access to capital markets, as a small utility, NLP will require a stable and strong capital
6 structure.”⁸ In particular, the Board observed that Newfoundland Power’s smaller size reduces
7 the Company’s financial flexibility.⁹

8 **D. Comparison to Other Investor-Owned Utilities**

9 As explained in Section IV of the Cost of Capital Report, I have selected three proxy groups
10 consisting of Canadian, U.S., and North American utilities for purposes of establishing my ROE
11 recommendation for Newfoundland Power. In order to assess the reasonableness of the common
12 equity ratio for Newfoundland Power, my analysis is based on a comparison to the equity ratios
13 of other investor-owned electric utilities in Canada and the U.S. at the operating company level
14 because that is the level at which a regulated capital structure is established based on an evaluation
15 of the business risk of the utility and related factors.

16 One way to assess the reasonableness of Newfoundland Power’s deemed equity ratio is by
17 comparison to other investor-owned electric utilities. As shown in Figure 1, Newfoundland
18 Power’s deemed common equity ratio of 45.0 percent is higher than the five other Canadian
19 investor-owned electric utilities.

⁷ Order No. P.U. 13(2013), at p. 17.

⁸ Order No. P.U. 16(1998-99), at p. 58.

⁹ Order No. P.U. 16(1998-99), at p. 37.



Figure 1: Comparison of Allowed Equity Ratios

Canadian Investor Owned Electric Utilities

Operating Utility	Deemed Equity Ratio
ATCO Electric Distribution	38.0%
FortisAlberta	40.0%
FortisBC Electric	40.0%
Maritime Electric	41.9%
Nova Scotia Power	37.5%
Average	39.1%

As shown in Figure 2 (also see Exhibit JMC-1), the average authorized common equity ratio for the operating companies in the U.S. electric utility proxy group is higher than Newfoundland Power's current allowed common equity ratio of 45.0 percent. Newfoundland Power's common equity ratio would be at the low end of this range for the U.S. electric proxy group, which is from 44.44 percent for Duke Energy Indiana to 54.29 percent for Minnesota Power.



Figure 2: U.S. Electric Utility Proxy Group

Authorized Common Equity Ratio¹⁰

Company	Authorized Common Equity Ratio
Minnesota Power	54.29%
Duke Energy Florida	46.74%
Duke Energy Indiana	44.44%
Duke Energy Kentucky	N/A
Duke Energy Carolinas – NC	53.00%
Duke Energy Ohio	53.30%
Duke Energy Carolinas – SC	53.00%
Connecticut Light and Power	50.38%
NSTAR Electric	N/A
Public Service of New Hampshire	52.40%
Western Mass Electric	50.70%
Kansas City Power and Light – KS	50.48%
Kansas City Power and Light – MO	50.09%
Oklahoma Gas and Electric - OK	N/A
Arizona Public Service	53.94%
Kansas Gas and Electric	50.13%
Westar Energy	52.63%
Average	51.11%

Concentric also compared Newfoundland Power's common equity ratio of 45.0 percent to other Transmission and Distribution ("T&D") utilities of similar size in the U.S. Figure 3 presents the average allowed common equity ratio for a group of T&D utilities that provide electric utility service in the northeastern U.S. Each company has 1) a rate base between \$500 million and \$3 billion, 2) more than 200,000 customers but less than 600,000 customers, and 3) a 2014 rate case

¹⁰ For utilities with operations in multiple jurisdictions, the authorized equity ratios shown are those for the jurisdiction in which the utility predominantly operates. Those utilities marked "N/A" did not have an authorized common equity ratio in their most recent rate case decision. In most instances, those cases were resolved through a settlement agreement that did not specify the authorized equity ratio.



decision. The average common equity ratio for this group of T&D utilities is 49.83 percent, reflecting higher overall equity ratios than Newfoundland Power.

Figure 3: U.S. T&D Utility Sample
Authorized Common Equity Ratio

Company	Authorized Common Equity Ratio
United Illuminating Company (CT)	50.00%
Delmarva Power and Light (DE)	49.22%
Western Massachusetts Electric	50.70%
Potomac Electric Power	49.19%
Central Maine Power	50.00%
Public Service of New Hampshire	52.40%
Atlantic City Energy	49.83%
Orange and Rockland Utilities	48.00%
Narragansett Electric	49.14%
Mean	49.83%

E. Assessment of Credit Metrics

Financial risk is also measured through other credit metrics, such as the ratio of Funds From Operations (“FFO”) to debt, as well as interest coverage ratios that compare Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) and FFO to interest payments on long-term debt, and the ratio of FFO to debt. As shown in Exhibit JMC-2, the credit metrics for Newfoundland Power in 2014 were generally comparable to the companies in the Canadian and U.S. proxy groups. Specifically, Newfoundland Power has a lower debt to capital ratio, a stronger EBITDA/interest coverage ratio, a weaker FFO/interest coverage ratio, a weaker FFO to debt ratio, and a stronger debt to EBITDA ratio than the Canadian proxy group average. Compared to the U.S. proxy group average, Newfoundland Power has a higher debt to capital ratio, a weaker EBITDA to interest coverage ratio, a weaker FFO/interest coverage ratio, a weaker FFO to debt ratio, and a stronger debt to EBITDA ratio.

Based on a comparison of the equity ratios and the credit metrics of Newfoundland Power to the companies in the Canadian and U.S. proxy groups, Concentric concludes that Newfoundland



Power has comparable financial risk to the Canadian proxy group and higher financial risk than the U.S. electric utility proxy group on this factor.

F. Change in Newfoundland Power's Financial Risk Since 2012

Newfoundland Power's first mortgage bonds have consistently maintained credit ratings of "A" from DBRS since 1997 and "A2" from Moody's Investors Service ("Moody's") since 2009. The long-term issuer rating for Newfoundland Power from DBRS is "A" and from Moody's is "Baa1". In previous Orders, the Board has observed that "the evidence is clear that the rating agencies place importance on its [Newfoundland Power's] strong common equity position."¹¹ A January 2015 Moody's report reaffirmed the current ratings for Newfoundland Power, noting the supportive regulatory and business environment in Newfoundland and Labrador. However, Moody's expressed some degree of caution with respect to the development of the Muskrat Falls hydroelectric project and the expected upward pressure on electricity rates as a result of this new generation project. Moody's commented:

The rating is consistent with NPI's financial metrics but reflects a cautionary note related to our concern that the utility's future ability to fully recover costs and earn returns may be compromised as the Province of Newfoundland and Labrador undertakes development of the Muskrat Falls hydroelectric project on the lower Churchill river and the related transmission infrastructure. This politically charged project is large relative to the provincial economy and is expected to place considerable upward pressure on future electricity rates.¹²

Even though this has financial risk implications, due to the potential impact on credit ratings, we consider this an operating and regulatory risk; therefore, this is covered in more detail in the section on business risk.

G. Conclusions on Financial Risk

Newfoundland Power with its 45 percent common equity ratio has comparable financial risk as other investor-owned electric utilities in Canada. Although Newfoundland Power has more common equity in its capital structure than the other Canadian investor-owned electric utilities,

¹¹ Order No. P.U. 13(2013), at p. 17.

¹² Moody's Investors Service Global Credit Research, Credit Opinion: Newfoundland Power Inc., January 19, 2015, at p. 2.



Newfoundland Power's long-term issuer rating of Baa1 from Moody's (equivalent to BBB+ from S&P) is one notch lower than the Canadian proxy group average of A-. Furthermore, Newfoundland Power's credit metrics are weaker than the average for the Canadian proxy group companies in terms of cash flow interest coverage and cash flow to debt.

Newfoundland Power has greater financial leverage in its capital structure and weaker credit metrics than the U.S. electric utility proxy group companies. Newfoundland Power's long-term issuer rating of Baa1 is also one notch lower than the U.S. electric utility proxy group average of A-. While credit rating agencies may be satisfied with the degree of regulatory and cash flow protection for debt investors, these weaker interest coverage and cash flow metrics expose equity investors to greater risk than their U.S. counterparts. As such, Newfoundland Power has greater financial risk than the U.S. proxy group.

III. BUSINESS RISK

A. Definition of Business Risk

Business risk for a regulated utility results from variability in cash flows and earnings that impact the ability of the utility to recover its costs including the fair return on, and of, its capital in a timely manner. Concentric includes operating risk and regulatory risk under this broad definition of business risk.

B. Analysis of Change in Business Risk Since 2012

In order to assess the change in business risk since the Company's 2012 GRA filing, Concentric examined the following factors: 1) the small size of Newfoundland Power relative to other investor-owned electric utilities; 2) macroeconomic and demographic trends in Newfoundland and Labrador; 3) operating risks associated with the Company's service territory, particularly the prevalence of severe weather conditions and the low population density of the service territory; 4) upcoming changes in the power supply of Newfoundland Power; and 5) competition from alternative fuels.



1 **1. Small Size**

2 I compared Newfoundland Power to other investor-owned electric utilities in Canada and the
3 operating companies in the U.S. electric utility proxy group, both in terms of retail electric
4 customers and 2014 net property, plant and equipment. Figure 4 shows that Newfoundland
5 Power has fewer retail customers than most investor-owned electric utilities in Canada and the
6 operating companies in the U.S. electric utility proxy group. Furthermore, in terms of 2014 net
7 property, plant and equipment, Newfoundland Power is smaller than other investor-owned
8 electric utilities in Canada with the exception of Maritime Electric, and is substantially smaller than
9 the electric utility operating companies in the U.S. proxy group except for Duke Energy Kentucky.
10 As such, Newfoundland Power has greater risk associated with adverse economic conditions in
11 the province that could result in reduced customer demand for electricity among residential and
12 commercial customers.



Figure 4: Small Size of Newfoundland Power

Retail Electric Customers and Net Property, Plant and Equipment

Company	Retail Electric Customers	2014 Net PP&E (\$ millions)
Newfoundland Power	259,000	984.3
Canadian Investor Owned Electrics		C\$
ATCO Electric Distribution	251,800	2,091.1
FortisAlberta	530,000	2,866.9
FortisBC Electric	166,000	1,419.2
Maritime Electric	78,000	362.5
Nova Scotia Power	503,700	3,276.4
U.S. Electric Proxy Group		US\$
Minnesota Power	145,000	2,995.6
Duke Energy Florida	1,700,000	9,955.0
Duke Energy Indiana	810,000	8,815.0
Duke Energy Kentucky	140,000	1,029.1
Duke Energy Carolinas – NC	3,200,000	20,089.2
Duke Energy Ohio	700,000	4,937.0
Duke Energy Carolinas – SC	730,000	4,582.8
Connecticut Light and Power	1,223,700	6,809.7
NSTAR Electric	1,179,900	5,335.4
Public Service of New Hampshire	504,000	2,635.8
Western Mass Electric	207,900	1,461.3
Kansas City Power and Light – KS	247,000	1,724.0
Kansas City Power and Light – MO	589,100	4,111.7
Oklahoma Gas and Electric - OK	811,200	6,941.5
Arizona Public Service	1,163,100	11,074.4
Kansas Gas and Electric	321,500	3,899.3
Westar Energy	374,500	4,542.1

The small size of Newfoundland Power also affects the terms of the Company's debt financing. Specifically, Newfoundland Power's debt issuances are typically in the range of \$75 million, while Canadian debt markets generally require a minimum issuance amount of \$100 million, and \$200



1 million to reach the liquid stage of the market. The Company's evidence also discusses how the
2 smaller size of debt issuances for Newfoundland Power contributes to liquidity issues in placing
3 the debt and in higher pricing differentials with long Canada bond yields.

4 As previously noted, the Board has recognized that the small size of Newfoundland Power limits
5 the Company's financial flexibility and makes it more risky than other electric utilities in Canada.
6 This finding has been used to support a higher than average common equity ratio. Nothing has
7 changed in this regard since the previous GRA filing.

8 **2. Macroeconomic and Demographic Trends**

9 According to the Conference Board of Canada's ("Conference Board") Long-Term Economic
10 Forecast, Newfoundland and Labrador is expected to post only modest economic growth over
11 the long-term, with GDP advancing at a compound annual growth rate of 0.8 percent between
12 2014 and 2035 – the lowest in Canada.¹³ The Conference Board projects that, while the Province
13 will continue to benefit from increased investment in natural resources, a declining population will
14 be a key driver of weak economic growth. In particular, the Conference Board observes that the
15 demographic situation in the province will remain one of the main impediments to stronger
16 economic growth over the long term.¹⁴ Population growth in Newfoundland and Labrador has
17 been positive over the past seven years, with the population increasing from about 510,000 in
18 2007 to more than 527,000 in 2014. However, the population is expected to start declining after
19 2019, putting pressure on employers trying to fill skilled positions and on the Province's health
20 care system as the population ages.¹⁵ In addition, the Conference Board notes that a decade of
21 escalating offshore royalties allowed the government to substantially reduce the level of debt per
22 capita in the Province. However, this trend has reversed over the past two years, as the
23 government of Newfoundland and Labrador has again posted deficits.¹⁶

¹³ The Conference Board of Canada, Provincial Outlook 2015, Long-Term Economic Forecast, March 2015, at pages 12-13.

¹⁴ *Ibid*, at 2.

¹⁵ *Ibid*, at 2-3.

¹⁶ *Ibid*, at 8-9.



Figure 5 compares Newfoundland and Labrador to Canada on a number of key macroeconomic indicators over the period from 2014-2035.

Figure 5: Key Economic Indicators¹⁷

Economic Indicator	NL 2014-2035	Canada 2014-2035
GDP Growth	0.8%	2.0%
Labor Force Growth	(0.8%)	0.8%
Population Growth	(0.2%)	1.0%
Employment Growth	(0.6%)	0.9%
Household Disposable Income	1.8%	3.6%
Retail Sales	2.3%	3.6%
Housing Starts	(7.7%)	(0.5%)

As shown in Figure 5, Newfoundland Power's business environment is characterized by weak long-term macroeconomic growth in the Province and declining population in the Company's service territory. Furthermore, Newfoundland and Labrador is projected to be weaker than Canada for each of these key economic indicators from 2014-2035.

In the near-term, the Conference Board reports that economic conditions in Canada are expected to weaken in 2015 as plummeting oil prices have a significant negative impact on the Canadian economy. In addition to low oil prices, economic growth will also be affected by weaker growth in household spending, a result of high debt levels and ongoing fiscal restraint at both the national and provincial levels.¹⁸ Although low oil prices provide a benefit to Canadian consumers, that benefit does not offset the negative impact that low crude prices have on the Canadian oil industry. Low oil prices and weak exports have led to a contraction in the provincial economy of Newfoundland and Labrador in the beginning of 2015.

As a result of these economic and demographic trends, it is more likely that Newfoundland Power's electric sales growth will be weaker in coming years even as the Company needs to continue investing capital to maintain and modernize its aging infrastructure so that service quality and reliability are not compromised. At the same time, as discussed in more detail later in this

¹⁷ The Conference Board of Canada, Provincial Outlook 2015, Long-Term Economic Forecast, March 2015, at pages 12-13 (Newfoundland and Labrador) and pages 124-125 (Canada).

¹⁸ *Ibid*, at i.



report, customer rates for electricity are expected to increase significantly due to higher power supply costs, placing even more pressure on electricity usage. For all of these reasons, it is important that Newfoundland Power be allowed to maintain a capital structure that reflects the risk associated with long-term macroeconomic and demographic trends in the Province.

3. Operating Risks

Newfoundland Power is an integrated electric utility serving approximately 259,000 residential and commercial customers on the island portion of Newfoundland and Labrador. In 2014, the Company had an electric rate base of approximately \$965 million and delivered 5,898 GWh of power. Newfoundland Power purchases approximately 93 percent of its electricity supply from Newfoundland and Labrador Hydro (“NLH”), while generating the remaining 7 percent using company-owned hydro-electric plants. One of the most important operating risks for Newfoundland Power is weather-related service disruptions. As described in the Company’s testimony, Newfoundland Power’s service territory is characterized by the most severe ice and wind conditions in the populated regions of Canada. The need to address supply disruptions caused by severe weather conditions involves unanticipated and potentially volatile capital and operating costs. Newfoundland Power’s capital structure and allowed ROE must provide the Company with the financial flexibility necessary to respond to unforeseen capital and operating costs in order to restore electric service promptly to customers.

Furthermore, Newfoundland Power’s load center is in and around St. John’s. As discussed in more detail in the next section on supply risk, NLH plans to shift a significant portion of its electric generation from the Holyrood plant to the Nalcor Energy Muskrat Falls development. The new electricity supply will be served by a new 1,100 kilometer transmission line, which will cross eight different climatic zones to reach St. John’s, thereby increasing the potential weather-related risk to Newfoundland Power’s electricity supply.

4. Power Supply Risk

Newfoundland Power is not allowed to develop new supply for the Province with the exception of emergency supply; only NLH is authorized to build generation. As mentioned above, NLH plans to shut down the Holyrood facility and replace it with the Muskrat Falls development in the



1 near term. The new Muskrat Falls generation and transmission facility is expected to cost
2 approximately \$9 billion, as compared to NLH's 2014 rate base of about \$1.6 billion. There are
3 questions about the reliability of NLH's current and future generation sources, as well as concerns
4 that the cost of the new power supply will have a significant impact on rates. With regard to the
5 reliability of NLH's generation, the Board is currently conducting an investigation into several
6 events that occurred in early 2014 which caused customers of Newfoundland Power to lose
7 electricity for a period of time. In particular, the Board has determined that the January 2014
8 outages were the result of NLH's lack of available generation capacity to meet customer demand,
9 resulting in a request for customer conservation and rotating power outages and subsequent
10 equipment failure on NLH's bulk transmission system resulting in further widespread outages.¹⁹
11 The Board has also expressed concern about the winter readiness of NLH's system, citing Liberty
12 Consulting Group's finding that "a continuing and unacceptably high risk of outages from such
13 causes remains for the 2015-2017 winter seasons."²⁰ As a result of these events, as many as 187,500
14 Newfoundland Power customers experienced outages including rotating power outages in January
15 2014.

16 With regard to the impact of Nalcor Energy's new generation plant at Muskrat Falls,
17 Newfoundland Power expects that electricity rates will increase substantially due to higher supply
18 costs. According to Newfoundland Power's evidence, power supply costs currently account for
19 approximately 64 percent of the Company's 2014 revenue. Newfoundland Power recovers
20 changes in power supply costs through the Rate Stabilization Account ("RSA"), which allows for
21 recovery of variations in NLH's production costs. The RSA also recovers or credits, as
22 appropriate, variations in Newfoundland Power's supply costs due to changes from test year
23 energy and demand costs. The RSA effectively limits Newfoundland Power's risk of recovery of
24 supply costs to approximately +/- \$640,000, which represents approximately 25 percent of the
25 range of return on rate base typically approved by the Board. By contrast, the vast majority of
26 distribution utilities in Canada and the U.S. are allowed to pass through all fuel and purchased
27 power costs, without limitation. Furthermore, Moody's and DBRS have both expressed concern

¹⁹ Newfoundland and Labrador Board of Commissioners of Public Utilities, *In the Matter of an Investigation and Hearing into Supply Issues and Power Outages on the Island Interconnected System*, Interim Report, May 15, 2014, at i.

²⁰ *Ibid*, at 4. The Board's interim report cites the Liberty Consulting Group report at ES-1.



1 with increasing business risk for Newfoundland Power due to higher supply costs, and how those
2 costs might impact customer demand for electricity and timely cost recovery for the Company.
3 For example, Moody's has commented on the power supply situation as follows:

4 The rating is consistent with NPI's financial metrics but reflects a cautionary
5 note related to our concern that the utility's future ability to fully recover costs
6 and earn returns may be compromised as the Province of Newfoundland and
7 Labrador undertakes development of the Muskrat Falls hydroelectric project
8 on the lower Churchill river and the related transmission infrastructure. This
9 politically charged project is large relative to the provincial economy and is
10 expected to place considerable upward pressure on future electricity rates.”²¹

11 In terms of both current and future reliability of the power supply and future electricity prices, it
12 is clear that Newfoundland Power's risk is higher now than it was at the time of the 2012 GRA
13 filing.

14 **5. Alternative Fuel Risk**

15 Currently, Newfoundland Power does not face significant competition from alternative fuel
16 sources. Approximately 66 percent of Newfoundland Power's residential customers use electricity
17 for space heating. Historically, large increases in the price of fuel oil combined with moderate
18 increases in the price of electricity have favored electric space heating. The increase in electric
19 space heating market share has had a direct impact on the growth in Newfoundland Power's
20 average electricity usage per residential customer and energy sales.

21 The completion of the Muskrat Falls development is expected to result in higher electricity prices
22 over the near term. Combined with the sharp decline in oil prices, there is greater potential that
23 the competitive advantage will shift away from electricity and negatively impact the electric space
24 heating market share of Newfoundland Power.

25 **6. Conclusions on Change in Business Risk Since 2012**

26 The business risk for Newfoundland Power is higher than it was in 2012 for the Company's
27 previous GRA filing. In particular, the risk associated with higher electricity prices has increased

²¹ Moody's Investors Service, Credit Opinion: Newfoundland Power, January 19, 2015, at 2.



substantially; the risk of more frequent supply disruptions and outages has increased, as noted by Liberty Consulting's report to the Board; the future electricity supply from NLH will be located farther from the load center, causing more uncertainty with regard to reliability; and the risk related to macroeconomic and demographic trends has increased as the Provincial economy is projected to experience weaker economic growth and an aging population/declining customer base over the next 20 years. This higher business risk profile magnifies the risk associated with the small size of Newfoundland Power and the limited possibilities for growth in the Company's service territory.

C. Comparison to other Canadian Investor-Owned Electric Utilities

Concentric also compared the business risk of Newfoundland Power to five other Canadian investor-owned electric utilities in order to assess whether the Company continues to be an average risk Canadian utility, as the Board has stated in previous decisions.²² Those five investor-owned electric utilities are: ATCO Electric; FortisAlberta; FortisBC Electric; Maritime Electric; and Nova Scotia Power.²³

In assessing the business risk of Newfoundland Power relative to other Canadian investor-owned electric utilities, Concentric considered the following factors:

- 1) Power supply risk and electricity prices;
- 2) Macro-economic and demographic conditions in the various service territories;
- 3) Volume/demand risk;
- 4) Competition from alternative fuels;
- 5) Regulatory environment; and
- 6) Capital and operating cost recovery.

1. Power Supply Risk

As discussed in the previous section, Newfoundland Power purchases approximately 93 percent of its power supply from NLH. The price of Newfoundland Power's electricity supply is expected to increase substantially as NLH shifts generation from Holyrood to the Muskrat Falls

²² Order No. P.U. 13(2013), at 17.

²³ Concentric did not include crown corporations in the risk comparison because crown corporations cannot be used for purposes of estimating the cost of equity since they are not publicly traded and no market data are available.



development. Newfoundland Power's RSA permits recovery of the difference between the marginal energy supply cost and the average energy supply cost, and effectively limits Newfoundland Power's risk of recovery of supply costs to +/- \$640,000, or approximately 25 percent of the range of return on rate base typically approved by the Board. The purpose of the RSA is to ensure that variations in NLH's production costs, which were captured in NLH's Rate Stabilization Plan, are recovered in or credited to Newfoundland Power's customer rates in a timely fashion.

Nova Scotia Power is the only Canadian investor-owned electric utility that owns significant regulated generation; it has an annual fuel adjustment mechanism that includes an incentive component whereby Nova Scotia Power retains or absorbs 10 percent of the over- or under-recovered amount up to a maximum of \$5 million. FortisBC Electric and Maritime Electric both own limited regulated generation; FortisBC Electric has an annual fuel and purchased power cost recovery mechanism, and Maritime Electric has a monthly fuel and purchased power cost recovery mechanism. The Alberta electric utilities, including ATCO Electric and FortisAlberta, are not responsible for the generation function.

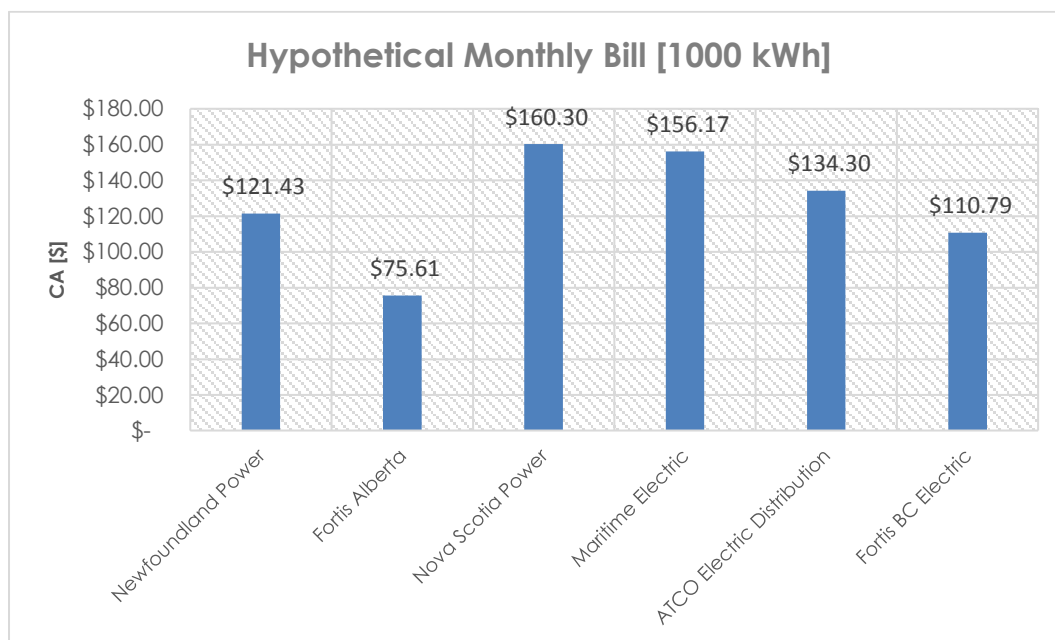
In summary, Newfoundland Power has more risk associated with recovery of variations in fuel or purchased power costs than other Canadian investor-owned electric utilities except for Nova Scotia Power. Moreover, we note that Newfoundland Power is uniquely dependent on a single source of electric supply, creating greater supply risk than utilities such as FortisBC, Nova Scotia Power, or the Alberta utilities that rely on a more diverse mix of generation and market sources.

2. Electricity Price Comparison

As discussed above, Newfoundland Power's electricity prices are expected to increase substantially when NLH shifts a significant portion of the power supply to the Muskrat Falls development. As shown on Figure 6, Newfoundland Power's residential electricity prices are currently lower than three of the five investor-owned electric utilities in Canada.



Figure 6: Residential Electricity Price Comparison



While prices for other Canadian investor-owned electric utilities are also expected to increase, the magnitude of the forecasted increase for Newfoundland Power is much higher than average. These higher prices typically result in lower electricity demand from customers, as well as more customers considering alternative sources of energy. It is reasonable to expect that the anticipated increase in electricity prices will place pressure on Newfoundland Power's demand, which could impact the Company's credit metrics and would inhibit the Company's ability to recover its authorized return on equity.

3. Macroeconomic and Demographic Conditions

Macroeconomic conditions in Newfoundland and Labrador are projected by the Conference Board to be generally weaker than other Canadian provinces for the period from 2014-2035. As shown in Figure 7, Concentric compared the projected macroeconomic conditions in Newfoundland and Labrador to those in the provinces where the other five investor-owned electric utilities are located, as well as Ontario and Quebec.



Figure 7: Key Economic Indicators – NL and Other Provinces²⁴

	NL	ALB	BC	NS	ONT	PEI	QC
GDP Growth at Market Prices	0.8%	2.0%	2.1%	1.1%	2.1%	1.4%	1.6%
Labor Force Growth	(0.8%)	1.1%	0.8%	(0.3%)	0.9%	0.1%	0.4%
Population Growth	(0.2%)	1.4%	1.0%	0.0%	1.1%	0.4%	0.7%
Employment Growth	(0.6%)	1.2%	0.9%	(0.1%)	1.0%	0.2%	0.5%
Disposable Income	1.8%	4.0%	3.9%	2.4%	3.8%	2.8%	3.0%
Retail Sales	2.3%	3.8%	3.7%	2.8%	3.7%	3.3%	3.3%
Housing Starts	(7.7%)	(1.3%)	(0.8%)	(3.5%)	1.2%	(3.3%)	(2.1%)

As shown in Figure 7, Newfoundland and Labrador has the lowest projected growth rate for each of the key economic indicators over the period from 2014-2035.

4. Volume/Demand Risk

In order to mitigate volume/demand risk, Newfoundland Power has a weather-related variance account that allows the Company to recover in a future period the difference between projected and actual revenues due to abnormal weather conditions in the test year. This variance account, however, does not take into consideration changes in demand caused by economic conditions, electricity prices, or energy efficiency and conservation programs.

By comparison, among Canadian investor-owned electric utilities, FortisBC Electric operates under a revenue stabilization plan that includes full protection against volumetric risk. Nova Scotia Power has a Fixed Cost Recovery deferral account that provides for recovery of lost revenues associated with two large industrial customers. ATCO Electric Distribution and FortisAlberta both are subject to a performance based regulation plan that adjusts revenues annually based on

²⁴ The Conference Board of Canada, Provincial Outlook 2015, Long Term Economic Forecast, March 2015.



1 inflation less a productivity factor; however, the PBR plan does not include protection against
2 changes in volume/demand. Maritime Electric has no protection against changes in
3 volume/demand. In summary, Newfoundland Power's weather-related variance account provides
4 less regulatory protection against changes in volume/demand than FortisBC, but more protection
5 than Nova Scotia Power, Maritime Electric, or the Alberta electric utilities. Newfoundland Power
6 has the highest market share of electric heating customers among Canadian investor-owned
7 electric utilities. The Company has been allowed to implement a weather-related variance account
8 to mitigate this risk. The Company's volumetric/demand risk is more analogous to a gas
9 distribution company than to the typical electric utility. Gas distribution companies typically have
10 weather normalization accounts.

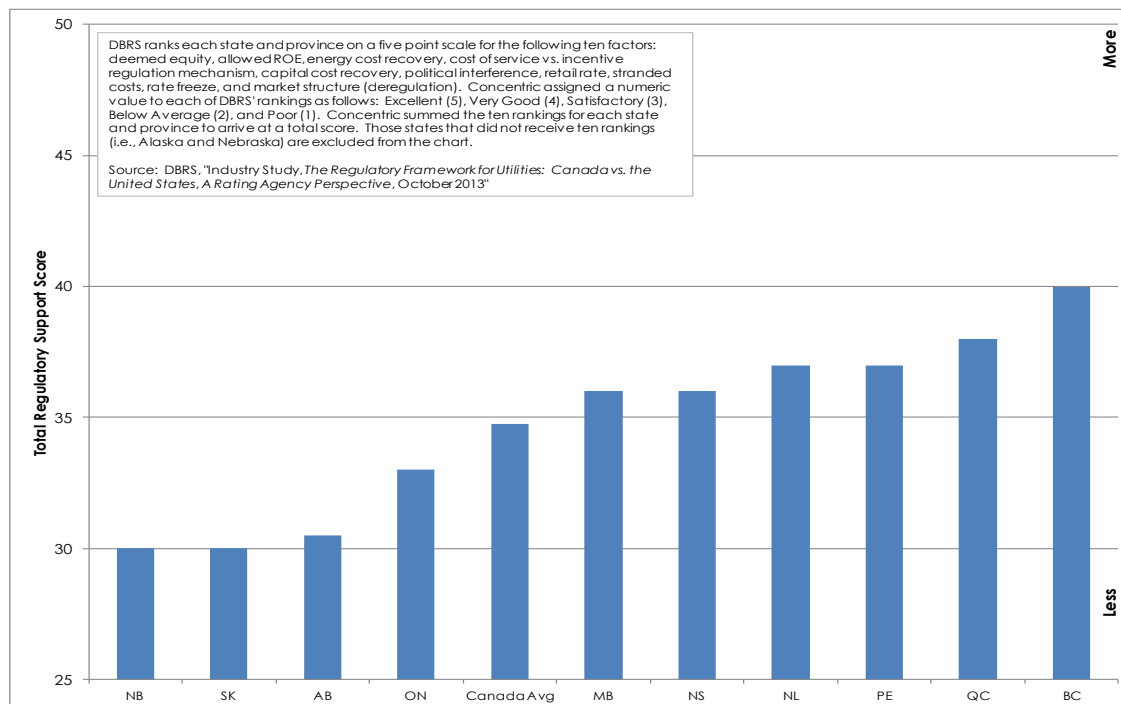
11 **5. Regulatory Environment**

12 According to an October 2013 DBRS report, the regulatory environment in Newfoundland and
13 Labrador is characterized as "Excellent" or "Very Good" on most factors with the exception of
14 Deemed Equity Ratio ("Below Average"), Allowed ROE ("Poor"), and Political Interference
15 ("Below Average").²⁵ Concentric has assigned numeric scores to each of the ten factors considered
16 by DBRS in order to derive a total score for each Canadian jurisdiction. On that basis,
17 Newfoundland and Labrador's score of 37.0 is slightly above the Canadian average of 35.0. British
18 Columbia and Quebec are the two Canadian provinces with higher scores than Newfoundland
19 and Labrador based on the DBRS data. Figure 8 shows the relative ranking of Canadian regulatory
20 environments.

²⁵ DBRS, "Industry Study: The Regulatory Framework for Utilities: Canada vs. the United States, A Rating Agency Perspective," October 2013, at 123.



Figure 8: Ranking of Regulatory Jurisdictions – Canada



6. Capital Cost Recovery

Newfoundland Power files a capital budget with the Board annually, which includes the Company's capital budget for the upcoming year, as well as a five year outlook. The Board reviews Newfoundland Power's capital plan and either approves the capital budget or modifies it. Similarly, Nova Scotia Power, FortisBC Electric, and Maritime Electric also file for pre-approval of capital expenditures. In Alberta, the Commission does not pre-approve capital spending plans for electric utilities, but it has allowed ATCO Electric and FortisAlberta to recover significant capital expenditures that are made between rate cases under the PBR plan. None of the electric utilities in Canada are allowed to earn a cash return on Construction Work in Progress, but all utilities are permitted AFUDC. In summary, Newfoundland Power has similar risk associated with capital cost recovery as other investor-owned electric utilities in Canada.

7. Operating Cost Recovery

Concentric has identified five categories of operating costs that tend to distinguish specific areas of costs where cost recovery mechanisms vary between jurisdictions. These are costs that (1) tend



to fluctuate substantially from year to year, (2) are significant in magnitude, and (3) are generally beyond the control of utility management. Regulators in Canada have typically used variance and deferral accounts to mitigate the risks associated with these types of costs. As shown in Figure 9, Newfoundland Power has deferral/variance accounts for pension expenses and energy efficiency and conservation costs, while other Canadian investor-owned electric utilities have varying levels of protection against these risks, with the exception of FortisAlberta, which does not have any deferral/variance accounts related to these costs.

Figure 9: Operating Cost Recovery Mechanisms

Cost	Pension/OPEB Expense	Bad Debt Expense	Storm Costs	Change in Interest Rates	Energy Efficiency and DSM
Newfoundland Power	Yes	No	No	No	Yes
ATCO Electric	Yes	No	Yes	Yes	No
FortisBC Electric	Yes	No	Yes	Yes	Yes
FortisAlberta	No	No	No	No	No
Maritime Electric	Yes	No	No	No	Yes
Nova Scotia Power	No	No	No	No	Yes

Importantly, while Newfoundland Power has protection against pension and retirement expenses, the Company does not have a storm-related deferral account like ATCO Electric and FortisBC Electric, despite operating in a service territory characterized by the most severe ice and wind storms in Canada.

8. Conclusions on Business Risk Compared to Other Canadian Electric Utilities

Concentric concludes that Newfoundland Power has above average business risk compared to other Canadian electric utilities. Further, Newfoundland Power's business risk has increased compared to other Canadian investor-owned electric utilities since its last GRA. In particular, factors contributing to this higher risk profile include Newfoundland Power's small size, dependence on one supplier, weather and storm related risk, and weaker macroeconomic and demographic trends in the province as compared to the remainder of Canada. While the regulatory framework in Newfoundland and Labrador is generally supportive of maintaining credit quality, there are certain aspects of the operating environment where Newfoundland Power has higher business risk than other Canadian investor-owned electric utilities. For example, the small size of



Newfoundland Power in terms of retail customers and revenues from electric utility service makes the Company more vulnerable to changes in customer demand due to economic and demographic conditions in the Province. Furthermore, the rising cost of the electricity supply for Newfoundland Power is expected to contribute to a substantial increase in electricity rates, which places significant pressure on customer demand and raises uncertainty with regard to cost recovery. Compared to other electric utilities in Canada, Newfoundland Power has more risk associated with variations in purchased power costs due to the limitations associated with the Revenue Stabilization Account. As mentioned, Newfoundland Power is exposed to elevated storm-related risk in its service territory, but does not have regulatory protection that ensures recovery of unanticipated storm-related costs through a deferral account, unlike several other electric utilities in Canada.

D. Comparison to U.S. Electric Utility Proxy Group

1. Regulated Electric Utility Operations

Newfoundland Power derives 100 percent of its operating income and revenues from regulated electric utility service. As shown in Exhibit JMC-3, the U.S. electric utility proxy group companies derive approximately 98 percent of regulated income and 97 percent of regulated revenues from electric utility service, and approximately 96 percent of regulated assets are dedicated to electric utility operations. For this reason, Concentric believes that the U.S. electric utility proxy group is more representative of Newfoundland Power's electric utility operations than the Canadian proxy group companies, which generally derive substantially lower percentages of operating income and revenues from electric utility service, and have a lower percentage of assets dedicated to electric utility operations.

Exhibit JMC-4 presents a summary of several operating statistics for the companies in the U.S. electric utility proxy group, including: 1) the state(s) in which the utility provides service; 2) the S&P credit rating for each operating company; 3) the 2014 regulated electric revenues for each operating company; and 4) the number of retail distribution customers served. In that regard, Newfoundland Power is smaller in terms of 2014 regulated electric revenues and retail distribution customers than the vast majority of operating companies in the U.S. electric utility proxy group.



1 **2. Credit Rating Agency View on U.S. Regulatory Framework**

2 In September 2013, Moody's issued a report discussing its evolving view of U.S. utility regulation.

3 In that report, Moody's stated:

4 Based on our observations of trends and events, we propose to adopt a
5 generally more favorable view of the relative credit supportiveness of the U.S.
6 utility regulatory environment. Our updated view considers improving
7 regulatory trends that include the increased prevalence of automatic cost
8 recovery provisions, reduced regulatory lag, and generally fair and open
9 relationships between utilities and regulators.

10 ***

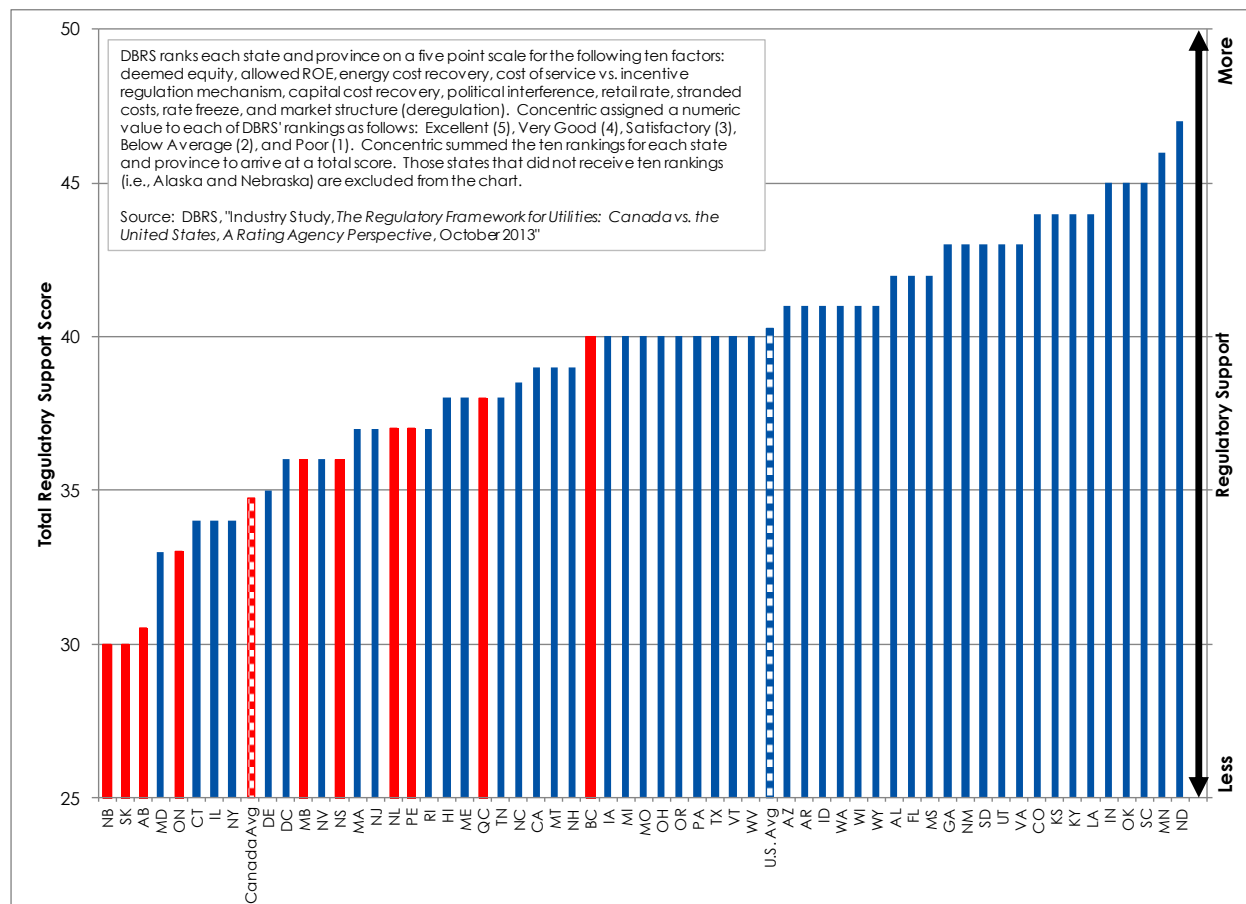
11 Our revised view that the regulatory environment and timely recovery of costs
12 is in most cases more reliable than we previously believed is expected to lead
13 to a one notch upgrade of most regulated utilities in the U.S., with some
14 exceptions. This evolving view is independent of the proposed changes in the
15 methodology that are highlighted in the Summary section that follows, and
16 would have taken place even if the 2009 methodology were to remain in place
17 without modification.²⁶

18 As discussed previously, DBRS ranked each U.S. state and Canadian province in an October 2013
19 report. Figure 10 compares the regulatory environment in Newfoundland and Labrador to that
20 in Canada and the U.S. As shown in Figure 10, the regulatory environment in Newfoundland and
21 Labrador of 37.0 ranks higher than the Canadian average of 35.0 but lower than the U.S. average
22 of slightly above 40.0.

²⁶ "Proposed Refinements to the Regulated Utilities Rating Methodology and our Evolving View of US Utility Regulation," Moody's Investors Service, September 23, 2013, at 1.



Figure 10: Ranking of Regulatory Jurisdictions – U.S. and Canada



3. Comparison to U.S. Electric Utility Proxy Group

As a preliminary matter, Concentric notes that from the investors' perspective, both short-term and long-term risk is important. Regulation generally is better at addressing short-term risk, whereas long-term risk cannot be mitigated as effectively by regulation. For example, changes in competitive positioning vs. alternative fuels, shifts in service area demographics, or policy mandates impacting long-term business prospects may not be fully protected. In order to compare the business risk for Newfoundland Power to the U.S. electric utility proxy group, Concentric assessed the following factors:

- (1) Regulated generation risk;
- (2) Fuel and purchased power cost risk;
- (3) Volume/demand risk;



- 1 (4) Capital cost recovery risk;
2 (5) Rate regulation and earnings sharing;
3 (6) Regulatory lag; and
4 (7) Operating cost recovery mechanisms.

5 Detailed results for each company in the U.S. Electric utility proxy group are presented in Exhibit
6 JMC-5, Schedules 1-6. The following briefly summarizes our conclusions with regard to the major
7 categories of business risk for Newfoundland Power relative to the U.S. electric utility proxy
8 group:

9 (1) Regulated generation risk: Newfoundland Power owns limited regulated generation assets
10 and therefore has lower generation risk than the U.S. electric utility proxy group operating
11 companies, the majority of which own regulated generation assets. See Exhibit JMC 5,
12 Schedule 1.

13 (2) Fuel and purchased power cost risk: Newfoundland Power purchases approximately 93
14 percent of its power supply from NLH and generates the remaining 7 percent of its energy
15 supply from Company-owned hydro-electric plants. The Company is allowed to recover
16 variations in NLH's production costs in a timely fashion through the Rate Stabilization
17 Account, subject to certain limitations described previously. All of the electric utility
18 companies in the U.S. proxy group have fuel adjustment clauses that allow them to pass
19 through fuel and purchased power costs to customers. As such, the U.S. electric utility
20 companies are not at risk for differences between the projected and actual cost of fuel and
21 purchased power. We note that Newfoundland Power's predominant reliance on a single
22 source of power places it at greater risk of supply disruptions than the average U.S. utilities,
23 and the effective limitations on Newfoundland Power's RSA constrain the Company's ability
24 to recover variations in purchased power costs. See Exhibit JMC-5, Schedule 1.

25 (3) Volume/demand risk: Newfoundland Power has a weather normalization adjustment
26 clause which provides regulatory protection against changes in volume/demand caused by
27 abnormal weather conditions. By comparison, about 17 percent of the operating companies
28 in the U.S. electric utility proxy group (based on percentage of customers served) have full



1 revenue decoupling mechanisms, while another 24 percent have partial decoupling or Lost
2 Revenue Adjustment Mechanisms. See Exhibit JMC-5, Schedule 2.

3 (4) Capital cost recovery risk: Newfoundland Power annually files a capital investment plan
4 with the Board, and the Board approves a specified amount that will be recoverable in future
5 rates. Approximately 50 percent of the operating companies in the U.S. electric utility proxy
6 group (based on percentage of customers served) also receive pre-approval for capital
7 expenditures. More than 70 percent of the operating companies in the U.S. proxy group are
8 allowed to earn a cash return on Construction Work in Progress, and 52 percent have cost
9 tracking mechanisms that allow them to recover capital costs between rate cases.
10 Newfoundland Power does not have any capital tracking mechanisms, and is allowed to earn
11 AFUDC on capital costs rather than a cash return on CWIP. See Exhibit JMC-5, Schedule 3.

12 (5) Rate regulation and earnings sharing: Newfoundland Power has historically operated under
13 cost-of-service regulation, and has been required to segregate for customer's benefit 100
14 percent of excess earnings above authorized levels. Among the U.S. electric utility proxy
15 group, 100 percent of the operating companies are currently under cost of service regulation,
16 and 29 percent have an earning sharing mechanism while the other 71 percent absorb earnings
17 above or below the authorized level. See Exhibit JMC-5, Schedule 4.

18 (6) Regulatory lag: Newfoundland Power files rate applications based on a forecasted test
19 year, while 81 percent of operating companies in the U.S. proxy group use historical test years
20 adjusted for known and measurable changes. Newfoundland Power's revenue requirement is
21 determined based on average rate base, while 82 percent of operating companies in the U.S.
22 proxy group use year-end rate base, which provides more timely recovery of capital
23 investments. Newfoundland Power may request interim rates under exceptional
24 circumstances (i.e., financial emergency), but has never done so. By comparison 44 percent
25 of operating companies in the U.S. proxy group are permitted to implement interim rates on
26 a routine basis, and the other 56 percent are allowed interim rates if the financial integrity of
27 the utility would be harmed without interim rates. See Exhibit JMC-5, Schedule 5.

28 (7) Operating cost recovery mechanisms: Newfoundland Power has been allowed to
29 implement a number of deferral and variance accounts; likewise, the operating companies in



the U.S. proxy group enjoy similar regulatory protection against specific categories of costs that tend to fluctuate significantly from year to year, are material in nature, and are beyond the control of utility management. For example, Newfoundland Power has an account for recovery of energy efficiency and conservation costs, and 76 percent of operating companies in the U.S. proxy group also have an account for this purpose. A notable exception is that Newfoundland Power has limited protection against storm-related costs (both operating and capital costs), which tend to be a significant risk factor in any given year due to harsh climate conditions in the Province. Newfoundland Power is allowed to place storm-related capital investments in rate base, but cost recovery of that capital investment is delayed until the next rate case. Such regulatory protection is widely available to the companies in the U.S. electric utility proxy group, with 69 percent of the operating companies having a storm-cost recovery account. See Exhibit JMC-5, Schedule 6.

In addition to these short-term risks, as discussed previously, Newfoundland Power has higher long-term business risk than the U.S. proxy group companies due to (1) unfavorable demographic trends (e.g., Newfoundland Power serves an island where the population is aging and is expected to decline in absolute terms over the next 20 years), and (2) the fact that macroeconomic growth is projected to be weak in the Province over the next 20 years. In addition, Newfoundland Power's service territory is exposed to severe weather conditions, especially wind and ice storms that create significant risk that Newfoundland Power will incur substantial capital and operating costs to restore service in any given year.

4. Conclusions on Business Risk of Newfoundland Power Compared to U.S.

Electric Utility Proxy Group

Based on the business risk analysis, Concentric concludes Newfoundland Power has somewhat higher business risk than the proxy group of U.S. electric utility companies. In particular, factors contributing to this higher risk profile include Newfoundland Power's small size, dependence on one supplier, and weather and storm related risk. Newfoundland Power has similar business risk to the U.S. electric utility proxy group on most factors that affect the short and intermediate term variability of earnings and cash flows. Notable differences include: a) the approval of CWIP in rate base for companies in the U.S. proxy group; b) the use of forecasted test years for



Newfoundland Power; and c) the prevalence of storm cost trackers for the U.S. proxy group. Further, Newfoundland Power faces a less favorable economic and demographic environment, as well as a more severe operating environment and smaller size.

One distinguishable difference in business risk between Newfoundland Power and the U.S. proxy group is the higher percentage of U.S. proxy group companies that own regulated generation assets. However, Newfoundland Power has an offsetting risk related to its reliance on a single source of electric supply. On balance, Newfoundland Power's business risk is somewhat higher than the operating companies in the U.S. electric utility proxy group that would cause an investor to assign a higher risk profile to Newfoundland Power.

IV. RISK ANALYSIS CONCLUSIONS

Based on the results of the financial and business risk analyses discussed throughout this report, Concentric recommends that the Board find that:

- The business risk of Newfoundland Power is higher than that of other Canadian investor-owned electric utilities;
- The business risk of Newfoundland Power is higher than at the time of the last GRA in 2012;
- The small size of Newfoundland Power and the operating challenges of providing electricity in the Company's service territory continues to support a higher common equity ratio than other investor-owned electric utilities in Canada;
- Certain factors suggest that the business risk for Newfoundland Power is likely to increase as the cost of the Company's power supply increases, and as demographic and macroeconomic trends in the Province turn less favorable;
- Regulatory protections to mitigate business risk for Newfoundland Power generally are similar to those for the operating companies in the U.S. electric utility proxy group;



- The financial risk of Newfoundland Power with 45 percent common equity is comparable to that of the Canadian proxy group and somewhat higher than the U.S. electric utility proxy group, based on an analysis of deemed equity ratios and key cash flow and interest coverage metrics; and

Based on the foregoing, I conclude that the current deemed common equity ratio for Newfoundland Power of 45.0 percent remains the minimum appropriate level given these relative financial and business risks.

Proxy Group Stats

U.S. Proxy Group	S&P Rating	Bloomberg Beta [2]	Operating Company	Authorized ROE	Allowed Equity Ratio	Decision Date
ALLETE, Inc.	BBB+	0.71	Minnesota Power	10.38%	54.29%	11/2/2010
Duke Energy Corporation	A-	0.49	Duke Energy Florida	10.50%	46.74%	3/5/2010
			Duke Energy Indiana	10.50%	44.44%	5/18/2004
			Duke Energy Kentucky	N/A [1]	N/A [1]	12/21/2006
			Duke Energy Carolinas - NC	10.20%	53.00%	9/24/2013
			Duke Energy Carolinas - SC	10.20%	53.00%	9/11/2013
			Duke Energy Ohio	9.84%	53.30%	5/1/2013
Eversource Energy	A	0.65	Connecticut Light and Power	9.17%	50.38%	12/17/2014
			NSTAR Electric	10.50%	N/A [1]	12/30/2005
			Public Service of New Hampshire	9.67%	52.40%	6/28/2010
			Western Mass. Electric	9.60%	50.70%	1/31/2011
Great Plains Energy Inc.	BBB+	0.72	Kansas City Power and Light - KS	9.30%	50.48%	9/10/2015
			Kansas City Power and Light - MO	9.50%	50.09%	9/2/2015
OG&E Energy Corporation	A-	0.77	Oklahoma Gas and Electric - OK	10.20%	N/A [1]	7/9/2012
Pinnacle West Capital Corp.	A-	0.69	Arizona Public Service	10.00%	53.94%	5/15/2012
Westar Energy, Inc.	BBB+	0.65	Kansas Gas and Electric	10.40%	50.13%	1/27/2010
			Westar Energy	10.00%	52.63%	11/21/2013
Average	A-	0.67		10.00%	51.11%	

Canadian Proxy Group	S&P Rating	Bloomberg Beta [2]	Operating Company	Authorized ROE	Deemed Equity Ratio	Decision Date
Canadian Utilities	A	0.68	ATCO Electric Distribution	8.30%	38.00%	3/23/2015
Emera Corp.	BBB+	0.59	Nova Scotia Power Inc.	9.00%	37.50%	12/21/2012 also has 3.8% preferred
Enbridge, Inc.	A-	1.05	Enbridge Gas Distribution, Inc.	9.30%	36.00%	11/20/2014
Valener, Inc.	A-	0.43	Gaz Metro QDA	8.90%	38.50%	5/16/2014 also has 7.5% preferred
Average	A-	0.69		8.88%	37.50%	
Fortis, Inc.	A-	0.48	Newfoundland Power	8.80%	45.00%	4/17/2013

Notes:

[1] Not specified in most recent rate case, which was resolved through settlement agreement.

[2] Bloomberg beta as of July 31, 2015.

Company Name	Ticker	Debt to Capital Ratio	EBITDA to Interest Coverage	FFO to Interest Coverage	FFO / Debt (%)	Debt to EBITDA
Newfoundland Power		[1] 55%	4.52	3.61	17.5%	3.30
		<u>U.S. Proxy Group</u>				
ALLETE, Inc.	ALE	49%	4.92	3.90	18.9%	4.19
Duke Energy Corporation	DUK	53%	4.42	3.95	18.4%	4.86
Eversource Energy	ES	53%	5.18	4.07	16.5%	4.75
Great Plains Energy Inc	GXP	57%	4.13	3.15	16.5%	4.60
OG&E Energy Corp	OGE	49%	5.78	4.86	25.8%	3.26
Pinnacle West Capital Corp	PNW	48%	5.12	3.89	25.7%	2.95
Westar Energy, Inc	WR	56%	4.68	3.67	19.4%	4.04
U.S. Proxy Group		52%	4.89	3.92	20.2%	4.09
		<u>Canadian Proxy Group</u>				
Canadian Utilities Limited	CU	63%	3.69	4.48	13.4%	5.18
Emera Incorporated	EMA	59%	5.13	5.13	17.8%	4.19
Enbridge Inc.	ENB	69%	3.55	2.57	10.0%	7.25
Valener, Inc.	VNR	[2] 68%	N/A	N/A	33.6%	2.30
Canadian Proxy Group		65%	4.12	4.06	18.7%	4.73

Notes & Sources:

Unless otherwise noted, all values are based on Standard and Poor's adjusted credit metrics for the holding-company

[1] Provided by Newfoundland Power in response to data request.

[2] Credit metrics for Valener are for 2013; the S&P report does not include interest coverage metrics for Valener.

2014 % Regulated

Utility	% Regulated Income	% Electric Revenues	% Electric Income	% Electric Assets
ALLETE, Inc.	97%	97%	97%	99%
Duke Energy Corporation	100%	98%	97%	97%
Eversource Energy	100%	87%	91%	89%
Great Plains Energy, Inc.	100%	100%	100%	100%
OG&E Energy Corp	100%	100%	100%	85%
Pinnacle West Capital	100%	100%	100%	100%
Westar Energy	100%	100%	100%	100%
U.S. Proxy Group Average	100%	97%	98%	96%

Note: Percentage of operating income may exceed 100% due to losses at affiliates.

Operating Stats

U.S. Proxy Group	Ticker	Operating Utility	State	S&P Credit Rating (Operating Utility)	2014 Regulated Electric Revenues US\$	2014 Retail Customers	Notes
ALLETE, Inc.	ALE	Minnesota Power	MN	BBB+	956,416,000	144,000	[1]
Duke Energy Corporation	DUK	Duke Energy Florida	FL	A-	4,975,000,000	1,700,000	[2]
		Duke Energy Indiana	IN	A-	3,175,000,000	810,000	
		Duke Energy Kentucky	KY	A-	368,894,000	140,000	
		Duke Energy Carolinas - NC	NC	A-	5,985,551,750	3,200,000	
		Duke Energy Carolinas - SC	SC	A-	1,365,448,250	730,000	
		Duke Energy Ohio	OH	A-	1,316,000,000	700,000	
Eversource Energy	ES	Connecticut Light and Power	CT	A	2,545,794,000	1,223,743	
		NSTAR Electric	MA	A	2,382,578,000	1,179,867	
		Public Service of New Hampshire	NH	A	888,459,000	504,000	
		Western Mass. Electric	MA	A	417,449,000	207,877	
Great Plains Energy Inc.	GXP	Kansas City Power and Light - KS	KS	BBB+	973,347,800	316,800	[2]
		Kansas City Power and Light - MO	MO	BBB+	1,594,852,200	519,100	[2]
OG&E Energy Corporation	OGE	Oklahoma Gas and Electric - OK	OK	A-	2,453,100,000	814,982	
Pinnacle West Capital Corp.	PNW	Arizona Public Service	AZ	A-	3,488,946,000	1,163,079	
Westar Energy, Inc.	WR	Kansas Gas and Electric	KS	BBB+	771,687,000	321,501	
		Westar Energy	KS	BBB+	1,014,778,000	374,472	

Canadian Proxy Group	Ticker	Operating Utility	Province	S&P Credit Rating (Operating Utility)	C\$ 2014 Regulated Revenue	2014 Retail Customers	
Canadian Utilities Ltd.	CU	ATCO Electric Ltd.	AB	A	1,061,006,000	251,755	[1]
Emera, Inc.	EMA	Nova Scotia Power	NS	BBB+	1,319,200,000	503,676	
Enbridge	ENB	Enbridge Gas Distribution	ON	BBB+	3,200,000,000	2,098,145	[3]
Valener, Inc.	VNR	Gaz Metro QDA	QC	A	1,561,700,000	195,617	[3]
Fortis, Inc.		Newfoundland Power	NL	BBB+	227,000,000	259,000	[1]

Notes

[1] S&P credit rating is for ALLETE Inc., Canadian Utilities Ltd., and Fortis, Inc.

[2] Regulated electric revenues allocated between states based on percentage of retail customers.

[3] Regulated revenues and number of customers are from gas distribution operations.

* Revenue for U.S. utilities shown in US\$; Revenue for Canadian utilities shown in CAN\$

Regulated Generation

U.S. Proxy Group		Operating Utility	State	Regulated Generation	Fuel/PP Costs	Customers
ALLETE, Inc.	ALE	Minnesota Power	MN	Yes	Monthly	144,000
Duke Energy Corporation	DUK	Duke Energy Florida	FL	Yes	Annually	1,700,000
		Duke Energy Indiana	IN	Yes	Quarterly	810,000
		Duke Energy Kentucky	KY	Yes	Monthly	140,000
		Duke Energy Carolinas - NC	NC	Yes	Annually	3,200,000
		Duke Energy Carolinas - SC	SC	Yes	Monthly	730,000
		Duke Energy Ohio	OH	No	N/A	700,000
Eversource Energy	ES	Connecticut Light and Power	CT	No	Bi-Annual	1,223,743
		NSTAR Electric	MA	No	Bi-Annual	1,179,867
		Public Service of New Hampshire	NH	Yes	Annually	504,000
		Western Mass. Electric	MA	Limited	Bi-Annual	207,877
Great Plains Energy Inc.	GXP	Kansas City Power and Light - KS	KS	Yes	Monthly	316,800
		Kansas City Power and Light - MO	MO	Yes	Bi-Annual	519,100
OG&E Energy Corporation	OGE	Oklahoma Gas and Electric - OK	OK	Yes	Bi-Annual	814,982
Pinnacle West Capital Corp.	PNW	Arizona Public Service	AZ	Yes	Annually	1,163,079
Westar Energy, Inc.	WR	Kansas Gas and Electric	KS	Yes	Quarterly	321,501
		Westar Energy	KS	Yes	Quarterly	374,472
Canadian Proxy Group		Utility	Province			
Canadian Utilities Ltd.	CU	ATCO Electric Distribution	AB	No	N/A	251,755
Emera, Inc.	EMA	Nova Scotia Power	NS	Yes	Annually	503,676
Enbridge	ENB	Enbridge Gas Distribution	ON	N/A	Quarterly	2,098,145
Valener, Inc.	VNR	Gaz Metro	QC	N/A	Monthly	195,617
Fortis, Inc		Newfoundland Power	NL	Limited	Monthly	259,000

	U.S.	Canada
Total Number of Customers	12,886,342	755,431
Own Regulated Generation	74.30%	66.67%
Own Limited Generation	1.61%	0.00%
Do not own Generation	24.08%	33.33%

Volume/Demand Risk

U.S. Proxy Group		Operating Utility	State	Full Decoupling	Partial Decoupling or LRAM	Weather Norm	Customers
ALLETE, Inc.	ALE	Minnesota Power	MN	No	No	No	144,000
Duke Energy Corporation	DUK	Duke Energy Florida	FL	No	No	No	1,700,000
		Duke Energy Indiana	IN	No	Yes	No	810,000
		Duke Energy Kentucky	KY	No	Yes	No	140,000
		Duke Energy Carolinas - NC	NC	No	No	No	3,200,000
		Duke Energy Carolinas - SC	SC	No	No	No	730,000
		Duke Energy Ohio	OH	Yes	No	No	700,000
Eversource Energy	ES	Connecticut Light and Power	CT	Yes	No	No	1,223,743
		NSTAR Electric	MA	No	No	No	1,179,867
		Public Service of New Hampshire	NH	No	No	No	504,000
		Western Mass. Electric	MA	Yes	No	No	207,877
Great Plains Energy Inc.	GXP	Kansas City Power and Light - KS	KS	No	No	No	316,800
		Kansas City Power and Light - MO	MO	No	Yes	No	519,100
OG&E Energy Corp	OGE	Oklahoma Gas and Electric	OK	No	Yes	No	814,982
Pinnacle West Capital	PNW	Arizona Public Service	AZ	No	Yes	No	1,163,079
Westar Energy, Inc.	WR	Kansas Gas and Electric	KS	No	Yes	No	321,501
		Westar Energy	KS	No	Yes	No	374,472
<hr/>							
Canadian Proxy Group		Utility	Province				
Canadian Utilities Ltd.	CU	ATCO Electric Distribution	AB	No	No	No	251,755
Emera, Inc.	EMA	Nova Scotia Power	NS	No	Yes	No	503,676
Enbridge	ENB	Enbridge Gas Distribution	ON	No	Yes	No	2,098,145
Valener, Inc.	VNR	Gaz Metro	QC	No	No	Yes	195,617
<hr/>							
Fortis, Inc.		Newfoundland Power	NL	No	No	Yes	259,000

	U.S.	Canada
Total Number of Customers	12,886,342	3,049,193
Full Decoupling	16.54%	0.00%
Partial Decoupling or LRAM	23.13%	85.33%
Weather Normalization	0.00%	6.42%

Capital Cost Recovery Risk

U.S. Proxy Group		Operating Utility	State	Pre-Approval	CWIP	AFUDC	Cost Tracking Mechanism	Customers
ALLETE, Inc.	ALE	Minnesota Power	MN	No	Limited	Yes	Yes	144,000
Duke Energy Corporation	DUK	Duke Energy Florida	FL	Yes	Yes	Yes	Yes	1,700,000
		Duke Energy Indiana	IN	No	Yes	Yes	Yes	810,000
		Duke Energy Kentucky	KY	No	Yes	Yes	No	140,000
		Duke Energy Carolinas - NC	NC	Yes	Yes	Yes	No	3,200,000
		Duke Energy Carolinas - SC	SC	Yes	Yes	Yes	No	730,000
		Duke Energy Ohio	OH	No	Yes	Yes	Yes	700,000
Eversource Energy	ES	Connecticut Light and Power	CT	No	No	Yes	No	1,223,743
		NSTAR Electric	MA	No	No	Yes	Yes	1,179,867
		Public Service of New Hampshire	NH	No	No	Yes	Yes	504,000
		Western Mass. Electric	MA	No	No	Yes	Yes	207,877
Great Plains Energy Inc.	GXP	Kansas City Power and Light - KS	KS	No	Yes	Yes	No	316,800
		Kansas City Power and Light - MO	MO	No	No	Yes	No	519,100
OG&E Energy Corp	OGE	Oklahoma Gas and Electric	OK	Yes	Yes	Yes	Yes	814,982
Pinnacle West Capital	PNW	Arizona Public Service	AZ	No	No	Yes	Yes	1,163,079
Westar Energy, Inc.	WR	Kansas Gas and Electric	KS	No	Yes	Yes	Yes	321,501
		Westar Energy	KS	No	Yes	Yes	Yes	374,472

Canadian Proxy Group		Utility	Province	Pre-Approval	CWIP	AFUDC	Cost Tracking Mechanism	Customers
Canadian Utilities Ltd.	CU	ATCO Electric Distribution	AB	No	No	Yes	Yes	251,755
Emera, Inc.	EMA	Nova Scotia Power	NS	No	No	Yes	No	503,676
Enbridge	ENB	Enbridge Gas Distribution	ON	Yes	No	Yes	Yes	2,098,145
Valener, Inc.	VNR	Gaz Metro	QC	Yes	No	Yes	No	195,617
Fortis, Inc.		Newfoundland Power	NL	Yes	No	Yes	No	259,000

	U.S.	Canada
Total Number of Customers	12,886,342	3,049,193
Pre-Approval of Capital Projects	50.01%	75.23%
CWIP in Rate Base	70.68%	0.00%
AFUDC	100.00%	100.00%
Cost Tracking Mechanism	52.43%	77.07%

Rate Regulation and Earnings Sharing

U.S. Proxy Group		Operating Utility	State	Cost of Svc	Incentive Reg	ESM	# of Customers
ALLETE, Inc.	ALE	Minnesota Power	MN	Yes	No	No	144,000
Duke Energy Corporation	DUK	Duke Energy Florida	FL	Yes	No	No	1,700,000
		Duke Energy Indiana	IN	Yes	No	Yes	810,000
		Duke Energy Kentucky	KY	Yes	No	No	140,000
		Duke Energy Carolinas - NC	NC	Yes	No	No	3,200,000
		Duke Energy Carolinas - SC	SC	Yes	No	No	730,000
		Duke Energy Ohio	OH	Yes	No	No	700,000
Eversource Energy	ES	Connecticut Light and Power	CT	Yes	No	Yes	1,223,743
		NSTAR Electric	MA	Yes	No	Yes	1,179,867
		Public Service of New Hampshire	NH	Yes	No	Yes	504,000
		Western Mass. Electric	MA	Yes	No	No	207,877
Great Plains Energy Inc.	GXP	Kansas City Power and Light - KS	KS	Yes	No	No	316,800
		Kansas City Power and Light - MO	MO	Yes	No	No	519,100
OG&E Energy Corp	OGE	Oklahoma Gas and Electric	OK	Yes	No	No	814,982
Pinnacle West Capital	PNW	Arizona Public Service	AZ	Yes	No	No	1,163,079
Westar Energy, Inc.	WR	Kansas Gas and Electric	KS	Yes	No	No	321,501
		Westar Energy	KS	Yes	No	No	374,472

Canadian Proxy Group		Utility	Province				
Canadian Utilities Ltd.	CU	ATCO Electric Distribution	AB	No	Yes	No	251,755
Emera, Inc.	EMA	Nova Scotia Power	NS	Yes	No	No	503,676
Enbridge	ENB	Enbridge Gas Distribution	ON	No	Yes	Yes	2,098,145
Valener, Inc.	VNR	Gaz Metro	QC	Yes	No	Yes	195,617

Fortis, Inc.		Newfoundland Power	NL	Yes	No	Yes	259,000
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	U.S.	Canada
Total Number of Customers	12,886,342	3,049,193
Cost of Service Regulation	100.00%	22.93%
Incentive Regulation Plan	0.00%	77.07%
Earnings Sharing Mechanism	28.85%	75.23%

Incentive Regulation includes performance-based, multi-year, and formula rate plans.

Regulatory Lag

U.S. Proxy Group		Operating Utility	State	Test Year	Interim Rates	Rate Base	Rate Case Lag (months)	Customers
ALLETE, Inc.	ALE	Minnesota Power	MN	Partial Forecast	Yes	Average	12	144,000
Duke Energy Corporation	DUK	Duke Energy Florida	FL	Forecast	Yes	Average	11	1,700,000
		Duke Energy Indiana	IN	Historical	Yes	Year-end	16	810,000
		Duke Energy Kentucky	KY	Historical	Emergency	Year-end	6	140,000
		Duke Energy Carolinas - NC	NC	Historical	Emergency	Year-end	7	3,200,000
		Duke Energy Carolinas - SC	SC	Historical	Yes	Year-end	5	730,000
		Duke Energy Ohio	OH	Historical	Emergency	Year-end	9	700,000
Eversource Energy	ES	Connecticut Light and Power	CT	Historical	Emergency	Year-end	6	1,223,743
		NSTAR Electric	MA	Historical	Emergency	Year-end	6	1,179,867
		Public Service of New Hampshire	NH	Historical	Yes	Average	12	504,000
		Western Mass. Electric	MA	Historical	Emergency	Year-end	6	207,877
Great Plains Energy Inc.	GXP	Kansas City Power and Light - KS	KS	Historical	Yes	Year-end	7	316,800
		Kansas City Power and Light - MO	MO	Partial Forecast	Emergency	Year-end	10	519,100
OG&E Energy Corp	OGE	Oklahoma Gas and Electric	OK	Historical	Yes	Year-end	11	814,982
Pinnacle West Capital	PNW	Arizona Public Service	AZ	Historical	Yes	Year-end	11	1,163,079
Westar Energy, Inc.	WR	Kansas Gas and Electric	KS	Historical	Yes	Year-end	7	321,501
		Westar Energy	KS	Historical	Yes	Year-end	7	374,472

Canadian Proxy Group		Utility	Province					
Canadian Utilities Ltd.	CU	ATCO Electric Distribution	AB	Forecast	Yes	Average	N/A	251,755
Emera, Inc.	EMA	Nova Scotia Power	NS	Forecast	No	Average	6.5	503,676
Enbridge	ENB	Enbridge Gas Distribution	ON	Forecast	N/A	Average	N/A	2,098,145
Valener, Inc.	VNR	Gaz Metro	QC	Forecast	Yes	Average	7	195,617

Fortis, Inc		Newfoundland Power	NL	Forecast	Emergency	Average	6	259,000
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	U.S.	Canada
Total Number of Customers	12,886,342	3,049,193
Forecasted Test Year	13.19%	100.00%
Partially Forecasted Test Year	5.15%	0.00%
Historical Adjusted Test Year	81.66%	0.00%
Interim Rates	44.36%	14.67%
Interim Rates in Financial Emergency	55.64%	0.00%
Average Rate Base	18.22%	100.00%
Year End Rate Base	81.78%	0.00%
Rate Case Lag in Months	8.76	6.75

Other Cost Recovery

				Pension Expense	Bad Debt Expense	Storm Cost Recovery	Interest Rate Tracker	Energy Efficiency Cost	Customers
U.S. Proxy Group		Operating Utility	State						
ALLETE, Inc.	ALE	Minnesota Power	MN	No	No	No	No	Yes	144,000
Duke Energy Corporation	DUK	Duke Energy Florida	FL	No	No	Yes	Yes	No	1,700,000
		Duke Energy Indiana	IN	No	No	No	No	Yes	810,000
		Duke Energy Kentucky	KY	No	No	No	No	Yes	140,000
		Duke Energy Carolinas - NC	NC	No	No	Yes	No	Yes	3,200,000
		Duke Energy Caorlinas - SC	SC	No	No	No	No	No	730,000
		Duke Energy Ohio	OH	No	No	No	No	No	700,000
Eversource Energy	ES	Connecticut Light and Power	CT	No	No	Yes	No	Yes	1,223,743
		NSTAR Electric	MA	Yes	Yes	Yes	No	Yes	1,179,867
		Public Service of New Hampshire	NH	No	No	Yes	No	Yes	504,000
		Western Mass. Electric	MA	Yes	Yes	Yes	No	Yes	207,877
Great Plains Energy Inc.	GXP	Kansas City Power and Light - KS	KS	Yes	No	No	No	Yes	316,800
		Kansas City Power and Light - MO	MO	Yes	No	No	No	Yes	519,100
OG&E Energy Corp	OGE	Oklahoma Gas and Electric	OK	Yes	No	Yes	No	Yes	814,982
Pinnacle West Capital	PNW	Arizona Public Service	AZ	Yes	No	No	No	Yes	1,163,079
Westar Energy, Inc.	WR	Kansas Gas and Electric	KS	Yes	No	No	No	Yes	321,501
		Westar Energy	KS	Yes	No	No	No	<u>Yes</u>	374,472
Canadian Proxy Group		Utility	Province						
Canadian Utilities Ltd.	CU	ATCO Electric Distribution	AB	Yes	No	Yes	Yes	No	251,755
Emera, Inc.	EMA	Nova Scotia Power	NS	Yes	No	No	No	Yes	503,676
Enbridge	ENB	Enbridge Gas Distribution	ON	Yes	No	No	No	Yes	2,098,145
Valener, Inc.	VNR	Gaz Metro	QC	Yes	Yes	Yes	No	Yes	195,617
Fortis, Inc.		Newfoundland Power	NL	Yes	No	No	No	Yes	259,000

	U.S.	Canada
Total Number of Customers	12,886,342	3,049,193
Pension Expense Cost Recovery	28.98%	100.00%
Bad Debt Expense Cost Recovery	10.77%	6.42%
Storm Cost Recovery	68.53%	14.67%
Interest Rate Tracker for Change in Interest Rates	13.19%	8.26%
Energy Efficiency and DSM Cost Recovery	75.71%	91.74%

NEWFOUNDLAND POWER INC.

ST. JOHN'S, NEWFOUNDLAND

2014 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC PLANT
AS OF DECEMBER 31, 2014

Prepared by:



Gannett Fleming

*Excellence Delivered **As Promised***

NEWFOUNDLAND POWER INC.

St. John's, Newfoundland

2014 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC PLANT
AS OF DECEMBER 31, 2014

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Valley Forge, Pennsylvania



*Excellence Delivered **As Promised***

September 29, 2015

Newfoundland Power Inc.
55 Kenmount Road
St. John's, Newfoundland A1B 3P6

Attention Jocelyn Perry
Vice President, Finance & CFO

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to electric plant of Newfoundland Power Inc. (NFP) as of December 31, 2014. The attached report presents a description of the methods used in the estimation of depreciation, the summary of annual depreciation accrual rates, the statistical support for the life and net salvage estimates and the detailed tabulations of annual depreciation.

A separately bound volume includes appendices which set forth the statistical support for the life and net salvage estimates and the detailed tabulations of annual and accrued depreciation.

We gratefully acknowledge the assistance of Newfoundland Power Inc. personnel in the conduct of the study.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink that reads "John F. Wiedmayer".

JOHN F. WIEDMAYER
Project Manager, Depreciation Studies

JFW:krm

058590

Gannett Fleming Valuation and Rate Consultants, LLC

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NEWFOUNDLAND POWER INC.

DEPRECIATION STUDY

EXECUTIVE SUMMARY

Pursuant to Newfoundland Power Inc.'s ("NFP" or "Company") request, Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming") conducted a depreciation study related to NFP's electric plant as of December 31, 2014. The purpose of this study was to determine the annual depreciation accrual rates and amounts for book and ratemaking purposes.

The depreciation rates are based on the straight line method using the equal life group ("ELG") procedure and were applied on a whole life basis. Additionally, an adjustment to depreciation expense was made to amortize, over the account's remaining life, the difference between the company's book accumulated depreciation and the theoretical reserve. The calculations were based on attained ages and estimated average service life and net salvage for each depreciable group of assets.

The depreciation calculations included in the prior depreciation study report submitted and approved by the Board were based on electric plant in service as of December 31, 2010. The depreciation calculations included with this report are based on electric plant in service as of December 31, 2014. The annual accrual rate calculations were based on the same group procedures and bases as those used in the prior depreciation report.

The calculated accrued depreciation as of December 31, 2014 is \$659.6 million and the book accumulated depreciation is \$645.8 million, a difference of \$13.8 million or 2.1 percent, well within the 5 percent tolerance level, overall. In the 2010 depreciation study report, the reserve variance was 1.8 percent which is comparable to the 2.1 percent determined as of December 31, 2014. The calculated accrued depreciation is

used as a measure to assess the adequacy of the Company's book accumulated depreciation amount. The calculated accrued depreciation should not be viewed in exact terms as the correct reserve amount. Rather it should be viewed as a benchmark or a tool used by the depreciation professional to assess the standing of the book accumulated depreciation amount based on the most recent available information. The reserve variance that exceeds the 5 percent tolerance threshold for each individual plant account is approximately \$12.2 million and is set forth on Table 2, column 7 in Part VI of the report. Gannett Fleming recommends that Newfoundland Power for each plant account amortize the reserve variance in excess of the five percent tolerance threshold over a period equal to the composite remaining life of the assets. This is the industry's most commonly used method for adjusting depreciation. Also it decreases the probability of large fluctuations in depreciation expense that can occur with relatively short amortization periods, such as five years, and is the method that Gannett Fleming considers appropriate for Newfoundland Power. The remaining lives of the various accounts range from a few years to over forty years. An explanation of the monitoring of the accumulated depreciation reserve and the calculation of the reserve variance amortization is presented beginning on page V-5 of the report.

This report includes an updated service life and net salvage study. Some of the accounts' service life and net salvage estimates were revised based on having 4 years of additional company experienced retirement data to analyze as well as knowledge of management's current plans and outlook. In general, some of the service lives for the larger plant accounts such as poles and overhead conductors increased which lowers depreciation while the negative net salvage percents for these accounts also increased which results in higher depreciation expense being charged. The impacts on depreciation expense of these changes are mostly offsetting. The composite depreciation rate for all accounts including the reserve variance amortization is 3.42

percent as set forth in the summary table below. This is the same composite depreciation rate as determined in the prior depreciation study based on electric plant in service as of December 31, 2010.

Gannett Fleming recommends the calculated annual depreciation accrual rates, set forth herein apply specifically to electric plant in service as of December 31, 2014, be used for book and ratemaking purposes. The depreciation rates are summarized by depreciable category in Table 1 in Part VI of the study. Supporting analysis and calculations are provided within the technical appendices in the companion volume of the study.

The study results set forth a total annual depreciation expense of \$54.176 million when applied to depreciable plant balances as of December 31, 2014. \$53.531 million of the total \$54.176 million represents the whole-life accruals which are set forth on Table 1 in Part VI and \$0.645 million represents the amortization of the reserve variance which are set forth on Table 2 in Part VI of the report. The results are summarized at the functional level as follows:

SUMMARY OF ORIGINAL COST, PROPOSED ACCRUAL RATES AND AMOUNTS

<u>FUNCTION</u>	<u>ORIGINAL COST AT DECEMBER 31, 2014</u>	<u>ACCRUAL RATE</u>	<u>TOTAL ACCRUAL AMOUNT</u>
Hydro Production	180,399,279	2.47	4,450,687
Other Production	23,883,457	4.69	1,120,273
Substation	203,496,477	3.08	6,268,718
Transmission	126,331,172	3.08	3,886,424
Distribution	918,393,672	3.26	29,936,732
General			
Computer - Hardware	9,863,535	16.90	1,666,957
Computer - Software	26,877,868	9.05	2,432,696
Transportation	27,270,277	9.06	2,471,845
Other	56,149,792	3.00	1,684,911
Communications	10,153,549	2.53	257,139
Total	<u>1,582,819,078</u>	3.42	<u>54,176,382</u>

PART I. INTRODUCTION

NEWFOUNDLAND POWER INC.

DEPRECIATION STUDY

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study for Newfoundland Power Inc. (NFP), to determine the annual depreciation accrual rates and amounts for book purposes applicable to the original cost of electric plant as of December 31, 2014. The rates and amounts are based on the straight line method of depreciation using the equal life group procedure and the whole life technique. Additionally, a separate amortization has been calculated to adjust the reserve variance in a manner consistent with the prior depreciation study. This report also describes the concepts, methods and judgments which underlie the recommended annual depreciation accrual rates related to electric plant in service as of December 31, 2014.

The service life and net salvage estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded through 2013, a review of Company practice and outlook as they relate to plant operation and retirement, and consideration of current practice in the electric industry, including knowledge of service lives and net salvage estimates used for other electric companies.

PLAN OF REPORT

Part I, Introduction, contains statements with respect to the plan of the report, and the basis of the study. Part II, Estimation of Survivor Curves, presents descriptions of the considerations and the methods used in the service life and net salvage studies. Part III, Service Life Considerations, presents the factors and judgment utilized in the average service life analysis. Part IV, Net Salvage Considerations, presents the

judgment utilized for the net salvage study. Part V, Calculation of Annual and Accrued Depreciation, describes the procedures used in the calculation of group depreciation. Part VI, Results of Study, presents summaries by depreciable group of annual depreciation accrual rates and amounts, as well as composite remaining lives. The statistical analyses of service life and net salvage and the detailed tabulations of annual and accrued depreciation are set forth in a separately bound volume "Appendices to Depreciation Study." Appendix A, Service Life Statistics presents the statistical analysis of service life estimates, Appendix B, Net Salvage Statistics sets forth the statistical indications of net salvage percents, and Appendix C, Detailed Depreciation Calculations presents the detailed tabulations of annual depreciation.

BASIS OF THE STUDY

Depreciation

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to

distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

For most accounts, the annual depreciation was calculated by the straight line method using the equal life group procedure. For certain General and Communication Plant accounts, the annual depreciation is based on amortization accounting. Both types of calculations were based on original cost, attained ages, and estimates of service lives and net salvage. Variances between the calculated accrued depreciation or amortization and the book accumulated depreciation which exceed five percent of the calculated accrued depreciation are amortized over the composite remaining life of the assets. Accounts for which the composite remaining lives are less than five years, the amortization period used to minimize the reserve variance was set at five years which is the period of time between depreciation studies. This was done to reduce the annual fluctuations to depreciation expense related to the reserve variance amortizations for accounts with short composite remaining lives.

The straight line method, equal life group procedure has been used by the Company for many years and Gannett Fleming recommends its continued use. The equal life group procedure provides for a better match of depreciation expense and loss in service value than the average service life procedure. Amortization accounting for certain General and Communication accounts was approved in 1996 by Newfoundland and Labrador Board of Commissioners of Public Utilities ("Board"). Amortization accounting is used for certain General and Communication Plant accounts because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts. An explanation of the calculation of annual and accrued amortization is presented beginning on page V-4 of the report.

Service Life and Net Salvage Estimates

The service life and net salvage estimates used in the depreciation and amortization calculations were based on informed judgment which incorporated analyses of available historical plant accounting data, a review of management's plans, policies and outlook, a general knowledge of the electric utility industry, and comparisons of the service life and net salvage estimates from our studies of other electric utilities. The use of survivor curves to reflect the expected dispersion of retirement provides a consistent method of estimating depreciation for utility plant. Iowa type survivor curves were used to depict the estimated survivor curves for the plant accounts not subject to amortization accounting. For life span groups such as an office building or thermal plant, the estimates of survivor curves are consistent because the calculations of the lives of the units within each group are obtained by using a single probable retirement date for the entire group. The estimates of net salvage are expressed as the average net salvage percent of the investment to be incurred or recovered upon its retirement.

The procedure for estimating service lives consisted of compiling historical data for the plant accounts or depreciable groups, analyzing this history through the use of widely accepted techniques, and forecasting the survivor characteristics for each depreciable group on the basis of interpretations of the historical data analyses and the probable future. The combination of the historical experience and estimates of future experience yielded estimated survivor curves from which the average service lives were derived.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through discussions with operating and engineering management personnel and was incorporated in the interpretation and extrapolation of the statistical analyses.

PART II. ESTIMATION OF SURVIVOR CURVES

PART II. ESTIMATION OF SURVIVOR CURVES

The calculation of annual depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. The estimation of survivor curves is discussed below and the development of net salvage is discussed in later sections of this report.

SURVIVOR CURVES

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval. It is derived by obtaining the

differences between the amount of property surviving at the beginning and at the end of each interval.

This study has incorporated the use of Iowa curves developed from a retirement rate analysis of historical retirement history. A discussion of the concepts of survivor curves and of the development of survivor curves using the retirement rate method is presented below.

Iowa Type Curves

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements (or the portion of the frequency curve with the highest level of retirements) in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family. A higher number designates a higher mode curve.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves,

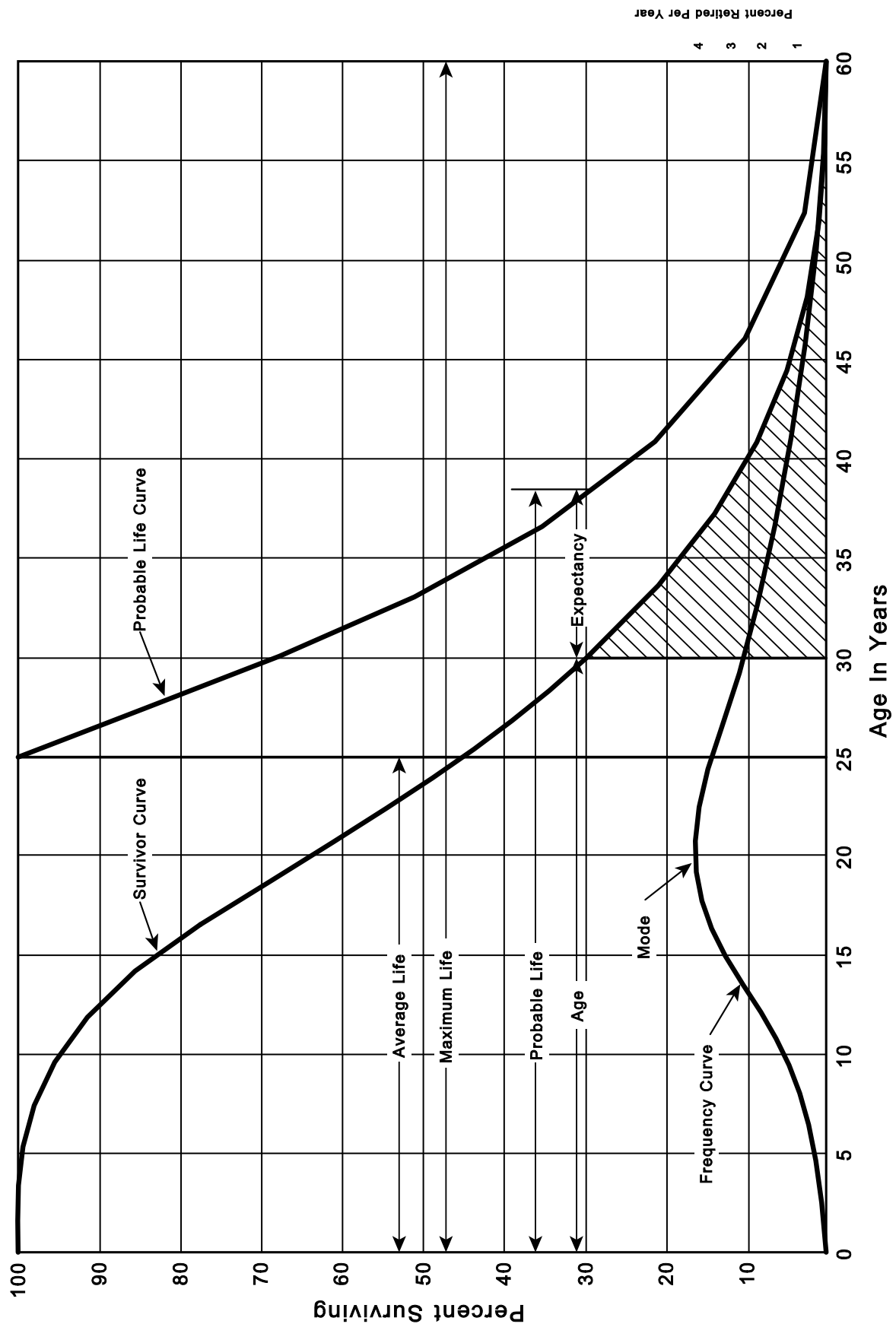


Figure 1. A Typical Survivor Curve and Derived Curves

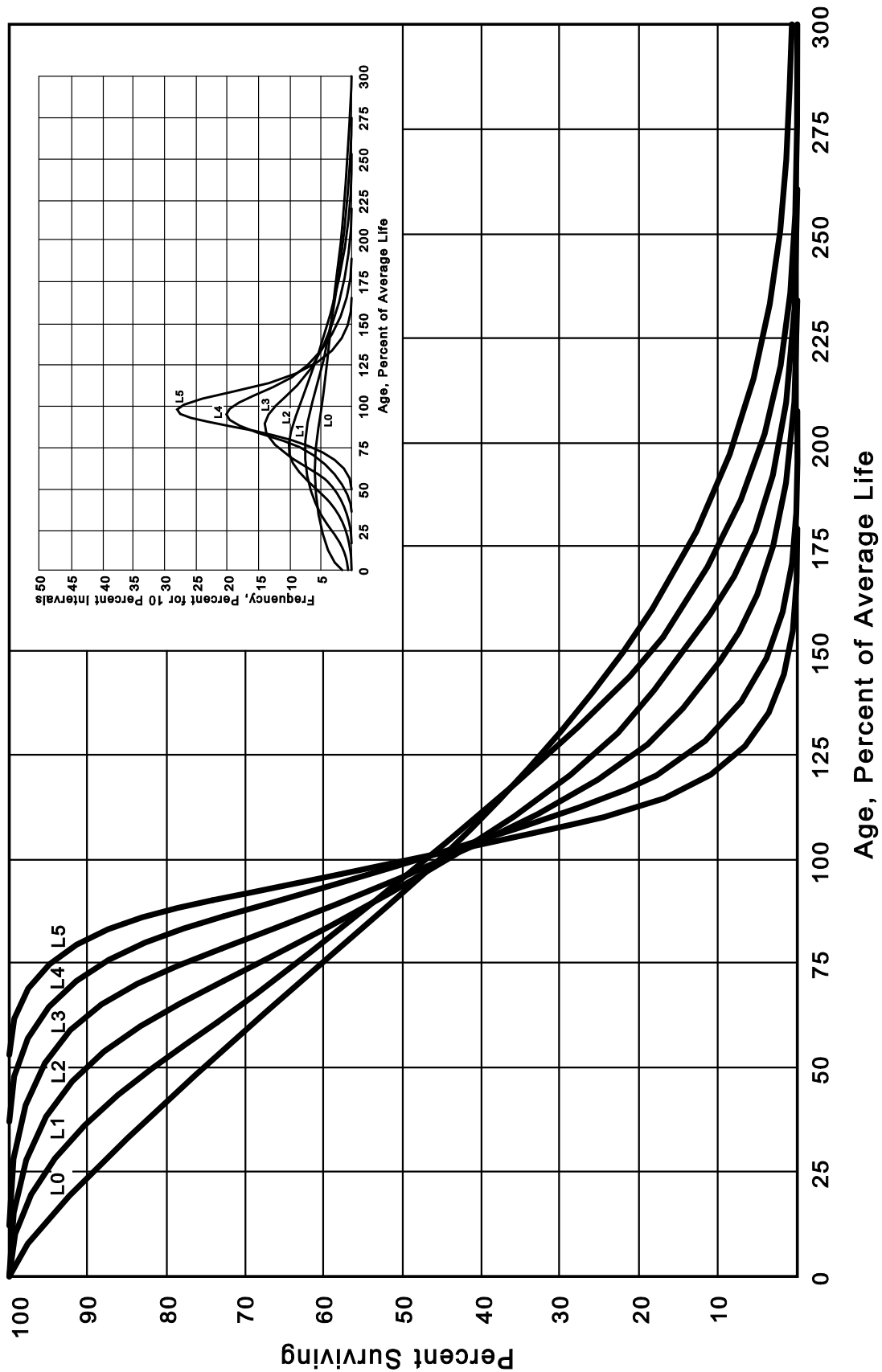


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

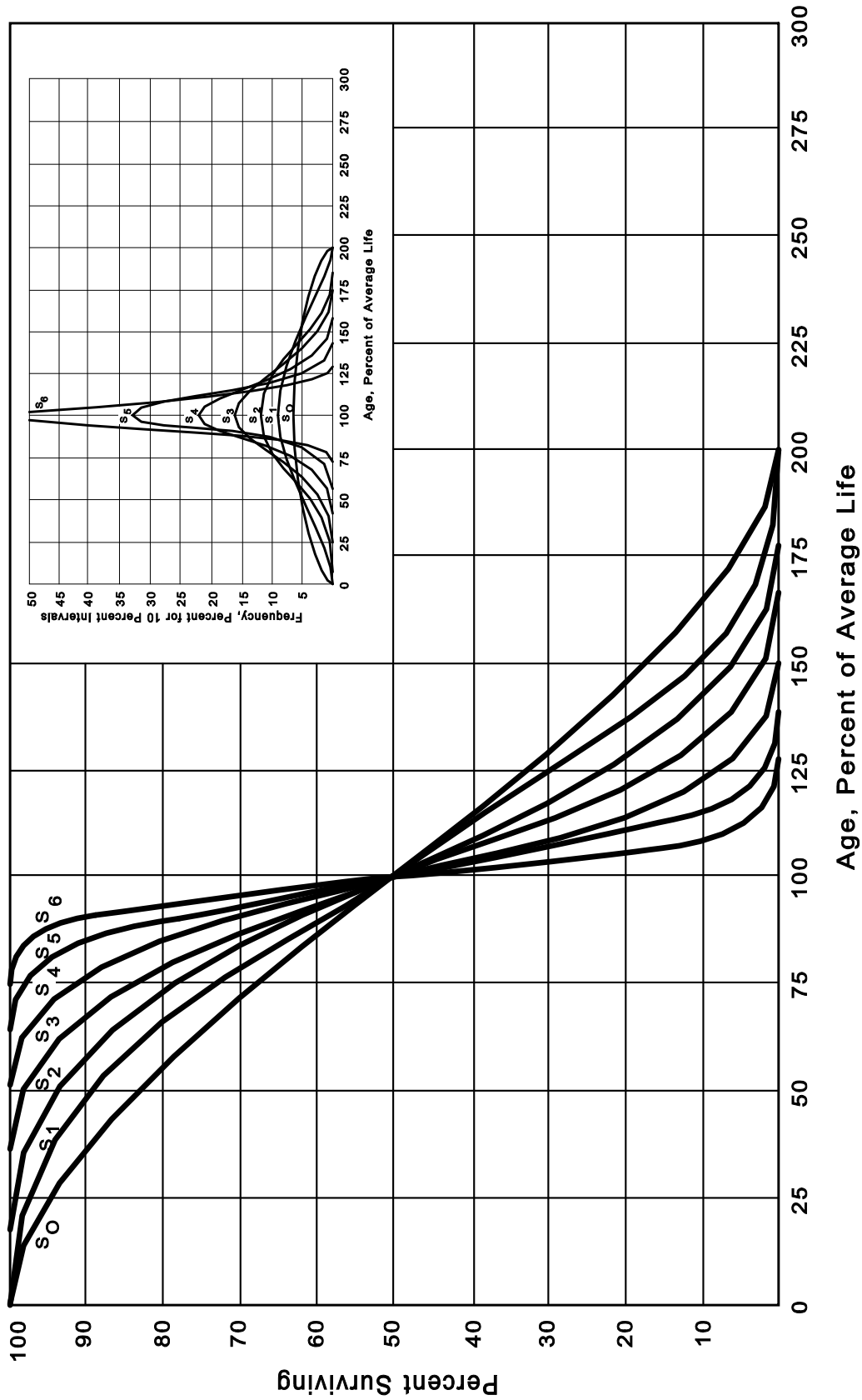


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

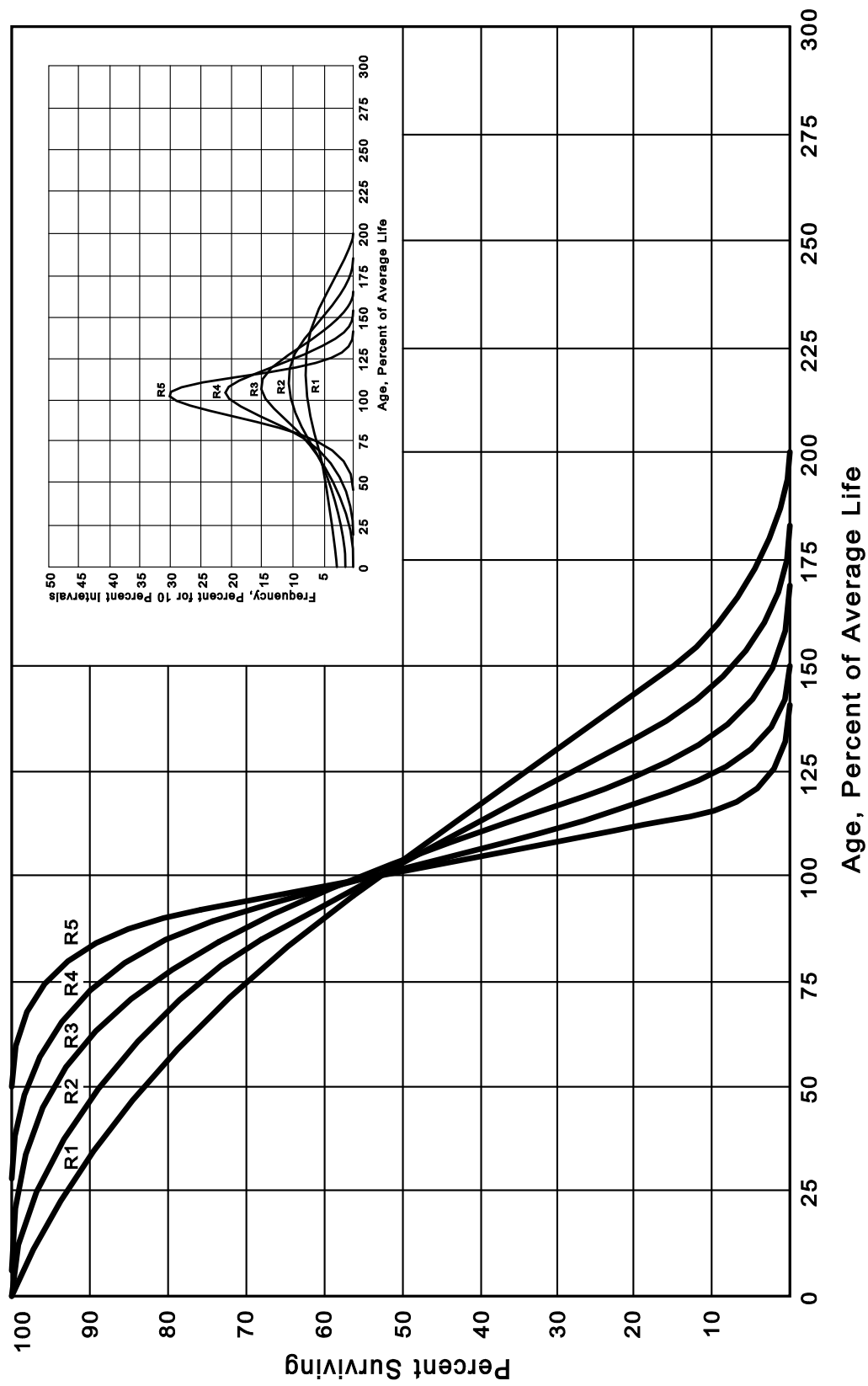


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

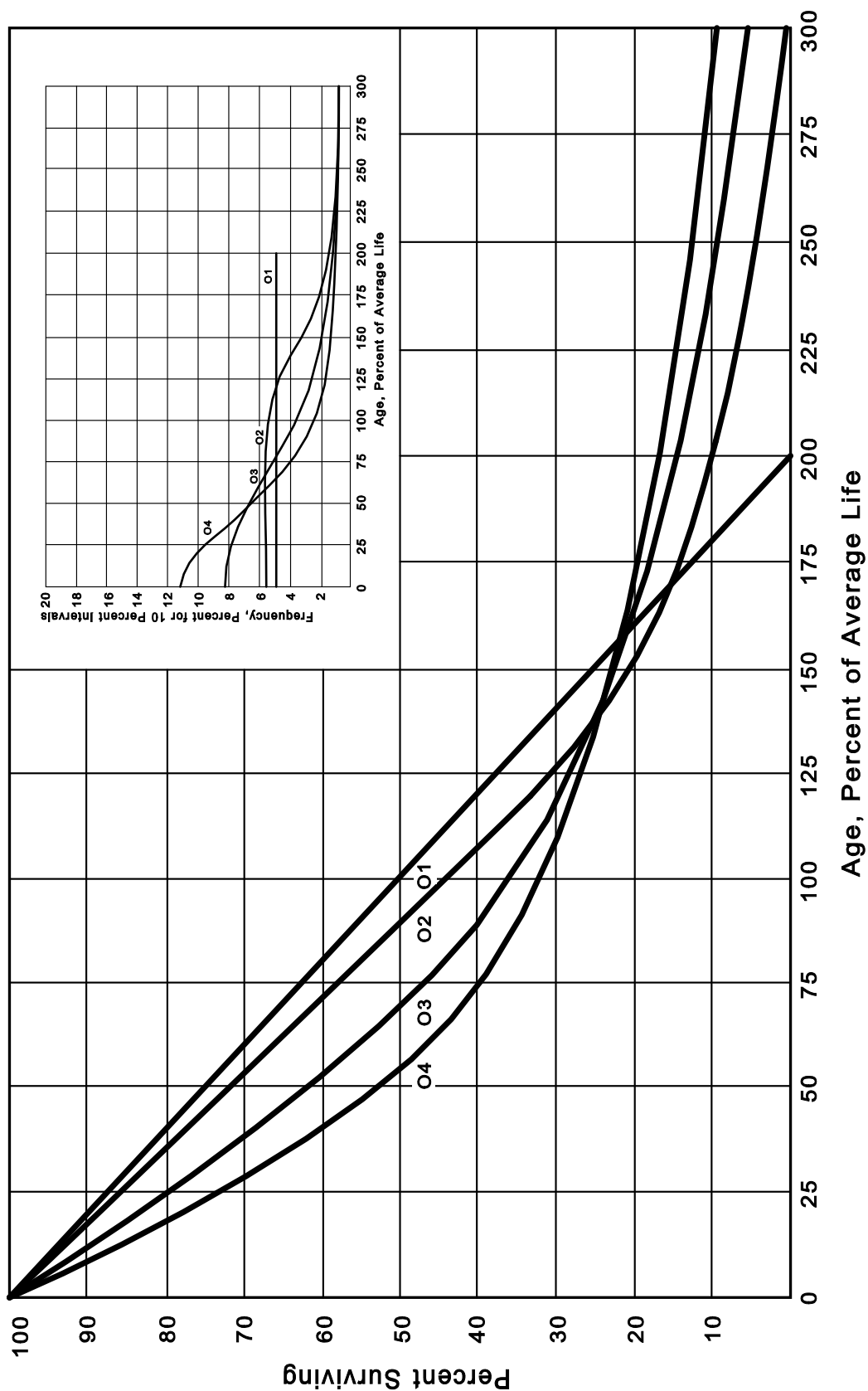


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125. These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."¹ In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student submitted a thesis presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"² "Engineering Valuation and Depreciation,"³ and "Depreciation Systems."⁴

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes

¹Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

²Winfrey, Robley, Statistical Analyses of Industrial Property Retirements. Iowa State College Engineering Experiment Station. Bulletin 125. 1935..

³Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 1.

⁴Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994.

schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records

A hypothetical property group is used to illustrate the retirement rate method. This property group is observed for the experience band 2005-2014 during which there were placements during the years 2000-2014. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Schedules 1 and 2 on pages II-11 and II-12. In Schedule 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 2000 were retired in 2005. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Schedule 1 immediately above the stair step line drawn on the table beginning with the 2005 retirements of 2000 installations and ending with the 2014 retirements of the 2009 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

SCHEDULE 1. RETIREMENTS FOR EACH YEAR 2005-2014
 SUMMARIZED BY AGE INTERVAL

		Retirements, Thousands of Dollars											Placement Band 2000-2014	
		During Year											Experience Band 2005-2014	
Year		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total During Age Interval	Age Interval	
Placed	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
2000		10	11	12	13	14	16	23	24	25	26	26	13½-14½	
2001		11	12	13	15	16	18	20	21	22	19	19	12½-13½	
2002		11	12	13	14	16	17	19	21	22	18	64	11½-12½	
2003		8	9	10	11	11	13	14	15	16	17	83	10½-11½	
2004		9	10	11	12	13	14	16	17	19	20	93	9½-10½	
2005		4	9	10	11	12	13	14	15	16	20	105	8½-9½	
2006			5	11	12	13	14	15	16	18	20	113	7½-8½	
2007				6	12	13	15	16	17	19	19	124	6½-7½	
2008					6	13	15	16	17	19	19	131	5½-6½	
2009						7	14	16	17	19	20	143	4½-5½	
2010							8	18	20	22	23	146	3½-4½	
2011								9	20	22	25	150	2½-3½	
2012									11	23	25	151	1½-2½	
2013										11	24	153	½-1½	
2014											13	80	0-½	
Total		53	68	86	106	128	157	196	231	273	308	1,606		



SCHEDULE 2. OTHER TRANSACTIONS FOR EACH YEAR 2005-2014
SUMMARIZED BY AGE INTERVAL

Experience Band 2005-2014		Placement Band 2000-2014									
		Acquisitions, Transfers and Sales, Thousands of Dollars									
		During Year									
Year		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Placed		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(1)											
2000		-	-	-	-	-	-	60 ^a	-	-	-
2001		-	-	-	-	-	-	-	-	-	-
2002		-	-	-	-	-	-	-	-	-	-
2003		-	-	-	-	-	-	-	(5) ^b	-	-
2004		-	-	-	-	-	-	-	6 ^a	-	-
2005		-	-	-	-	-	-	-	-	-	-
2006		-	-	-	-	-	-	-	-	-	-
2007		-	-	-	-	-	-	-	-	-	-
2008		-	-	-	-	-	-	-	(12) ^b	-	-
2009		-	-	-	-	-	-	-	-	22 ^a	-
2010		-	-	-	-	-	-	-	(19) ^b	-	-
2011		-	-	-	-	-	-	-	-	-	-
2012		-	-	-	-	-	-	-	-	-	(102) ^c
2013		-	-	-	-	-	-	-	-	-	-
2014		-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	60	(30)	22	(102)
											(50)

^a Transfer Affecting Exposures at Beginning of Year

^b Transfer Affecting Exposures at End of Year

^c Sale with Continued Use

Parentheses Denote Credit Amount.

In Schedule 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement

The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Schedule 3 on page II-14. The surviving plant at the beginning of each year from 2005 through 2014 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Schedule 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Schedules 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2010 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age ½	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age 1½	= \$742,000 - \$18,000	= \$724,000
Exposures at age 2½	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age 3½	= \$685,000 - \$22,000	= \$663,000



SCHEDULE 3. PLANT EXPOSED TO RETIREMENT
JANUARY 1 OF EACH YEAR 2005-2014
SUMMARIZED BY AGE INTERVAL

Experience Band 2005-2014										Placement Band 2000-2014		
Year Placed	Exposures, Thousands of Dollars										Total at Beginning of Age Interval	Age Interval
	2005 (2)	2006 (3)	2007 (4)	2008 (5)	2009 (6)	2010 (7)	2011 (8)	2012 (9)	2013 (10)	2014 (11)		
2000	255	245	234	222	209	195	239	216	192	167	167	13½-14½
2001	279	268	256	243	228	212	194	174	153	131	323	12½-13½
2002	307	296	284	271	257	241	224	205	184	162	531	11½-12½
2003	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2004	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2005	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2006		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½
2007			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½
2008				580 ^a	574	561	546	530	501	482	3,057	5½-6½
2009					660 ^a	653	639	623	628	609	3,789	4½-5½
2010						750 ^a	742	724	685	663	4,332	3½-4½
2011							850 ^a	841	821	799	4,955	2½-3½
2012								960 ^a	949	926	5,719	1½-2½
2013									1,080 ^a	1,069	6,579	½-1½
2014										1,220 ^a	7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

For the entire experience band 2005-2014, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table

The original life table, illustrated in Schedule 4 on page II-16, is developed from the totals shown on the schedules of retirements and exposures, Schedules 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15	
Exposures at age 4½	=	3,789,000	
Retirements from age 4½ to 5½	=	143,000	
Retirement Ratio	=	$143,000 \div 3,789,000$	= 0.0377
Survivor Ratio	=	$1.000 - 0.0377$	= 0.9623
Percent surviving at age 5½	=	$(88.15) \times (0.9623)$	= 84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Schedules 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

SCHEDULE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2005-2014

Placement Band 2000-2014

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval	Exposures at Beginning of Age Interval	Retirements During Age Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Age Interval
(1)	(2)	(3)	(4)	(5)	(6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
					35.66
Total	<u>44,780</u>	<u>1,606</u>			

Column 2 from Schedule 3, Column 12, Plant Exposed to Retirement.

Column 3 from Schedule 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 Divided by Column 2.

Column 5 = 1.0000 Minus Column 4.

Column 6 = Column 5 Multiplied by Column 6 as of the Preceding Age Interval.

The original survivor curve is plotted from the original life table (column 6, Schedule 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve

The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Schedule 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group, assuming no contrary relevant information external to the analysis of historical data.

FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

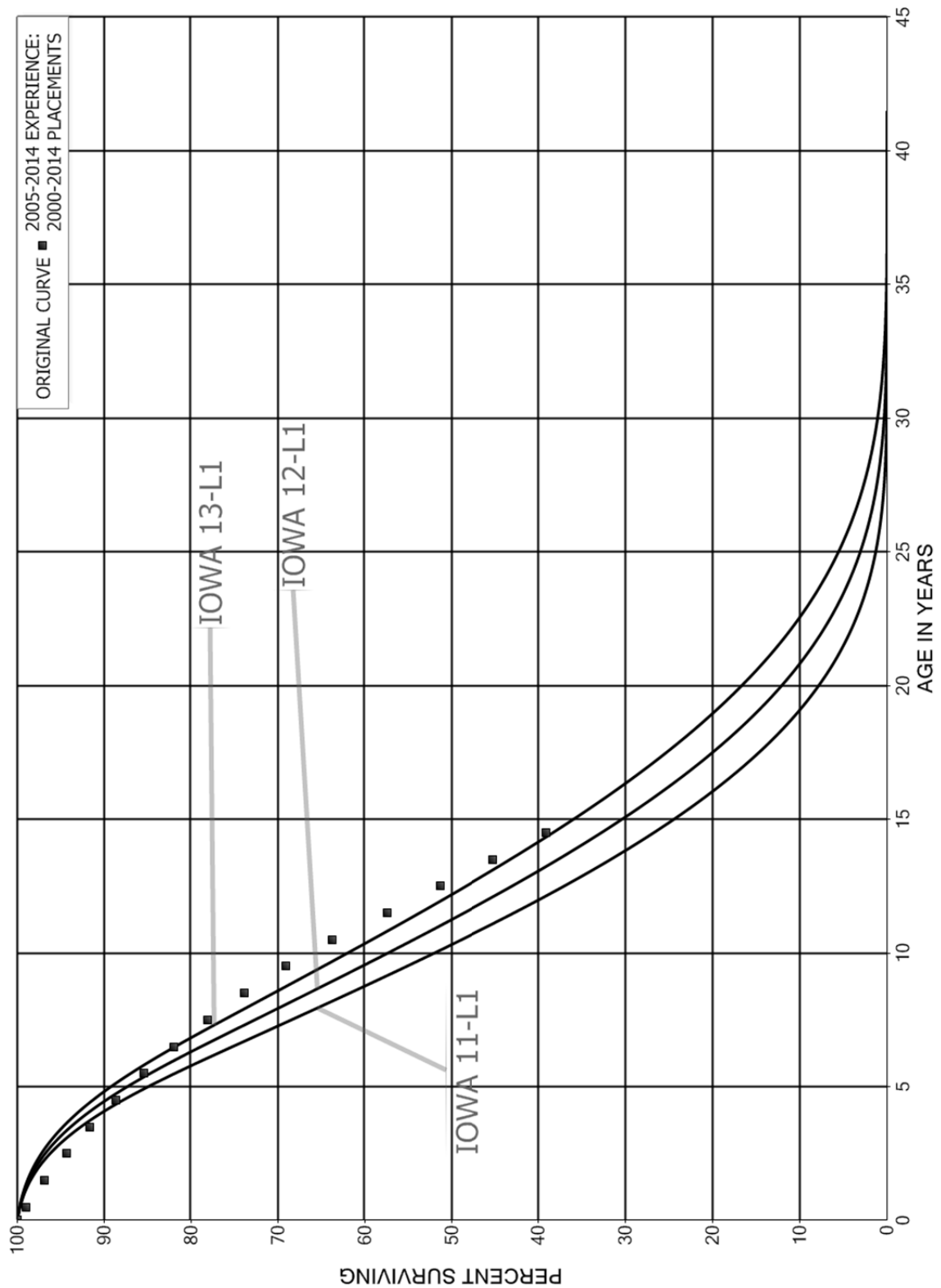


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN S0 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

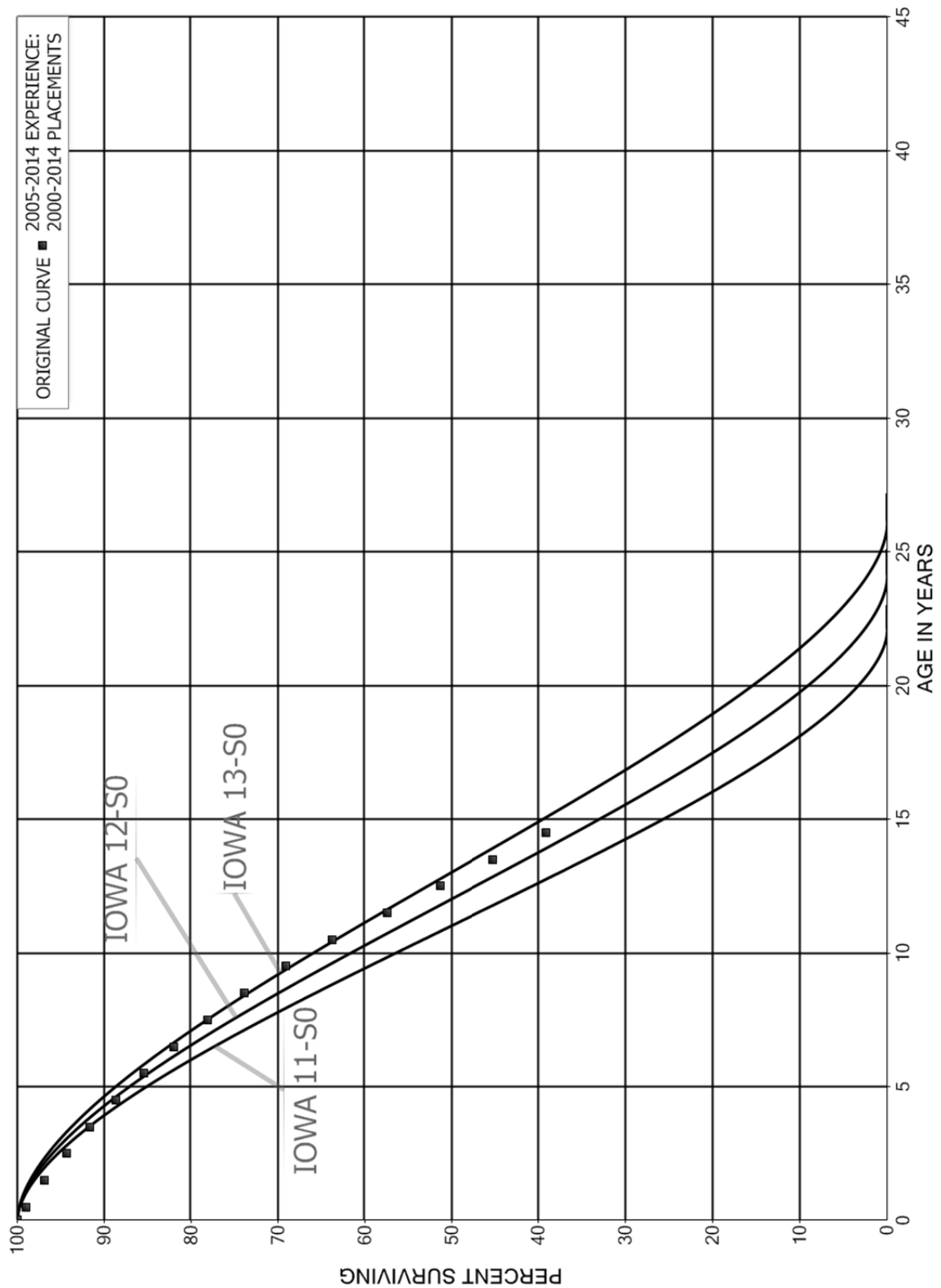


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

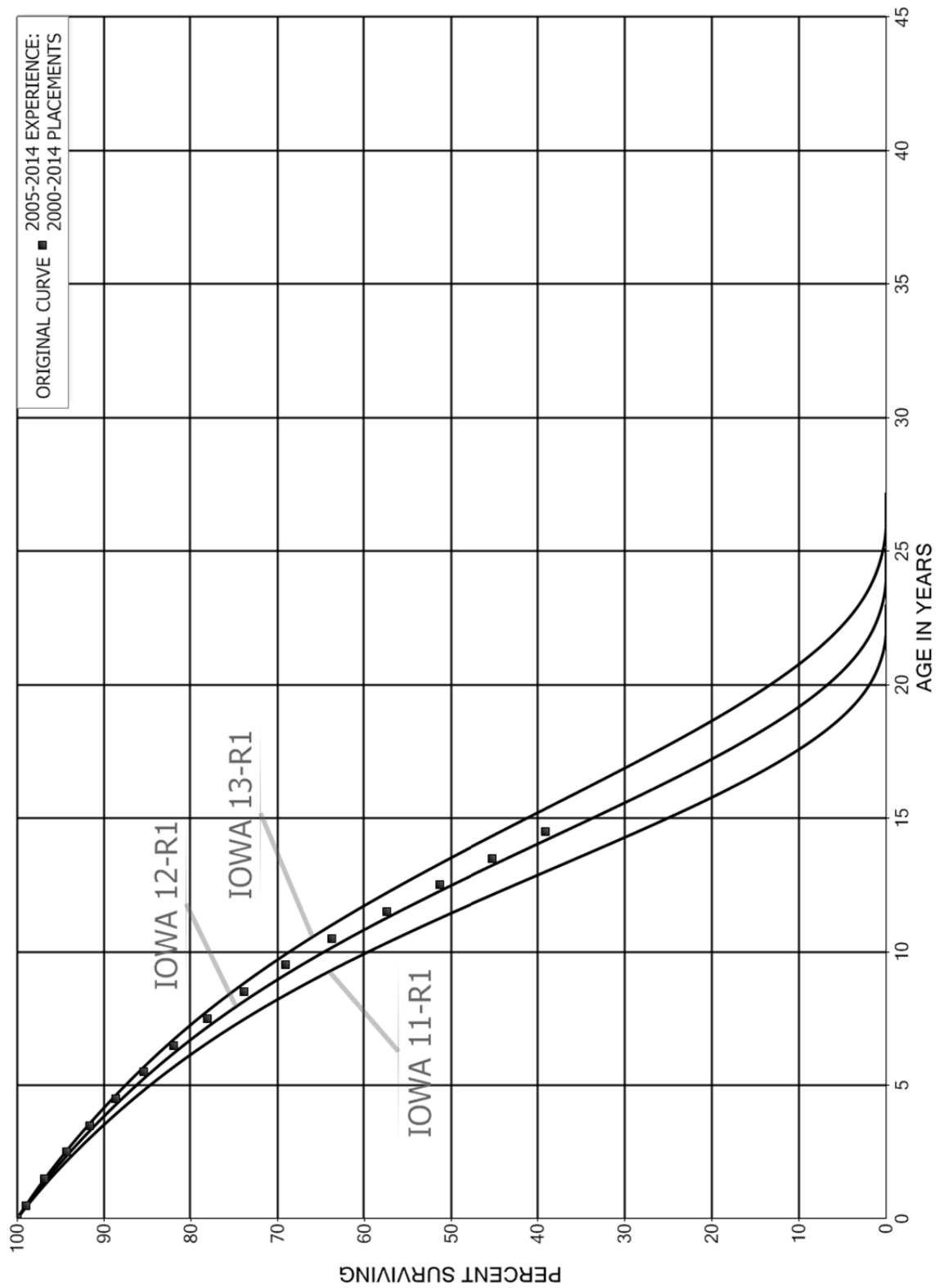
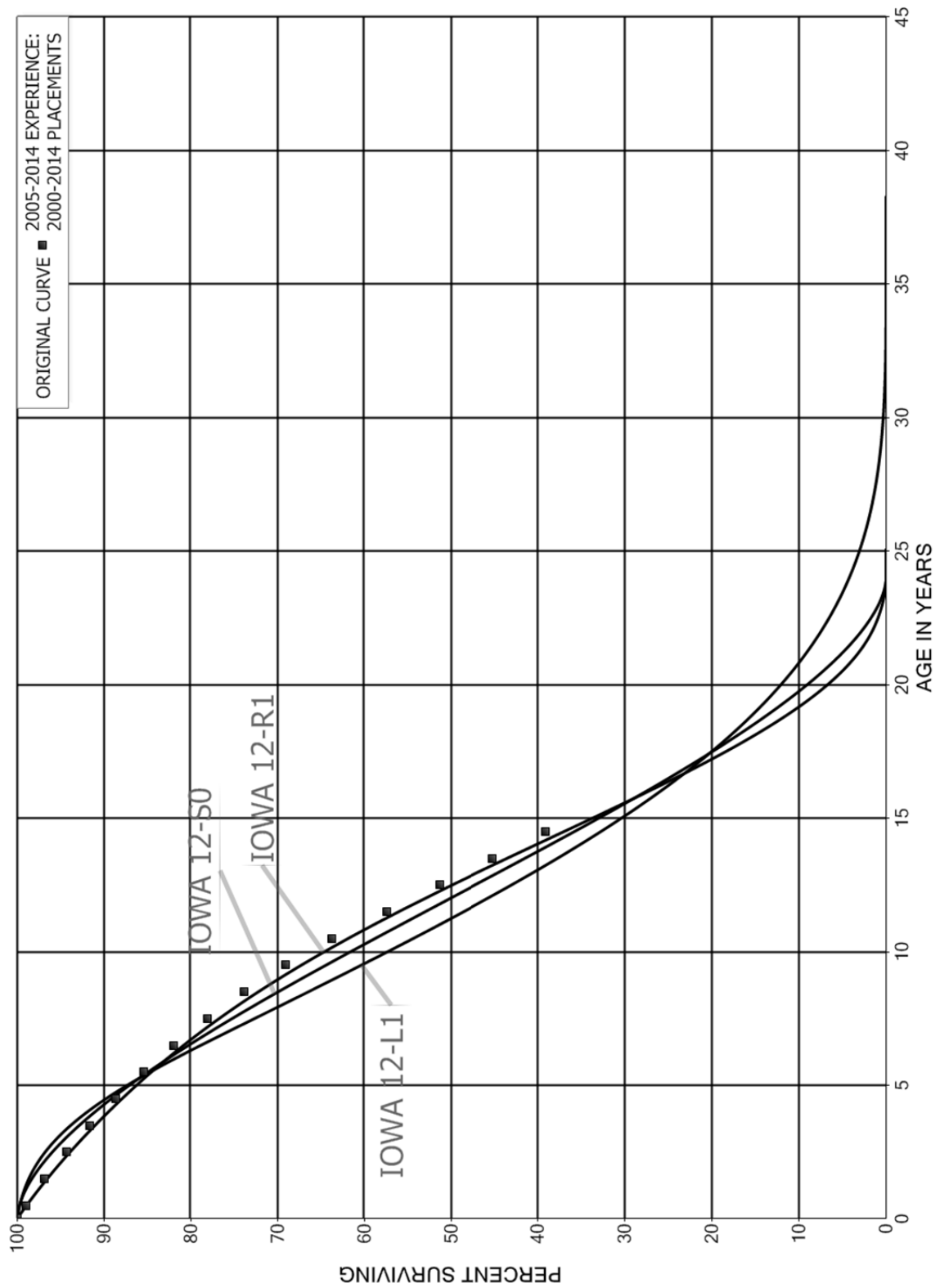


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1, S0 AND R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES



PART III. SERVICE LIFE CONSIDERATIONS

PART III. SERVICE LIFE CONSIDERATIONS

FIELD TRIPS

In order to be familiar with the operation of the Company and observe representative portions of the plant, a field trip was conducted for the study. A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements are obtained during field trips. This knowledge and information were incorporated in the interpretation and extrapolation of the statistical analyses.

The following is a list of the locations visited during the most recent field trips.

Monday, September 8, 2014

Central Newfoundland

- Clareville Service Center
- Princeton Pond Substation
- Lockston Hydro Plant
- Lockston Substation
- Wesleyville Gas Turbine
- New-Wes Valley Substation
- Gander Substation

Tuesday, September 9, 2014

Central Newfoundland

- Cobbs Pond Substation
- Gander Service Center
- Rattling Brook Hydro Plant
- Amy's Lake Dam
- Rattling Lake Dam and Spillway
- Heart's Content Hydro Plant
- Heart's Content Substation

Wednesday, June 16, 2010

St. John's Area

- Kenmount Road Office
- Duffy Place Service Center
- Topsail Road Electrical Maintenance Facility
- Topsail Road System Control Center

Southern Shore Area

Mobile Hydro Plant
Rocky Pond Hydro Plant
Transmission Line 20L (rebuilt 2007-2009)
Transmission Line 21L (rebuild scheduled for 2011)

Thursday, June 17, 2010

St. John's / Mount Pearl Area

Stamps Lane Substation
Virginia Waters Substation
Quidi Vidi Lake – Transmission Line 16L (rebuild scheduled for 2011)
Mobile Gas Turbine – Located in Donovan's Industrial Park (repairs ongoing)
Petty Harbour Hydro Plant

Topsail and Conception Bay South Area

Topsail Hydro Plant
Seal Cove Hydro Plant
Chamberlains Substation

Thursday, May 18, 2006

St. John's / Mount Pearl Area

Duffy Place Service Center
Kenmount Road Substation
Glendale Substation
Topsail Road Electrical Maintenance Facility
Topsail Road System Control Center
Stamps Lane Substation
Kenmount Road Office

Monday, August 14, 2000

Western Newfoundland

Doyles District Building
Port Aux Basques Service Center
Grand Bay Substation
Portable Gas Turbine
Portable Diesel #1
Portable Diesel #2
Port Aux Basques Diesel Plant
Long Lake Substation
Rose Blanche Hydro Plant

Tuesday, August 15, 2000

Western Newfoundland

Wheelers Substation
St. Georges Substation
Gallant Street Substation and Building
Stephenville Office and Service Building
Lookout Brook Hydro Plant
Corner Brook – West Street Office
Corner Brook – Maple Valley Building
Bay View Substation
Humber Substation
Marble Mountain Substation (Steady Brook)
Deer Lake Substation
Deer Lake District Building

Wednesday, August 16, 2000

St. John's Area

Kenmount Road Office
Topsail Road Electrical Maintenance Facility
Topsail Road System Control Center
Petty Harbour Hydro Plant

Monday, December 4, 1995

St. John's Area

Kenmount Road Office Building
Topsail Road – Old System Control Centre Building
Topsail Road – Electrical Maintenance Facility
St. John's Diesel Plant
St. John's Steam Plant
Petty Harbour Hydro Plant
Duffy Place Service Center
O'Leary Avenue Service Center

Southern Shore Area

Bay Bulls Big Pond Substation
Pierre's Brook Hydro Plant
Mobile Hydro Plant
Pierre's Brook Forebay Dam, Spillway and Penstock

Tuesday, December 5, 1995

Avalon Peninsula

Colliers Substation
Upper Island Cove Substation
Carbonear Business Office and Warehouse

Victoria Hydro Plant
Heart's Content Hydro Plant
Whitbourne Business Office and Service Center
Blaketown Substation
Thomas Pond Dam and Spillway – Topsail Hydro Plant
Glendale Substation
Molloy's Lane Substation

LIFE ANALYSIS

The retirement rate method of life analysis is an actuarial method of developing survivor curves using the average rates at which property is retired from each depreciable group. The method involves the analysis of historical retirements of property of various ages, in relation to the property units exposed to retirement at those same ages. Application of this method requires an extensive compilation of historical aged retirement data as well as related plant accounting data including additions, acquisitions, sales and transfers. Plant accounting data for the years 1948 through 2013 were available to study. The life analyses were performed using Gannett Fleming's depreciation software programs. The actuarial data may or may not produce a complete life cycle of experience. A complete life cycle is indicated by the life table reaching zero percent surviving for the last age interval shown on the life table. The curve-fitting portion of Gannett Fleming's depreciation software program matches the stub survivor curves (i.e., from the original life tables) with each member of the Iowa curve family. The curve-fitting results are based on a least squares solution of the differences between the stub curve and the Iowa curve. Survivor data developed by the actuarial analysis and set forth on the original life table are graphed and compared visually and statistically with the Iowa curves. There are two distinct steps in the estimation of service lives and retirement dispersions which must be recognized in the interpretation of the service life analysis results. The first step, life analysis, refers to the

application of statistical procedures to determine life and dispersion indications based solely on past experience. The second step, life estimation, refers to the exercise of informed judgment in making sound estimates of service lives and retirement dispersions. Life estimation incorporates known historical experience, estimated historical trends and estimated future trends or events in order to define complete patterns of estimated service life characteristics. The results of the life analyses, performed as the first step, are only one of the relevant factors to be considered during the decision making process of life estimation.

LIFE ESTIMATION

The service life estimates were based on informed judgment which considered a number of factors. The primary factors were the statistical analyses of data; current Company policies and outlook as determined during conversations with management; and the survivor curve estimates from previous studies of this company and other electric companies.

Several subaccounts were combined and analyzed as a single depreciable group based on discussions with operating and management personnel. These subaccounts include assets which have similar service life characteristics or which perform similar or related operating functions. The following is a list of subaccounts that were combined and analyzed as a single depreciable group:

<u>Account No.</u>	<u>Account Description</u>
355.1 and 355.2	Poles and Pole Fixtures
361.14 and 361.30	Aerial Cable and Special Insulated Copper Cable
361.20 and 367.20	U/G Cable and U/G Switches and Switchgear
362.1, 362.2, and 361.1	Poles - Wood - All Sizes and O/H Conductor - Bare Copper
364.10, 364.11, 364.20, 364.30 and 364.40	Line Transformers - All Ratings, Voltage Regulators Capacitor Banks and Reclosers

<u>Account No.</u>	<u>Account Description</u>
365.1, 361.11 and 361.15	O/H Services, W/P Copper and Duplex, Triplex and Quadruplex
366.3 and 366.4	Instrument Transformers and Metering Tanks
378.3 and 378.4	Transportation Equipment - Large Trucks with Hydraulic Derricks and Large Trucks with Line and Stake Bodies

Out of the fifty-five mass property accounts for which the Retirement Rate Method of Life Analysis was performed, the estimates in the Depreciation Study represent increases in average service lives over the approved estimates for twenty-one, decreases for three, and no change for thirty-one accounts.

For many of the plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses using the retirement rate method resulted in reasonable indications of the survivor patterns experienced. These accounts represent 75 percent of depreciable plant. Generally, the information external to the statistics led to no significant departure from the indicated survivor curves for the accounts listed below. The statistical support for the service life estimates is presented in Appendix A.

<u>Account No.</u>	<u>Account Description</u>
HYDRO PRODUCTION	
321	Roads, Trails and Bridges
323	Canals, Penstocks, Surge Tanks and Tailraces
324	Dams and Reservoirs
325	Prime Movers, Generators and Auxiliaries
SUBSTATION	
342	Equipment
TRANSMISSION	
353.1	Overhead Conductors
355.1	Poles
355.2	Pole Fixtures
355.3	Insulators

DISTRIBUTION

361.10	Overhead Conductors - Bare Copper
361.11	Overhead Conductors - Weather-Proof Copper
361.12	Overhead Conductors - Bare Aluminum
361.13	Overhead Conductors - Weather-Proof Aluminum
361.14	Overhead Conductors - Aerial Cable
361.15	Overhead Conductors - Duplex, Triplex, and Quadruplex
361.2	Underground Cables
361.3	Special Insulated Copper Cable
362.1	Poles and Fixtures - Wood - Under 35 ft.
362.2	Poles and Fixtures - Wood - 35 ft. and Over
362.3	Poles and Fixtures - Concrete and Steel
365.1	Services Overhead
365.2	Services Underground
367.2	Underground Switches and Switchgear

GENERAL PROPERTY

378.2	Transportation - Pick-Up Trucks, Window Vans
378.3	Transportation - Large Trucks with Hydraulic Derricks
378.4	Transportation - Trucks with Line and Stake Bodies
378.5	Transportation - Miscellaneous

COMMUNICATIONS

386	SCADA Equipment
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Accounts 355.1, Poles and Account 355.2, Pole Fixtures, are used to illustrate the manner in which the study was conducted for the group of accounts in the preceding list. These depreciable groups were combined for life analysis purposes. Aged plant accounting data have been compiled for the years 1948 through 2013. These data have been coded in the course of the Company's normal recordkeeping according to account or property group, type of transaction, year in which the transaction took place, and year in which the electric plant was placed in service. The retirements, other plant transactions, and plant additions were analyzed by the retirement rate method.

Discussions with management indicated the primary causes of retirements have been inadequacy, deterioration, storm damage and pole relocations. That is, poles are

retired for clearance issues, their inability to support heavier conductors, the requirements of others in addition to the degradation of the poles caused by natural forces, i.e., decay and wear and tear. These causes of retirement are expected to continue in the foreseeable future. The previous estimate was the Iowa 47-R2 for Poles and Pole Fixtures.

During the past 5 years many improvements and enhancements have been made to the NFP transmission system. Design and material standards are better, the maintenance program has improved and there is a greater focus on rebuilding deteriorated lines some of which were built before there were design standards for transmission poles. For instance, the use of larger class poles and fixtures in areas prone to high wind and severe ice loading that often exceed Canadian Standards Association criteria are expected to result in longer lives for poles and pole fixtures. Additionally, Newfoundland Power has made improvements to its design standards such as reducing the number of wooden crossarms on single pole structures (armless construction) to changing the guying attachment configuration for double downguys. This means stronger and longer lasting lines are being built. The survivor curve estimate for these accounts is the Iowa 52-R0.5 and is based on the statistical indication for the period 1948 through 2013. The Iowa 52-R0.5 is a good fit of the significant portion of the original survivor curve as set forth in Appendix A and is within the typical service life range of 35 to 55 years for wood transmission poles and fixtures.

There are a couple of plant accounts where the historical life indications are not representative of future service life expectations due to operational and maintenance changes implemented by Newfoundland Power. The two plant accounts that I will discuss are Pole Mounted Line Transformers and Meters.

The historical life indication for Pole Top Line Transformers as determined from a study of past retirements experienced by the company is approximately 30 years. However, for this account the future service life expectations differ from the historical life indications due to changes implemented by Newfoundland Power in recent years. One of the primary causes of retirement for line transformers was due to rust on the steel tank of the line transformer. In coastal areas, the corrosion of the steel tank was so significant that some of the line transformers needed to be replaced after 10 years or less. Typically a line transformer can expect to be in service 35 to 40 years or more. Engineering management expects the service lives of line transformers to increase based upon changes that they have implemented in the past 10 years or so. Since 2001, the company has been installing line transformers with stainless steel tanks and has concentrated the installation of line transformers with stainless steel tanks in areas where the corrosion effect is the greatest, mostly in coastal areas. Line transformers with stainless steel tanks are expected to have a substantially longer life than units with steel tanks. The stainless steel tanks are resistant to rust and that cause of retirement should be greatly reduced. In 2005, approximately 20 percent of the pole top line transformers had stainless steel tanks. As of year-end 2013, over 60 percent of the pole top line transformers have stainless steel tanks. In addition, it was not economical in the past to refurbish a pole mounted line transformer that had a steel tank. However, it is economical to refurbish stainless steel units and it is expected that the number of line transformers scrapped will be reduced and that a longer service life will be realized. Also, since the mid 1990's all new line transformers were installed with lightning arrestors and this should reduce the numbers of units retired prematurely. Based on this, we have estimated a 40 year average service life for line transformers.

Another account where the future service life expectations differ from the historical service life indications is meters. Meters are undergoing a transformational technological change not just at Newfoundland Power but worldwide. The traditional electromechanical (E/M) meter served the industry well for many years. The design of a standard residential electromechanical watt-hour meter, refined over a hundred years, was an impressive combination of economy, accuracy, durability and simplicity. For this reason and others, electricity meters have been relatively late to converting to solid state electronics, compared to other common devices. However, electromechanical watt-hour meters were only capable of recording total electricity consumption. Electromechanical demand meters also recorded total electricity consumption as well as capturing peak demand. These meters had to be manually read each month. The impetus that finally drove the transition to solid state (a.k.a., digital) metering in the electric industry was the need for more advanced functionality typically associated with smart meters or advanced metering infrastructure (AMI) meters. In recent years, the major electricity meter manufacturers have introduced price competitive solid state meters equipped with AMR communication modules and have discontinued their production of electromechanical meters. The issue with respect to depreciation is that the service lives for digital AMR meters are expected to be significantly less than the service lives of meters historical experienced at Newfoundland Power when the predominant meter type was an electromechanical meter.

The company periodically reviews and updates its metering strategy to reflect changes in technology and changes in regulations that may have an effect on their plans. As a result of technological and regulatory changes, Newfoundland Power plans to accelerate its implementation of digital AMR meters so that 100 percent of its

customers will have an AMR meter by year-end 2017. As of December 31, 2014, approximately 53 percent of the installed meters were AMR meters compared with approximately 13 percent as of December 31, 2010. The company's accelerated metering strategy plan will substantially change the asset mix related to meters as the non-AMR equipped meters will be replaced with AMR meters. The non-AMR equipped meters include electromechanical and digital meters. In the 2010 depreciation study, over 55 percent of the non-AMR equipped meters were electromechanical meters that were capable of being in service for 40 years or more prior to Measurement Canada's regulatory changes in S-S-06 in 2011 as explained later in the report. The service life of a digital meter is expected to range from 15 to 20 years, on average. At year-end 2014, approximately 43 percent of the non-AMR meters were E/M meters.

Also contributing to the company's decision for faster deployment of AMR meters was the reduction in cost of an AMR equipped meter vis-à-vis a non-AMR meter. At one time the price differential was significant enough that it was not cost-effective to convert all meters to AMR meters. Also, recent improvements in AMR technology including the use of a mobile collector unit for gathering AMR meter readings has significantly increased the number of meters that can be read in one day from a few hundred to several thousand.

Regarding regulatory issues affecting the service lives for meters, Measurement Canada in 2011 amended the legislation related to sample testing electricity meters. In lieu of testing every meter owned by the company, utilities sample test each homogeneous groups of meters based on vintage, manufacturer, model type, etc. If the selected sample of meters passes the test, all meters within that population group are deemed approved and recertified. Previous to the implementation of the new sampling

standard S-S-06, meters could be recertified indefinitely until the test results indicated otherwise. Under the new procedures, the number of times a meter group can be tested is now finite and the length of the recertification (i.e., seal extension) is reduced with each round of testing. The effective maximum life of meters, based on the new sampling standard S-S-06 is 27 years. When meters reach this age the entire meter group must be retired since it can no longer be granted a seal extension. This is a significant departure from the prior depreciation study when meters as old as 50 years were certified and in service. Additionally, meters typically are retired when they fail the testing procedures before age 27 or when they have stopped working due to damage or other reasons.

Another important change made by Measurement Canada had to do with the actual testing of the sampled meters. Under the previous specifications, meters could receive a seal extension as long as the accuracy test showed meters were within $\pm 3\%$ of specification. The new specifications allow for an accuracy of $\pm 2\%$ of specification. This reduction has resulted in more electromechanical meters failing the sample testing process and an increase in meter retirements since 2011. The retired electromechanical meters are being replaced with digital AMR meters which have a shorter average service life than E/M meters.

In this study, the average service life for Account 366.1, Watt-hour Meters was reduced from 25 years to 18 years. Similarly, the service life estimate for Account 366.2, Demand Meters was reduced from 22 years to 18 years based on the information discussed above.

In addition, Gannett Fleming forecasted aged retirements for meters over the next 30 years using the company's plans to implement 100% AMR meter penetration by

year-end 2017 and a 20-S2 survivor curve estimate for AMR meters. The model assumes a 20 year average service life for AMR meters which is a typical estimate for AMR meters, albeit at the upper end of the service life range. The forecasted retirements for the period 2015-2044 were appended to the actual retirements that occurred during the years 2008-2014 when the AMR meter installations at Newfoundland Power became more pronounced. The service life indications for meters during this period 2008-2044 range from 17 to 18 years. An 18-S1 survivor curve was selected to describe the survivor characteristics for both Watt-hour meters and Demand meters.

For Other Production Plant accounts and General Plant, Large Buildings and Structures, the life span technique was employed in conjunction with the use of interim survivor curves. Interim survivor curves reflect retirements that occur prior to the ultimate retirement of the major unit or building. An interim survivor curve was estimated for each plant account, inasmuch as the rate of interim retirements differs from account to account. The interim survivor curves estimated for other production plant were based on the retirement rate method of life analysis which incorporated experienced aged retirements for the period 1948 through 2013. The statistical support for the interim rates of retirement for other production plant accounts are set forth in Appendix A.

The life span method is appropriate for certain electric facilities in which all assets at the facility are expected to be retired concurrently upon the final retirement of the facility. The life span estimates for these facilities were based on current Company policies and outlook as determined during field review, discussions with management and the range of estimates from other electric utility companies.

The range of life spans for other similar electric facilities varies widely from company to company and is dependent on numerous factors other than just the physical condition of the facility. The operation of these types of facilities is largely due to the continued economic attractiveness compared with similar, new equipment or alternative energy sources. The life span estimates for thermal plants were the result of considering experienced life spans of similar generating units, the age of surviving units, general operating characteristics of the units, major refurbishing, and discussions with management personnel concerning the outlook for the units.

A summary of the year in service, probable retirement year for depreciation purposes, and life span for each power production facility follows:

<u>Depreciable Group</u>	<u>Year in Service</u>	<u>Probable Retirement Year</u>	<u>Life Span</u>
<u>Other Production Plant</u>			
Green Hill Gas Turbine	1975	2021	46
Wesleyville Gas Turbine	1969/2003	2024	55/21
Portable Gas Turbine	1974/2003	2020	46/17
Port Aux Basques Diesel	1969	2020	51
Mobile Diesel #3	2004	2036	32

The Wesleyville Gas Turbine and Portable Gas Turbine were significantly refurbished to like-new condition in 2003. In the table above, the year of major refurbishment and the life span from the year of major refurbishment to its expected terminal date also are presented for these two units.

Amortization accounting is used for certain General and Communication Plant accounts that represent numerous units of property, but a small portion of the depreciable electric plant in service. A discussion of the basis for the amortization periods is presented in the section "Calculation of Annual and Accrued Amortization."

Generally, the survivor curve estimates for the remaining accounts, were based on judgments which considered the nature of the plant and equipment, reviews of available historical data, and a general knowledge of service lives for similar equipment in other electric companies.

PART IV. NET SALVAGE CONSIDERATIONS

PART IV. NET SALVAGE CONSIDERATIONS

SALVAGE ANALYSIS

The estimates of net salvage by account were based in part on historical data compiled for the years 1976 through 2013. Cost of removal and salvage were expressed as percents of the original cost of plant retired, both on annual and three-year moving average bases. The most recent five-year average also was calculated for consideration. The net salvage estimates by account are expressed as a percent of the original cost of plant retired.

The experienced net salvage data were available by account for Distribution, General and Communication Plant accounts. The historical net salvage data through 2013 for the two Substation accounts and the six Transmission accounts were available only in total for the function as is typical when the depreciation reserve is maintained by function.

For Distribution Plant, there were several depreciable groups where the net salvage data were not readily available at the depreciable group level as it is impractical to segregate salvage receipts between such groups. The following presents the depreciable groups for which net salvage was analyzed as one group in order to develop historical indications of net salvage.

<u>Account Number</u>	<u>Account Description</u>
361.10, 361.11, 361.14 and 361.3	O/H Conductors - Bare Copper, Weather-Proof Copper, Aerial Cable and Special Insulated Copper Cable

<u>Account Number</u>	<u>Account Description</u>
361.12, 361.13 and 361.15	O/H Conductors - Bare Aluminum, Weather-Proof Aluminum and Duplex, Triplex and Quadruplex
361.2 and 361.4	U/G Cable and Submarine Cable
362.10 and 362.20	Poles - Under 35 ft. and Poles - 35 ft. and Over
364.10, 364.11, 364.2, 364.3, and 364.4	Line Transformers (Includes all groups in Account 364)
365.10 and 365.20	O/H Service and U/G Services
366.1, 366.2, 366.3 and 366.4	Watt-Hour Meters, Demand Meters, Instrument Transformers, Metering Tanks
378.3 and 378.4	Transportation Equipment - Trucks with Hydraulic Derricks - and Transportation Equipment - Trucks with Line and Stake Bodies

Net Salvage Considerations

The cost of removal related to Substation, Transmission and Distribution asset replacement projects has trended up during the period 2005 – 2010 in comparison to previous periods. During this period Newfoundland Power implemented new strategies for the replacement, refurbishment and modernization of deteriorated and aged assets in Distribution (2004), Transmission (2006) and Substations (2007).

Newfoundland Power's management believes the trend seen during 2005 – 2010 is not representative of the future. In 2010 a review of costs in these capital projects identified some inconsistency in the allocation of total project labor to the cost of removal for deteriorated and aged assets and the installation of the replacement assets. As a result the company implemented new guidelines in 2011 regarding the allocation of cost for capital projects involving the replacement, refurbishment and modernization of

deteriorated and aged assets. The cost of removal amounts were adjusted for the years 2005 through 2010 as if the new guidelines implemented in 2011 had been in place during those years. The pro forma cost of removal amounts for accounts affected by the new 2011 guidelines are set forth in the section of the report beginning on page B-47.

This change in allocation will have an impact on future cost of removal and net salvage, expressed as a percent of plant retirements. The net salvage estimates selected for the plant accounts affected by these guidelines reflect the expectation of lower removal costs in the future.

The estimates of salvage were based primarily on judgment which considered a number of factors. The primary factors were the analyses of historical data; the net salvage characteristics of other electric utility properties, a knowledge of management's plans and operating policies; and net salvage estimates from previous studies of this Company and other electric companies. The accounts for which the historical analyses were representative of expectations for future net salvage levels are presented below:

SUBSTATION

All Accounts as a Group.

TRANSMISSION

All Accounts as a Group.

DISTRIBUTION

361.10	Overhead Conductors - Bare Copper
361.11	Overhead Conductors – Weather-Proof Copper
361.12	Overhead Conductors - Bare Aluminum
361.13	Overhead Conductors - Weather-Proof Aluminum
361.14	Overhead Conductors – Aerial Cable
361.15	Overhead Conductors - Duplex, Triplex, and Quadruplex

361.30	Overhead Conductors – Special Insulated Copper Cable
362.10	Poles - Wood – Under 35 ft.
362.20	Poles - Wood – 35 ft. and Over
363	Street Lights
364.10	Transformers and Mountings - Up to and Including 15 kVA
364.11	Transformers and Mountings - Over 15 kVA
364.2	Voltage Regulators
364.3	Capacitor Banks
364.4	Reclosers
365.1	Services - Overhead
365.2	Services - Underground
366.1	Meters - Watt-Hour
366.2	Meters - Demand
366.3	Meters - Instrument Transformers
366.4	Meters - Metering Tanks

GENERAL PROPERTY

378.1	Transportation - Sedans and Station Wagons
378.2	Transportation - Pick-Up Trucks, Window Vans
378.3	Transportation - Trucks with Hydraulic Derricks
378.4	Transportation - Trucks with Line and Stake Bodies
378.5	Transportation - Miscellaneous

Accounts 362.10 Distribution Poles - Wood and 362.20 Distribution Pole Fixtures - Wood are used to illustrate the manner in which the study was conducted for the group of accounts in the preceding list. Depreciation reserve accounting data were compiled for the years 2000 through 2013. These data include the retirements, cost of removal and salvage.

Discussions with management indicated that wood distribution poles are retired and removed for a variety of reasons such as clearance issues, relocations, physical condition, storm damage and accidents. The removed poles have minimal salvage value although at times can be reused. The previous estimate of net salvage for Account 362.10 Poles – Wood and 362.20 Pole Fixtures - Wood was negative 25

percent. The range of typical net salvage estimates used by other electric utilities for wood poles and fixtures is negative 25 percent to negative 65 percent.

The net salvage estimate for Accounts 362.10, Poles – Wood and 362.20 Pole Fixtures is negative 35 percent and is based on the experienced net salvage data for the years 2000 through 2013. The three-year moving average for net salvage remained fairly level during the period 2000 through 2011 ranging from negative 25 percent to negative 45 percent. The years 2011-2013 experienced an increase in removal costs as expressed as a percent of retirements. However, the company believes that this is atypical and not likely to continue in the future. The overall net salvage percent experienced by Newfoundland Power during the period 2000 through 2013 was negative 38 percent as shown in the tabulation in Appendix B. The net salvage estimate of negative 35 percent is appropriate for Account 362.10, Poles – Wood and 362.2, Pole Fixtures. Negative 35 percent was consistent with the historical experience and with management's outlook regarding future net salvage and therefore was selected.

The net salvage estimates for production plant reflect estimated decommissioning costs associated with each generating station. The decommissioning cost estimate for each location was based on the results of a decommissioning study conducted by the Company's engineering department. The Company's decommissioning cost estimates were stated in current (2014) dollars. The decommissioning of the hydroelectric, gas turbines and diesel units are projected to occur at various dates in the future. The decommissioning cost estimates were adjusted for the effect of inflation between 2014 and the projected retirement date to develop the net salvage percent estimate as shown in the table on the following page.



NEWFOUNDLAND POWER, INC.

SUMMARY OF THE CALCULATION OF NET SALVAGE PERCENT RELATED TO PRODUCTION PLANT FACILITIES

PLANT (1)	DECOMMISSIONING COSTS STATED IN 2014 DOLLARS (2)	AVERAGE REMAINING LIFE (3)	INFLATION FACTOR (4)*	DECOMMISSIONING COSTS INFLATED TO THE PROBABLE RETIREMENT DATE (5)=(2)*(4)	ORIGINAL COST AT 12/31/2014 (6)	NET SALVAGE PERCENT (7)=(5)/(6)
HYDROELECTRIC PLANT	(38,370,000)	36.6	2.06	(79,042,200)	180,399,279	(43.82)
DIESEL PLANTS						
PORT AUX BASQUES	(153,800)	5.4	1.11	(170,718)	1,243,154	(13.73)
GAS TURBINES	(672,000)	8.0	1.17	(786,240)	17,888,371	(4.40)

* Column (4) = (100% + 2%) ^ Column (3)

Amortization accounting is used for certain General and Communication Plant accounts. Gross salvage and removal costs related to these accounts are expected to be minimal amounts. Any future gross salvage and removal cost for these accounts will be recorded as revenue and expense, respectively. Inasmuch as there will be no depreciation reserve entries related to salvage or cost of removal, the estimate of net salvage for accounts subject to amortization is zero percent.

Generally, the net salvage estimates for the remaining accounts were based on judgments which considered the nature of the plant and equipment, the Company's accounting policies and practices, reviews of available historical data, and a general knowledge of net salvage percents for similar equipment, in other electric companies.

PART V. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

PART V. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

After the survivor curve and net salvage are estimated, the annual and accrued depreciation can be calculated. In the average service life procedure, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate, Percent} = \frac{(100\% - \text{Net Salvage, Percent})}{\text{Average Service Life}}$$

The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account, based upon the attained age and the estimated survivor curve. The accrued depreciation ratios are calculated as follows:

$$\text{Ratio} = \left(1 - \frac{\text{Average Remaining Life Expectancy}}{\text{Average Service Life}}\right) (1 - \text{Net Salvage, Percent}).$$

The application of these procedures is described for a single unit of property and a group of property units. Net Salvage is omitted from the description for ease of application.

Single Unit of Property

The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000 \left(1 - \frac{6}{10} \right) = \$400.$$

Group Depreciation Procedures

A group procedure for depreciation is appropriate when considering more than a single item of property. Normally the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

Average Service Life Procedure

In the average service life procedure, the rate of annual depreciation is based on the average life or average remaining life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life. The recovery of cost is complete at the end of the life cycle, but the distribution of the capital cost to annual expense does not match the consumption of the service value of the plant.

Equal Life Group Procedure

In the equal life group procedure, also known as the unit summation procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group.

The relative size of each equal life group is determined from the property's life dispersion curve. This procedure eliminates the need to base depreciation on average lives, inasmuch as each group is a unit having a single life (i.e., no dispersion of lives). The full cost of short-lived units is accrued during their lives, leaving no deferral of accruals required to be added to the annual cost associated with long-lived units. The calculated depreciation for the property groups is the summation of the calculated depreciation based on the service life of each equal life unit. Thus, the equal life group procedure is responsive to management's goal of fully depreciating each asset by the time it is retired but it avoids the effort required to depreciate each unit of property separately.

The equal life group procedure is superior to the average service life procedure because it allocates the capital cost of a group property to annual cost of service in accordance with the consumption of the service value of the group.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were the same as those presented and approved in the previous depreciation report. The amortization

periods were based on judgment which incorporated a consideration of the period during which the assets

will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used under depreciation accounting.

Amortization accounting is used for certain General and Communication Plant accounts that represent numerous units of property, but a very small portion of depreciable electric plant in service. The accounts and their amortization periods are as follows:

<u>Account</u>	<u>Amortization Period, Years</u>
372 Furniture and Equipment	25
373 Stores Equipment	25
374 Shop Equipment	25
375 Laboratory and Testing Equipment	25
376 Miscellaneous Equipment	15
377 Engineering Equipment	25
379.1 Computer Equipment - Hardware	5
379.2 Computer Equipment - Software	10
381 Mobile Radio	15
383 Radio Equipment	15

The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the original cost by the period of amortization for the account.

MONITORING OF BOOK ACCUMULATED DEPRECIATION

The calculated accrued depreciation or amortization represents that portion of the depreciable cost which will not be allocated to expense through future depreciation accruals, if current forecasts of service life characteristics and net salvage materialize and are used as a basis for depreciation accounting. Thus, the calculated accrued

depreciation provides a measure of the book accumulated depreciation. The use of this measure is recommended in the amortization of book accumulated depreciation variances to insure complete recovery of capital over the life of the property.

The reserve variance amortization developed in this study is based on the variance between the book accumulated depreciation and the calculated accrued depreciation where the variance exceeds five percent of the calculated accrued depreciation and an amortization period equal to the composite remaining life for each property group. The calculated accrued depreciation or theoretical reserve is based on the mid-year convention. This accounting convention assumes that property is in service for six months in the year it is installed.

The composite remaining life for use in reducing accumulated depreciation variances is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum \left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life} \right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}.$$

The book costs and lives of the several equal life groups which are summed in the foregoing equation are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost} - \text{Calc. Reserve}}{\sum \text{Whole Life Annual Accruals}}.$$

PART VI. RESULTS OF STUDY

PART VI. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation and the annual provision for true-up (a.k.a., amortization of the accumulated depreciation variance) are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates were calculated in accordance with the straight line method of depreciation, using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

The annual depreciation accrual rates are applicable specifically to the electric plant in service as of December 31, 2014. The calculated accrued depreciation represents that portion of the depreciable cost which will not be allocated to future annual expense through depreciation accruals, if current forecasts of service life and salvage materialize and are used as a basis for straight line equal life group depreciation accounting.

DESCRIPTION OF SUMMARY TABULATIONS

Tables 1 and 2 are summaries of the results of the study as applied to the original cost of electric plant respectively, at December 31, 2014. Table 1 presents for each account the proposed survivor curve and net salvage estimates, the original cost, the calculated annual accrual rate and amount and the calculated accrued depreciation

as of December 31, 2014. Table 2 presents the calculation of the reserve variance amortization amounts. The summary schedules are presented on pages VI-5 through VI-15 of this report.

DESCRIPTION OF DETAILED TABULATIONS

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other electric utilities. The results of the statistical analysis of service life are presented in Appendix A of the companion volume to this report.

The estimated survivor curves for each account are presented in graphical form. The charts depict the estimated smooth survivor curve and original survivor curve(s), when applicable, related to each specific group. For groups where the original survivor curve was plotted, the calculation of the original life table is also presented. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The analyses of net salvage data are presented in the companion volume to this report in Appendix B titled, "Net Salvage Statistics". The tabulations present annual

cost of removal and salvage data, three-year moving averages and the most recent five-year average. Data are shown in dollars and as percentages of original costs retired.

The tables of the calculated annual depreciation applicable to depreciable assets as of December 31, 2014 are presented in account sequence in Appendix C of the companion volume. The tables indicate the estimated survivor curve and salvage percent for the account and set forth for each installation year the original cost, the calculated annual accrual rate and amount, and the calculated accrued depreciation factor and amount.

TABLE 1. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL DEPRECIATION
RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

DEPRECIABLE GROUP (1)	PROBABLE RETIREMENT YEAR (2)	ESTIMATED SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AT 12/31/14 (5)	ANNUAL ACCRUAL AMOUNT (6)	ANNUAL ACCRUAL RATE (7)=(6)/(5)	CALCULATED ACCRUED DEPRECIATION (8)
DEPRECIABLE PLANT							
HYDRO PRODUCTION							
320		75 - R2.5	0	1,054,326	15,065	1.43	404,623
321		60 - R3	(10)	4,311,837	84,061	1.95	1,525,656
322		75 - R2.5	(25)	10,035,341	182,316	1.82	4,133,808
323		60 - L3	(25)	62,426,491	1,417,060	2.27	23,182,461
324		70 - S0.5	(25)	41,546,526	891,918	2.15	14,546,330
325		65 - R2.5	(25)	40,188,197	867,661	2.16	13,700,994
326		35 - S0	(25)	19,462,225	864,896	4.44	6,836,117
327		50 - R2.5	(25)	1,374,335	38,457	2.80	497,106
TOTAL HYDRO PRODUCTION				180,399,279	4,361,434	2.42	64,827,095
OTHER PRODUCTION							
331		60 - S0	(20)	413,396	34,242	8.28	311,174
	6-2020	60 - S0	(3)	484,537	25,639	5.29	337,093
	6-2024	60 - S0	(3)	138,314	9,015	6.52	60,127
TOTAL ACCOUNT 331				1,036,247	68,896	6.65	708,394
332		70 - L0	(65)	5,179	-	-	8,545
	12-2010	70 - L0	(20)	106,126	6,048	5.70	95,152
	6-2020	70 - L0	(3)	657,909	35,120	5.34	457,438
	6-2021	70 - L0	(3)	253,645	15,151	5.97	125,631
	6-2024	70 - L0	(3)	1,365,091	47,648	3.49	496,355
	6-2036	70 - L0	0	2,387,950	103,967	4.35	1,183,121
TOTAL ACCOUNT 332							

TABLE 1. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL DEPRECIATION
RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

DEPRECIABLE GROUP (1)	PROBABLE RETIREMENT YEAR (2)	ESTIMATED SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AT 12/31/14 (5)	ANNUAL ACCURAL AMOUNT (6)	ANNUAL ACCURAL RATE (7)=(6)/(5)	CALCULATED ACCURED DEPRECIATION (8)
PRIME MOVERS, GENERATORS AND AUXILIARIES							
333	12-2010	55 - L1	(65)	52,594	-	-	86,781
	6-2020	55 - L1	(20)	621,377	58,926	9.48	428,089
	6-2020	55 - L1	0	2,471,612	144,592	5.85	1,696,517
	6-2021	55 - L1	(3)	6,133,900	242,065	3.95	4,819,478
	6-2024	55 - L1	(3)	9,225,767	535,588	5.81	4,645,462
	6-2036	55 - L1	0	839,912	31,587	3.76	258,050
TOTAL ACCOUNT 333				19,345,162	1,012,758	5.24	11,934,377
FUEL HOLDERS							
334	12-2010	Square	(65)	17,545	-	-	28,949
	6-2020	Square	(20)	95,357	8,139	8.54	69,646
	6-2021	Square	(3)	792,888	64,985	8.20	394,284
	6-2024	Square	(3)	201,410	8,667	4.30	125,163
TOTAL ACCOUNT 334				1,107,200	81,791	7.39	618,042
MISCELLANEOUS POWER PLANT EQUIPMENT							
335	6-2020	Square	(20)	6,898	134	1.94	7,537
TOTAL OTHER PRODUCTION				23,883,457	1,267,546	5.31	14,451,471
SUBSTATION							
341		50 - R2.5	(15)	11,386,944	291,927	2.56	3,801,140
342		50 - R1	(15)	192,109,534	5,697,303	2.97	64,535,997
TOTAL SUBSTATION				203,496,477	5,989,230	2.94	68,337,137

TABLE 1. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL DEPRECIATION
RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

DEPRECIABLE GROUP (1)	PROBABLE RETIREMENT YEAR (2)	ESTIMATED SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AT 12/31/14 (5)	ANNUAL ACCURAL AMOUNT (6)	ANNUAL ACCURAL RATE (7)=(6)/(5)	CALCULATED ACCURED DEPRECIATION (8)
TRANSMISSION							
350.01		65 - R4	0	8,291,352	131,444	1.59	3,450,164
350.02		65 - R4	0	78,266	1,238	1.58	35,155
353.1		57 - R3	(35)	27,644,643	689,139	2.49	14,107,745
353.2		50 - R4	(25)	1,645,955	41,483	2.52	915,022
355.1		52 - S0.5	(35)	37,038,771	1,089,268	2.94	17,881,545
355.2		52 - S0.5	(35)	28,767,681	878,595	3.05	12,017,180
355.3		31 - S1	(35)	22,864,503	1,061,030	4.64	13,086,570
TOTAL TRANSMISSION				126,331,172	3,892,197	3.08	61,493,381
DISTRIBUTION							
OVERHEAD CONDUCTORS AND UNDERGROUND CABLES							
361.1		53 - R1.5	(25)	494,303	9,597	1.94	444,129
361.11		49 - R2	(25)	1,607,235	32,499	2.02	1,613,605
361.12		57 - R2.5	(35)	129,653,261	3,415,391	2.63	53,438,160
361.13		36 - R1.5	(35)	35,214,194	1,469,932	4.17	18,368,547
361.14		29 - R1	(25)	1,076,258	53,719	4.99	551,617
361.15		49 - R2	(35)	5,762,312	184,327	3.20	2,108,026
361.2		47 - R4	(10)	26,155,568	633,238	2.42	10,100,725
361.3		29 - R1	(25)	102,076	3,114	3.05	102,756
361.4		40 - R3	(5)	18,426,771	551,619	2.99	2,532,168
TOTAL ACCOUNT 361				218,491,976	6,353,436	2.91	89,259,733

TABLE 1. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL DEPRECIATION RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

	DEPRECIABLE GROUP (1)	PROBABLE RETIREMENT YEAR (2)	ESTIMATED SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AT 12/31/14 (5)	ANNUAL ACCURAL AMOUNT (6)	ANNUAL ACCURAL RATE (7)=(6)/(5)	CALCULATED ACCURED DEPRECIATION (8)
	POLES AND FIXTURES							
362.1	WOOD - UNDER 35 FT.		53 - R1	(35)	74,253,328	2,166,010	2.92	36,486,161
362.2	WOOD - 35 FT. AND OVER		53 - R1	(35)	319,401,751	9,860,506	3.09	135,101,352
362.3	CONCRETE AND STEEL		44 - R2.5	(35)	8,166,625	267,548	3.28	4,306,725
362.4	STEEL TOWERS		50 - R3	(35)	195,337	5,114	2.62	166,370
	TOTAL ACCOUNT 362				402,017,041	12,299,178	3.06	176,060,608
363	STREET LIGHTS		20 - R0.5	(10)	20,191,132	1,159,516	5.74	10,311,128
364.1	TRANSFORMERS AND MOUNTINGS							
	UP TO AND INCLUDING 15 KVA		40 - S1	(2)	9,292,994	265,304	2.85	3,355,154
	OVER 15 KVA		40 - S1	(2)	122,631,962	3,596,871	2.93	36,994,930
	TOTAL ACCOUNT 364.1				131,924,957	3,862,175	2.93	40,350,084
364.2	VOLTAGE REGULATORS		40 - S1	(2)	5,496,238	157,484	2.87	1,819,603
364.3	CAPACITOR BANKS		40 - S1	(2)	331,138	9,711	2.93	105,926
364.4	RECLOSERS		40 - S1	(2)	1,157,315	34,467	2.98	284,912
365.1	SERVICES OVERHEAD		49 - R2	(60)	88,497,636	3,182,791	3.60	50,988,369
365.2	SERVICES UNDERGROUND		45 - R4	(10)	10,004,732	254,442	2.54	3,168,568
	METERS							
366.1	WATT-HOUR		18 - S1	(5)	15,356,756	970,287	6.32	5,978,566
366.2	DEMAND		18 - S1	(5)	7,535,922	525,719	6.98	1,752,714
366.3	INSTRUMENT TRANSFORMERS		36 - R2.5	(5)	2,951,154	89,733	3.04	1,310,953
366.4	METERING TANKS		36 - R2.5	(5)	1,213,035	33,358	2.75	773,613
	TOTAL ACCOUNT 366				27,056,868	1,619,097	5.98	9,815,846
367.1	UNDERGROUND DUCTS AND MANHOLES		65 - R4	(10)	10,290,061	182,598	1.77	2,692,829
367.2	UNDERGROUND SWITCHES AND SWITCHGEAR		47 - R4	(10)	2,934,579	72,469	2.47	648,333
	TOTAL DISTRIBUTION				918,393,672	29,187,364	3.18	385,505,939

TABLE 1. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL DEPRECIATION
RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

DEPRECIABLE GROUP (1)	PROBABLE RETIREMENT YEAR (2)	ESTIMATED SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AT 12/31/14 (5)	ANNUAL ACCRUAL AMOUNT (6)	ANNUAL ACCRUAL RATE (7)=(6)/(5)	CALCULATED ACCRUED DEPRECIATION (8)
GENERAL PROPERTY							
371.1 BUILDINGS AND STRUCTURES - SMALL							
371.2 BUILDINGS AND STRUCTURES - LARGE							
TOPSAIL ROAD - TRANSFORMER STORAGE	6-2033	37 - S0	(10)	1,956,986	50,692	2.59	1,330,237
TOPSAIL ROAD - SYSTEM CONTROL CENTER	6-2054	70 - R1	0	1,711,140	62,635	3.66	682,650
KENMOUNT ROAD	6-2049	70 - R1	0	1,672,350	40,942	2.45	434,824
DUFFY PLACE	6-2065	70 - R1	0	8,449,945	204,888	2.42	2,942,332
CARBONEAR - OFFICE/WAREHOUSE	6-2052	70 - R1	0	13,079,875	247,579	1.89	4,561,937
WHITBOURNE	6-2023	70 - R1	0	2,573,071	69,126	2.69	741,549
SALT POND	6-2023	70 - R1	0	715,140	29,883	4.18	471,965
CLARENVILLE REGIONAL BUILDING	6-2050	70 - R1	0	909,800	37,788	4.15	601,376
GANDER	6-2037	70 - R1	0	2,064,724	41,199	2.00	894,797
GRAND FALLS SERVICE BUILDING	6-2056	70 - R1	0	1,707,555	49,153	2.88	762,224
CORNER BROOK - MAPLE VALLEY SERVICE BUILDING	6-2057	70 - R1	0	1,503,207	34,122	2.27	439,960
STEPHENVILLE OFFICE AND SERVICE BUILD	6-2028	70 - R1	0	1,618,842	36,398	2.25	464,507
PORT AUX BASQUES	6-2035	70 - R1	0	1,104,951	31,088	2.81	712,057
TOTAL ACCOUNT 371.2			0	314,098	8,131	2.59	166,519
				37,424,698	892,932	2.39	13,876,697
372 OFFICE EQUIPMENT		25 - SQ	0	6,515,766	243,674	4.00 (a)	4,162,533
373 STORE EQUIPMENT		25 - SQ	0	557,243	17,764	4.00 (a)	451,921
374 SHOP EQUIPMENT		25 - SQ	0	674,511	25,188	4.00 (a)	477,192
375 LABORATORY AND TESTING EQUIPMENT		25 - SQ	0	5,848,467	227,214	4.00 (a)	3,367,355
376 MISCELLANEOUS EQUIPMENT		15 - SQ	0	3,009,958	194,312	6.67 (a)	1,532,349
377 ENGINEERING EQUIPMENT		25 - SQ	0	162,163	6,141	4.00 (a)	65,967

**TABLE 1. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL DEPRECIATION
RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014**

DEPRECIABLE GROUP	(1)	PROBABLE RETIREMENT YEAR	(2)	ESTIMATED SURVIVOR CURVE	(3)	NET SALVAGE PERCENT	(4)	ORIGINAL COST AT 12/31/14	(5)	ANNUAL ACCURAL AMOUNT	(6)	ANNUAL ACCURAL RATE	(7)=(6)/(5)	CALCULATED ACCURED DEPRECIATION	(8)
TRANSPORTATION															
378.1	SEDANS AND STATION WAGONS			6 - R4		15		6,097,702		809,221		13.27		2,938,029	
378.2	PICK-UP TRUCKS, WINDOW VANS			11 - R3		5		15,726,931		1,320,428		8.40		8,266,961	
378.3	LARGE TRUCKS WITH HYDRAULIC DERRICKS			11 - R3		5		4,187,992		378,922		9.05		1,538,122	
378.4	LARGE TRUCKS WITH LINE AND STAKE BODIES			15 - L1.5		15		1,257,652		77,804		6.19		446,159	
378.5	MISCELLANEOUS							27,270,277		2,586,375		9.48		13,189,271	
	TOTAL ACCOUNT 378														
379.1	COMPUTERS - HARDWARE			5 - SQ		0		9,863,535		1,666,957		20.00 (a)		5,662,291	
379.2	COMPUTERS - SOFTWARE			10 - SQ		0		26,877,868		2,432,696		10.00 (a)		14,265,430	
	TOTAL GENERAL PROPERTY							120,161,472		8,343,945		6.94		58,381,243	
TELECOMMUNICATIONS															
381.1	MOBILE RADIOS			15 - SQ		0		195,419		13,034		6.67 (a)		145,037	
381.2	PORTABLE RADIOS			15 - SQ		0		75,913		3,758		6.67 (a)		60,341	
381.3	BASE STATIONS														
382.1	RADIO SITES - ROADS			30 - R4		0		141,801		4,207		2.97		100,030	
382.2	RADIO SITES - BUILDINGS			30 - R4		(5)		391,415		11,972		3.06		350,941	
383	RADIO EQUIPMENT			15 - SQ		0		1,521,788		101,503		6.67 (a)		408,607	
384	COMMUNICATION CABLES			25 - R3		(5)		2,720,442		114,533		4.21		1,455,418	
386	SCADA EQUIPMENT			15 - L2		(1)		3,741,640		182,446		4.88		2,857,158	
389.1	TELEPHONE AND DATA COLLECTION EQUIPMENT			10 - L2.5		0		840,905		47,247		5.62		747,897	
391	COMMUNICATION TEST EQUIPMENT			15 - R3		0		524,225		10,995		2.10		516,688	
	TOTAL TELECOMMUNICATIONS							10,153,549		489,695		4.82		6,642,117	
	TOTAL DEPRECIABLE PLANT							1,582,819,078		53,531,411				659,638,383	
	TOTAL NONDEPRECIABLE PLANT							9,797,183							
	TOTAL ELECTRIC PLANT							1,592,616,262							

(a) Amortization rate shown is applicable to vintages that are not fully amortized. (Amortization Rate=1/Amortization Period, Years)

NEWFOUNDLAND POWER INC.

TABLE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF RESERVE VARIANCE AMORTIZATIONS RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

DEPRECIABLE GROUP	ORIGINAL COST AT 12/31/14	CALCULATED ACCURED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED RESERVE			PROBABLE REMAINING LIFE	RESERVE VARIANCE AMORTIZATION
				AMOUNT (5)=(3)-(4)	PERCENT (6)=(5)/(3)	AMOUNT > THRESHOLD (7)=(3)-(4) (a)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(7)/(8)
DEPRECIABLE PLANT								
HYDRO PRODUCTION								
320	LAND AND LAND CLEARING	1,054,326	404,623	(25,941)	-6.4	(25,941)	43.1	(601)
321	ROADS, TRAILS, AND BRIDGES	4,311,837	1,525,656	(152,169)	-10.0	(152,169)	38.3	(3,976)
322	BUILDINGS AND STRUCTURES	10,035,341	4,133,808	(417,271)	-10.1	(417,271)	46.1	(9,046)
323	CANALS, PENSTOCKS, SURGE TANKS AND TAILRACES	62,426,491	23,182,461	1,064,532	4.6	-	38.7	- (b)
324	DAMS AND RESERVOIRS	41,546,526	14,546,330	4,155	0.0	-	41.9	- (b)
325	PRIME MOVERS, GENERATORS AND AUXILIARIES	40,188,197	13,700,994	1,383,169	10.1	1,383,169	42.1	32,847
326	SWITCHING, METERING AND CONTROL EQUIPMENT	19,462,225	6,836,117	1,340,561	19.6	1,340,561	20.2	66,299
327	MISCELLANEOUS POWER PLANT EQUIPMENT	1,374,335	497,106	118,442	23.8	118,442	31.8	3,730
TOTAL HYDRO PRODUCTION				3,315,479	5.1	2,246,791		89,253
OTHER PRODUCTION								
BUILDINGS AND STRUCTURES								
331	PORT AUX BASQUES DIESEL	413,396	311,174	61,556	19.8	61,556	5.4	11,399
	GREEN HILL GAS TURBINE	484,537	337,093	13,393	4.0	-	6.3	- (b)
	WESLEYVILLE GAS TURBINE	136,314	60,127	3,907	6.5	3,907	9.1	428
	TOTAL ACCOUNT 331	1,036,247	708,394	78,856	11.1	65,463		11,827
ELECTRICAL PLANT								
332	PORT UNION DIESEL	5,179	8,545	6,779	79.3	6,779	0.0	1,356 (c)
	PORT AUX BASQUES DIESEL	106,126	95,152	(7,405)	-7.8	(7,405)	5.3	(1,392)
	GREEN HILL GAS TURBINE	657,909	457,438	(67,714)	-14.8	(67,714)	6.3	(10,800)
	WESLEYVILLE GAS TURBINE	253,645	125,631	(29,492)	-23.5	(29,492)	9.0	(3,295)
	MOBILE DIESEL #3	1,365,091	496,355	(53,675)	-10.8	(53,675)	18.2	(2,944)
	TOTAL ACCOUNT 332	2,387,950	1,183,121	(151,507)	-12.8	(151,507)		(17,075)
PRIME MOVERS, GENERATORS AND AUXILIARIES								
333	PORT UNION DIESEL	52,594	86,781	4,336	5.0	4,336	0.0	867 (c)
	PORT AUX BASQUES DIESEL	621,377	428,089	(84,408)	-19.7	(84,408)	5.4	(15,660)
	PORTABLE GAS TURBINE	2,471,612	1,696,517	(24,400)	-1.4	-	5.4	- (b)
	GREEN HILL GAS TURBINE	6,133,900	4,819,478	(748,513)	-15.5	(748,513)	6.2	(120,923)
	WESLEYVILLE GAS TURBINE	9,225,767	4,645,462	108,995	2.3	-	9.1	- (b)
	MOBILE DIESEL #3	839,912	258,050	(4,201)	-1.6	-	18.4	- (b)
	TOTAL ACCOUNT 333	19,345,162	11,934,377	(748,192)	-6.3	(828,585)		(135,716)



NEWFOUNDLAND POWER INC.

TABLE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF RESERVE
VARIANCE AMORTIZATIONS RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

	DEPRECIABLE GROUP (1)	ORIGINAL COST AT 12/31/14 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED RESERVE			PROBABLE REMAINING LIFE (8)	RESERVE VARIANCE AMORTIZATION (9)=(7)/(8)
					AMOUNT (5)=(3)-(4)	PERCENT (6)=(5)/(3)	AMOUNT > THRESHOLD (7)=(3)-(4) (a)		
334	FUEL HOLDERS								
	PORT UNION DIESEL	17,545	28,949	32,052	(3,103)	-10.7	(3,103)	0.0	(621) (c)
	PORT AUX BASQUES DIESEL	95,357	69,646	64,235	5,411	7.8	5,411	5.5	984
	GREEN HILL GAS TURBINE	792,888	394,284	436,735	(42,451)	-10.8	(42,451)	6.5	(6,531)
	WESLEYVILLE GAS TURBINE	201,410	125,163	123,091	2,072	1.7	-	9.5	- (b)
	TOTAL ACCOUNT 334	1,107,200	618,042	656,114	(38,072)	-6.2	(40,143)		(6,168)
335	MISCELLANEOUS POWER PLANT EQUIPMENT								
	PORT AUX BASQUES DIESEL	6,898	7,537	8,315	(778)	-10.3	(778)	5.5	(141)
	TOTAL OTHER PRODUCTION	23,883,457	14,451,471	15,311,164	(859,693)		(955,550)		(147,273)
SUBSTATION									
341	BUILDINGS AND STRUCTURES	11,386,944	3,801,140	3,472,412	328,728	8.6	328,728	31.8	10,324
342	EQUIPMENT	192,109,534	64,535,997	57,147,445	7,388,552	11.4	7,388,552	27.5	269,164
	TOTAL SUBSTATION	203,496,477	68,337,137	60,619,856	7,717,281	11.3	7,717,280		279,488
TRANSMISSION									
350.01	ROW CLEARING AND EASEMENT SURVEY	8,291,352	3,450,164	3,430,296	19,868	0.6	-	36.8	- (b)
350.02	ROADS, TRAILS AND BRIDGES	78,266	35,155	38,794	(3,639)	-10.4	(3,639)	34.8	(105)
353.1	OVERHEAD CONDUCTORS	27,644,643	14,107,745	13,471,837	635,908	4.5	-	33.7	- (b)
353.2	UNDERGROUND CABLES	1,645,955	915,022	861,844	53,178	5.8	53,178	27.5	1,931
355.1	POLES	37,038,771	17,881,545	16,380,330	1,501,215	8.4	1,501,215	29.5	50,906
355.2	POLE FIXTURES	28,767,681	12,017,180	13,803,339	(1,786,159)	-14.9	(1,786,159)	30.5	(58,505)
355.3	INSULATORS	22,864,503	13,086,570	12,615,279	471,291	3.6	-	16.8	- (b)
	TOTAL TRANSMISSION	126,331,172	61,493,381	60,601,720	891,661	1.5	(235,405)		(5,773)



NEWFOUNDLAND POWER INC.

TABLE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF RESERVE VARIANCE AMORTIZATIONS RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

	DEPRECIABLE GROUP (1)	ORIGINAL COST AT 12/31/14 (2)	CALCULATED ACCURED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED RESERVE			PROBABLE REMAINING LIFE (8)	RESERVE VARIANCE AMORTIZATION (9)=(7)/(8)
					AMOUNT (5)=(3)-(4)	PERCENT (6)=(5)/(3)	AMOUNT > THRESHOLD (7)=(3)-(4) (a)		
DISTRIBUTION									
OVERHEAD CONDUCTORS AND UNDERGROUND CABLES									
361.1	BARE COPPER	494,303	444,129	716,817	(272,688)	-61.4	(272,688)	18.1	(15,066)
361.11	WEATHER-PROOF COPPER	1,607,235	1,613,605	2,049,177	(435,572)	-27.0	(435,572)	12.2	(35,791)
361.12	BARE ALUMINUM	129,653,261	53,438,160	54,074,122	(635,962)	-1.2	-	35.6	- (b)
361.13	WEATHER-PROOF ALUMINUM	35,214,194	18,368,547	18,792,224	(423,677)	-2.3	-	19.8	- (b)
361.14	AERIAL CABLE	1,076,258	551,617	637,200	(85,583)	-15.5	(85,583)	14.8	(5,790)
361.15	DUPLEX, TRIPLEX, AND QUADRUPLX	5,762,312	2,108,026	2,408,493	(300,467)	-14.3	(300,467)	30.8	(9,765)
361.2	UNDERGROUND CABLES	26,155,568	10,100,725	10,702,171	(601,446)	-6.0	(601,446)	29.5	(20,402)
361.3	SPECIAL INSULATED COPPER CABLE	102,076	102,756	138,636	(35,880)	-34.9	(35,880)	8.0	(4,496)
361.4	SUBMARINE CABLE	18,426,771	2,532,168	2,705,965	(173,797)	-6.9	(173,797)	30.5	(5,702)
	TOTAL ACCOUNT 361	218,491,976	89,259,733	92,224,804	(2,965,071)	-3.3	(1,905,433)		(97,072)
POLES AND FIXTURES									
362.1	WOOD - UNDER 35 FT.	74,253,328	36,486,161	33,374,341	3,111,820	8.5	3,111,820	29.4	105,736
362.2	WOOD - 35 FT. AND OVER	319,401,751	135,101,352	135,276,784	(175,432)	-0.1	-	30.0	- (b)
362.3	CONCRETE AND STEEL	8,166,625	4,306,725	4,580,294	(273,569)	-6.4	(273,569)	25.1	(10,895)
362.4	STEEL TOWERS	195,337	166,370	146,516	19,854	11.9	19,854	19.0	1,043
	TOTAL ACCOUNT 362	402,017,041	176,060,608	173,377,935	2,682,673	1.5	2,858,705		95,884
363	STREET LIGHTS	20,191,132	10,311,128	8,759,262	1,551,866	15.1	1,551,866	10.3	151,254
TRANSFORMERS AND MOUNTINGS									
364.1	UP TO AND INCLUDING 15 KVA	9,292,994	3,355,154	2,377,080	978,074	29.2	978,074	23.1	42,378
	OVER 15 KVA	122,631,962	36,994,930	33,658,902	3,336,028	9.0	3,336,028	24.5	136,220
	TOTAL ACCOUNT 364.1	131,924,957	40,350,084	36,035,982	4,314,102	10.7	4,314,102		178,598
364.2	VOLTAGE REGULATORS	5,496,238	1,819,603	1,411,813	407,790	22.4	407,790	24.0	16,963
364.3	CAPACITOR BANKS	331,138	105,926	113,839	(7,913)	-7.5	(7,913)	23.9	(332)
364.4	RECLOSERS	1,157,315	284,912	315,468	(30,556)	-10.7	(30,556)	26.0	(1,176)
365.1	SERVICES OVERHEAD	88,497,636	50,988,369	62,879,037	(11,890,668)	-23.3	(11,890,668)	28.5	(417,656)
365.2	SERVICES UNDERGROUND	10,004,732	3,168,568	3,078,119	90,449	2.9	-	30.8	- (b)
METERS									
366.1	WATT-HOUR	15,356,756	5,978,566	(753,165)	6,731,731	112.6	6,731,731	10.5	643,569
366.2	DEMAND	7,535,922	1,752,714	(384,616)	2,137,330	121.9	2,137,330	11.7	182,366
366.3	INSTRUMENT TRANSFORMERS	2,951,154	1,310,953	1,335,584	(24,631)	-1.9	-	19.9	- (b)
366.4	METERING TANKS	1,213,035	773,613	819,939	(46,326)	-6.0	(46,326)	15.0	(3,090)
	TOTAL ACCOUNT 366	27,056,868	9,815,846	1,017,742	8,798,104	89.6	8,822,735		822,845
367.1	UNDERGROUND DUCTS AND MANHOLES	10,290,061	2,692,829	2,581,179	111,650	4.1	-	47.2	- (b)
367.2	UNDERGROUND SWITCHES AND SWITCHGEAR	2,934,579	648,333	673,504	(25,171)	-3.9	-	35.6	- (b)
	TOTAL DISTRIBUTION	918,393,672	385,505,939	382,468,684	3,037,255	0.8	4,120,028		749,368

NEWFOUNDLAND POWER INC.

TABLE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF RESERVE VARIANCE AMORTIZATIONS RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

DEPRECIABLE GROUP (1)	ORIGINAL COST AT 12/31/14 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED RESERVE			PROBABLE REMAINING LIFE (8)	RESERVE VARIANCE AMORTIZATION (9)=(7)/(8)
				AMOUNT (5)=(3)-(4)	PERCENT (6)=(5)/(3)	AMOUNT > THRESHOLD (7)=(3)-(4) (a)		
GENERAL PROPERTY								
371.1 BUILDINGS AND STRUCTURES - SMALL	1,956,986	1,330,237	1,464,867	(134,630)	-10.1	(134,630)	16.2	(8,300)
371.2 BUILDINGS AND STRUCTURES - LARGE								
TOPSAIL ROAD - TRANSFORMER STORAGE	1,711,140	682,650	683,102	(452)	-0.1	-	16.4	- (b)
TOPSAIL ROAD - SYSTEM CONTROL CENTER	1,672,350	434,824	473,448	(38,624)	-8.9	(38,624)	30.2	(1,278)
KENMOUNT ROAD	8,449,945	2,942,332	1,956,985	985,347	33.5	985,347	26.9	36,657
DUFFY PLACE	13,079,875	4,561,937	4,666,192	(104,255)	-2.3	-	34.4	- (b)
CARBONEAR - OFFICE/WAREHOUSE	2,573,071	741,549	532,792	208,757	28.2	208,757	26.5	7,878
WHITBOURNE	715,140	471,965	400,743	71,222	15.1	71,222	8.1	8,750
SALT POND	909,800	601,376	587,088	14,288	2.4	-	8.2	- (b)
CLARENVILLE REGIONAL BUILDING	2,064,724	894,797	945,145	(50,348)	-5.6	(50,348)	28.4	(1,773)
GANDER	1,707,555	762,224	1,035,881	(273,657)	-35.9	(273,657)	19.2	(14,231)
GRAND FALLS SERVICE BUILDING	1,503,207	439,960	346,782	93,178	21.2	93,178	31.2	2,990
CORNER BROOK - MAPLE VALLEY SERVICE BUILDING	1,618,842	464,507	405,587	58,920	12.7	58,920	31.7	1,858
STEPHENVILLE OFFICE AND SERVICE BUILD	1,104,951	712,057	754,727	(42,670)	-6.0	(42,670)	12.6	(3,376)
PORT AUX BASQUES	314,098	166,519	191,311	(24,792)	-14.9	(24,792)	18.2	(1,366)
TOTAL ACCOUNT 371.2	37,424,698	13,876,697	12,979,784	896,913	6.5	987,333		36,109
372 OFFICE EQUIPMENT	6,515,766	4,162,533	4,148,404	14,129	0.3	-	9.7	- (b)
373 STORE EQUIPMENT	557,243	451,921	448,250	3,671	0.8	-	5.9	- (b)
374 SHOP EQUIPMENT	674,511	477,192	492,717	(15,525)	-3.3	-	7.8	- (b)
375 LABORATORY AND TESTING EQUIPMENT	5,848,467	3,367,355	3,284,681	82,674	2.5	-	10.9	- (b)
376 MISCELLANEOUS EQUIPMENT	3,009,958	1,532,349	1,603,087	(70,738)	-4.6	-	7.6	- (b)
377 ENGINEERING EQUIPMENT	162,163	65,967	78,725	(12,758)	-19.3	(12,758)	15.7	(815)
TRANSPORTATION								
378.1 SEDANS AND STATION WAGONS	-	-	(10,544)	10,544		10,544	0.0	2,109 (d)
378.2 PICK-UP TRUCKS, WINDOW VANS	6,097,702	2,938,029	2,864,835	73,194	2.5	-	2.8	- (b)
378.3 LARGE TRUCKS WITH HYDRAULIC DERRICKS	15,728,931	8,266,961	9,416,945	(1,149,984)	-13.9	(1,149,984)	5.1	(227,720)
378.4 LARGE TRUCKS WITH LINE AND STAKE BODIES	4,187,992	1,538,122	1,040,478	497,644	32.4	497,644	6.4	77,274
378.5 MISCELLANEOUS	1,257,652	446,159	175,365	270,794	60.7	270,794	8.0	33,807
TOTAL ACCOUNT 378	27,270,277	13,189,271	13,487,079	(297,808)	-2.3	(371,002)		(114,530)
379.1 COMPUTERS - HARDWARE	9,863,535	5,662,291	5,809,001	(146,710)	-2.6	-	2.5	- (b)
379.2 COMPUTERS - SOFTWARE	26,877,868	14,265,430	13,601,729	663,701	4.7	-	5.2	- (b)
TOTAL GENERAL PROPERTY	120,161,472	58,381,243	57,398,323	982,920	1.7	468,943		(87,536)



NEWFOUNDLAND POWER INC.

TABLE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF RESERVE
VARIANCE AMORTIZATIONS RELATED TO ORIGINAL COST OF ELECTRIC PLANT AT DECEMBER 31, 2014

DEPRECIABLE GROUP	ORIGINAL COST AT 12/31/14	CALCULATED ACCURED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED RESERVE			PROBABLE REMAINING LIFE	RESERVE VARIANCE AMORTIZATION
				AMOUNT (5)=(3)-(4)	PERCENT (6)=(5)/(3)	AMOUNT > THRESHOLD (7)=(3)-(4) (a)		
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(5)/(3)	(7)=(3)-(4) (a)	(8)	(9)=(7)/(8)
TELECOMMUNICATIONS								
381.1	MOBILE RADIOS	195,419	133,877	11,160	7.7	11,160	3.9	2,232 (c)
381.2	PORTABLE RADIOS	75,913	64,319	(3,978)	-6.6	(3,978)	4.1	(796) (c)
381.3	BASE STATIONS	-	45	(45)		(45)	0.0	(9) (d)
382.1	RADIO SITES - ROADS	141,801	113,276	(13,246)	-13.2	(13,246)	9.9	(1,334)
382.2	RADIO SITES - BUILDINGS	391,415	392,027	(41,086)	-11.7	(41,086)	5.0	(8,184)
383	RADIO EQUIPMENT	408,607	375,494	33,113	8.1	33,113	11.0	3,018
384	COMMUNICATION CABLES	2,720,442	1,515,948	(60,530)	-4.2	-	12.2	- (b)
386	SCADA EQUIPMENT	3,741,640	3,468,744	(611,586)	-21.4	(611,586)	5.1	(121,106)
389.1	TELEPHONE AND DATA COLLECTION EQUIPMENT	840,905	747,897	(396,393)	-53.0	(396,393)	2.0	(79,279) (c)
391	COMMUNICATION TEST EQUIPMENT	524,225	652,180	(135,492)	-26.2	(135,492)	0.7	(27,098) (c)
TOTAL TELECOMMUNICATIONS				(1,218,083)	-18.3	(1,157,553)		(232,556)
TOTAL DEPRECIABLE PLANT IN SERVICE				13,866,819	2.1	12,204,534		644,971
ACCOUNTS NOT STUDIED								
371.2	STEAM PLANT - RETIRED BUILDINGS - RETIRED	-	(63,245)	63,245		63,245		21,082 (e)
390	GRAND FALLS OFFICE BUILDING CORNER BROOK - WEST STREET POWER LINE CARRIER	-	37,783 81,932 (1,953)	(37,783) (81,932) 1,953		(37,783) (81,932) 1,953		(12,594) (e) (27,311) (e) 1,953 (f)
TOTAL ACCOUNTS NOT STUDIED				(54,516)		(54,516)		(16,870)
TOTAL DEPRECIABLE PLANT				13,812,302		12,150,017		628,101
TOTAL NONDEPRECIABLE PLANT								
TOTAL ELECTRIC PLANT								

(a) The reserve variance for accounts that exceed the 5% tolerance threshold are listed.

(b) No reserve variance amortization calculated when reserve variance is less than five percent.

(c) Reserve variance is amortized over five years for those accounts with a composite remaining life of less than 5 years.

(d) No assets remain in this account. Reserve variance is amortized over 5 years.

(e) No assets remain in this account. The true-up from the previous depreciation study will eliminate any reserve variance by year end 2017.

(f) No assets remain in this account. The true-up will eliminate any reserve variance by year end 2015.

NEWFOUNDLAND POWER INC.

ST. JOHN'S, NEWFOUNDLAND

APPENDICES TO

2014 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC PLANT
AS OF DECEMBER 31, 2014

Prepared by:

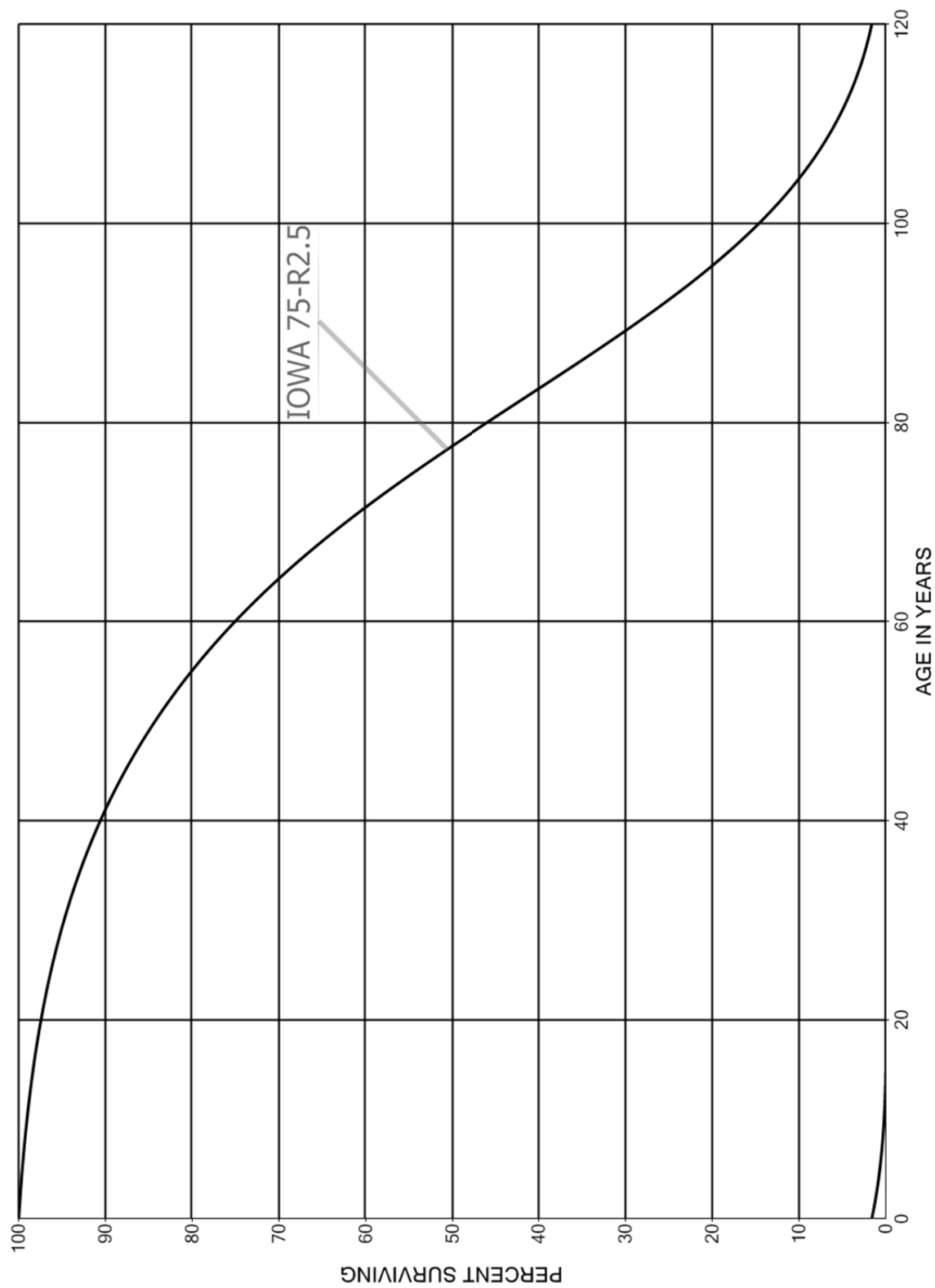


Gannett Fleming

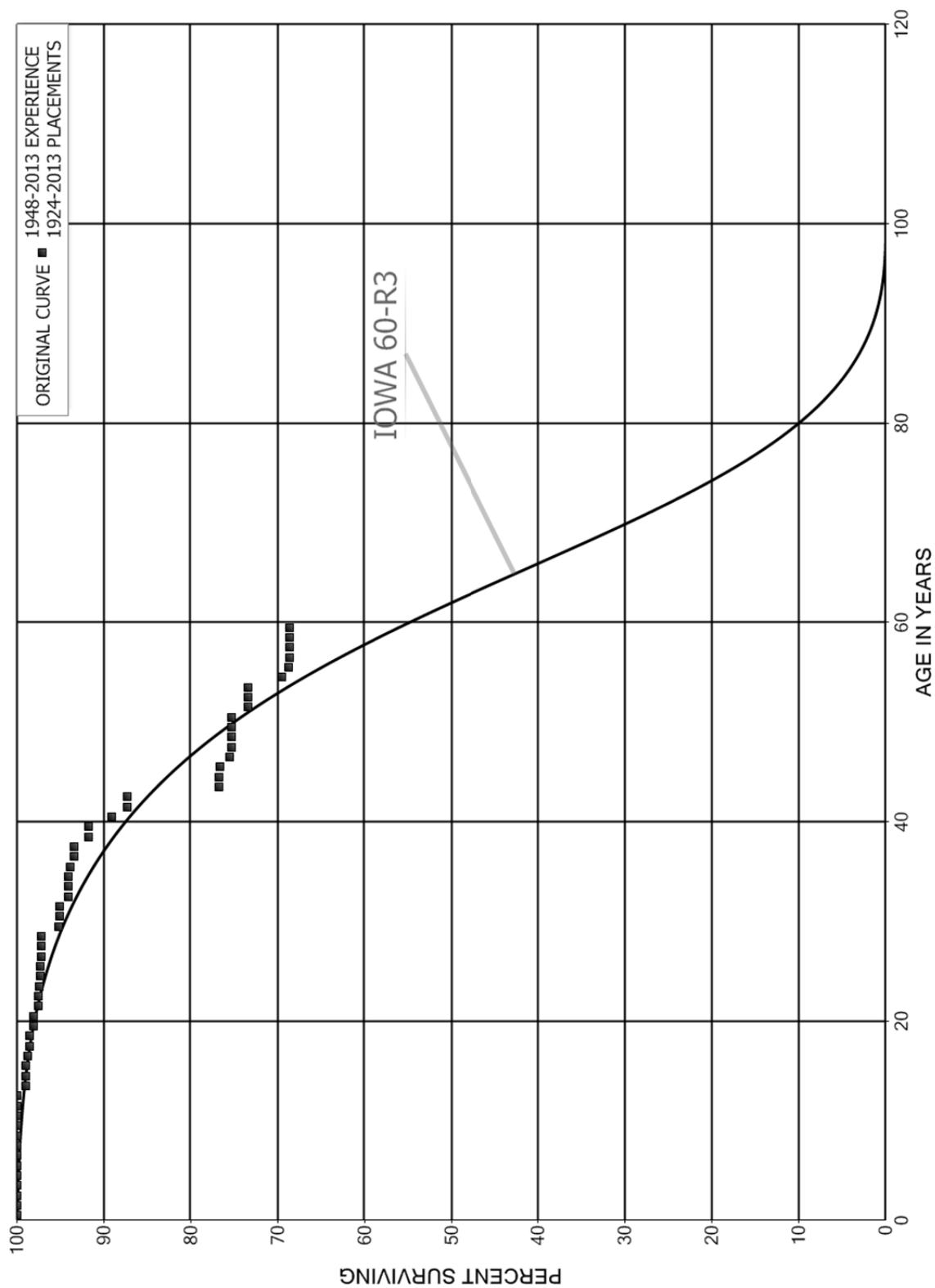
*Excellence Delivered **As Promised***

APPENDIX A. SERVICE LIFE STATISTICS

NEWFOUNDLAND POWER INC.
ACCOUNT 320.00 - LAND AND LAND CLEARING
SMOOTH SURVIVOR CURVE



NEWFOUNDLAND POWER INC.
ACCOUNT 321.00 - ROADS, TRAILS, AND BRIDGES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 321.00 - ROADS, TRAILS, AND BRIDGES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,868,865		0.0000	1.0000	100.00
0.5	2,959,830		0.0000	1.0000	100.00
1.5	2,846,633		0.0000	1.0000	100.00
2.5	2,737,219		0.0000	1.0000	100.00
3.5	2,582,754		0.0000	1.0000	100.00
4.5	2,282,312		0.0000	1.0000	100.00
5.5	2,230,627		0.0000	1.0000	100.00
6.5	2,110,141		0.0000	1.0000	100.00
7.5	2,960,073		0.0000	1.0000	100.00
8.5	2,718,039		0.0000	1.0000	100.00
9.5	2,709,319	1,500	0.0006	0.9994	100.00
10.5	2,520,578		0.0000	1.0000	99.94
11.5	2,544,406		0.0000	1.0000	99.94
12.5	2,544,406	24,232	0.0095	0.9905	99.94
13.5	2,622,492		0.0000	1.0000	98.99
14.5	2,622,492	600	0.0002	0.9998	98.99
15.5	1,816,940	3,994	0.0022	0.9978	98.97
16.5	1,357,714	4,000	0.0029	0.9971	98.75
17.5	1,353,714		0.0000	1.0000	98.46
18.5	1,353,714	6,105	0.0045	0.9955	98.46
19.5	1,303,188		0.0000	1.0000	98.02
20.5	1,291,473	7,000	0.0054	0.9946	98.02
21.5	1,020,954		0.0000	1.0000	97.49
22.5	1,078,369	1,571	0.0015	0.9985	97.49
23.5	1,122,367	1,220	0.0011	0.9989	97.34
24.5	1,079,145		0.0000	1.0000	97.24
25.5	1,081,145	1,100	0.0010	0.9990	97.24
26.5	1,031,314		0.0000	1.0000	97.14
27.5	1,014,801		0.0000	1.0000	97.14
28.5	1,009,191	20,900	0.0207	0.9793	97.14
29.5	988,291	1,104	0.0011	0.9989	95.13
30.5	913,064		0.0000	1.0000	95.02
31.5	909,856	8,825	0.0097	0.9903	95.02
32.5	901,031		0.0000	1.0000	94.10
33.5	888,956		0.0000	1.0000	94.10
34.5	888,956	2,000	0.0022	0.9978	94.10
35.5	886,956	4,412	0.0050	0.9950	93.89
36.5	882,544	610	0.0007	0.9993	93.42
37.5	901,261	15,778	0.0175	0.9825	93.36
38.5	885,483		0.0000	1.0000	91.72

NEWFOUNDLAND POWER INC.

ACCOUNT 321.00 - ROADS, TRAILS, AND BRIDGES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	885,483	25,912	0.0293	0.9707	91.72
40.5	803,540	15,530	0.0193	0.9807	89.04
41.5	789,225		0.0000	1.0000	87.32
42.5	787,320	95,916	0.1218	0.8782	87.32
43.5	691,404		0.0000	1.0000	76.68
44.5	691,404	251	0.0004	0.9996	76.68
45.5	691,153	10,316	0.0149	0.9851	76.65
46.5	680,837	2,000	0.0029	0.9971	75.51
47.5	678,096		0.0000	1.0000	75.29
48.5	678,096		0.0000	1.0000	75.29
49.5	675,485		0.0000	1.0000	75.29
50.5	589,473	15,000	0.0254	0.9746	75.29
51.5	574,473		0.0000	1.0000	73.37
52.5	574,473		0.0000	1.0000	73.37
53.5	572,826	30,517	0.0533	0.9467	73.37
54.5	452,963	4,600	0.0102	0.9898	69.46
55.5	407,383	990	0.0024	0.9976	68.76
56.5	395,111		0.0000	1.0000	68.59
57.5	374,711		0.0000	1.0000	68.59
58.5	341,383		0.0000	1.0000	68.59
59.5	244,956		0.0000	1.0000	68.59
60.5	209,073		0.0000	1.0000	68.59
61.5	175,417	500	0.0029	0.9971	68.59
62.5	198,892		0.0000	1.0000	68.39
63.5	176,892		0.0000	1.0000	68.39
64.5	180,877		0.0000	1.0000	68.39
65.5	173,290		0.0000	1.0000	68.39
66.5	173,290		0.0000	1.0000	68.39
67.5	152,980		0.0000	1.0000	68.39
68.5	152,980	1,500	0.0098	0.9902	68.39
69.5	151,480		0.0000	1.0000	67.72
70.5	110,860		0.0000	1.0000	67.72
71.5	98,929		0.0000	1.0000	67.72
72.5	71,679		0.0000	1.0000	67.72
73.5	71,679		0.0000	1.0000	67.72
74.5	87,021		0.0000	1.0000	67.72
75.5	87,021		0.0000	1.0000	67.72
76.5	87,021		0.0000	1.0000	67.72
77.5	88,521		0.0000	1.0000	67.72
78.5	86,221		0.0000	1.0000	67.72

NEWFOUNDLAND POWER INC.

ACCOUNT 321.00 - ROADS, TRAILS, AND BRIDGES

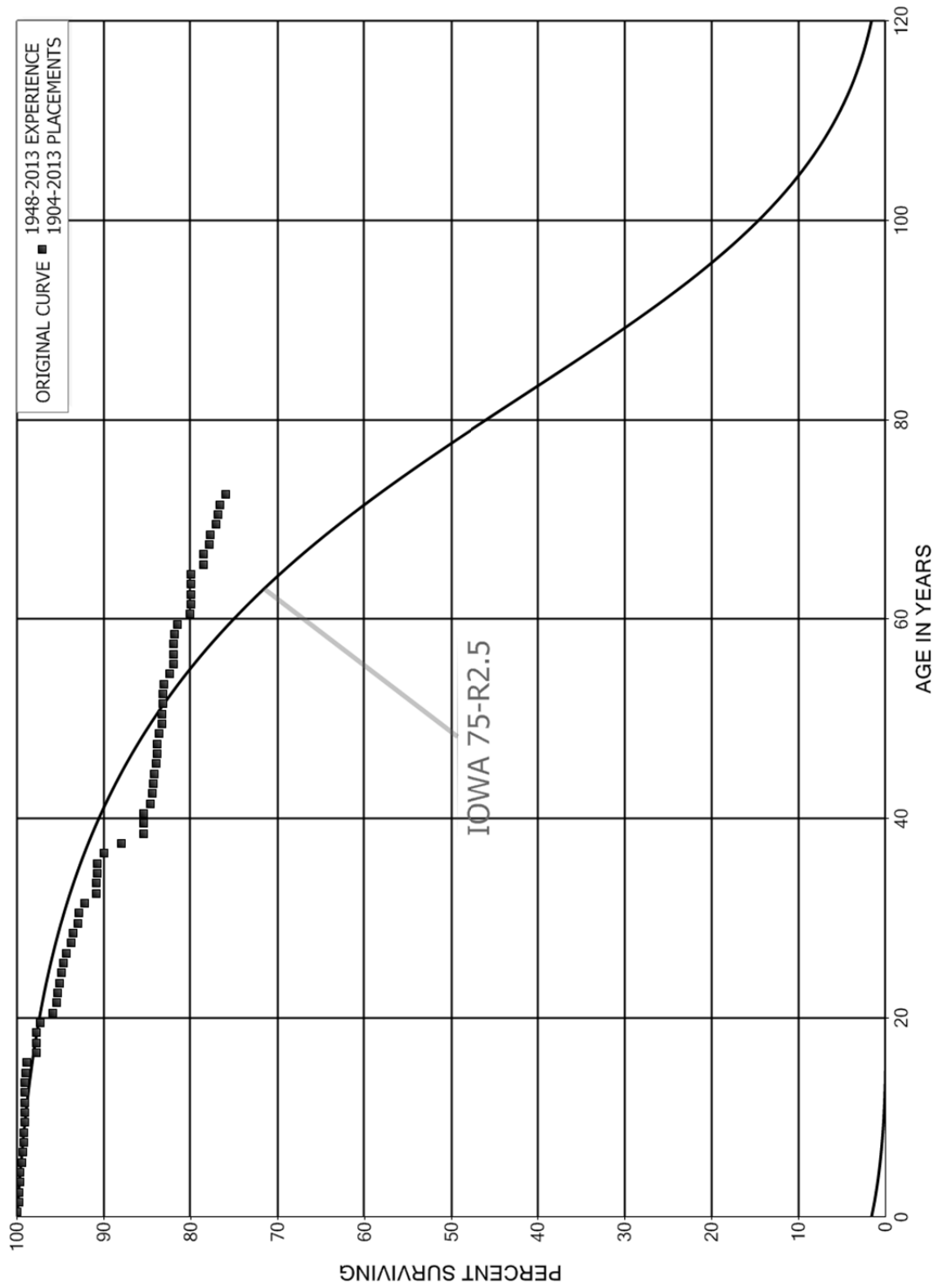
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	86,221		0.0000	1.0000	67.72
80.5	86,221		0.0000	1.0000	67.72
81.5	86,221	500	0.0058	0.9942	67.72
82.5	22,697		0.0000	1.0000	67.33
83.5	22,697		0.0000	1.0000	67.33
84.5	22,697		0.0000	1.0000	67.33
85.5	4,370		0.0000	1.0000	67.33
86.5	4,370		0.0000	1.0000	67.33
87.5	4,370		0.0000	1.0000	67.33
88.5	4,370		0.0000	1.0000	67.33
89.5					67.33

NEWFOUNDLAND POWER INC.
ACCOUNT 322.00 - BUILDINGS AND STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 322.00 - BUILDINGS AND STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	6,244,818		0.0000	1.0000	100.00
0.5	6,105,590	15,199	0.0025	0.9975	100.00
1.5	5,602,021	648	0.0001	0.9999	99.75
2.5	5,550,309	3,970	0.0007	0.9993	99.74
3.5	5,060,380	2,702	0.0005	0.9995	99.67
4.5	4,881,487	8,977	0.0018	0.9982	99.61
5.5	4,626,593	7,011	0.0015	0.9985	99.43
6.5	4,678,468	6,441	0.0014	0.9986	99.28
7.5	6,216,269		0.0000	1.0000	99.14
8.5	6,275,248	5,159	0.0008	0.9992	99.14
9.5	6,213,620	108	0.0000	1.0000	99.06
10.5	5,966,794	500	0.0001	0.9999	99.06
11.5	5,822,457	75	0.0000	1.0000	99.05
12.5	5,669,113		0.0000	1.0000	99.05
13.5	5,366,861	4,245	0.0008	0.9992	99.05
14.5	5,303,747	4,571	0.0009	0.9991	98.97
15.5	3,573,909	40,147	0.0112	0.9888	98.89
16.5	3,639,545	308	0.0001	0.9999	97.78
17.5	3,562,537	3,095	0.0009	0.9991	97.77
18.5	3,528,944	13,791	0.0039	0.9961	97.68
19.5	3,905,251	57,722	0.0148	0.9852	97.30
20.5	3,841,719	17,144	0.0045	0.9955	95.86
21.5	3,747,268	4,221	0.0011	0.9989	95.44
22.5	3,764,254	9,726	0.0026	0.9974	95.33
23.5	3,944,441	8,500	0.0022	0.9978	95.08
24.5	3,888,159	11,535	0.0030	0.9970	94.88
25.5	3,519,600	12,800	0.0036	0.9964	94.60
26.5	3,451,389	20,368	0.0059	0.9941	94.25
27.5	3,607,319	7,146	0.0020	0.9980	93.70
28.5	3,572,374	23,318	0.0065	0.9935	93.51
29.5	3,314,870	2,227	0.0007	0.9993	92.90
30.5	2,614,628	17,173	0.0066	0.9934	92.84
31.5	2,554,513	38,954	0.0152	0.9848	92.23
32.5	2,436,910	723	0.0003	0.9997	90.82
33.5	2,220,216	1,992	0.0009	0.9991	90.79
34.5	2,186,425	50	0.0000	1.0000	90.71
35.5	2,150,589	17,040	0.0079	0.9921	90.71
36.5	2,133,074	47,705	0.0224	0.9776	89.99
37.5	2,082,778	61,269	0.0294	0.9706	87.98
38.5	2,014,019	200	0.0001	0.9999	85.39

NEWFOUNDLAND POWER INC.

ACCOUNT 322.00 - BUILDINGS AND STRUCTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,010,290		0.0000	1.0000	85.38
40.5	2,010,790	17,350	0.0086	0.9914	85.38
41.5	1,989,943	6,250	0.0031	0.9969	84.65
42.5	2,046,872	2,950	0.0014	0.9986	84.38
43.5	2,060,237	2,942	0.0014	0.9986	84.26
44.5	2,063,306	3,500	0.0017	0.9983	84.14
45.5	2,063,415	4,100	0.0020	0.9980	84.00
46.5	2,072,864	735	0.0004	0.9996	83.83
47.5	2,072,004	4,194	0.0020	0.9980	83.80
48.5	2,092,108	9,100	0.0043	0.9957	83.63
49.5	2,023,557		0.0000	1.0000	83.27
50.5	1,910,830	3,000	0.0016	0.9984	83.27
51.5	1,910,764		0.0000	1.0000	83.13
52.5	1,910,332	750	0.0004	0.9996	83.13
53.5	1,907,152	15,028	0.0079	0.9921	83.10
54.5	1,422,029	8,865	0.0062	0.9938	82.45
55.5	1,326,791		0.0000	1.0000	81.93
56.5	1,182,768		0.0000	1.0000	81.93
57.5	1,093,568	1,500	0.0014	0.9986	81.93
58.5	1,092,068	4,638	0.0042	0.9958	81.82
59.5	789,598	13,982	0.0177	0.9823	81.47
60.5	775,616	1,027	0.0013	0.9987	80.03
61.5	796,489		0.0000	1.0000	79.92
62.5	697,157		0.0000	1.0000	79.92
63.5	697,157	300	0.0004	0.9996	79.92
64.5	696,857	12,541	0.0180	0.9820	79.89
65.5	683,816		0.0000	1.0000	78.45
66.5	683,816	5,400	0.0079	0.9921	78.45
67.5	620,106	1,000	0.0016	0.9984	77.83
68.5	618,692	4,858	0.0079	0.9921	77.71
69.5	613,834	2,300	0.0037	0.9963	77.10
70.5	599,834	1,500	0.0025	0.9975	76.81
71.5	588,584	5,200	0.0088	0.9912	76.62
72.5	405,922		0.0000	1.0000	75.94
73.5	408,891	14,940	0.0365	0.9635	75.94
74.5	388,951	2,760	0.0071	0.9929	73.16
75.5	386,191	4,000	0.0104	0.9896	72.65
76.5	381,525	500	0.0013	0.9987	71.89
77.5	381,025	500	0.0013	0.9987	71.80
78.5	380,525		0.0000	1.0000	71.70

NEWFOUNDLAND POWER INC.

ACCOUNT 322.00 - BUILDINGS AND STRUCTURES

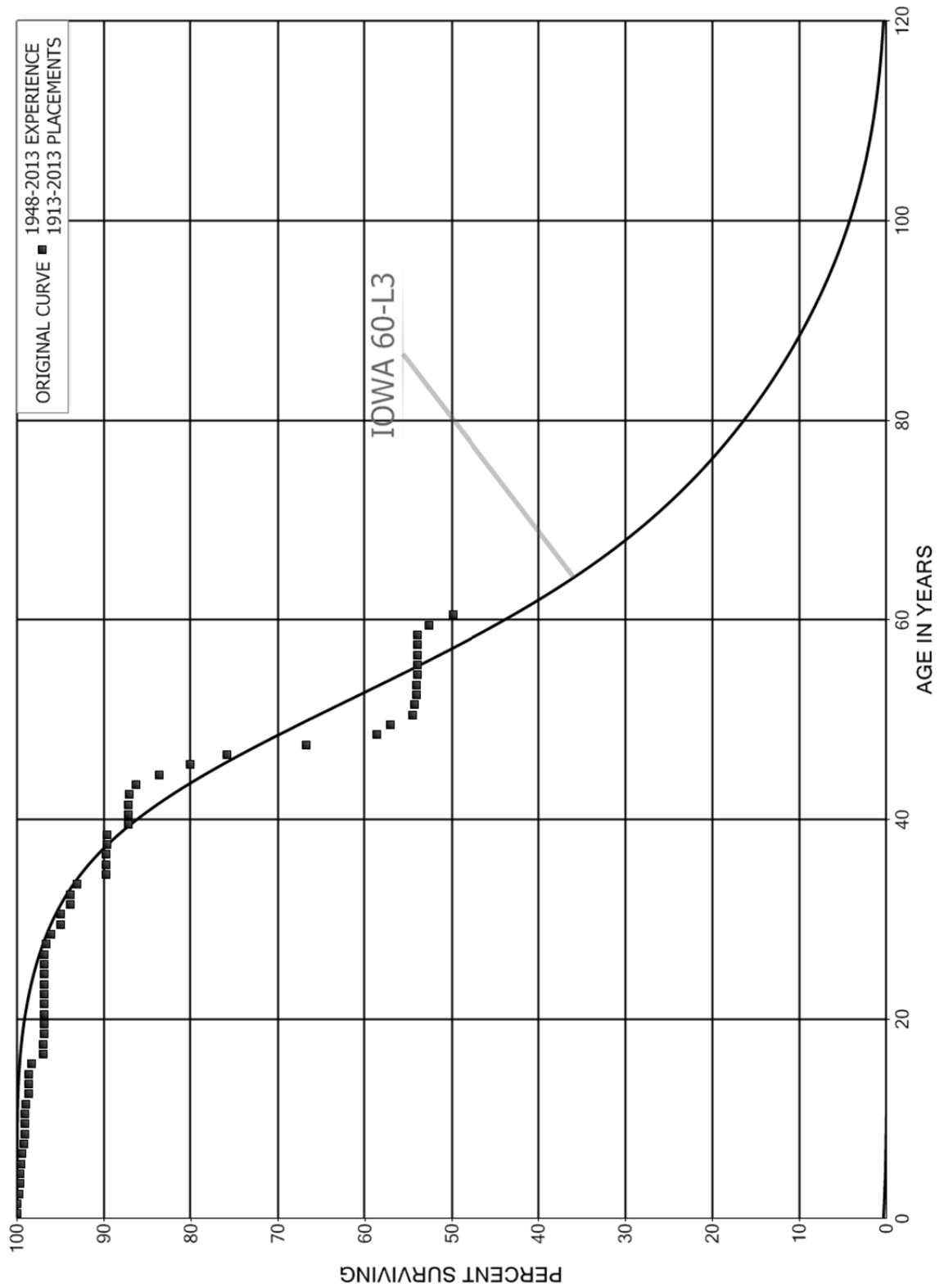
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	380,525		0.0000	1.0000	71.70
80.5	380,525		0.0000	1.0000	71.70
81.5	366,305		0.0000	1.0000	71.70
82.5	288,883		0.0000	1.0000	71.70
83.5	288,883		0.0000	1.0000	71.70
84.5	272,383	500	0.0018	0.9982	71.70
85.5	271,883		0.0000	1.0000	71.57
86.5	271,883		0.0000	1.0000	71.57
87.5	271,883		0.0000	1.0000	71.57
88.5	271,883		0.0000	1.0000	71.57
89.5	85,570		0.0000	1.0000	71.57
90.5	40,650		0.0000	1.0000	71.57
91.5	40,650		0.0000	1.0000	71.57
92.5	34,639		0.0000	1.0000	71.57
93.5	34,639	689	0.0199	0.9801	71.57
94.5	33,950		0.0000	1.0000	70.15
95.5	33,950		0.0000	1.0000	70.15
96.5	16,500		0.0000	1.0000	70.15
97.5	16,500	1,000	0.0606	0.9394	70.15
98.5	15,500		0.0000	1.0000	65.90
99.5	15,500		0.0000	1.0000	65.90
100.5	15,500		0.0000	1.0000	65.90
101.5	15,500		0.0000	1.0000	65.90
102.5	15,500		0.0000	1.0000	65.90
103.5	15,500		0.0000	1.0000	65.90
104.5	15,500		0.0000	1.0000	65.90
105.5	15,500		0.0000	1.0000	65.90
106.5	15,500		0.0000	1.0000	65.90
107.5	15,500		0.0000	1.0000	65.90
108.5	15,500		0.0000	1.0000	65.90
109.5					65.90

NEWFOUNDLAND POWER INC.
ACCOUNT 323.00 - CANALS, PENSTOCKS, SURGE TANKS AND TAILRACES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 323.00 - CANALS, PENSTOCKS, SURGE TANKS AND TAILRACES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1913-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	70,767,053		0.0000	1.0000	100.00
0.5	70,233,599	31,906	0.0005	0.9995	100.00
1.5	69,412,068	167,543	0.0024	0.9976	99.95
2.5	69,681,324	45,818	0.0007	0.9993	99.71
3.5	68,858,088		0.0000	1.0000	99.65
4.5	65,923,976	96,939	0.0015	0.9985	99.65
5.5	64,742,526	53,735	0.0008	0.9992	99.50
6.5	52,214,741	126,050	0.0024	0.9976	99.42
7.5	40,974,375	28,399	0.0007	0.9993	99.18
8.5	41,190,336		0.0000	1.0000	99.11
9.5	39,192,161		0.0000	1.0000	99.11
10.5	37,657,172	52,793	0.0014	0.9986	99.11
11.5	35,007,087	139,426	0.0040	0.9960	98.97
12.5	33,314,650		0.0000	1.0000	98.58
13.5	30,589,476	2,534	0.0001	0.9999	98.58
14.5	26,000,894	74,904	0.0029	0.9971	98.57
15.5	22,696,879	316,329	0.0139	0.9861	98.28
16.5	22,891,555		0.0000	1.0000	96.91
17.5	22,580,060	10,983	0.0005	0.9995	96.91
18.5	22,508,904	4,122	0.0002	0.9998	96.87
19.5	22,735,592		0.0000	1.0000	96.85
20.5	22,291,305	2,000	0.0001	0.9999	96.85
21.5	21,879,008		0.0000	1.0000	96.84
22.5	21,246,746	8,790	0.0004	0.9996	96.84
23.5	18,569,718		0.0000	1.0000	96.80
24.5	16,728,289		0.0000	1.0000	96.80
25.5	16,728,289	2,166	0.0001	0.9999	96.80
26.5	15,791,233	21,751	0.0014	0.9986	96.79
27.5	15,676,020	98,896	0.0063	0.9937	96.66
28.5	13,587,850	162,400	0.0120	0.9880	96.05
29.5	12,869,595		0.0000	1.0000	94.90
30.5	11,979,887	138,900	0.0116	0.9884	94.90
31.5	11,840,987		0.0000	1.0000	93.80
32.5	9,541,282	75,213	0.0079	0.9921	93.80
33.5	9,484,099	342,275	0.0361	0.9639	93.06
34.5	8,594,878		0.0000	1.0000	89.70
35.5	8,463,106	135	0.0000	1.0000	89.70
36.5	8,462,971	11,588	0.0014	0.9986	89.70
37.5	8,451,383		0.0000	1.0000	89.58
38.5	8,451,383	225,183	0.0266	0.9734	89.58

NEWFOUNDLAND POWER INC.

ACCOUNT 323.00 - CANALS, PENSTOCKS, SURGE TANKS AND TAILRACES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,226,200	472	0.0001	0.9999	87.19
40.5	8,225,728	5,832	0.0007	0.9993	87.18
41.5	8,238,296	1,834	0.0002	0.9998	87.12
42.5	8,252,633	75,060	0.0091	0.9909	87.10
43.5	8,176,631	251,039	0.0307	0.9693	86.31
44.5	7,926,592	336,074	0.0424	0.9576	83.66
45.5	7,592,918	407,028	0.0536	0.9464	80.11
46.5	7,195,640	864,201	0.1201	0.8799	75.82
47.5	6,329,439	770,179	0.1217	0.8783	66.71
48.5	4,910,585	123,646	0.0252	0.9748	58.60
49.5	4,782,962	219,900	0.0460	0.9540	57.12
50.5	4,061,672	19,078	0.0047	0.9953	54.49
51.5	4,051,508	13,350	0.0033	0.9967	54.24
52.5	4,053,595	4,000	0.0010	0.9990	54.06
53.5	4,070,251	500	0.0001	0.9999	54.01
54.5	3,333,333		0.0000	1.0000	54.00
55.5	3,184,758	1,910	0.0006	0.9994	54.00
56.5	3,175,987		0.0000	1.0000	53.97
57.5	2,948,591	1,600	0.0005	0.9995	53.97
58.5	2,798,536	68,137	0.0243	0.9757	53.94
59.5	1,876,983	100,283	0.0534	0.9466	52.62
60.5	1,726,201		0.0000	1.0000	49.81
61.5	1,670,224	500	0.0003	0.9997	49.81
62.5	1,230,385		0.0000	1.0000	49.80
63.5	1,216,545		0.0000	1.0000	49.80
64.5	1,211,780		0.0000	1.0000	49.80
65.5	1,028,957		0.0000	1.0000	49.80
66.5	1,028,957	7,518	0.0073	0.9927	49.80
67.5	935,239	157,270	0.1682	0.8318	49.43
68.5	777,970	5,000	0.0064	0.9936	41.12
69.5	772,970		0.0000	1.0000	40.86
70.5	486,652	1,975	0.0041	0.9959	40.86
71.5	395,587		0.0000	1.0000	40.69
72.5	293,200		0.0000	1.0000	40.69
73.5	298,200	1,345	0.0045	0.9955	40.69
74.5	281,513	19,208	0.0682	0.9318	40.51
75.5	262,305		0.0000	1.0000	37.74
76.5	261,921	2,425	0.0093	0.9907	37.74
77.5	259,496	11,595	0.0447	0.9553	37.39
78.5	247,901		0.0000	1.0000	35.72

NEWFOUNDLAND POWER INC.

ACCOUNT 323.00 - CANALS, PENSTOCKS, SURGE TANKS AND TAILRACES

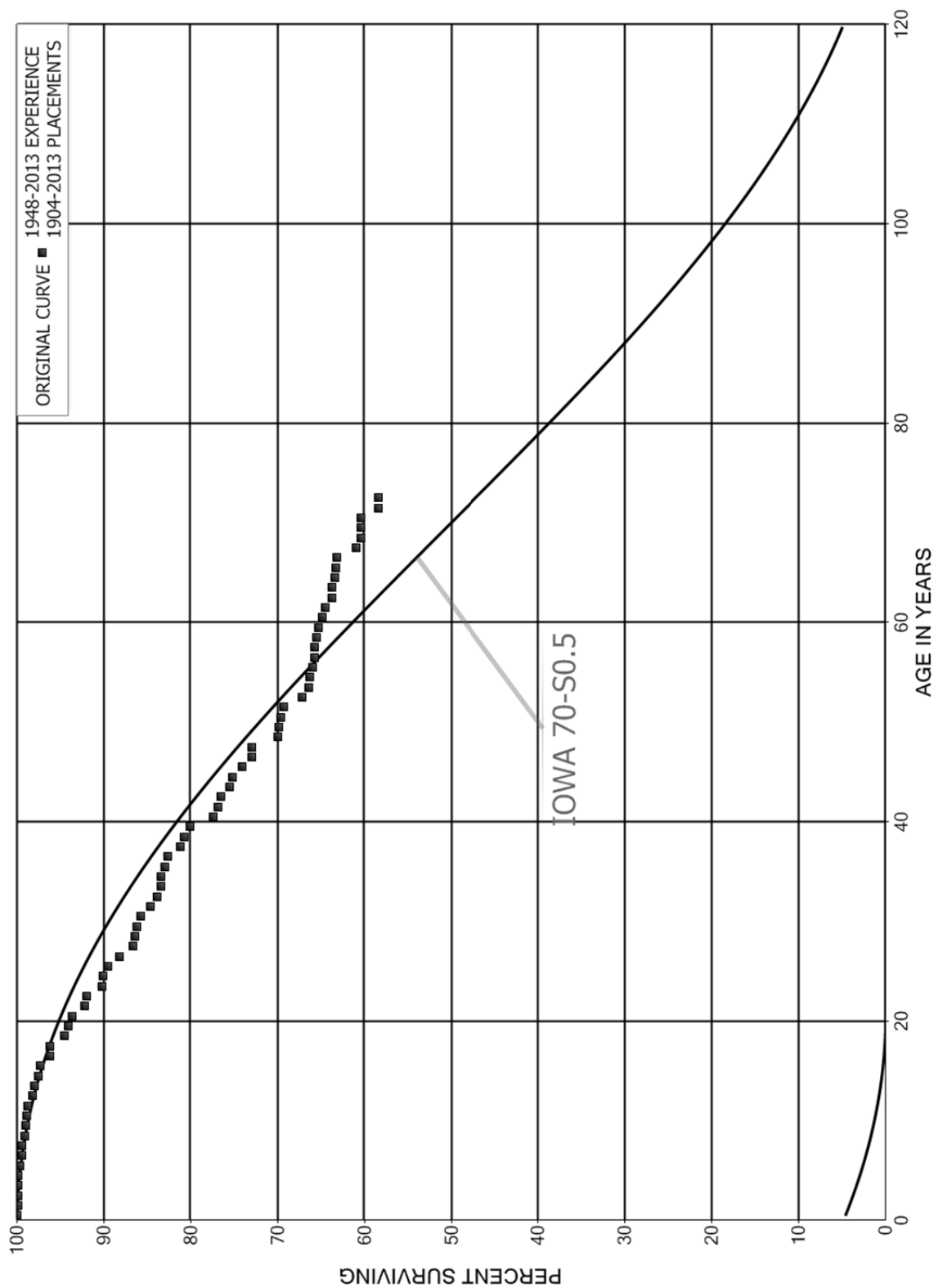
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	239,467		0.0000	1.0000	35.72
80.5	238,197		0.0000	1.0000	35.72
81.5	231,693		0.0000	1.0000	35.72
82.5	142,673		0.0000	1.0000	35.72
83.5	135,751		0.0000	1.0000	35.72
84.5	135,751		0.0000	1.0000	35.72
85.5	135,751	10,250	0.0755	0.9245	35.72
86.5	125,501		0.0000	1.0000	33.03
87.5	125,501		0.0000	1.0000	33.03
88.5	125,501		0.0000	1.0000	33.03
89.5	64,976		0.0000	1.0000	33.03
90.5	64,976		0.0000	1.0000	33.03
91.5	64,976		0.0000	1.0000	33.03
92.5	64,976		0.0000	1.0000	33.03
93.5	62,576		0.0000	1.0000	33.03
94.5	62,576		0.0000	1.0000	33.03
95.5	62,576		0.0000	1.0000	33.03
96.5	33,500		0.0000	1.0000	33.03
97.5	33,500		0.0000	1.0000	33.03
98.5	33,500		0.0000	1.0000	33.03
99.5	33,500		0.0000	1.0000	33.03
100.5					33.03

NEWFOUNDLAND POWER INC.
ACCOUNT 324.00 - DAMS AND RESERVOIRS
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 324.00 - DAMS AND RESERVOIRS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	35,430,017		0.0000	1.0000	100.00
0.5	34,686,497	39,250	0.0011	0.9989	100.00
1.5	31,210,000	1,259	0.0000	1.0000	99.89
2.5	26,170,660	8,892	0.0003	0.9997	99.88
3.5	25,144,423	8,602	0.0003	0.9997	99.85
4.5	24,144,617	55,136	0.0023	0.9977	99.81
5.5	22,864,034	45,628	0.0020	0.9980	99.59
6.5	22,512,644		0.0000	1.0000	99.39
7.5	25,832,980	89,175	0.0035	0.9965	99.39
8.5	25,947,706	9,279	0.0004	0.9996	99.04
9.5	26,104,238	44,252	0.0017	0.9983	99.01
10.5	25,545,575	26,858	0.0011	0.9989	98.84
11.5	25,396,436	138,652	0.0055	0.9945	98.74
12.5	24,830,451	56,421	0.0023	0.9977	98.20
13.5	24,063,978	108,762	0.0045	0.9955	97.98
14.5	21,912,646	53,822	0.0025	0.9975	97.53
15.5	17,331,411	196,461	0.0113	0.9887	97.29
16.5	17,207,285	12,379	0.0007	0.9993	96.19
17.5	16,626,177	281,497	0.0169	0.9831	96.12
18.5	15,122,301	72,772	0.0048	0.9952	94.49
19.5	14,784,692	68,076	0.0046	0.9954	94.04
20.5	14,190,785	209,384	0.0148	0.9852	93.61
21.5	12,575,243	39,085	0.0031	0.9969	92.22
22.5	12,825,045	249,215	0.0194	0.9806	91.94
23.5	12,480,086	13,886	0.0011	0.9989	90.15
24.5	11,900,208	73,404	0.0062	0.9938	90.05
25.5	11,310,628	166,877	0.0148	0.9852	89.50
26.5	10,779,297	194,252	0.0180	0.9820	88.18
27.5	10,072,559	16,170	0.0016	0.9984	86.59
28.5	9,857,791	34,533	0.0035	0.9965	86.45
29.5	9,452,826	49,977	0.0053	0.9947	86.14
30.5	8,916,550	107,000	0.0120	0.9880	85.69
31.5	7,637,007	76,789	0.0101	0.9899	84.66
32.5	7,303,533	39,699	0.0054	0.9946	83.81
33.5	7,021,273	899	0.0001	0.9999	83.35
34.5	7,055,922	38,247	0.0054	0.9946	83.34
35.5	6,893,801	24,696	0.0036	0.9964	82.89
36.5	6,982,105	122,201	0.0175	0.9825	82.59
37.5	6,973,284	38,151	0.0055	0.9945	81.15
38.5	6,930,508	53,112	0.0077	0.9923	80.71

NEWFOUNDLAND POWER INC.

ACCOUNT 324.00 - DAMS AND RESERVOIRS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	6,877,396	232,641	0.0338	0.9662	80.09
40.5	6,635,790	48,278	0.0073	0.9927	77.38
41.5	6,555,913	26,507	0.0040	0.9960	76.81
42.5	6,539,964	87,945	0.0134	0.9866	76.50
43.5	6,398,310	28,365	0.0044	0.9956	75.48
44.5	6,396,425	90,322	0.0141	0.9859	75.14
45.5	6,319,573	91,535	0.0145	0.9855	74.08
46.5	6,242,302	6,958	0.0011	0.9989	73.01
47.5	6,287,025	258,324	0.0411	0.9589	72.93
48.5	6,016,224	6,543	0.0011	0.9989	69.93
49.5	5,997,108	24,579	0.0041	0.9959	69.85
50.5	5,482,453	25,123	0.0046	0.9954	69.57
51.5	5,388,786	164,042	0.0304	0.9696	69.25
52.5	5,210,536	60,510	0.0116	0.9884	67.14
53.5	5,158,700	5,730	0.0011	0.9989	66.36
54.5	4,414,639	21,690	0.0049	0.9951	66.29
55.5	4,339,840	12,157	0.0028	0.9972	65.96
56.5	3,341,453	2,455	0.0007	0.9993	65.78
57.5	2,993,695	10,071	0.0034	0.9966	65.73
58.5	3,002,718	8,800	0.0029	0.9971	65.51
59.5	2,200,756	15,757	0.0072	0.9928	65.31
60.5	1,921,727	10,480	0.0055	0.9945	64.85
61.5	1,863,664	21,000	0.0113	0.9887	64.49
62.5	1,761,080		0.0000	1.0000	63.77
63.5	1,748,327	10,000	0.0057	0.9943	63.77
64.5	1,750,161	3,824	0.0022	0.9978	63.40
65.5	1,693,043	922	0.0005	0.9995	63.26
66.5	1,693,621	59,722	0.0353	0.9647	63.23
67.5	1,568,213	14,634	0.0093	0.9907	61.00
68.5	1,553,579	1,160	0.0007	0.9993	60.43
69.5	1,395,719		0.0000	1.0000	60.38
70.5	1,167,257	38,613	0.0331	0.9669	60.38
71.5	1,086,144		0.0000	1.0000	58.39
72.5	866,567	5,000	0.0058	0.9942	58.39
73.5	859,687	57,832	0.0673	0.9327	58.05
74.5	799,555	2,520	0.0032	0.9968	54.15
75.5	797,035	19,412	0.0244	0.9756	53.97
76.5	700,151	550	0.0008	0.9992	52.66
77.5	699,130		0.0000	1.0000	52.62
78.5	699,130	20,017	0.0286	0.9714	52.62

NEWFOUNDLAND POWER INC.

ACCOUNT 324.00 - DAMS AND RESERVOIRS

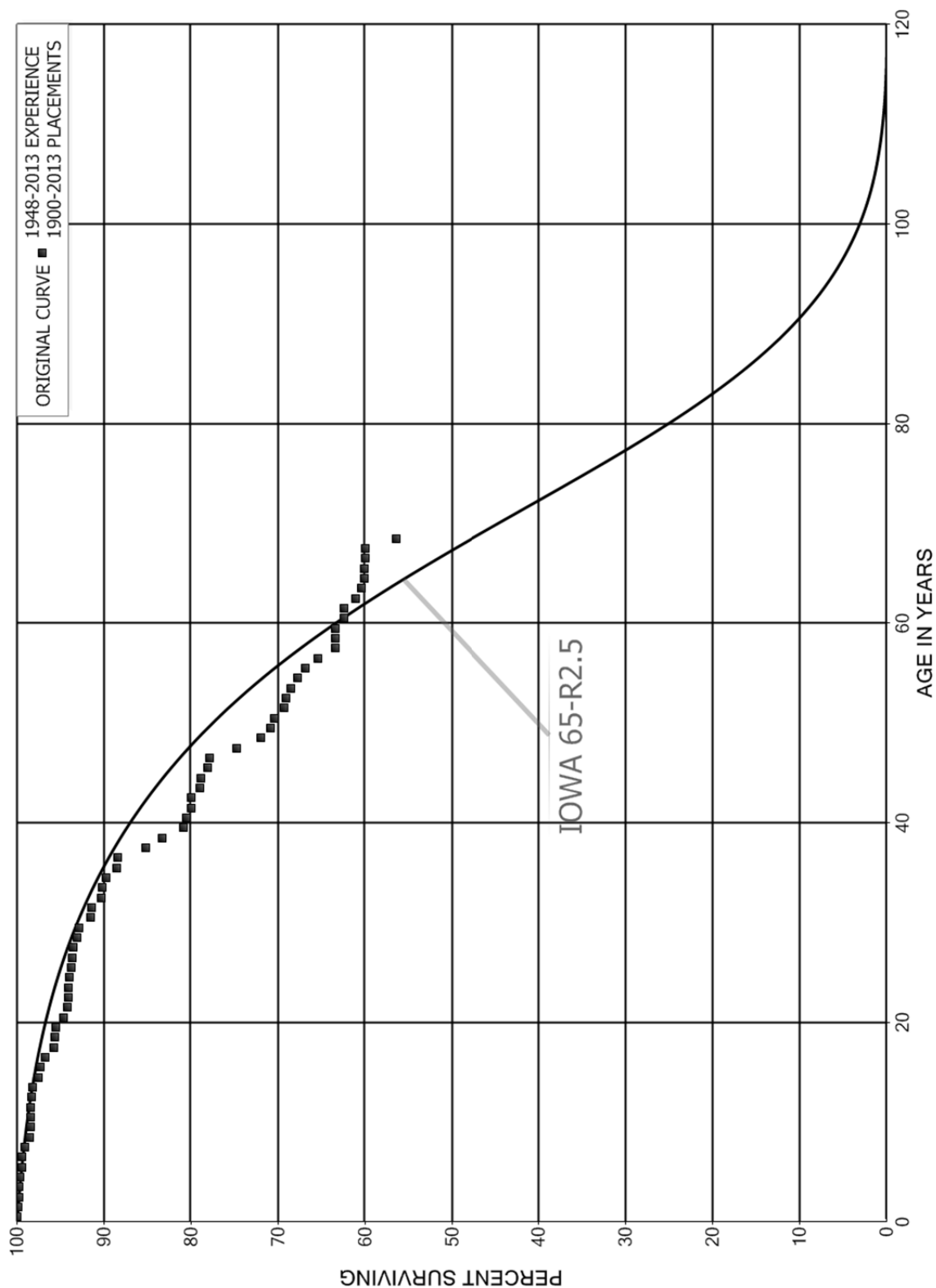
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	679,113	1,806	0.0027	0.9973	51.11
80.5	677,307		0.0000	1.0000	50.98
81.5	678,742		0.0000	1.0000	50.98
82.5	393,761		0.0000	1.0000	50.98
83.5	393,761		0.0000	1.0000	50.98
84.5	308,414		0.0000	1.0000	50.98
85.5	242,769		0.0000	1.0000	50.98
86.5	242,769		0.0000	1.0000	50.98
87.5	242,769	922	0.0038	0.9962	50.98
88.5	239,142		0.0000	1.0000	50.78
89.5	82,952	17,314	0.2087	0.7913	50.78
90.5	65,638	20,094	0.3061	0.6939	40.18
91.5	45,544		0.0000	1.0000	27.88
92.5	42,904		0.0000	1.0000	27.88
93.5	29,356		0.0000	1.0000	27.88
94.5	29,356		0.0000	1.0000	27.88
95.5	29,356		0.0000	1.0000	27.88
96.5	22,000		0.0000	1.0000	27.88
97.5	22,000		0.0000	1.0000	27.88
98.5	22,000		0.0000	1.0000	27.88
99.5	22,000		0.0000	1.0000	27.88
100.5	22,000		0.0000	1.0000	27.88
101.5	22,000		0.0000	1.0000	27.88
102.5	22,000		0.0000	1.0000	27.88
103.5	22,000		0.0000	1.0000	27.88
104.5	22,000		0.0000	1.0000	27.88
105.5	22,000		0.0000	1.0000	27.88
106.5	22,000		0.0000	1.0000	27.88
107.5	22,000		0.0000	1.0000	27.88
108.5	22,000		0.0000	1.0000	27.88
109.5					27.88

NEWFOUNDLAND POWER INC.
ACCOUNT 325.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 325.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	39,113,589	34,600	0.0009	0.9991	100.00
0.5	36,448,077	21,417	0.0006	0.9994	99.91
1.5	33,753,671	32,026	0.0009	0.9991	99.85
2.5	31,123,486	4,306	0.0001	0.9999	99.76
3.5	28,836,323	39,741	0.0014	0.9986	99.74
4.5	26,726,172	52,446	0.0020	0.9980	99.61
5.5	25,344,875	18,140	0.0007	0.9993	99.41
6.5	23,951,380	66,192	0.0028	0.9972	99.34
7.5	26,417,388	159,880	0.0061	0.9939	99.07
8.5	25,472,737	6,331	0.0002	0.9998	98.47
9.5	23,899,576	13,699	0.0006	0.9994	98.44
10.5	22,353,032	5,000	0.0002	0.9998	98.39
11.5	21,424,590	20,228	0.0009	0.9991	98.36
12.5	20,337,831	20,000	0.0010	0.9990	98.27
13.5	19,883,274	135,929	0.0068	0.9932	98.17
14.5	18,822,897	31,453	0.0017	0.9983	97.50
15.5	15,997,519	95,296	0.0060	0.9940	97.34
16.5	15,145,804	157,559	0.0104	0.9896	96.76
17.5	14,231,251	15,309	0.0011	0.9989	95.75
18.5	14,036,853	24,661	0.0018	0.9982	95.65
19.5	13,474,890	128,821	0.0096	0.9904	95.48
20.5	13,188,856	62,075	0.0047	0.9953	94.57
21.5	12,890,170	13,952	0.0011	0.9989	94.12
22.5	12,745,241		0.0000	1.0000	94.02
23.5	12,044,755	14,525	0.0012	0.9988	94.02
24.5	11,996,477	19,070	0.0016	0.9984	93.91
25.5	11,818,854	20,749	0.0018	0.9982	93.76
26.5	11,474,533	7,500	0.0007	0.9993	93.60
27.5	9,404,753	49,000	0.0052	0.9948	93.53
28.5	8,896,997	17,641	0.0020	0.9980	93.05
29.5	7,712,255	116,434	0.0151	0.9849	92.86
30.5	4,999,352	1,500	0.0003	0.9997	91.46
31.5	4,903,336	63,530	0.0130	0.9870	91.43
32.5	4,817,927	1,500	0.0003	0.9997	90.25
33.5	4,688,822	23,597	0.0050	0.9950	90.22
34.5	4,575,376	64,440	0.0141	0.9859	89.77
35.5	4,539,151	5,872	0.0013	0.9987	88.50
36.5	4,502,695	161,580	0.0359	0.9641	88.39
37.5	4,430,597	101,635	0.0229	0.9771	85.22
38.5	4,328,962	125,150	0.0289	0.9711	83.26

NEWFOUNDLAND POWER INC.

ACCOUNT 325.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,203,812	18,295	0.0044	0.9956	80.85
40.5	4,274,999	29,600	0.0069	0.9931	80.50
41.5	4,398,765	1,500	0.0003	0.9997	79.94
42.5	4,387,902	56,282	0.0128	0.9872	79.92
43.5	4,217,223	2,522	0.0006	0.9994	78.89
44.5	4,194,247	40,399	0.0096	0.9904	78.84
45.5	4,154,520	15,744	0.0038	0.9962	78.09
46.5	4,109,639	163,554	0.0398	0.9602	77.79
47.5	4,361,678	163,257	0.0374	0.9626	74.69
48.5	4,232,010	61,740	0.0146	0.9854	71.90
49.5	4,168,894	25,777	0.0062	0.9938	70.85
50.5	3,747,497	60,304	0.0161	0.9839	70.41
51.5	3,586,771	10,793	0.0030	0.9970	69.28
52.5	3,612,833	31,081	0.0086	0.9914	69.07
53.5	3,573,475	40,573	0.0114	0.9886	68.48
54.5	2,683,778	36,000	0.0134	0.9866	67.70
55.5	2,550,019	55,190	0.0216	0.9784	66.79
56.5	2,346,342	69,541	0.0296	0.9704	65.34
57.5	2,231,391		0.0000	1.0000	63.41
58.5	2,231,391	1,000	0.0004	0.9996	63.41
59.5	1,841,614	27,400	0.0149	0.9851	63.38
60.5	1,814,214	400	0.0002	0.9998	62.44
61.5	1,813,621	38,540	0.0213	0.9787	62.42
62.5	1,498,194	17,648	0.0118	0.9882	61.10
63.5	1,480,546	7,000	0.0047	0.9953	60.38
64.5	1,473,046		0.0000	1.0000	60.09
65.5	1,473,046	2,000	0.0014	0.9986	60.09
66.5	1,473,046		0.0000	1.0000	60.01
67.5	1,471,546	88,000	0.0598	0.9402	60.01
68.5	1,383,546	18,900	0.0137	0.9863	56.42
69.5	1,364,646	15,000	0.0110	0.9890	55.65
70.5	1,349,646	1,000	0.0007	0.9993	55.04
71.5	1,306,556	200	0.0002	0.9998	55.00
72.5	1,030,521	2,274	0.0022	0.9978	54.99
73.5	1,028,247		0.0000	1.0000	54.87
74.5	961,615		0.0000	1.0000	54.87
75.5	961,615	4,548	0.0047	0.9953	54.87
76.5	957,067		0.0000	1.0000	54.61
77.5	957,067		0.0000	1.0000	54.61
78.5	957,067	77,572	0.0811	0.9189	54.61

NEWFOUNDLAND POWER INC.

ACCOUNT 325.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

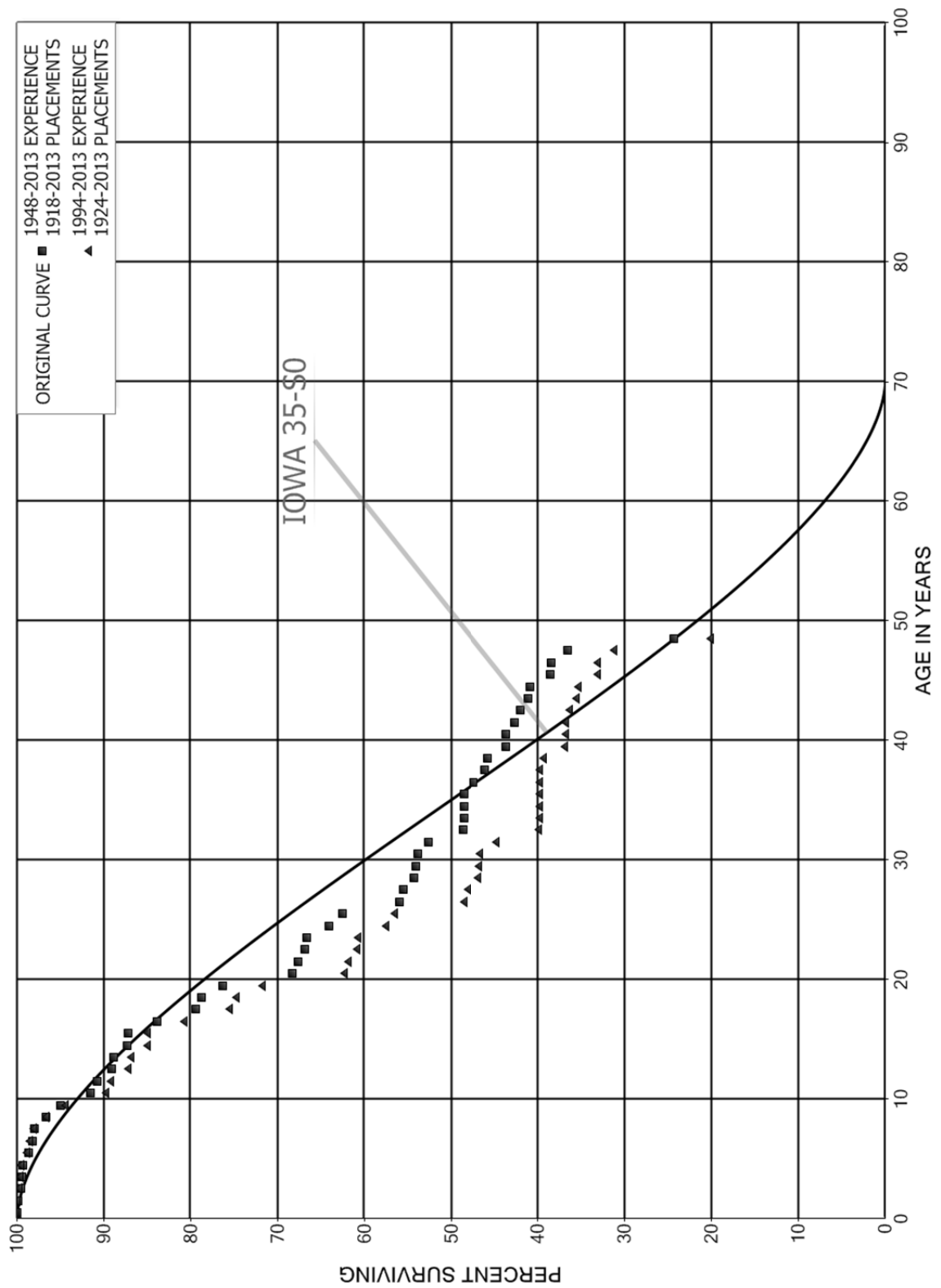
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	879,495		0.0000	1.0000	50.18
80.5	879,495		0.0000	1.0000	50.18
81.5	879,495		0.0000	1.0000	50.18
82.5	791,714		0.0000	1.0000	50.18
83.5	791,714		0.0000	1.0000	50.18
84.5	791,714	40,000	0.0505	0.9495	50.18
85.5	751,714	16,500	0.0219	0.9781	47.65
86.5	735,214		0.0000	1.0000	46.60
87.5	735,214		0.0000	1.0000	46.60
88.5	735,214		0.0000	1.0000	46.60
89.5	583,696		0.0000	1.0000	46.60
90.5	583,696	382	0.0007	0.9993	46.60
91.5	583,314		0.0000	1.0000	46.57
92.5	583,314	200	0.0003	0.9997	46.57
93.5	583,114	7,690	0.0132	0.9868	46.55
94.5	575,424		0.0000	1.0000	45.94
95.5	575,424		0.0000	1.0000	45.94
96.5	521,494		0.0000	1.0000	45.94
97.5	521,494		0.0000	1.0000	45.94
98.5	521,494		0.0000	1.0000	45.94
99.5	521,494	5,000	0.0096	0.9904	45.94
100.5	490,976		0.0000	1.0000	45.50
101.5	490,976		0.0000	1.0000	45.50
102.5	490,976		0.0000	1.0000	45.50
103.5	429,494		0.0000	1.0000	45.50
104.5	429,494		0.0000	1.0000	45.50
105.5	429,494		0.0000	1.0000	45.50
106.5					45.50

NEWFOUNDLAND POWER INC.
 ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1918-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	20,418,090		0.0000	1.0000	100.00
0.5	18,832,348	25,930	0.0014	0.9986	100.00
1.5	17,600,844	54,794	0.0031	0.9969	99.86
2.5	16,620,437	34,527	0.0021	0.9979	99.55
3.5	15,829,771	17,687	0.0011	0.9989	99.34
4.5	14,603,256	91,402	0.0063	0.9937	99.23
5.5	13,990,133	57,203	0.0041	0.9959	98.61
6.5	12,165,839	37,278	0.0031	0.9969	98.21
7.5	9,951,725	126,610	0.0127	0.9873	97.91
8.5	9,246,336	167,519	0.0181	0.9819	96.66
9.5	7,272,165	264,835	0.0364	0.9636	94.91
10.5	6,336,813	52,950	0.0084	0.9916	91.46
11.5	5,865,627	107,496	0.0183	0.9817	90.69
12.5	5,545,251	14,137	0.0025	0.9975	89.03
13.5	5,446,179	91,905	0.0169	0.9831	88.80
14.5	5,135,463	7,838	0.0015	0.9985	87.30
15.5	5,085,884	193,265	0.0380	0.9620	87.17
16.5	4,865,802	256,617	0.0527	0.9473	83.86
17.5	4,566,217	40,063	0.0088	0.9912	79.44
18.5	4,359,661	133,859	0.0307	0.9693	78.74
19.5	4,173,232	437,271	0.1048	0.8952	76.32
20.5	3,710,905	36,043	0.0097	0.9903	68.32
21.5	3,709,577	46,429	0.0125	0.9875	67.66
22.5	3,436,429	7,812	0.0023	0.9977	66.81
23.5	3,184,433	125,700	0.0395	0.9605	66.66
24.5	2,808,508	66,674	0.0237	0.9763	64.03
25.5	2,729,246	285,928	0.1048	0.8952	62.51
26.5	2,207,908	17,483	0.0079	0.9921	55.96
27.5	2,140,790	49,484	0.0231	0.9769	55.52
28.5	1,956,975	4,578	0.0023	0.9977	54.23
29.5	1,657,623	8,483	0.0051	0.9949	54.11
30.5	1,334,940	31,285	0.0234	0.9766	53.83
31.5	1,326,332	100,475	0.0758	0.9242	52.57
32.5	1,226,681	1,516	0.0012	0.9988	48.59
33.5	1,230,498	1,149	0.0009	0.9991	48.53
34.5	1,218,979	400	0.0003	0.9997	48.48
35.5	1,088,709	24,977	0.0229	0.9771	48.47
36.5	869,059	22,715	0.0261	0.9739	47.35
37.5	847,337	6,850	0.0081	0.9919	46.12
38.5	837,412	38,403	0.0459	0.9541	45.74

NEWFOUNDLAND POWER INC.

ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1918-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	799,393	785	0.0010	0.9990	43.65
40.5	803,300	18,884	0.0235	0.9765	43.60
41.5	668,754	8,964	0.0134	0.9866	42.58
42.5	663,184	14,489	0.0218	0.9782	42.01
43.5	638,463	3,960	0.0062	0.9938	41.09
44.5	633,383	36,609	0.0578	0.9422	40.83
45.5	599,710	600	0.0010	0.9990	38.47
46.5	639,880	32,007	0.0500	0.9500	38.44
47.5	615,170	205,468	0.3340	0.6660	36.51
48.5	394,130	4,350	0.0110	0.9890	24.32
49.5	386,351	51,539	0.1334	0.8666	24.05
50.5	331,432	1,960	0.0059	0.9941	20.84
51.5	330,845	3,316	0.0100	0.9900	20.72
52.5	326,529	4,800	0.0147	0.9853	20.51
53.5	321,729	66,301	0.2061	0.7939	20.21
54.5	199,350	34,461	0.1729	0.8271	16.04
55.5	164,165	39,870	0.2429	0.7571	13.27
56.5	98,216		0.0000	1.0000	10.05
57.5	98,216		0.0000	1.0000	10.05
58.5	98,216		0.0000	1.0000	10.05
59.5	48,311		0.0000	1.0000	10.05
60.5	48,100		0.0000	1.0000	10.05
61.5	48,100		0.0000	1.0000	10.05
62.5	18,324		0.0000	1.0000	10.05
63.5	19,408	716	0.0369	0.9631	10.05
64.5	18,692		0.0000	1.0000	9.68
65.5	16,608		0.0000	1.0000	9.68
66.5	16,608		0.0000	1.0000	9.68
67.5	16,608	8,770	0.5281	0.4719	9.68
68.5	7,838		0.0000	1.0000	4.57
69.5	7,838		0.0000	1.0000	4.57
70.5	7,838		0.0000	1.0000	4.57
71.5	6,638		0.0000	1.0000	4.57
72.5	6,307		0.0000	1.0000	4.57
73.5	6,307		0.0000	1.0000	4.57
74.5	6,307		0.0000	1.0000	4.57
75.5	6,307		0.0000	1.0000	4.57
76.5	6,307		0.0000	1.0000	4.57
77.5	6,307	5,200	0.8245	0.1755	4.57
78.5	1,107		0.0000	1.0000	0.80

NEWFOUNDLAND POWER INC.

ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1918-2013			EXPERIENCE BAND 1948-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	1,107		0.0000	1.0000	0.80
80.5	1,107		0.0000	1.0000	0.80
81.5	1,107		0.0000	1.0000	0.80
82.5					0.80

NEWFOUNDLAND POWER INC.

ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2013

EXPERIENCE BAND 1994-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	16,889,490		0.0000	1.0000	100.00
0.5	15,360,478	18,419	0.0012	0.9988	100.00
1.5	14,318,926	30,569	0.0021	0.9979	99.88
2.5	12,968,729	25,402	0.0020	0.9980	99.67
3.5	11,768,833	14,620	0.0012	0.9988	99.47
4.5	10,831,428	73,029	0.0067	0.9933	99.35
5.5	10,268,804	34,424	0.0034	0.9966	98.68
6.5	9,039,418	34,923	0.0039	0.9961	98.35
7.5	7,171,580	107,938	0.0151	0.9849	97.97
8.5	6,558,450	149,548	0.0228	0.9772	96.49
9.5	4,981,095	248,369	0.0499	0.9501	94.29
10.5	4,667,679	26,864	0.0058	0.9942	89.59
11.5	4,262,815	98,262	0.0231	0.9769	89.08
12.5	3,960,462	12,000	0.0030	0.9970	87.02
13.5	3,988,794	86,948	0.0218	0.9782	86.76
14.5	3,692,378	3,516	0.0010	0.9990	84.87
15.5	3,805,995	188,847	0.0496	0.9504	84.79
16.5	3,929,700	254,728	0.0648	0.9352	80.58
17.5	3,632,004	37,955	0.0105	0.9895	75.36
18.5	3,431,597	133,859	0.0390	0.9610	74.57
19.5	3,224,168	427,168	0.1325	0.8675	71.66
20.5	2,779,263	22,061	0.0079	0.9921	62.17
21.5	2,902,547	43,433	0.0150	0.9850	61.67
22.5	2,635,612	5,238	0.0020	0.9980	60.75
23.5	2,354,253	124,500	0.0529	0.9471	60.63
24.5	1,979,528	36,458	0.0184	0.9816	57.42
25.5	1,930,813	274,161	0.1420	0.8580	56.36
26.5	1,417,242	10,836	0.0076	0.9924	48.36
27.5	1,356,771	36,439	0.0269	0.9731	47.99
28.5	1,199,600	1,329	0.0011	0.9989	46.70
29.5	903,986	3,826	0.0042	0.9958	46.65
30.5	673,692	27,320	0.0406	0.9594	46.45
31.5	667,794	73,295	0.1098	0.8902	44.57
32.5	595,503	574	0.0010	0.9990	39.68
33.5	601,779	1,149	0.0019	0.9981	39.64
34.5	823,444		0.0000	1.0000	39.56
35.5	687,314		0.0000	1.0000	39.56
36.5	582,684		0.0000	1.0000	39.56
37.5	624,587	6,850	0.0110	0.9890	39.56
38.5	614,662	38,403	0.0625	0.9375	39.13

NEWFOUNDLAND POWER INC.

ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2013

EXPERIENCE BAND 1994-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	689,995	785	0.0011	0.9989	36.69
40.5	694,113	884	0.0013	0.9987	36.64
41.5	577,567	5,864	0.0102	0.9898	36.60
42.5	617,733	14,489	0.0235	0.9765	36.23
43.5	593,278	3,960	0.0067	0.9933	35.38
44.5	588,198	36,609	0.0622	0.9378	35.14
45.5	549,325	600	0.0011	0.9989	32.95
46.5	580,725	32,007	0.0551	0.9449	32.92
47.5	551,165	198,218	0.3596	0.6404	31.10
48.5	337,375	1,000	0.0030	0.9970	19.92
49.5	332,946	51,539	0.1548	0.8452	19.86
50.5	278,027	1,000	0.0036	0.9964	16.78
51.5	278,400	3,316	0.0119	0.9881	16.72
52.5	278,215		0.0000	1.0000	16.52
53.5	278,215	37,864	0.1361	0.8639	16.52
54.5	184,273	34,461	0.1870	0.8130	14.28
55.5	149,088	39,870	0.2674	0.7326	11.61
56.5	83,139		0.0000	1.0000	8.50
57.5	83,139		0.0000	1.0000	8.50
58.5	83,139		0.0000	1.0000	8.50
59.5	33,234		0.0000	1.0000	8.50
60.5	33,023		0.0000	1.0000	8.50
61.5	33,023		0.0000	1.0000	8.50
62.5	4,354		0.0000	1.0000	8.50
63.5	5,438	716	0.1317	0.8683	8.50
64.5	4,722		0.0000	1.0000	7.38
65.5	2,638		0.0000	1.0000	7.38
66.5	2,638		0.0000	1.0000	7.38
67.5	2,638		0.0000	1.0000	7.38
68.5	2,638		0.0000	1.0000	7.38
69.5	7,838		0.0000	1.0000	7.38
70.5	7,838		0.0000	1.0000	7.38
71.5	6,638		0.0000	1.0000	7.38
72.5	6,307		0.0000	1.0000	7.38
73.5	6,307		0.0000	1.0000	7.38
74.5	6,307		0.0000	1.0000	7.38
75.5	6,307		0.0000	1.0000	7.38
76.5	6,307		0.0000	1.0000	7.38
77.5	6,307	5,200	0.8245	0.1755	7.38
78.5	1,107		0.0000	1.0000	1.30

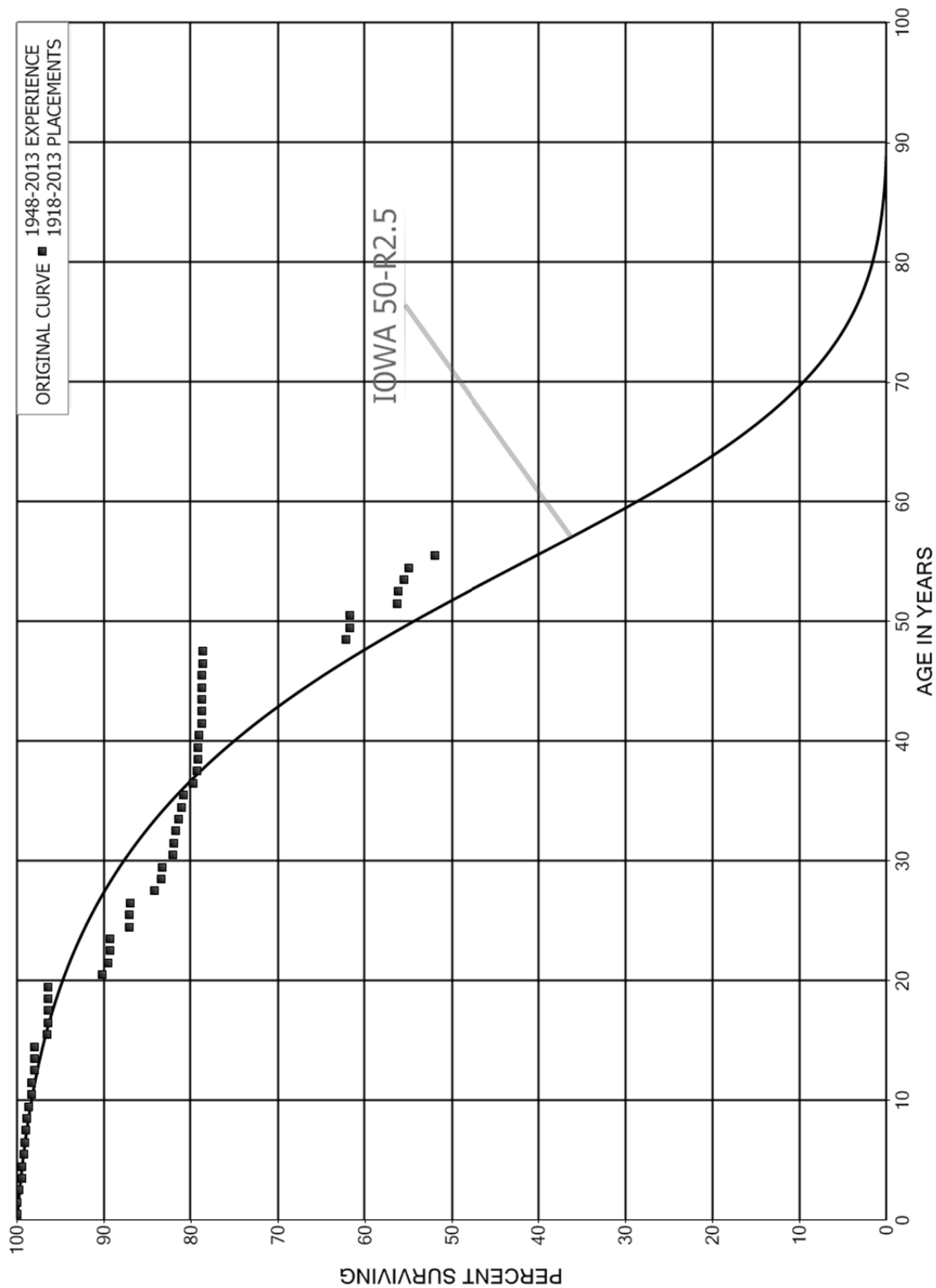
NEWFOUNDLAND POWER INC.

ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2013			EXPERIENCE BAND 1994-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	1,107		0.0000	1.0000	1.30
80.5	1,107		0.0000	1.0000	1.30
81.5	1,107		0.0000	1.0000	1.30
82.5					1.30

NEWFOUNDLAND POWER INC.
ACCOUNT 327.00 - MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 327.00 - MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1918-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,952,582	1,328	0.0007	0.9993	100.00
0.5	2,607,209	832	0.0003	0.9997	99.93
1.5	2,503,876	3,118	0.0012	0.9988	99.90
2.5	2,055,542	6,868	0.0033	0.9967	99.78
3.5	2,107,826	337	0.0002	0.9998	99.44
4.5	1,937,407	5,083	0.0026	0.9974	99.43
5.5	1,977,675	2,245	0.0011	0.9989	99.17
6.5	1,001,254	651	0.0007	0.9993	99.05
7.5	759,248	1,492	0.0020	0.9980	98.99
8.5	782,925	1,756	0.0022	0.9978	98.79
9.5	764,442	2,188	0.0029	0.9971	98.57
10.5	601,326		0.0000	1.0000	98.29
11.5	601,326	2,074	0.0034	0.9966	98.29
12.5	579,687	93	0.0002	0.9998	97.95
13.5	569,916		0.0000	1.0000	97.94
14.5	557,019	7,997	0.0144	0.9856	97.94
15.5	538,169	724	0.0013	0.9987	96.53
16.5	528,275	229	0.0004	0.9996	96.40
17.5	507,610		0.0000	1.0000	96.36
18.5	494,952	88	0.0002	0.9998	96.36
19.5	507,954	32,701	0.0644	0.9356	96.34
20.5	487,450	3,636	0.0075	0.9925	90.14
21.5	483,814	960	0.0020	0.9980	89.47
22.5	486,479		0.0000	1.0000	89.29
23.5	473,524	11,759	0.0248	0.9752	89.29
24.5	477,373		0.0000	1.0000	87.07
25.5	514,559	551	0.0011	0.9989	87.07
26.5	490,227	15,777	0.0322	0.9678	86.98
27.5	467,018	4,341	0.0093	0.9907	84.18
28.5	458,754	474	0.0010	0.9990	83.40
29.5	458,280	7,135	0.0156	0.9844	83.31
30.5	356,740	300	0.0008	0.9992	82.01
31.5	356,440	919	0.0026	0.9974	81.94
32.5	306,691	1,466	0.0048	0.9952	81.73
33.5	272,504	1,047	0.0038	0.9962	81.34
34.5	259,410	623	0.0024	0.9976	81.03
35.5	259,280	3,600	0.0139	0.9861	80.84
36.5	239,939	1,376	0.0057	0.9943	79.71
37.5	233,045	253	0.0011	0.9989	79.26
38.5	232,792		0.0000	1.0000	79.17

NEWFOUNDLAND POWER INC.

ACCOUNT 327.00 - MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1918-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	221,336	171	0.0008	0.9992	79.17
40.5	220,780	1,074	0.0049	0.9951	79.11
41.5	219,400		0.0000	1.0000	78.72
42.5	222,617		0.0000	1.0000	78.72
43.5	217,342		0.0000	1.0000	78.72
44.5	215,483		0.0000	1.0000	78.72
45.5	215,483	172	0.0008	0.9992	78.72
46.5	216,439	93	0.0004	0.9996	78.66
47.5	197,080	41,169	0.2089	0.7911	78.63
48.5	154,052	1,159	0.0075	0.9925	62.20
49.5	122,648		0.0000	1.0000	61.73
50.5	113,920	10,083	0.0885	0.9115	61.73
51.5	100,367	119	0.0012	0.9988	56.27
52.5	93,631	1,200	0.0128	0.9872	56.20
53.5	86,054	750	0.0087	0.9913	55.48
54.5	47,679	2,683	0.0563	0.9437	55.00
55.5	43,542		0.0000	1.0000	51.90
56.5	41,776		0.0000	1.0000	51.90
57.5	44,776		0.0000	1.0000	51.90
58.5	44,039		0.0000	1.0000	51.90
59.5	22,789		0.0000	1.0000	51.90
60.5	17,875		0.0000	1.0000	51.90
61.5	17,875		0.0000	1.0000	51.90
62.5	17,875		0.0000	1.0000	51.90
63.5	16,979	130	0.0077	0.9923	51.90
64.5	15,649		0.0000	1.0000	51.51
65.5	5,960		0.0000	1.0000	51.51
66.5	5,960		0.0000	1.0000	51.51
67.5	4,920		0.0000	1.0000	51.51
68.5	4,920		0.0000	1.0000	51.51
69.5	4,920		0.0000	1.0000	51.51
70.5	4,920		0.0000	1.0000	51.51
71.5	4,920		0.0000	1.0000	51.51
72.5	4,920		0.0000	1.0000	51.51
73.5	4,920		0.0000	1.0000	51.51
74.5	2,200		0.0000	1.0000	51.51
75.5	2,200		0.0000	1.0000	51.51
76.5	2,200		0.0000	1.0000	51.51
77.5	2,200	2,000	0.9091	0.0909	51.51
78.5	200		0.0000	1.0000	4.68

NEWFOUNDLAND POWER INC.

ACCOUNT 327.00 - MISCELLANEOUS POWER PLANT EQUIPMENT

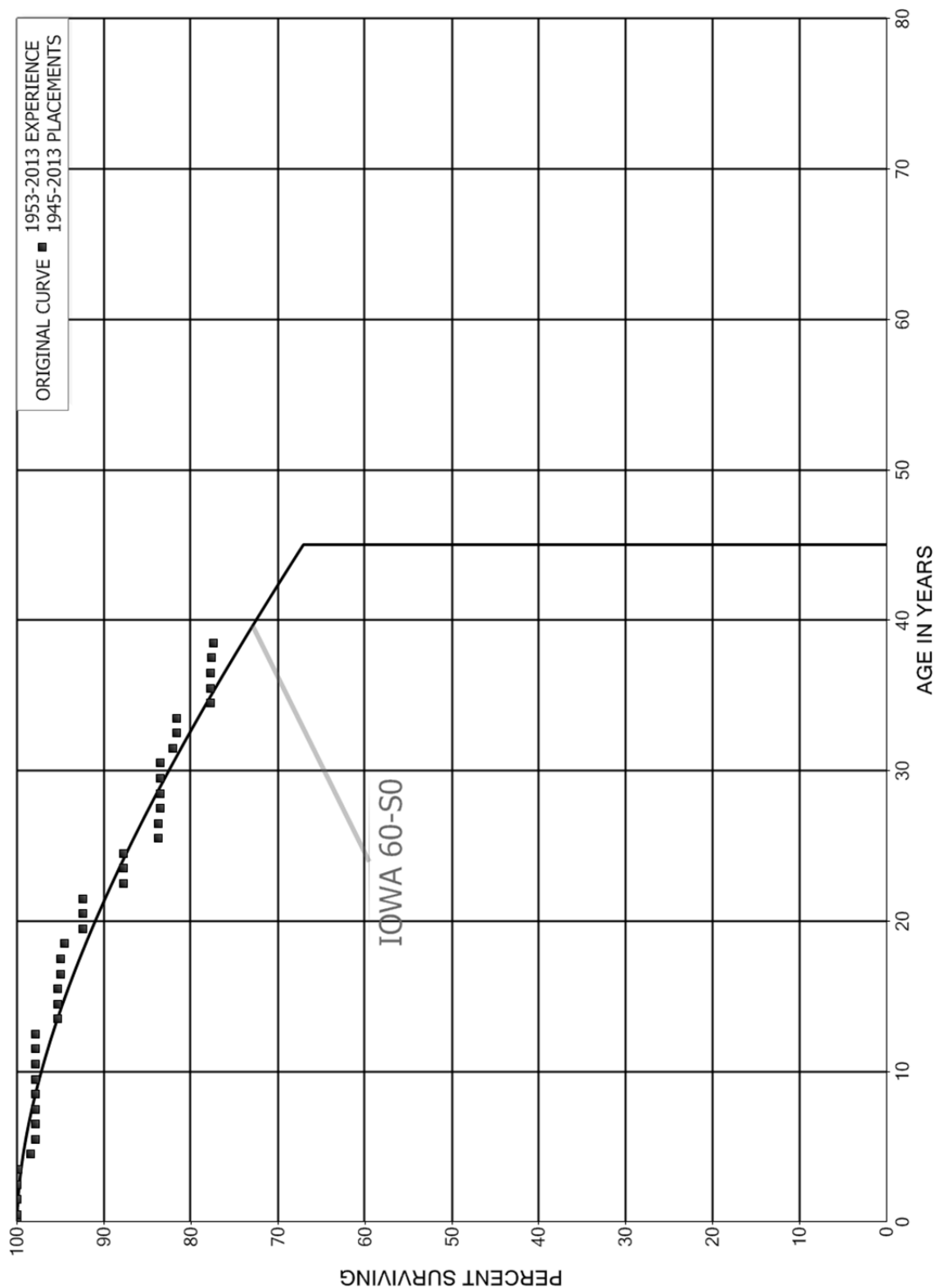
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1918-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	200		0.0000	1.0000	4.68
80.5	200		0.0000	1.0000	4.68
81.5	200		0.0000	1.0000	4.68
82.5	200		0.0000	1.0000	4.68
83.5	200		0.0000	1.0000	4.68
84.5	200		0.0000	1.0000	4.68
85.5	200		0.0000	1.0000	4.68
86.5	200		0.0000	1.0000	4.68
87.5	200		0.0000	1.0000	4.68
88.5	200		0.0000	1.0000	4.68
89.5					4.68

NEWFOUNDLAND POWER INC.
ACCOUNT 331.00 - BUILDING AND STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 331.00 - BUILDING AND STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1945-2013

EXPERIENCE BAND 1953-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,684,020		0.0000	1.0000	100.00
0.5	1,615,652		0.0000	1.0000	100.00
1.5	1,695,982		0.0000	1.0000	100.00
2.5	1,747,452	2,795	0.0016	0.9984	100.00
3.5	1,727,968	25,142	0.0145	0.9855	99.84
4.5	1,633,934	10,022	0.0061	0.9939	98.39
5.5	1,623,912		0.0000	1.0000	97.78
6.5	1,608,525		0.0000	1.0000	97.78
7.5	1,608,525		0.0000	1.0000	97.78
8.5	1,608,525		0.0000	1.0000	97.78
9.5	1,284,482		0.0000	1.0000	97.78
10.5	1,284,483		0.0000	1.0000	97.78
11.5	1,258,339	0	0.0000	1.0000	97.78
12.5	1,196,671	30,000	0.0251	0.9749	97.78
13.5	1,157,104	0	0.0000	1.0000	95.33
14.5	1,093,052		0.0000	1.0000	95.33
15.5	997,429	3,758	0.0038	0.9962	95.33
16.5	996,718		0.0000	1.0000	94.97
17.5	996,718	4,526	0.0045	0.9955	94.97
18.5	937,564	20,945	0.0223	0.9777	94.54
19.5	851,381		0.0000	1.0000	92.43
20.5	807,079	340	0.0004	0.9996	92.43
21.5	804,300	40,935	0.0509	0.9491	92.39
22.5	763,365		0.0000	1.0000	87.69
23.5	763,165		0.0000	1.0000	87.69
24.5	763,165	34,569	0.0453	0.9547	87.69
25.5	710,184		0.0000	1.0000	83.72
26.5	710,184	2,000	0.0028	0.9972	83.72
27.5	703,635		0.0000	1.0000	83.48
28.5	703,635		0.0000	1.0000	83.48
29.5	702,460		0.0000	1.0000	83.48
30.5	699,313	11,821	0.0169	0.9831	83.48
31.5	686,726	4,136	0.0060	0.9940	82.07
32.5	682,590		0.0000	1.0000	81.58
33.5	682,590	31,864	0.0467	0.9533	81.58
34.5	648,445		0.0000	1.0000	77.77
35.5	639,324		0.0000	1.0000	77.77
36.5	638,182	1,178	0.0018	0.9982	77.77
37.5	535,014	1,500	0.0028	0.9972	77.62
38.5	284,587		0.0000	1.0000	77.41

NEWFOUNDLAND POWER INC.

ACCOUNT 331.00 - BUILDING AND STRUCTURES

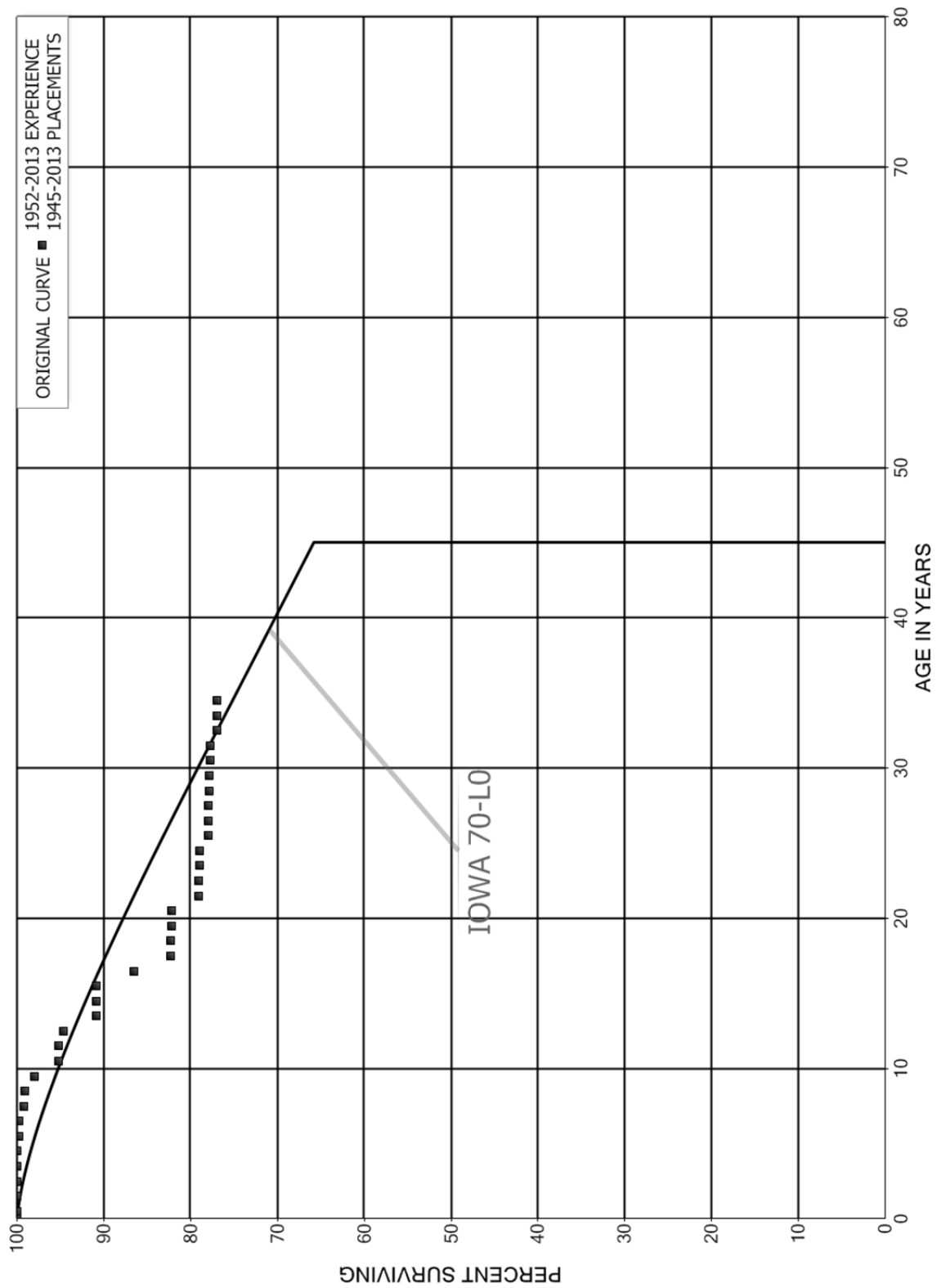
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1945-2013

EXPERIENCE BAND 1953-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	251,479		0.0000	1.0000	77.41
40.5	251,479		0.0000	1.0000	77.41
41.5	205,146	100	0.0005	0.9995	77.41
42.5	205,046		0.0000	1.0000	77.37
43.5	205,046	0	0.0000	1.0000	77.37
44.5	189,002		0.0000	1.0000	77.37
45.5	186,160		0.0000	1.0000	77.37
46.5	186,160	15,110	0.0812	0.9188	77.37
47.5	171,050		0.0000	1.0000	71.09
48.5	171,050	5,000	0.0292	0.9708	71.09
49.5	165,060		0.0000	1.0000	69.01
50.5	165,060		0.0000	1.0000	69.01
51.5	165,060	101,220	0.6132	0.3868	69.01
52.5	62,300		0.0000	1.0000	26.69
53.5	62,300		0.0000	1.0000	26.69
54.5	62,300		0.0000	1.0000	26.69
55.5	62,300	150	0.0024	0.9976	26.69
56.5	62,150		0.0000	1.0000	26.63
57.5	62,150		0.0000	1.0000	26.63
58.5	62,150		0.0000	1.0000	26.63
59.5	37,170		0.0000	1.0000	26.63
60.5	37,170		0.0000	1.0000	26.63
61.5	37,170		0.0000	1.0000	26.63
62.5	37,170		0.0000	1.0000	26.63
63.5	37,170		0.0000	1.0000	26.63
64.5	37,170		0.0000	1.0000	26.63
65.5	37,170		0.0000	1.0000	26.63
66.5	37,170		0.0000	1.0000	26.63
67.5	35,700		0.0000	1.0000	26.63
68.5					26.63

NEWFOUNDLAND POWER INC.
ACCOUNT 332.00 - ELECTRICAL PLANT
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 332.00 - ELECTRICAL PLANT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1945-2013

EXPERIENCE BAND 1952-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,738,289		0.0000	1.0000	100.00
0.5	2,530,970		0.0000	1.0000	100.00
1.5	2,512,068	1,060	0.0004	0.9996	100.00
2.5	2,537,976		0.0000	1.0000	99.96
3.5	2,554,224		0.0000	1.0000	99.96
4.5	2,495,571	5,200	0.0021	0.9979	99.96
5.5	2,493,381	500	0.0002	0.9998	99.75
6.5	2,506,681	14,376	0.0057	0.9943	99.73
7.5	2,492,305	2,959	0.0012	0.9988	99.16
8.5	2,481,537	26,064	0.0105	0.9895	99.04
9.5	1,010,733	28,740	0.0284	0.9716	98.00
10.5	823,317		0.0000	1.0000	95.21
11.5	793,280	4,967	0.0063	0.9937	95.21
12.5	457,061	18,405	0.0403	0.9597	94.62
13.5	443,356	1	0.0000	1.0000	90.81
14.5	440,894		0.0000	1.0000	90.81
15.5	432,884	20,513	0.0474	0.9526	90.81
16.5	380,536	18,669	0.0491	0.9509	86.50
17.5	378,667		0.0000	1.0000	82.26
18.5	380,537	161	0.0004	0.9996	82.26
19.5	391,346		0.0000	1.0000	82.22
20.5	363,754	13,891	0.0382	0.9618	82.22
21.5	260,679	170	0.0007	0.9993	79.08
22.5	254,492	440	0.0017	0.9983	79.03
23.5	254,052		0.0000	1.0000	78.90
24.5	254,052	3,029	0.0119	0.9881	78.90
25.5	251,023		0.0000	1.0000	77.96
26.5	244,153		0.0000	1.0000	77.96
27.5	239,176	479	0.0020	0.9980	77.96
28.5	238,697		0.0000	1.0000	77.80
29.5	238,697	200	0.0008	0.9992	77.80
30.5	238,497		0.0000	1.0000	77.73
31.5	234,568	2,540	0.0108	0.9892	77.73
32.5	232,028		0.0000	1.0000	76.89
33.5	232,028		0.0000	1.0000	76.89
34.5	217,033		0.0000	1.0000	76.89
35.5	177,097		0.0000	1.0000	76.89
36.5	156,042		0.0000	1.0000	76.89
37.5	156,042		0.0000	1.0000	76.89
38.5	130,482		0.0000	1.0000	76.89

NEWFOUNDLAND POWER INC.

ACCOUNT 332.00 - ELECTRICAL PLANT

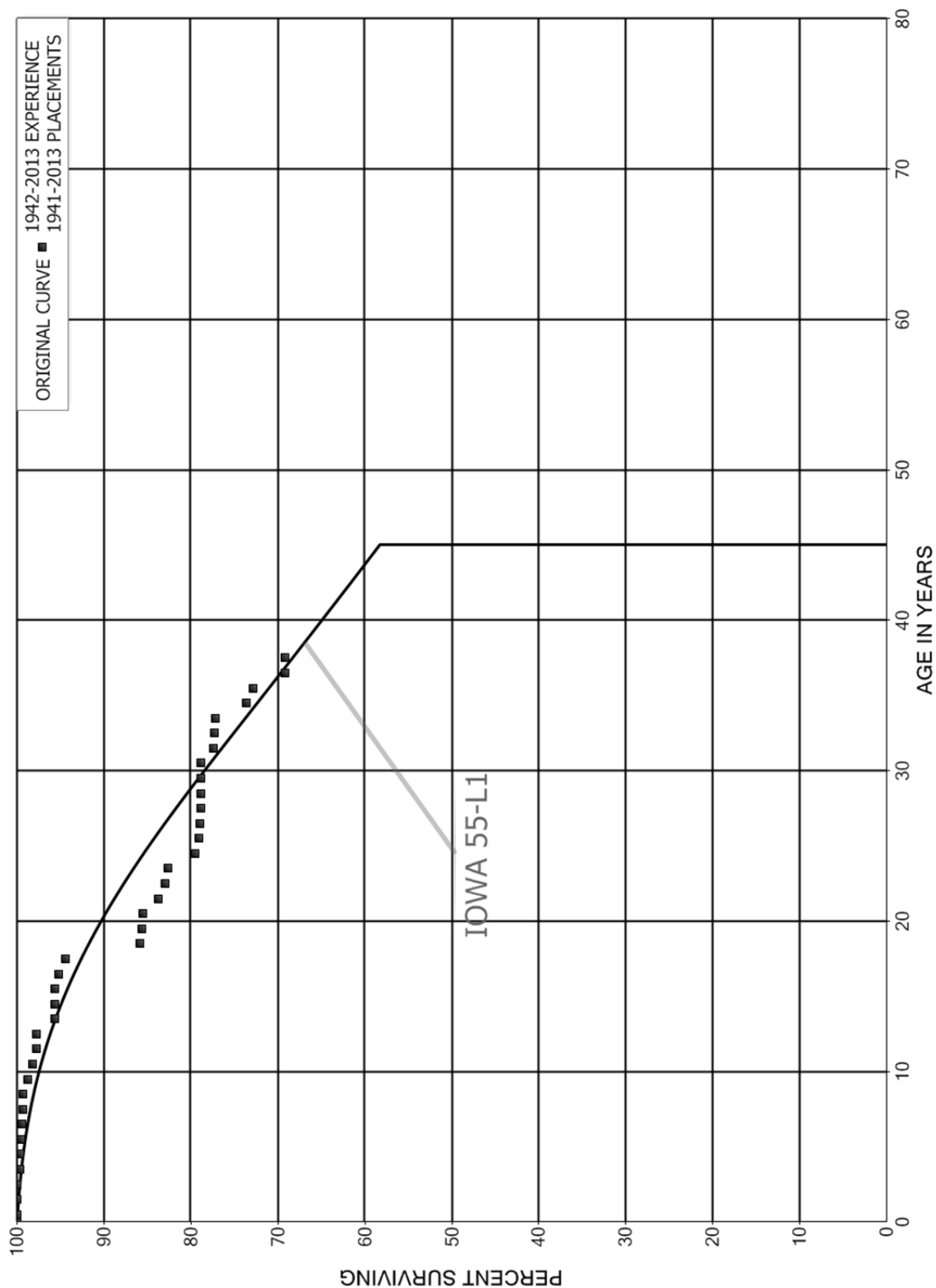
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1945-2013

EXPERIENCE BAND 1952-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	128,472		0.0000	1.0000	76.89
40.5	128,224		0.0000	1.0000	76.89
41.5	128,224		0.0000	1.0000	76.89
42.5	127,157	242	0.0019	0.9981	76.89
43.5	126,915	500	0.0039	0.9961	76.75
44.5	107,461		0.0000	1.0000	76.44
45.5	107,461		0.0000	1.0000	76.44
46.5	56,436		0.0000	1.0000	76.44
47.5	54,729		0.0000	1.0000	76.44
48.5	52,809		0.0000	1.0000	76.44
49.5	48,569		0.0000	1.0000	76.44
50.5	48,569		0.0000	1.0000	76.44
51.5	43,550	15,785	0.3625	0.6375	76.44
52.5	27,765		0.0000	1.0000	48.74
53.5	27,765		0.0000	1.0000	48.74
54.5	13,965		0.0000	1.0000	48.74
55.5	13,965		0.0000	1.0000	48.74
56.5	13,965		0.0000	1.0000	48.74
57.5	13,965		0.0000	1.0000	48.74
58.5	13,965		0.0000	1.0000	48.74
59.5	11,370		0.0000	1.0000	48.74
60.5	11,370		0.0000	1.0000	48.74
61.5	11,370		0.0000	1.0000	48.74
62.5	11,370		0.0000	1.0000	48.74
63.5	11,370		0.0000	1.0000	48.74
64.5	11,370		0.0000	1.0000	48.74
65.5	11,370		0.0000	1.0000	48.74
66.5	9,670		0.0000	1.0000	48.74
67.5					48.74

NEWFOUNDLAND POWER INC.
ACCOUNT 333.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 333.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1941-2013

EXPERIENCE BAND 1942-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	21,811,860	230	0.0000	1.0000	100.00
0.5	21,352,072	4,442	0.0002	0.9998	100.00
1.5	21,449,912	11,649	0.0005	0.9995	99.98
2.5	21,231,644	54,672	0.0026	0.9974	99.92
3.5	21,372,554	1,043	0.0000	1.0000	99.67
4.5	21,196,199	37,621	0.0018	0.9982	99.66
5.5	20,892,702	15,989	0.0008	0.9992	99.48
6.5	20,826,897	20,083	0.0010	0.9990	99.41
7.5	20,762,528	350	0.0000	1.0000	99.31
8.5	18,951,593	106,332	0.0056	0.9944	99.31
9.5	17,421,649	93,342	0.0054	0.9946	98.75
10.5	12,783,614	62,160	0.0049	0.9951	98.22
11.5	11,221,541	3,000	0.0003	0.9997	97.75
12.5	10,914,581	236,978	0.0217	0.9783	97.72
13.5	10,502,944	1,869	0.0002	0.9998	95.60
14.5	10,233,037		0.0000	1.0000	95.58
15.5	10,270,333	47,181	0.0046	0.9954	95.58
16.5	9,886,625	73,514	0.0074	0.9926	95.14
17.5	8,869,175	806,355	0.0909	0.9091	94.44
18.5	8,338,488	23,997	0.0029	0.9971	85.85
19.5	7,664,154	11,000	0.0014	0.9986	85.60
20.5	7,501,976	158,078	0.0211	0.9789	85.48
21.5	6,748,861	55,795	0.0083	0.9917	83.68
22.5	6,695,076	26,713	0.0040	0.9960	82.99
23.5	6,483,869	249,437	0.0385	0.9615	82.66
24.5	6,361,864	34,200	0.0054	0.9946	79.48
25.5	6,238,108	9,697	0.0016	0.9984	79.05
26.5	6,228,411	5,000	0.0008	0.9992	78.93
27.5	6,133,990		0.0000	1.0000	78.86
28.5	6,133,990	2,063	0.0003	0.9997	78.86
29.5	6,127,840	607	0.0001	0.9999	78.84
30.5	6,132,979	111,462	0.0182	0.9818	78.83
31.5	5,925,905	8,835	0.0015	0.9985	77.40
32.5	5,789,551	4,894	0.0008	0.9992	77.28
33.5	5,781,657	267,100	0.0462	0.9538	77.21
34.5	5,510,313	64,662	0.0117	0.9883	73.65
35.5	5,386,019	266,400	0.0495	0.9505	72.78
36.5	4,890,408	4,000	0.0008	0.9992	69.18
37.5	4,886,408		0.0000	1.0000	69.13
38.5	2,235,140	18,600	0.0083	0.9917	69.13

NEWFOUNDLAND POWER INC.

ACCOUNT 333.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

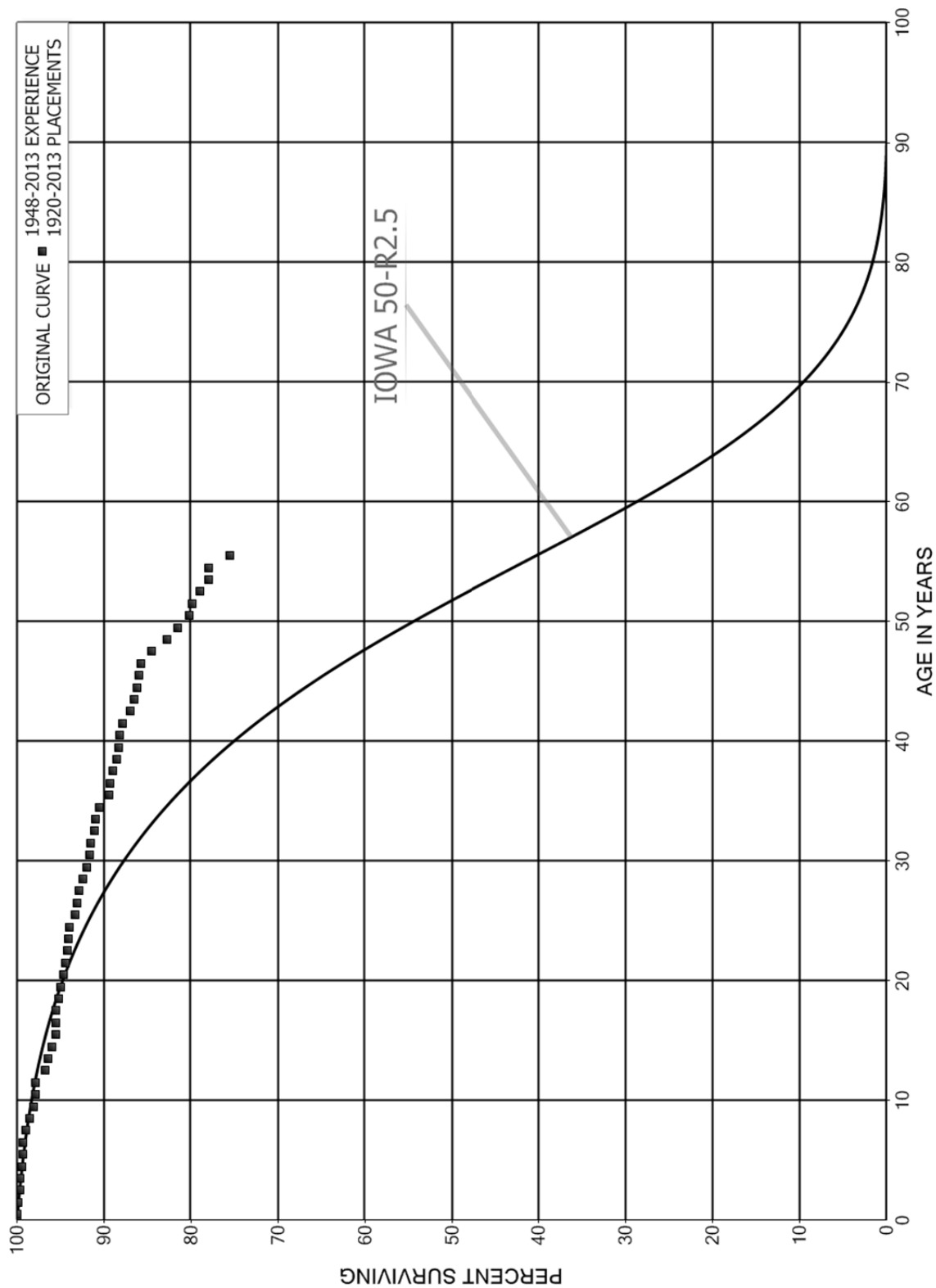
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1941-2013

EXPERIENCE BAND 1942-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,161,603		0.0000	1.0000	68.55
40.5	2,161,603		0.0000	1.0000	68.55
41.5	1,957,359	43,185	0.0221	0.9779	68.55
42.5	1,914,174		0.0000	1.0000	67.04
43.5	1,912,731	0	0.0000	1.0000	67.04
44.5	1,266,647	2,830	0.0022	0.9978	67.04
45.5	1,064,808	25,950	0.0244	0.9756	66.89
46.5	1,038,858	24,120	0.0232	0.9768	65.26
47.5	1,014,037		0.0000	1.0000	63.74
48.5	1,014,037	3,544	0.0035	0.9965	63.74
49.5	1,010,493		0.0000	1.0000	63.52
50.5	807,484	16,767	0.0208	0.9792	63.52
51.5	740,807	538,246	0.7266	0.2734	62.20
52.5	202,561		0.0000	1.0000	17.01
53.5	202,561		0.0000	1.0000	17.01
54.5	202,561	130	0.0006	0.9994	17.01
55.5	202,431		0.0000	1.0000	17.00
56.5	202,431		0.0000	1.0000	17.00
57.5					17.00

NEWFOUNDLAND POWER INC.
ACCOUNT 341.00 - SUBSTATION - BUILDINGS AND STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 341.00 - SUBSTATION - BUILDINGS AND STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1920-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	9,889,578	388	0.0000	1.0000	100.00
0.5	10,220,993	18,472	0.0018	0.9982	100.00
1.5	10,767,234	18,386	0.0017	0.9983	99.82
2.5	10,292,858		0.0000	1.0000	99.64
3.5	10,139,976	27,661	0.0027	0.9973	99.64
4.5	8,946,732	3,268	0.0004	0.9996	99.37
5.5	8,460,192	8,821	0.0010	0.9990	99.34
6.5	7,900,699	23,209	0.0029	0.9971	99.23
7.5	7,737,048	30,185	0.0039	0.9961	98.94
8.5	6,701,812	34,579	0.0052	0.9948	98.56
9.5	5,941,569	10,070	0.0017	0.9983	98.05
10.5	5,670,066	5,725	0.0010	0.9990	97.88
11.5	5,564,633	62,635	0.0113	0.9887	97.78
12.5	5,364,256	15,905	0.0030	0.9970	96.68
13.5	4,688,682	23,676	0.0050	0.9950	96.39
14.5	4,629,345	17,324	0.0037	0.9963	95.91
15.5	4,446,553	3,475	0.0008	0.9992	95.55
16.5	4,361,874		0.0000	1.0000	95.47
17.5	4,303,436	12,571	0.0029	0.9971	95.47
18.5	4,077,075	12,087	0.0030	0.9970	95.20
19.5	3,500,192	11,080	0.0032	0.9968	94.91
20.5	3,535,768	7,205	0.0020	0.9980	94.61
21.5	3,399,048	8,779	0.0026	0.9974	94.42
22.5	3,369,349	3,810	0.0011	0.9989	94.18
23.5	3,230,560	5,779	0.0018	0.9982	94.07
24.5	3,103,268	20,162	0.0065	0.9935	93.90
25.5	2,735,868	5,538	0.0020	0.9980	93.29
26.5	2,487,939	8,337	0.0034	0.9966	93.10
27.5	2,467,282	10,216	0.0041	0.9959	92.79
28.5	2,483,692	12,118	0.0049	0.9951	92.41
29.5	2,523,536	8,716	0.0035	0.9965	91.96
30.5	2,520,717	2,811	0.0011	0.9989	91.64
31.5	1,591,246	9,018	0.0057	0.9943	91.54
32.5	1,706,171	1,209	0.0007	0.9993	91.02
33.5	1,649,255	8,324	0.0050	0.9950	90.95
34.5	1,526,991	18,422	0.0121	0.9879	90.49
35.5	1,433,402	1,240	0.0009	0.9991	89.40
36.5	1,316,654	6,023	0.0046	0.9954	89.32
37.5	1,007,015	5,049	0.0050	0.9950	88.92
38.5	816,346	1,502	0.0018	0.9982	88.47

NEWFOUNDLAND POWER INC.

ACCOUNT 341.00 - SUBSTATION - BUILDINGS AND STRUCTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1920-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	754,794	1,196	0.0016	0.9984	88.31
40.5	739,260	2,774	0.0038	0.9962	88.17
41.5	595,918	6,000	0.0101	0.9899	87.84
42.5	568,773	2,669	0.0047	0.9953	86.95
43.5	558,733	2,130	0.0038	0.9962	86.54
44.5	500,912	1,724	0.0034	0.9966	86.21
45.5	462,817	1,211	0.0026	0.9974	85.92
46.5	428,057	6,000	0.0140	0.9860	85.69
47.5	382,400	7,944	0.0208	0.9792	84.49
48.5	361,513	5,489	0.0152	0.9848	82.74
49.5	312,843	4,982	0.0159	0.9841	81.48
50.5	265,170	1,001	0.0038	0.9962	80.18
51.5	255,195	3,133	0.0123	0.9877	79.88
52.5	225,903	2,611	0.0116	0.9884	78.90
53.5	204,268		0.0000	1.0000	77.99
54.5	171,461	5,476	0.0319	0.9681	77.99
55.5	114,791		0.0000	1.0000	75.50
56.5	114,076	284	0.0025	0.9975	75.50
57.5	112,421		0.0000	1.0000	75.31
58.5	112,137		0.0000	1.0000	75.31
59.5	96,522		0.0000	1.0000	75.31
60.5	96,522		0.0000	1.0000	75.31
61.5	95,058		0.0000	1.0000	75.31
62.5	93,958		0.0000	1.0000	75.31
63.5	90,052		0.0000	1.0000	75.31
64.5	90,052		0.0000	1.0000	75.31
65.5	87,645		0.0000	1.0000	75.31
66.5	87,645	750	0.0086	0.9914	75.31
67.5	86,895		0.0000	1.0000	74.66
68.5	86,895		0.0000	1.0000	74.66
69.5	86,012		0.0000	1.0000	74.66
70.5	86,012		0.0000	1.0000	74.66
71.5	61,602		0.0000	1.0000	74.66
72.5	61,602		0.0000	1.0000	74.66
73.5	61,602		0.0000	1.0000	74.66
74.5	61,602	465	0.0075	0.9925	74.66
75.5	61,137		0.0000	1.0000	74.10
76.5	61,137		0.0000	1.0000	74.10
77.5	61,137		0.0000	1.0000	74.10
78.5	61,137		0.0000	1.0000	74.10

NEWFOUNDLAND POWER INC.

ACCOUNT 341.00 - SUBSTATION - BUILDINGS AND STRUCTURES

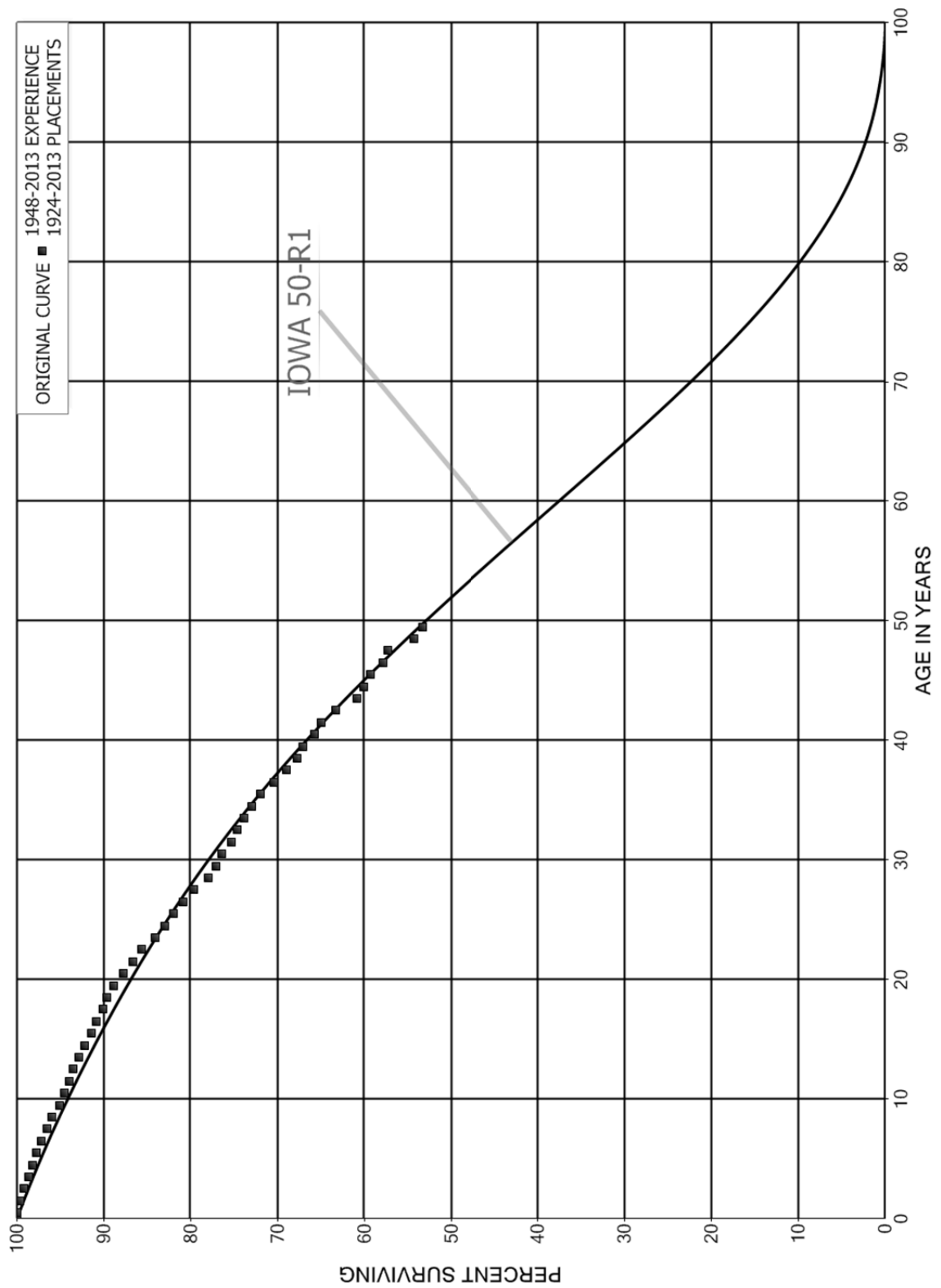
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1920-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	58,134		0.0000	1.0000	74.10
80.5	58,134		0.0000	1.0000	74.10
81.5	58,134		0.0000	1.0000	74.10
82.5	50,634		0.0000	1.0000	74.10
83.5	50,634		0.0000	1.0000	74.10
84.5	50,634		0.0000	1.0000	74.10
85.5	885		0.0000	1.0000	74.10
86.5	885		0.0000	1.0000	74.10
87.5					74.10

NEWFOUNDLAND POWER INC.
ACCOUNT 342.00 - SUBSTATION - EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 342.00 - SUBSTATION - EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	202,377,905	97,236	0.0005	0.9995	100.00
0.5	187,045,780	669,094	0.0036	0.9964	99.95
1.5	172,336,617	688,246	0.0040	0.9960	99.59
2.5	160,140,746	1,014,995	0.0063	0.9937	99.20
3.5	148,361,827	659,992	0.0044	0.9956	98.57
4.5	140,049,195	634,484	0.0045	0.9955	98.13
5.5	133,946,077	686,352	0.0051	0.9949	97.68
6.5	129,065,736	832,611	0.0065	0.9935	97.18
7.5	124,382,181	730,157	0.0059	0.9941	96.56
8.5	120,620,315	1,116,643	0.0093	0.9907	95.99
9.5	114,422,047	765,832	0.0067	0.9933	95.10
10.5	106,142,112	548,155	0.0052	0.9948	94.47
11.5	100,866,411	505,077	0.0050	0.9950	93.98
12.5	96,045,654	694,002	0.0072	0.9928	93.51
13.5	91,676,394	644,235	0.0070	0.9930	92.83
14.5	87,878,091	784,640	0.0089	0.9911	92.18
15.5	84,932,381	532,997	0.0063	0.9937	91.36
16.5	82,381,218	630,804	0.0077	0.9923	90.78
17.5	80,212,595	425,675	0.0053	0.9947	90.09
18.5	78,371,381	635,220	0.0081	0.9919	89.61
19.5	77,103,363	1,013,831	0.0131	0.9869	88.88
20.5	73,297,820	939,177	0.0128	0.9872	87.71
21.5	69,086,816	804,032	0.0116	0.9884	86.59
22.5	64,377,016	1,118,883	0.0174	0.9826	85.58
23.5	55,588,083	730,968	0.0131	0.9869	84.10
24.5	52,016,588	630,210	0.0121	0.9879	82.99
25.5	49,392,168	665,574	0.0135	0.9865	81.98
26.5	47,744,104	730,504	0.0153	0.9847	80.88
27.5	46,691,662	975,609	0.0209	0.9791	79.64
28.5	44,384,916	524,862	0.0118	0.9882	77.98
29.5	41,765,107	373,588	0.0089	0.9911	77.06
30.5	39,074,871	528,067	0.0135	0.9865	76.37
31.5	37,736,042	386,108	0.0102	0.9898	75.33
32.5	35,231,026	335,816	0.0095	0.9905	74.56
33.5	34,015,862	434,100	0.0128	0.9872	73.85
34.5	32,451,713	410,096	0.0126	0.9874	72.91
35.5	29,849,213	672,465	0.0225	0.9775	71.99
36.5	24,614,725	486,507	0.0198	0.9802	70.37
37.5	15,648,268	274,929	0.0176	0.9824	68.98
38.5	11,492,975	112,725	0.0098	0.9902	67.76

NEWFOUNDLAND POWER INC.

ACCOUNT 342.00 - SUBSTATION - EQUIPMENT

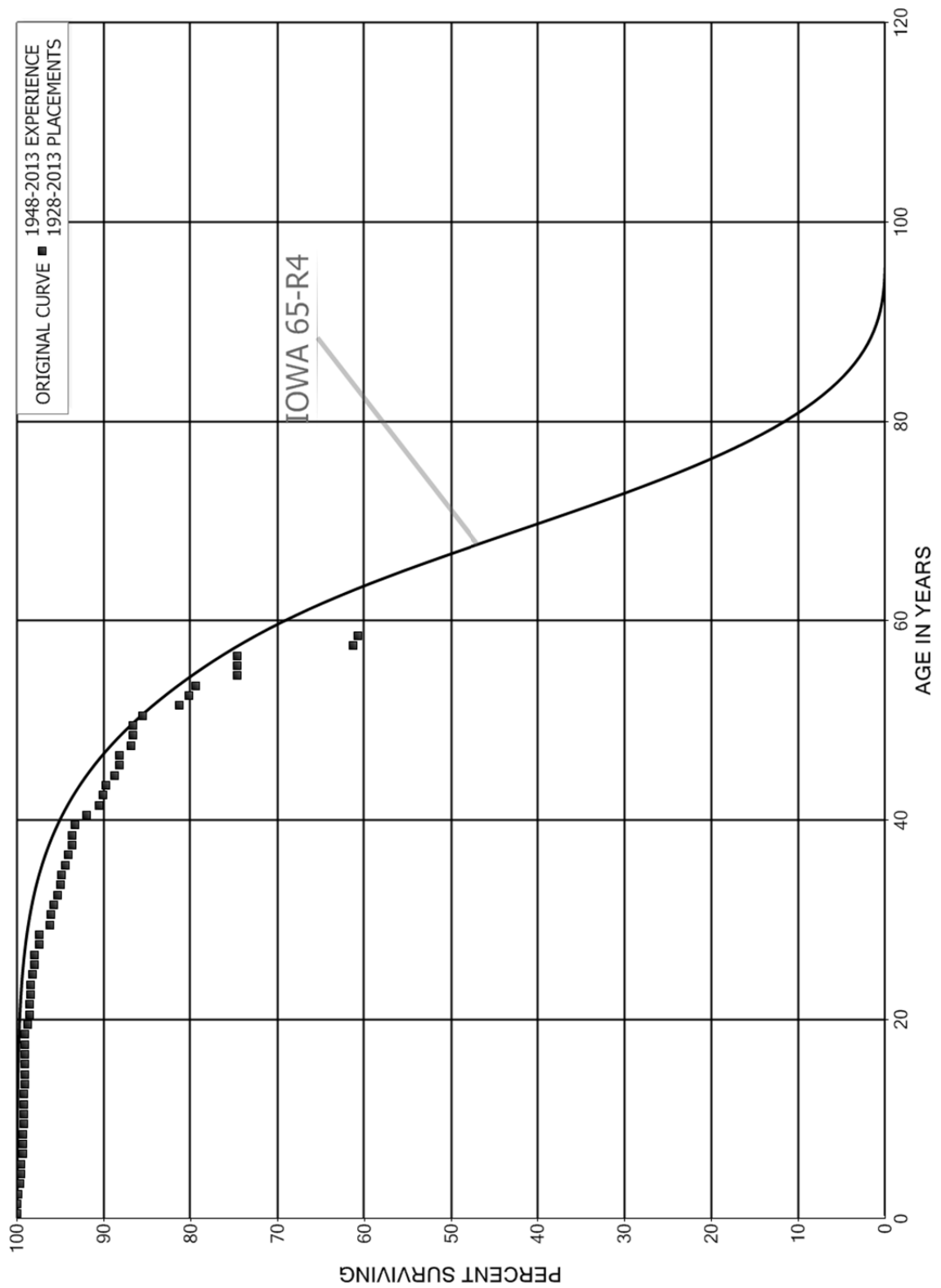
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	10,025,389	205,696	0.0205	0.9795	67.10
40.5	8,473,952	94,769	0.0112	0.9888	65.72
41.5	7,518,184	194,146	0.0258	0.9742	64.99
42.5	6,324,169	251,115	0.0397	0.9603	63.31
43.5	5,631,295	66,799	0.0119	0.9881	60.80
44.5	4,576,161	61,849	0.0135	0.9865	60.07
45.5	3,947,603	94,253	0.0239	0.9761	59.26
46.5	3,252,501	31,888	0.0098	0.9902	57.85
47.5	2,649,065	136,652	0.0516	0.9484	57.28
48.5	2,262,042	43,995	0.0194	0.9806	54.33
49.5	2,141,906	71,642	0.0334	0.9666	53.27
50.5	1,720,325	27,276	0.0159	0.9841	51.49
51.5	1,473,964	24,245	0.0164	0.9836	50.67
52.5	1,173,414	23,709	0.0202	0.9798	49.84
53.5	1,024,060	17,886	0.0175	0.9825	48.83
54.5	749,139	152,200	0.2032	0.7968	47.98
55.5	467,640	415	0.0009	0.9991	38.23
56.5	471,338	37,459	0.0795	0.9205	38.20
57.5	300,468	2,251	0.0075	0.9925	35.16
58.5	297,734	14,256	0.0479	0.9521	34.90
59.5	139,482	9,500	0.0681	0.9319	33.23
60.5	129,982	0	0.0000	1.0000	30.96
61.5	130,476	1,278	0.0098	0.9902	30.96
62.5	89,936	1,890	0.0210	0.9790	30.66
63.5	77,197		0.0000	1.0000	30.02
64.5	70,857	3,855	0.0544	0.9456	30.02
65.5	67,002	1,414	0.0211	0.9789	28.38
66.5	65,588	2,638	0.0402	0.9598	27.78
67.5	62,455	16,650	0.2666	0.7334	26.67
68.5	45,805		0.0000	1.0000	19.56
69.5	45,805		0.0000	1.0000	19.56
70.5	36,640		0.0000	1.0000	19.56
71.5					19.56

NEWFOUNDLAND POWER INC.
ACCOUNT 350 - TRANSMISSION - ROW CLEARING/EASEMENT SURVEY, ROADS, TRAILS AND BRIDGES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 350 - TRANSMISSION - ROW CLEARING/EASEMENT SURVEY, ROADS, TRAILS AND
BRIDGES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1928-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,764,795		0.0000	1.0000	100.00
0.5	10,157,400	4,970	0.0005	0.9995	100.00
1.5	10,975,541	13,679	0.0012	0.9988	99.95
2.5	11,498,662	25,471	0.0022	0.9978	99.83
3.5	11,354,109	12,265	0.0011	0.9989	99.61
4.5	11,125,927	3,815	0.0003	0.9997	99.50
5.5	11,038,358	13,982	0.0013	0.9987	99.46
6.5	10,853,509		0.0000	1.0000	99.34
7.5	10,271,743	8,080	0.0008	0.9992	99.34
8.5	10,283,237	3,787	0.0004	0.9996	99.26
9.5	10,172,668		0.0000	1.0000	99.22
10.5	10,039,908	3,351	0.0003	0.9997	99.22
11.5	9,913,975	1,434	0.0001	0.9999	99.19
12.5	9,776,348	7,704	0.0008	0.9992	99.18
13.5	9,773,847		0.0000	1.0000	99.10
14.5	9,774,692	2,448	0.0003	0.9997	99.10
15.5	9,713,083	914	0.0001	0.9999	99.07
16.5	9,522,216	3,203	0.0003	0.9997	99.06
17.5	9,490,225		0.0000	1.0000	99.03
18.5	9,422,302	32,623	0.0035	0.9965	99.03
19.5	9,389,757	15,576	0.0017	0.9983	98.69
20.5	9,314,908	5,447	0.0006	0.9994	98.52
21.5	9,324,631	10,012	0.0011	0.9989	98.47
22.5	9,216,191	1,342	0.0001	0.9999	98.36
23.5	9,089,132	17,189	0.0019	0.9981	98.35
24.5	8,887,594	20,924	0.0024	0.9976	98.16
25.5	8,652,124		0.0000	1.0000	97.93
26.5	8,242,746	43,259	0.0052	0.9948	97.93
27.5	7,816,570	1,104	0.0001	0.9999	97.41
28.5	7,126,466	86,728	0.0122	0.9878	97.40
29.5	6,899,476	10,309	0.0015	0.9985	96.22
30.5	6,312,538	23,556	0.0037	0.9963	96.07
31.5	5,342,517	21,830	0.0041	0.9959	95.71
32.5	4,757,060	16,568	0.0035	0.9965	95.32
33.5	4,301,312	6,070	0.0014	0.9986	94.99
34.5	3,982,402	21,141	0.0053	0.9947	94.86
35.5	3,438,086	9,150	0.0027	0.9973	94.35
36.5	3,178,244	16,270	0.0051	0.9949	94.10
37.5	2,289,470		0.0000	1.0000	93.62
38.5	1,850,746	6,067	0.0033	0.9967	93.62

NEWFOUNDLAND POWER INC.

ACCOUNT 350 - TRANSMISSION - ROW CLEARING/EASEMENT SURVEY, ROADS, TRAILS AND
BRIDGES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1928-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,573,392	22,326	0.0142	0.9858	93.31
40.5	1,413,138	22,624	0.0160	0.9840	91.99
41.5	1,250,033	5,847	0.0047	0.9953	90.52
42.5	1,156,592	4,463	0.0039	0.9961	90.09
43.5	1,108,557	12,638	0.0114	0.9886	89.75
44.5	974,440	5,495	0.0056	0.9944	88.72
45.5	880,463	40	0.0000	1.0000	88.22
46.5	866,641	13,552	0.0156	0.9844	88.22
47.5	716,143	1,687	0.0024	0.9976	86.84
48.5	538,453		0.0000	1.0000	86.63
49.5	604,066	8,220	0.0136	0.9864	86.63
50.5	463,717	22,448	0.0484	0.9516	85.45
51.5	337,932	4,940	0.0146	0.9854	81.32
52.5	286,169	2,743	0.0096	0.9904	80.13
53.5	273,917	16,282	0.0594	0.9406	79.36
54.5	162,049		0.0000	1.0000	74.64
55.5	161,116	21	0.0001	0.9999	74.64
56.5	161,096	28,846	0.1791	0.8209	74.63
57.5	116,305	967	0.0083	0.9917	61.27
58.5	116,263		0.0000	1.0000	60.76
59.5	111,582		0.0000	1.0000	60.76
60.5	111,582		0.0000	1.0000	60.76
61.5	100,575		0.0000	1.0000	60.76
62.5	81,520		0.0000	1.0000	60.76
63.5	39,309		0.0000	1.0000	60.76
64.5	39,309	14,952	0.3804	0.6196	60.76
65.5	24,357		0.0000	1.0000	37.65
66.5	24,357		0.0000	1.0000	37.65
67.5	24,357		0.0000	1.0000	37.65
68.5	24,357		0.0000	1.0000	37.65
69.5	24,357		0.0000	1.0000	37.65
70.5	24,357		0.0000	1.0000	37.65
71.5	24,357		0.0000	1.0000	37.65
72.5	24,357	4,450	0.1827	0.8173	37.65
73.5	19,907		0.0000	1.0000	30.77
74.5	19,907		0.0000	1.0000	30.77
75.5	19,907		0.0000	1.0000	30.77
76.5	19,907		0.0000	1.0000	30.77
77.5	19,907		0.0000	1.0000	30.77
78.5	545		0.0000	1.0000	30.77

NEWFOUNDLAND POWER INC.

ACCOUNT 350 - TRANSMISSION - ROW CLEARING/EASEMENT SURVEY, ROADS, TRAILS AND
BRIDGES

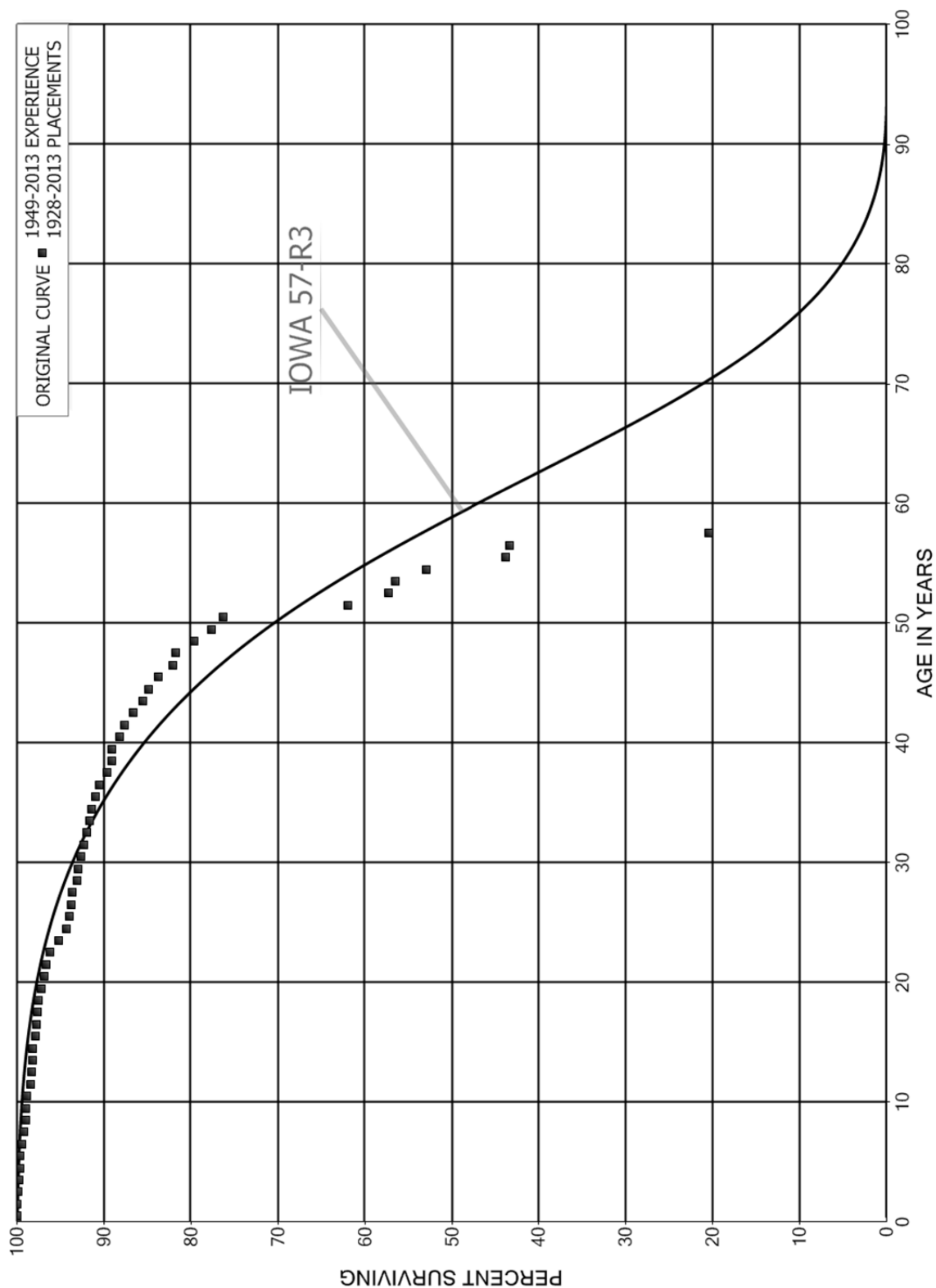
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1928-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	545		0.0000	1.0000	30.77
80.5	545		0.0000	1.0000	30.77
81.5	545		0.0000	1.0000	30.77
82.5					30.77

NEWFOUNDLAND POWER INC.
ACCOUNT 353.10 - TRANSMISSION - OVERHEAD CONDUCTORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 353.10 - TRANSMISSION - OVERHEAD CONDUCTORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1928-2013

EXPERIENCE BAND 1949-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	23,867,422	40	0.0000	1.0000	100.00
0.5	24,283,771	1,781	0.0001	0.9999	100.00
1.5	24,572,457	26,029	0.0011	0.9989	99.99
2.5	25,017,350	36,002	0.0014	0.9986	99.89
3.5	24,026,187	20,108	0.0008	0.9992	99.74
4.5	23,186,506	19,767	0.0009	0.9991	99.66
5.5	22,099,846	46,754	0.0021	0.9979	99.57
6.5	21,133,826	45,009	0.0021	0.9979	99.36
7.5	20,580,459	34,753	0.0017	0.9983	99.15
8.5	20,020,539	13,269	0.0007	0.9993	98.98
9.5	19,781,873	25,978	0.0013	0.9987	98.92
10.5	18,759,713	75,541	0.0040	0.9960	98.79
11.5	18,277,464	21,819	0.0012	0.9988	98.39
12.5	17,752,419	11,543	0.0007	0.9993	98.27
13.5	17,424,336	6,698	0.0004	0.9996	98.21
14.5	17,467,742	53,812	0.0031	0.9969	98.17
15.5	17,166,774	21,477	0.0013	0.9987	97.87
16.5	16,783,858	31,878	0.0019	0.9981	97.75
17.5	16,666,214	7,726	0.0005	0.9995	97.56
18.5	16,168,853	51,732	0.0032	0.9968	97.52
19.5	15,838,892	68,769	0.0043	0.9957	97.20
20.5	15,361,963	23,372	0.0015	0.9985	96.78
21.5	14,726,370	72,321	0.0049	0.9951	96.64
22.5	14,245,715	153,469	0.0108	0.9892	96.16
23.5	13,537,355	116,139	0.0086	0.9914	95.12
24.5	13,025,145	43,354	0.0033	0.9967	94.31
25.5	12,710,205	39,679	0.0031	0.9969	93.99
26.5	12,479,158	7,857	0.0006	0.9994	93.70
27.5	12,158,488	74,006	0.0061	0.9939	93.64
28.5	11,496,054	13,402	0.0012	0.9988	93.07
29.5	11,235,917	45,168	0.0040	0.9960	92.96
30.5	10,820,423	37,055	0.0034	0.9966	92.59
31.5	9,349,099	31,699	0.0034	0.9966	92.27
32.5	8,162,098	28,814	0.0035	0.9965	91.96
33.5	7,806,736	21,830	0.0028	0.9972	91.64
34.5	7,732,221	40,630	0.0053	0.9947	91.38
35.5	6,966,844	26,727	0.0038	0.9962	90.90
36.5	6,347,694	62,203	0.0098	0.9902	90.55
37.5	4,345,787	27,326	0.0063	0.9937	89.66
38.5	3,283,374	911	0.0003	0.9997	89.10

NEWFOUNDLAND POWER INC.

ACCOUNT 353.10 - TRANSMISSION - OVERHEAD CONDUCTORS

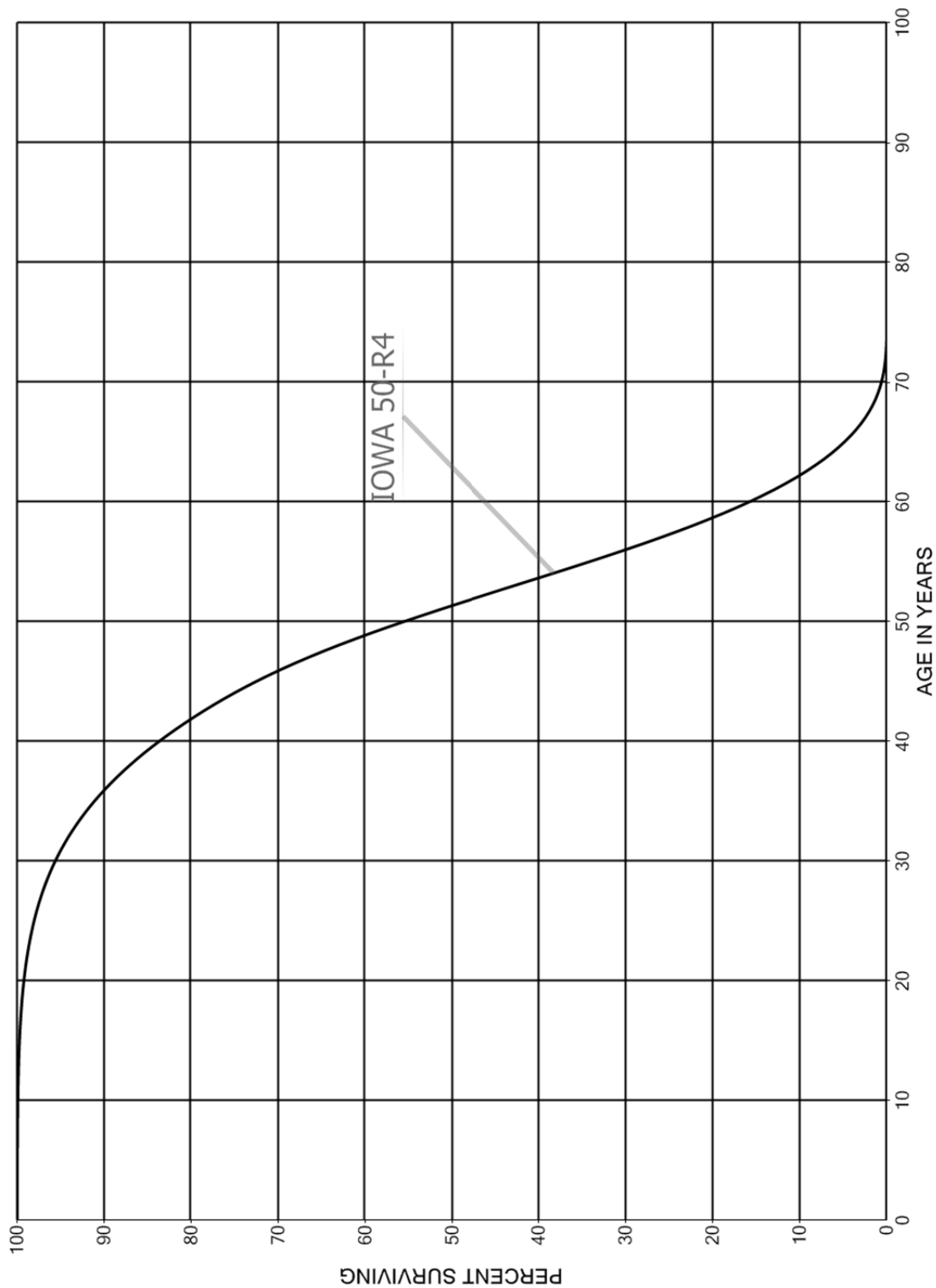
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1928-2013

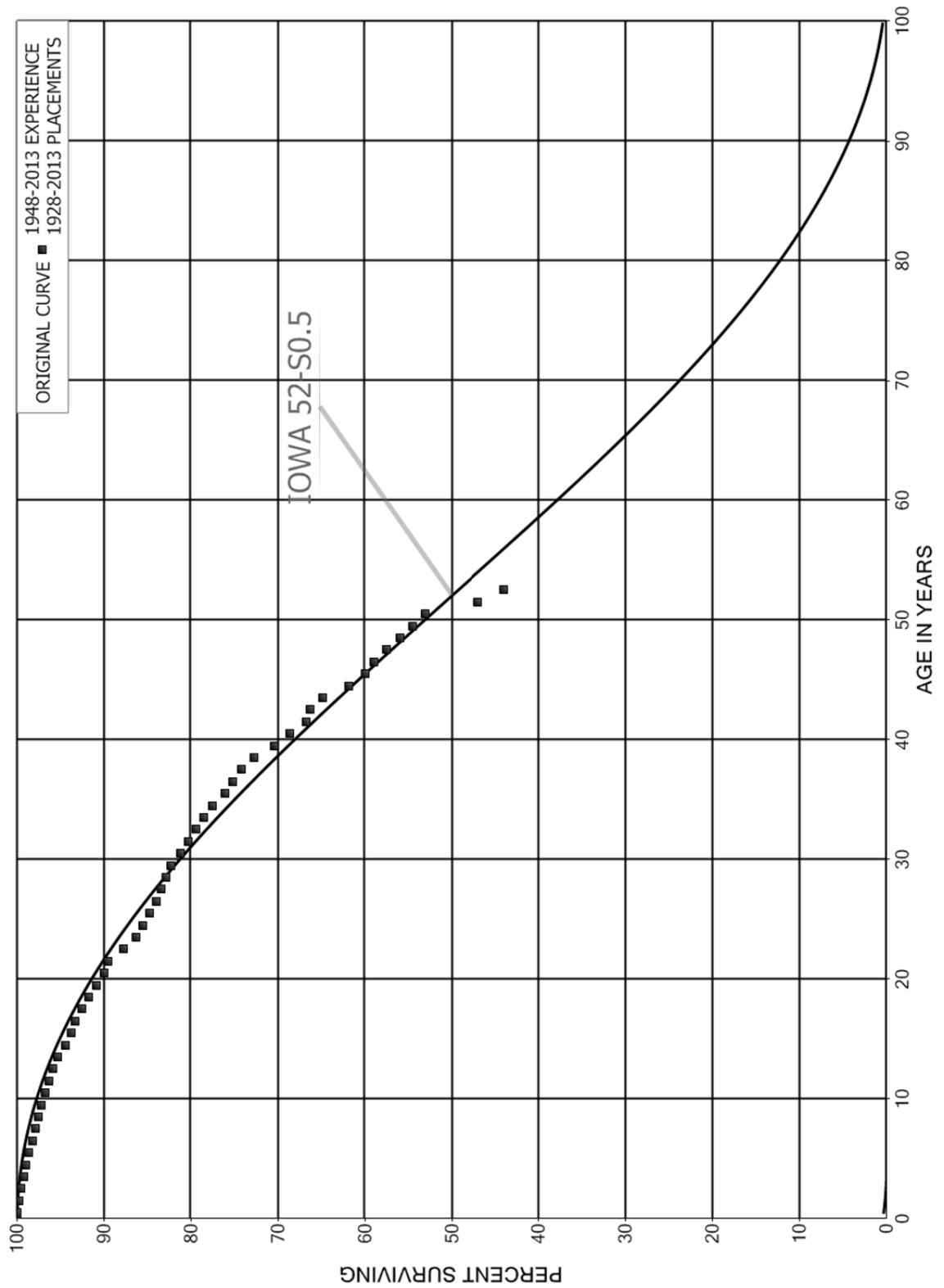
EXPERIENCE BAND 1949-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	3,110,058	32,876	0.0106	0.9894	89.07
40.5	2,801,578	15,207	0.0054	0.9946	88.13
41.5	2,513,728	30,371	0.0121	0.9879	87.65
42.5	2,264,369	27,661	0.0122	0.9878	86.60
43.5	2,180,639	18,626	0.0085	0.9915	85.54
44.5	2,083,358	27,662	0.0133	0.9867	84.81
45.5	1,650,397	32,281	0.0196	0.9804	83.68
46.5	1,548,121	6,768	0.0044	0.9956	82.04
47.5	1,405,414	36,300	0.0258	0.9742	81.69
48.5	843,803	20,795	0.0246	0.9754	79.58
49.5	1,045,660	18,159	0.0174	0.9826	77.61
50.5	863,473	162,605	0.1883	0.8117	76.27
51.5	718,997	53,548	0.0745	0.9255	61.90
52.5	619,127	8,346	0.0135	0.9865	57.29
53.5	596,583	37,387	0.0627	0.9373	56.52
54.5	407,708	71,290	0.1749	0.8251	52.98
55.5	267,013	2,790	0.0104	0.9896	43.72
56.5	242,269	128,330	0.5297	0.4703	43.26
57.5	107,013	15,675	0.1465	0.8535	20.34
58.5	95,408	10,152	0.1064	0.8936	17.36
59.5	85,239	4,267	0.0501	0.9499	15.52
60.5	59,521	1,117	0.0188	0.9812	14.74
61.5	39,625		0.0000	1.0000	14.46
62.5	39,625	10,247	0.2586	0.7414	14.46
63.5	39,625		0.0000	1.0000	10.72
64.5	39,625		0.0000	1.0000	10.72
65.5	39,625		0.0000	1.0000	10.72
66.5	39,625		0.0000	1.0000	10.72
67.5	39,625		0.0000	1.0000	10.72
68.5	39,625		0.0000	1.0000	10.72
69.5	39,625		0.0000	1.0000	10.72
70.5	39,625		0.0000	1.0000	10.72
71.5	39,625	2,750	0.0694	0.9306	10.72
72.5	36,875		0.0000	1.0000	9.98
73.5	36,875		0.0000	1.0000	9.98
74.5	36,875		0.0000	1.0000	9.98
75.5	26,628		0.0000	1.0000	9.98
76.5	26,344	500	0.0190	0.9810	9.98
77.5	25,844		0.0000	1.0000	9.79
78.5	25,844		0.0000	1.0000	9.79
79.5	25,844	25,844	1.0000		9.79
80.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 353.20 - TRANSMISSION - UNDERGROUND CABLE (14L)
SMOOTH SURVIVOR CURVE



NEWFOUNDLAND POWER INC.
 ACCOUNTS 355.10 & 355.20 - TRANSMISSION - POLES AND FIXTURES
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNTS 355.10 & 355.20 - TRANSMISSION - POLES AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1928-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	73,162,672	15,731	0.0002	0.9998	100.00
0.5	69,418,606	138,849	0.0020	0.9980	99.98
1.5	64,066,527	206,373	0.0032	0.9968	99.78
2.5	59,046,825	159,831	0.0027	0.9973	99.46
3.5	54,962,605	152,540	0.0028	0.9972	99.19
4.5	51,583,597	133,179	0.0026	0.9974	98.91
5.5	48,686,078	259,880	0.0053	0.9947	98.66
6.5	45,784,739	117,606	0.0026	0.9974	98.13
7.5	43,482,865	148,619	0.0034	0.9966	97.88
8.5	41,804,305	144,843	0.0035	0.9965	97.54
9.5	40,909,821	192,511	0.0047	0.9953	97.21
10.5	38,771,603	200,628	0.0052	0.9948	96.75
11.5	36,917,205	147,303	0.0040	0.9960	96.25
12.5	35,602,868	210,161	0.0059	0.9941	95.86
13.5	35,117,534	349,489	0.0100	0.9900	95.30
14.5	34,225,168	227,358	0.0066	0.9934	94.35
15.5	33,170,574	144,894	0.0044	0.9956	93.72
16.5	32,229,442	264,955	0.0082	0.9918	93.31
17.5	31,371,492	281,734	0.0090	0.9910	92.55
18.5	30,079,280	293,630	0.0098	0.9902	91.72
19.5	29,013,779	277,687	0.0096	0.9904	90.82
20.5	27,959,403	153,681	0.0055	0.9945	89.95
21.5	26,578,788	500,443	0.0188	0.9812	89.46
22.5	25,165,715	440,716	0.0175	0.9825	87.77
23.5	23,383,786	189,727	0.0081	0.9919	86.23
24.5	22,436,788	205,692	0.0092	0.9908	85.54
25.5	21,212,441	208,283	0.0098	0.9902	84.75
26.5	20,342,690	118,785	0.0058	0.9942	83.92
27.5	20,101,744	143,301	0.0071	0.9929	83.43
28.5	18,925,831	133,712	0.0071	0.9929	82.83
29.5	18,229,847	233,059	0.0128	0.9872	82.25
30.5	16,119,516	175,142	0.0109	0.9891	81.20
31.5	14,302,952	160,640	0.0112	0.9888	80.32
32.5	12,092,961	136,848	0.0113	0.9887	79.41
33.5	11,457,497	142,302	0.0124	0.9876	78.51
34.5	11,341,565	210,552	0.0186	0.9814	77.54
35.5	10,448,634	124,782	0.0119	0.9881	76.10
36.5	9,647,176	134,659	0.0140	0.9860	75.19
37.5	6,269,316	119,009	0.0190	0.9810	74.14
38.5	4,282,044	140,549	0.0328	0.9672	72.73

NEWFOUNDLAND POWER INC.

ACCOUNTS 355.10 & 355.20 - TRANSMISSION - POLES AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1928-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	3,718,302	92,713	0.0249	0.9751	70.35
40.5	3,213,541	86,234	0.0268	0.9732	68.59
41.5	2,707,389	18,686	0.0069	0.9931	66.75
42.5	2,502,507	56,974	0.0228	0.9772	66.29
43.5	2,499,007	111,717	0.0447	0.9553	64.78
44.5	2,440,777	77,654	0.0318	0.9682	61.89
45.5	1,737,451	28,811	0.0166	0.9834	59.92
46.5	1,593,012	37,778	0.0237	0.9763	58.92
47.5	1,326,870	37,578	0.0283	0.9717	57.53
48.5	833,749	20,842	0.0250	0.9750	55.90
49.5	1,132,948	28,802	0.0254	0.9746	54.50
50.5	767,354	89,400	0.1165	0.8835	53.11
51.5	768,850	49,276	0.0641	0.9359	46.93
52.5	683,295	30,004	0.0439	0.9561	43.92
53.5	644,018	43,723	0.0679	0.9321	41.99
54.5	478,987	53,867	0.1125	0.8875	39.14
55.5	331,776	2,884	0.0087	0.9913	34.74
56.5	312,964	4,379	0.0140	0.9860	34.44
57.5	302,450	9,709	0.0321	0.9679	33.95
58.5	287,515	2,672	0.0093	0.9907	32.86
59.5	284,128	1,015	0.0036	0.9964	32.56
60.5	281,997	116	0.0004	0.9996	32.44
61.5	277,878	47	0.0002	0.9998	32.43
62.5	296,886	10,679	0.0360	0.9640	32.42
63.5	331,941	20,772	0.0626	0.9374	31.26
64.5	310,868	42,211	0.1358	0.8642	29.30
65.5	268,657		0.0000	1.0000	25.32
66.5	268,657		0.0000	1.0000	25.32
67.5	268,657	48	0.0002	0.9998	25.32
68.5	268,609	546	0.0020	0.9980	25.32
69.5	268,063		0.0000	1.0000	25.27
70.5	271,720	2,977	0.0110	0.9890	25.27
71.5	268,743	62	0.0002	0.9998	24.99
72.5	268,681		0.0000	1.0000	24.98
73.5	268,681		0.0000	1.0000	24.98
74.5	268,681	135	0.0005	0.9995	24.98
75.5	268,546		0.0000	1.0000	24.97
76.5	266,072	464	0.0017	0.9983	24.97
77.5	265,608	14	0.0001	0.9999	24.93
78.5	283,938	15,552	0.0548	0.9452	24.93

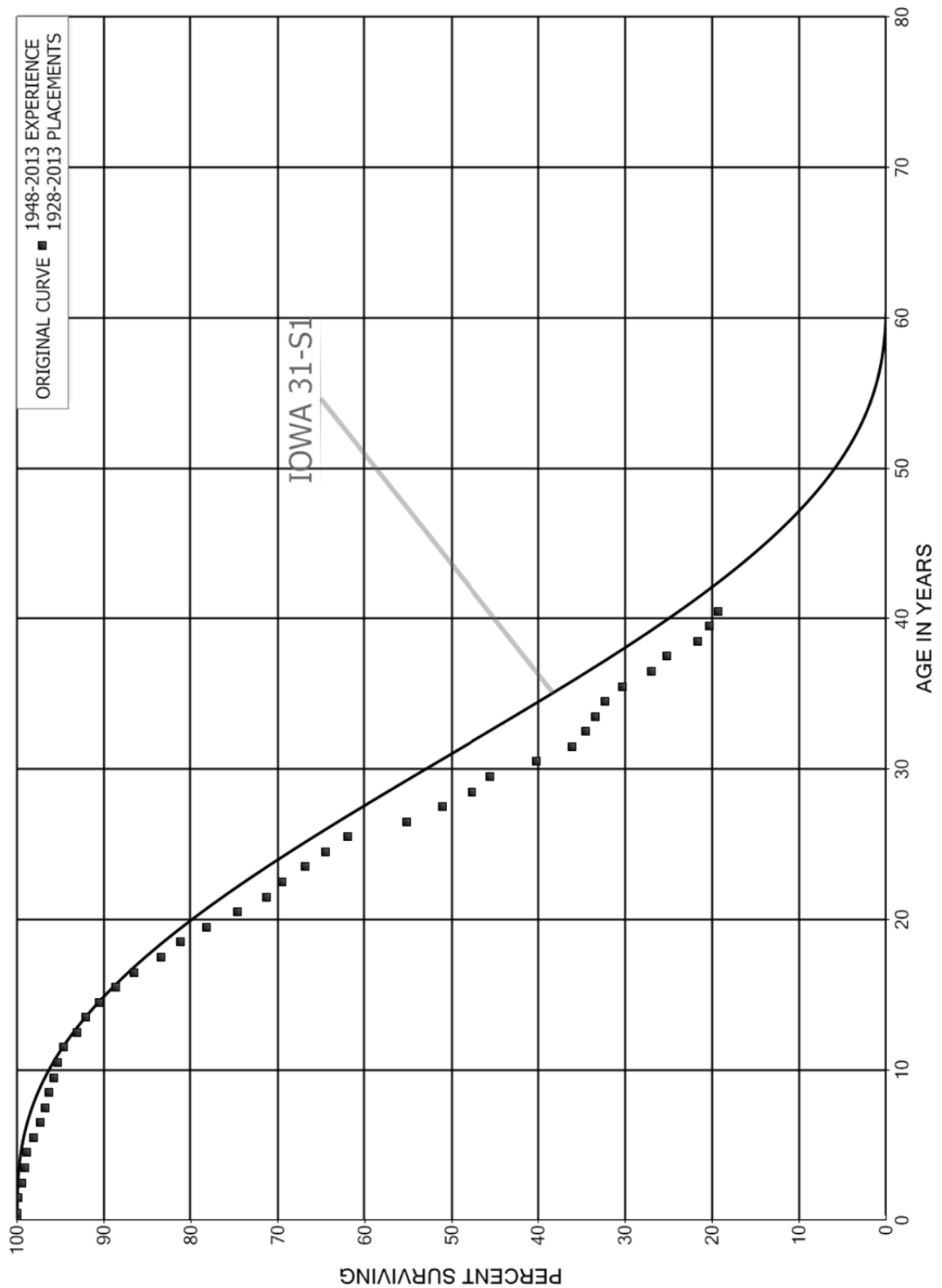
NEWFOUNDLAND POWER INC.

ACCOUNTS 355.10 & 355.20 - TRANSMISSION - POLES AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1928-2013			EXPERIENCE BAND 1948-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	6,191	5,836	0.9427	0.0573	23.56
80.5	355		0.0000	1.0000	1.35
81.5	355		0.0000	1.0000	1.35
82.5					1.35

NEWFOUNDLAND POWER INC.
ACCOUNT 355.30 - TRANSMISSION - INSULATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 355.30 - TRANSMISSION - INSULATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1928-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	27,851,236	2,664	0.0001	0.9999	100.00
0.5	27,617,098	32,254	0.0012	0.9988	99.99
1.5	26,779,736	125,337	0.0047	0.9953	99.87
2.5	26,192,482	85,653	0.0033	0.9967	99.41
3.5	24,884,820	73,484	0.0030	0.9970	99.08
4.5	23,799,857	172,151	0.0072	0.9928	98.79
5.5	22,638,111	180,530	0.0080	0.9920	98.07
6.5	21,661,759	127,119	0.0059	0.9941	97.29
7.5	20,527,177	95,759	0.0047	0.9953	96.72
8.5	19,818,832	100,829	0.0051	0.9949	96.27
9.5	19,131,207	106,398	0.0056	0.9944	95.78
10.5	18,175,495	123,966	0.0068	0.9932	95.25
11.5	17,023,163	285,594	0.0168	0.9832	94.60
12.5	15,930,898	162,852	0.0102	0.9898	93.01
13.5	15,175,514	253,258	0.0167	0.9833	92.06
14.5	14,144,520	300,378	0.0212	0.9788	90.52
15.5	13,006,823	303,919	0.0234	0.9766	88.60
16.5	11,522,270	416,335	0.0361	0.9639	86.53
17.5	10,233,492	279,701	0.0273	0.9727	83.40
18.5	9,018,080	327,799	0.0363	0.9637	81.12
19.5	8,099,048	365,511	0.0451	0.9549	78.18
20.5	7,308,902	331,674	0.0454	0.9546	74.65
21.5	6,386,883	156,414	0.0245	0.9755	71.26
22.5	5,486,651	215,192	0.0392	0.9608	69.52
23.5	3,948,236	132,324	0.0335	0.9665	66.79
24.5	3,145,681	124,625	0.0396	0.9604	64.55
25.5	2,834,431	313,284	0.1105	0.8895	61.99
26.5	2,373,624	176,208	0.0742	0.9258	55.14
27.5	2,037,292	136,415	0.0670	0.9330	51.05
28.5	1,649,380	72,444	0.0439	0.9561	47.63
29.5	1,517,259	177,882	0.1172	0.8828	45.54
30.5	1,289,368	131,492	0.1020	0.8980	40.20
31.5	1,081,357	47,316	0.0438	0.9562	36.10
32.5	781,408	26,451	0.0338	0.9662	34.52
33.5	712,135	23,662	0.0332	0.9668	33.35
34.5	664,258	39,684	0.0597	0.9403	32.24
35.5	569,047	63,333	0.1113	0.8887	30.32
36.5	463,183	30,959	0.0668	0.9332	26.94
37.5	377,838	52,463	0.1388	0.8612	25.14
38.5	318,192	19,827	0.0623	0.9377	21.65

NEWFOUNDLAND POWER INC.

ACCOUNT 355.30 - TRANSMISSION - INSULATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1928-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	292,625	13,978	0.0478	0.9522	20.30
40.5	276,377	9,045	0.0327	0.9673	19.33
41.5	229,749	11,375	0.0495	0.9505	18.70
42.5	272,653	8,293	0.0304	0.9696	17.77
43.5	237,244	22,071	0.0930	0.9070	17.23
44.5	213,192	5,701	0.0267	0.9733	15.63
45.5	173,216	2,068	0.0119	0.9881	15.21
46.5	162,669	31,354	0.1927	0.8073	15.03
47.5	132,863	4,007	0.0302	0.9698	12.13
48.5	89,695	16,493	0.1839	0.8161	11.77
49.5	88,238	12,881	0.1460	0.8540	9.60
50.5	43,721	17,172	0.3928	0.6072	8.20
51.5	32,737	237	0.0072	0.9928	4.98
52.5	29,408	1,414	0.0481	0.9519	4.94
53.5	34,689	10,378	0.2992	0.7008	4.71
54.5	24,767	9,149	0.3694	0.6306	3.30
55.5	13,337		0.0000	1.0000	2.08
56.5	13,337	6,106	0.4578	0.5422	2.08
57.5	6,977	1,681	0.2410	0.7590	1.13
58.5	5,296	693	0.1309	0.8691	0.86
59.5	4,603	176	0.0382	0.9618	0.74
60.5	4,427	43	0.0097	0.9903	0.72
61.5	4,384	38	0.0087	0.9913	0.71
62.5	4,346	607	0.1397	0.8603	0.70
63.5	4,332	135	0.0312	0.9688	0.60
64.5	4,197		0.0000	1.0000	0.59
65.5	4,197		0.0000	1.0000	0.59
66.5	4,197		0.0000	1.0000	0.59
67.5	4,197	143	0.0341	0.9659	0.59
68.5	4,054	3,641	0.8981	0.1019	0.57
69.5	413		0.0000	1.0000	0.06
70.5	413	413	1.0000		0.06
71.5					
72.5					
73.5					
74.5	745	47	0.0631		
75.5	698		0.0000		
76.5	466	234	0.5031		
77.5	232	208	0.8981		
78.5	24		0.0000		

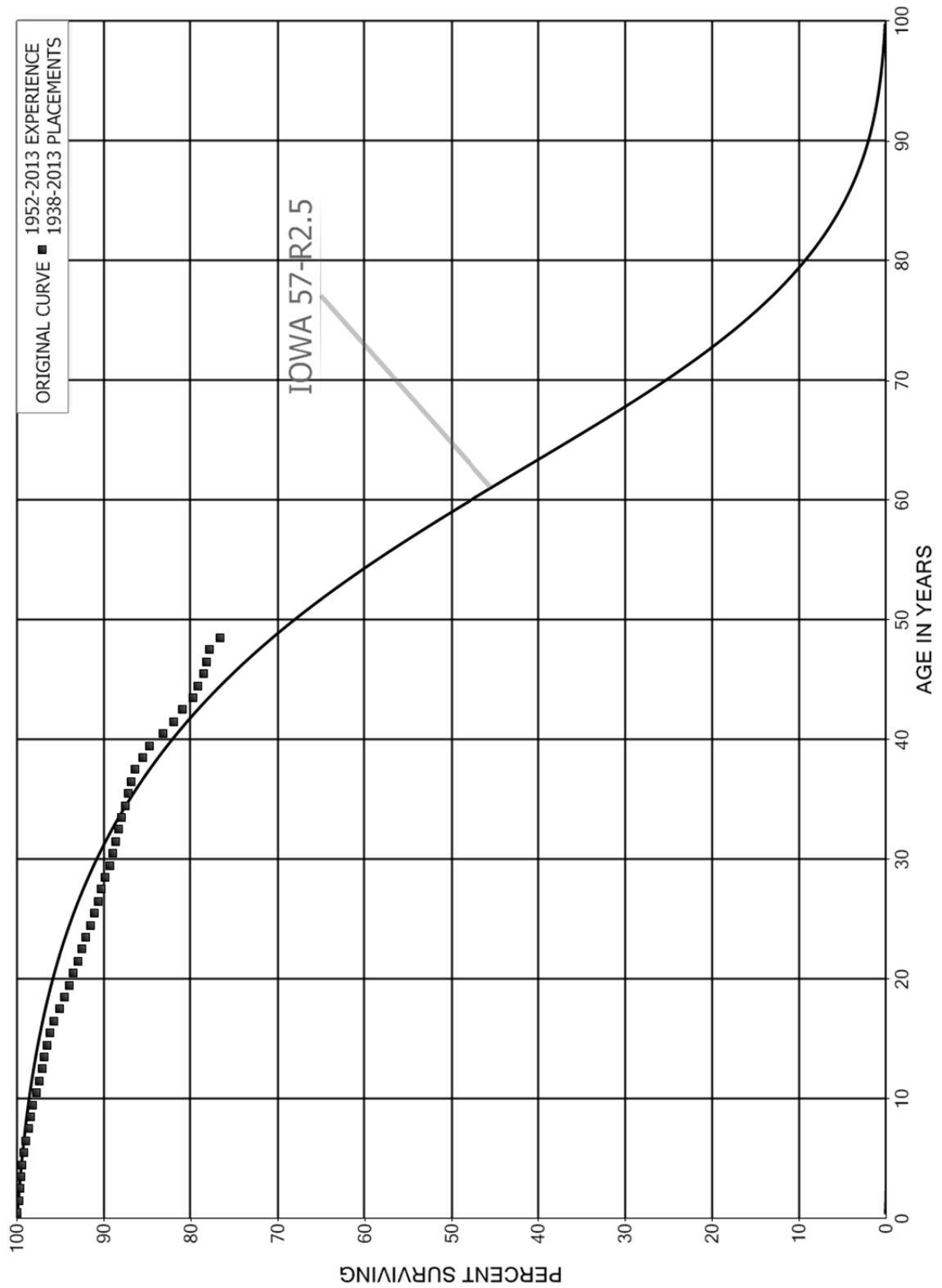
NEWFOUNDLAND POWER INC.

ACCOUNT 355.30 - TRANSMISSION - INSULATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1928-2013			EXPERIENCE BAND 1948-2013			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	24	23	0.9797			
80.5	0		0.0000			
81.5	0	0	1.0000			
82.5						

NEWFOUNDLAND POWER INC.
ACCOUNT 361.12 - OVERHEAD CONDUCTORS - BARE ALUMINUM
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 361.12 - OVERHEAD CONDUCTORS - BARE ALUMINUM

ORIGINAL LIFE TABLE

PLACEMENT BAND 1938-2013

EXPERIENCE BAND 1952-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	126,952,844	126,543	0.0010	0.9990	100.00
0.5	120,227,566	153,232	0.0013	0.9987	99.90
1.5	113,523,784	121,635	0.0011	0.9989	99.77
2.5	109,131,860	137,284	0.0013	0.9987	99.67
3.5	103,898,881	175,469	0.0017	0.9983	99.54
4.5	100,215,141	166,389	0.0017	0.9983	99.37
5.5	95,775,899	283,702	0.0030	0.9970	99.21
6.5	92,732,650	253,422	0.0027	0.9973	98.91
7.5	87,653,632	222,911	0.0025	0.9975	98.64
8.5	83,986,779	230,260	0.0027	0.9973	98.39
9.5	80,327,416	281,409	0.0035	0.9965	98.12
10.5	76,311,336	310,562	0.0041	0.9959	97.78
11.5	73,677,493	215,918	0.0029	0.9971	97.38
12.5	70,331,474	198,319	0.0028	0.9972	97.10
13.5	67,570,764	231,341	0.0034	0.9966	96.82
14.5	64,313,487	233,325	0.0036	0.9964	96.49
15.5	61,987,526	284,605	0.0046	0.9954	96.14
16.5	59,677,932	373,367	0.0063	0.9937	95.70
17.5	57,610,067	344,485	0.0060	0.9940	95.10
18.5	55,361,734	313,564	0.0057	0.9943	94.53
19.5	52,599,328	285,805	0.0054	0.9946	94.00
20.5	49,631,354	274,353	0.0055	0.9945	93.49
21.5	46,016,787	214,432	0.0047	0.9953	92.97
22.5	42,793,574	242,704	0.0057	0.9943	92.54
23.5	38,879,786	191,524	0.0049	0.9951	92.01
24.5	35,715,438	193,481	0.0054	0.9946	91.56
25.5	33,023,897	148,770	0.0045	0.9955	91.06
26.5	30,520,913	122,135	0.0040	0.9960	90.65
27.5	28,360,326	149,962	0.0053	0.9947	90.29
28.5	26,217,448	153,580	0.0059	0.9941	89.81
29.5	23,558,277	83,601	0.0035	0.9965	89.28
30.5	21,458,363	75,459	0.0035	0.9965	88.97
31.5	19,202,010	84,768	0.0044	0.9956	88.66
32.5	16,835,564	65,689	0.0039	0.9961	88.26
33.5	14,115,289	60,194	0.0043	0.9957	87.92
34.5	12,364,864	55,949	0.0045	0.9955	87.54
35.5	10,589,952	40,744	0.0038	0.9962	87.15
36.5	8,616,881	43,293	0.0050	0.9950	86.81
37.5	7,121,541	75,408	0.0106	0.9894	86.38
38.5	5,450,255	43,702	0.0080	0.9920	85.46

NEWFOUNDLAND POWER INC.

ACCOUNT 361.12 - OVERHEAD CONDUCTORS - BARE ALUMINUM

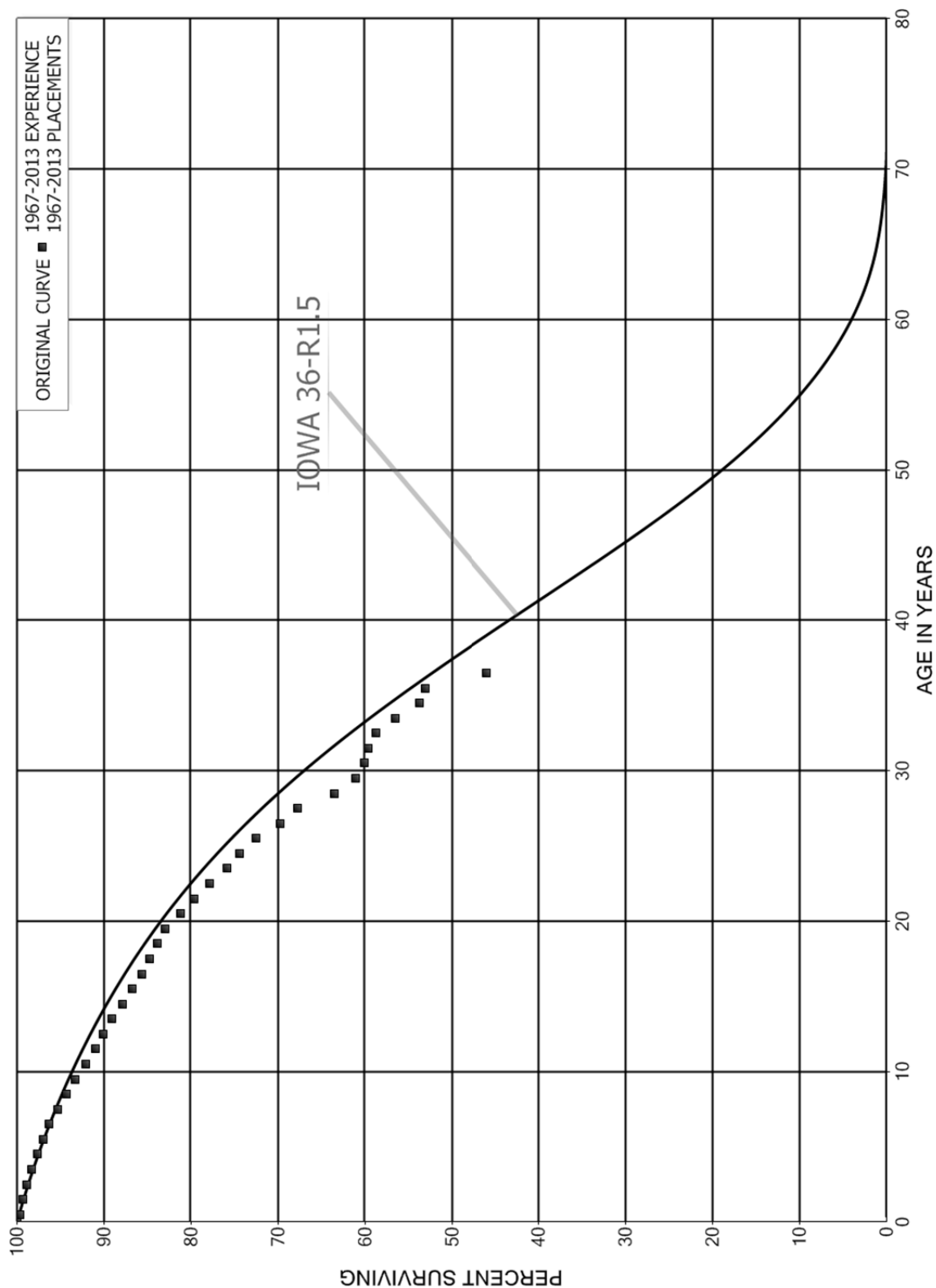
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1938-2013

EXPERIENCE BAND 1952-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,464,096	86,373	0.0193	0.9807	84.78
40.5	3,636,083	53,091	0.0146	0.9854	83.14
41.5	3,118,479	35,441	0.0114	0.9886	81.92
42.5	2,609,221	39,486	0.0151	0.9849	80.99
43.5	2,377,373	17,684	0.0074	0.9926	79.77
44.5	2,022,646	15,679	0.0078	0.9922	79.17
45.5	1,896,707	10,075	0.0053	0.9947	78.56
46.5	1,740,268	7,677	0.0044	0.9956	78.14
47.5	1,105,240	17,336	0.0157	0.9843	77.80
48.5	204,312	13,496	0.0661	0.9339	76.58
49.5	68,509	17,554	0.2562	0.7438	71.52
50.5	9,906	9,906	1.0000		53.19
51.5	12,136	12,136	1.0000		
52.5	7,574	7,574	1.0000		
53.5	5,466	5,466	1.0000		
54.5	4,609	4,609	1.0000		
55.5	2,132	2,132	1.0000		
56.5	1,758	1,758	1.0000		
57.5	1,096	1,096	1.0000		
58.5	605	605	1.0000		
59.5	468	468	1.0000		
60.5	1,345	1,345	1.0000		
61.5					
62.5					
63.5					
64.5					
65.5					
66.5					
67.5					
68.5	1,198	1,198	1.0000		
69.5					
70.5					
71.5	9,818	9,818	1.0000		
72.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 361.13 - OVERHEAD CONDUCTORS - WEATHER-PROOF ALUMINUM
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 361.13 - OVERHEAD CONDUCTORS - WEATHER-PROOF ALUMINUM

ORIGINAL LIFE TABLE

PLACEMENT BAND 1967-2013

EXPERIENCE BAND 1967-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	41,477,483	151,735	0.0037	0.9963	100.00
0.5	39,564,317	156,806	0.0040	0.9960	99.63
1.5	37,372,548	157,582	0.0042	0.9958	99.24
2.5	35,534,148	178,494	0.0050	0.9950	98.82
3.5	33,641,011	224,156	0.0067	0.9933	98.32
4.5	31,849,730	215,372	0.0068	0.9932	97.67
5.5	30,004,593	231,494	0.0077	0.9923	97.01
6.5	28,245,153	285,727	0.0101	0.9899	96.26
7.5	26,716,568	290,142	0.0109	0.9891	95.29
8.5	25,410,805	250,168	0.0098	0.9902	94.25
9.5	24,218,913	324,538	0.0134	0.9866	93.32
10.5	23,019,770	274,193	0.0119	0.9881	92.07
11.5	22,138,486	221,427	0.0100	0.9900	90.98
12.5	21,313,792	248,463	0.0117	0.9883	90.07
13.5	20,723,702	270,818	0.0131	0.9869	89.02
14.5	19,924,317	248,134	0.0125	0.9875	87.85
15.5	19,107,785	245,756	0.0129	0.9871	86.76
16.5	18,323,928	201,602	0.0110	0.9890	85.64
17.5	17,529,112	168,456	0.0096	0.9904	84.70
18.5	16,748,903	198,850	0.0119	0.9881	83.89
19.5	15,749,183	331,317	0.0210	0.9790	82.89
20.5	14,541,692	269,674	0.0185	0.9815	81.15
21.5	13,225,914	301,718	0.0228	0.9772	79.64
22.5	12,148,802	303,991	0.0250	0.9750	77.83
23.5	10,806,282	203,790	0.0189	0.9811	75.88
24.5	9,831,797	262,802	0.0267	0.9733	74.45
25.5	8,993,733	342,839	0.0381	0.9619	72.46
26.5	8,221,194	226,176	0.0275	0.9725	69.70
27.5	7,515,257	472,698	0.0629	0.9371	67.78
28.5	6,554,221	257,846	0.0393	0.9607	63.51
29.5	5,809,216	92,409	0.0159	0.9841	61.02
30.5	5,195,168	40,003	0.0077	0.9923	60.05
31.5	4,565,111	66,051	0.0145	0.9855	59.58
32.5	3,528,933	132,470	0.0375	0.9625	58.72
33.5	2,589,789	127,817	0.0494	0.9506	56.52
34.5	1,528,864	17,550	0.0115	0.9885	53.73
35.5	870,100	117,608	0.1352	0.8648	53.11
36.5	142,365	101,713	0.7145	0.2855	45.93
37.5	2,797		0.0000	1.0000	13.12
38.5	1,918		0.0000	1.0000	13.12

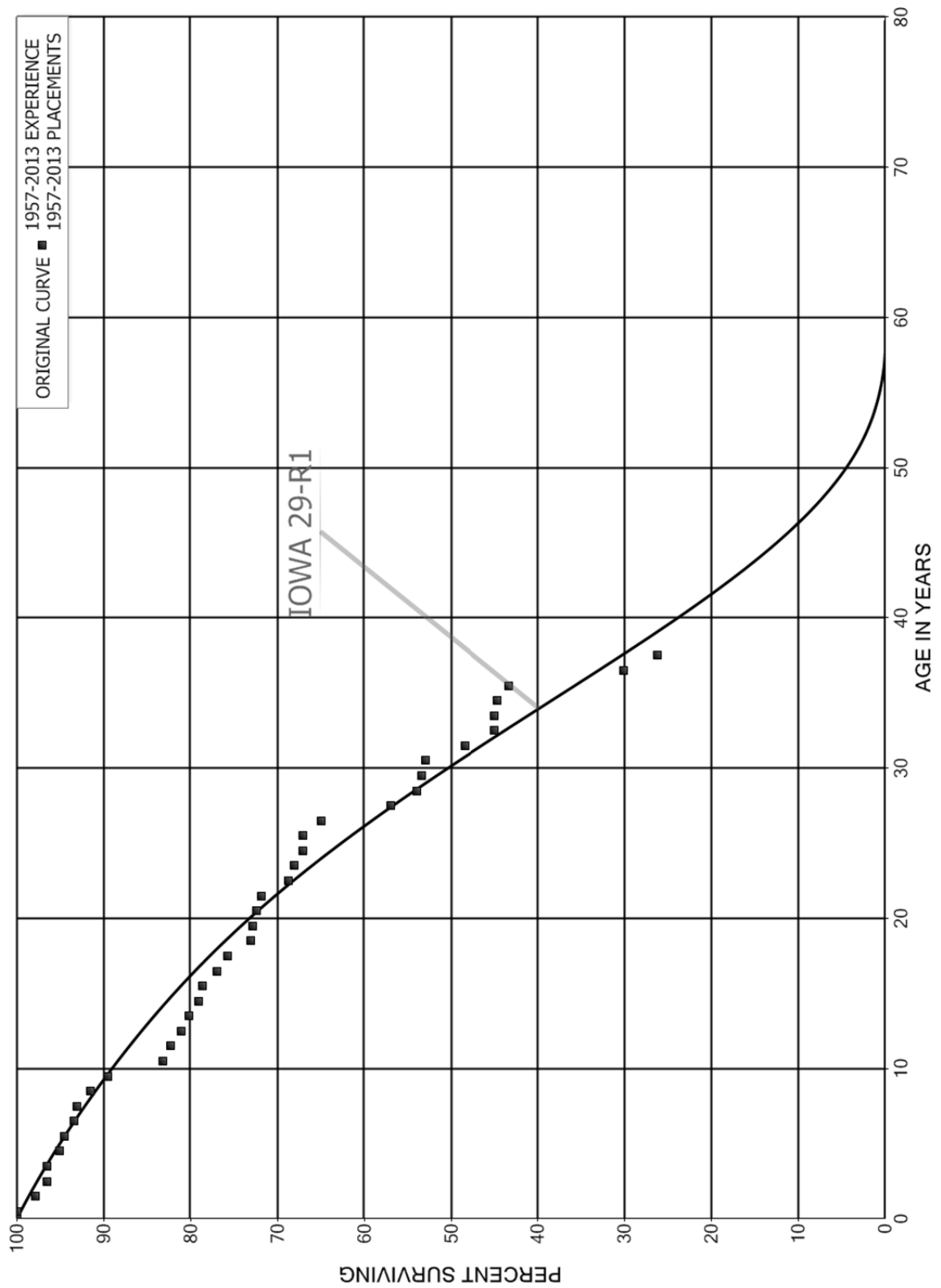
NEWFOUNDLAND POWER INC.

ACCOUNT 361.13 - OVERHEAD CONDUCTORS - WEATHER-PROOF ALUMINUM

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1967-2013			EXPERIENCE BAND 1967-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,839		0.0000	1.0000	13.12
40.5	2,540		0.0000	1.0000	13.12
41.5	1,251		0.0000	1.0000	13.12
42.5	16		0.0000	1.0000	13.12
43.5					13.12

NEWFOUNDLAND POWER INC.
 ACCOUNTS 361.14 & 361.30 - AERIAL CABLE AND SPECIAL INSULATED COPPER CABLE
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNTS 361.14 & 361.30 - AERIAL CABLE AND SPECIAL INSULATED COPPER CABLE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2013

EXPERIENCE BAND 1957-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,750,727		0.0000	1.0000	100.00
0.5	1,326,593	29,118	0.0219	0.9781	100.00
1.5	1,291,299	17,104	0.0132	0.9868	97.81
2.5	1,289,743	345	0.0003	0.9997	96.51
3.5	1,289,398	18,404	0.0143	0.9857	96.48
4.5	1,276,451	8,067	0.0063	0.9937	95.11
5.5	1,268,384	15,425	0.0122	0.9878	94.51
6.5	1,252,959	3,678	0.0029	0.9971	93.36
7.5	1,230,839	20,600	0.0167	0.9833	93.08
8.5	1,215,768	27,042	0.0222	0.9778	91.52
9.5	1,188,726	83,188	0.0700	0.9300	89.49
10.5	1,106,005	11,778	0.0106	0.9894	83.23
11.5	1,117,152	17,995	0.0161	0.9839	82.34
12.5	1,076,232	10,999	0.0102	0.9898	81.01
13.5	1,010,886	14,527	0.0144	0.9856	80.19
14.5	929,411	4,552	0.0049	0.9951	79.03
15.5	922,159	20,505	0.0222	0.9778	78.65
16.5	920,669	14,483	0.0157	0.9843	76.90
17.5	906,186	30,826	0.0340	0.9660	75.69
18.5	821,653	3,283	0.0040	0.9960	73.11
19.5	818,370	5,265	0.0064	0.9936	72.82
20.5	813,692	6,286	0.0077	0.9923	72.35
21.5	807,406	33,895	0.0420	0.9580	71.79
22.5	756,523	7,516	0.0099	0.9901	68.78
23.5	749,007	11,345	0.0151	0.9849	68.10
24.5	621,139	452	0.0007	0.9993	67.06
25.5	618,205	18,953	0.0307	0.9693	67.02
26.5	425,513	52,776	0.1240	0.8760	64.96
27.5	372,737	19,327	0.0519	0.9481	56.90
28.5	349,417	3,447	0.0099	0.9901	53.95
29.5	345,817	3,192	0.0092	0.9908	53.42
30.5	253,573	21,836	0.0861	0.9139	52.93
31.5	192,650	13,402	0.0696	0.9304	48.37
32.5	166,161	170	0.0010	0.9990	45.01
33.5	165,449	1,433	0.0087	0.9913	44.96
34.5	163,789	4,827	0.0295	0.9705	44.57
35.5	131,794	40,187	0.3049	0.6951	43.26
36.5	57,253	7,362	0.1286	0.8714	30.07
37.5	11,494	398	0.0346	0.9654	26.20
38.5	11,096	752	0.0678	0.9322	25.29

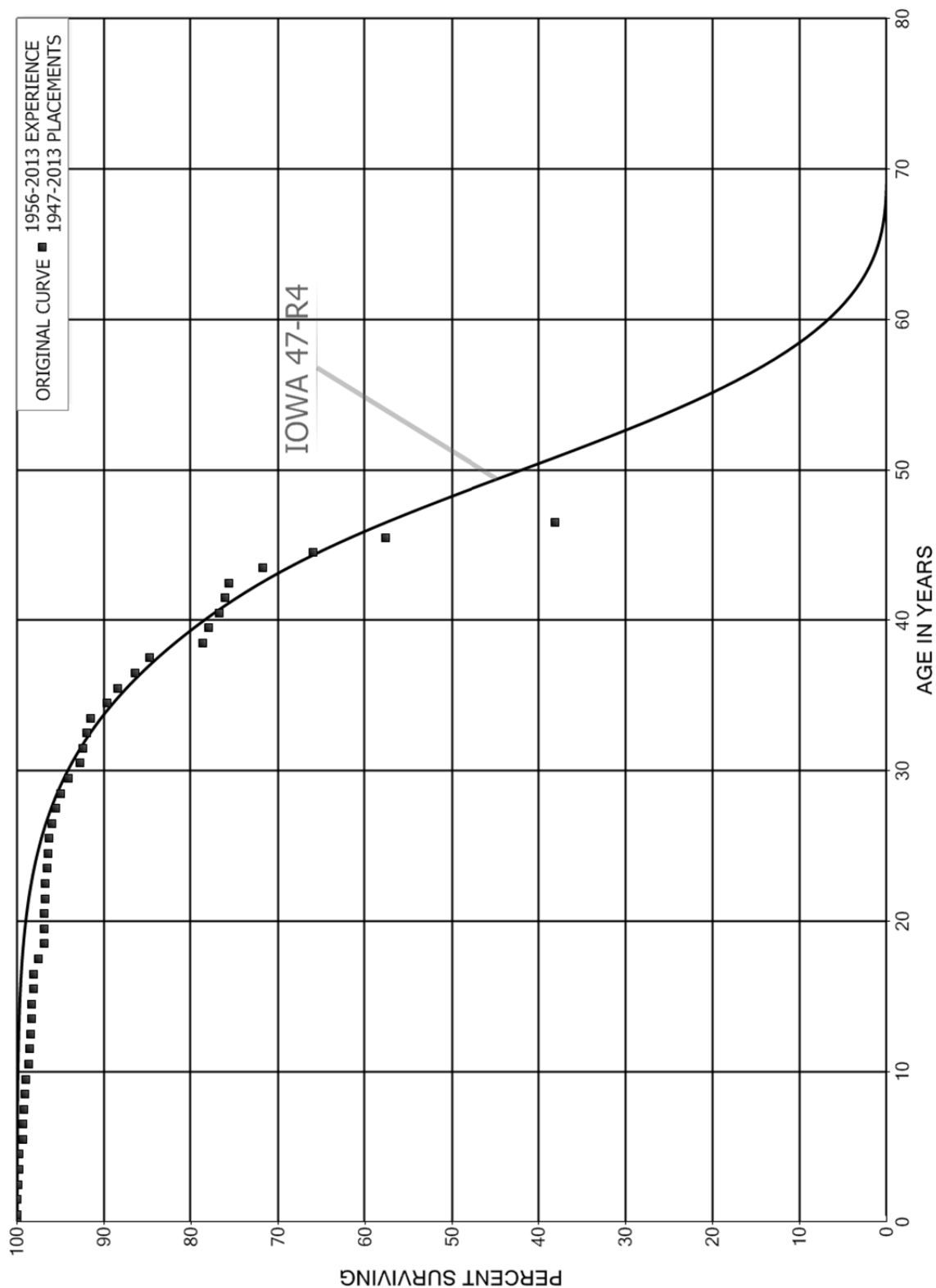
NEWFOUNDLAND POWER INC.

ACCOUNTS 361.14 & 361.30 - AERIAL CABLE AND SPECIAL INSULATED COPPER CABLE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2013			EXPERIENCE BAND 1957-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	6,081	4,618	0.7594	0.2406	23.58
40.5	1,463	1,463	1.0000		5.67
41.5					

NEWFOUNDLAND POWER INC.
 ACCOUNTS 361.20 & 367.20 - UNDERGROUND CABLE AND SWITCHES
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNTS 361.20 & 367.20 - UNDERGROUND CABLE AND SWITCHES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1947-2013

EXPERIENCE BAND 1956-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	29,153,541	4,141	0.0001	0.9999	100.00
0.5	26,900,698	25,314	0.0009	0.9991	99.99
1.5	24,220,868	21,695	0.0009	0.9991	99.89
2.5	23,466,924	15,972	0.0007	0.9993	99.80
3.5	22,319,701	8,761	0.0004	0.9996	99.73
4.5	21,137,850	80,304	0.0038	0.9962	99.70
5.5	20,679,565	13,666	0.0007	0.9993	99.32
6.5	20,138,763	14,128	0.0007	0.9993	99.25
7.5	19,708,543	25,787	0.0013	0.9987	99.18
8.5	19,015,404	8,693	0.0005	0.9995	99.05
9.5	18,258,291	73,688	0.0040	0.9960	99.01
10.5	17,143,327	22,567	0.0013	0.9987	98.61
11.5	16,505,224	21,438	0.0013	0.9987	98.48
12.5	15,876,676	10,026	0.0006	0.9994	98.35
13.5	15,390,075	7,424	0.0005	0.9995	98.29
14.5	15,033,687	22,114	0.0015	0.9985	98.24
15.5	14,693,022	11,640	0.0008	0.9992	98.09
16.5	14,414,795	75,458	0.0052	0.9948	98.02
17.5	14,031,384	93,487	0.0067	0.9933	97.50
18.5	13,485,673	2,504	0.0002	0.9998	96.85
19.5	13,054,043	6,324	0.0005	0.9995	96.84
20.5	12,869,590	3,682	0.0003	0.9997	96.79
21.5	11,862,535	2,551	0.0002	0.9998	96.76
22.5	10,394,370	23,979	0.0023	0.9977	96.74
23.5	9,624,636	14,015	0.0015	0.9985	96.52
24.5	8,428,897	10,715	0.0013	0.9987	96.38
25.5	7,594,468	21,405	0.0028	0.9972	96.25
26.5	6,943,643	31,399	0.0045	0.9955	95.98
27.5	5,588,411	32,370	0.0058	0.9942	95.55
28.5	5,162,461	51,973	0.0101	0.9899	95.00
29.5	4,710,703	66,105	0.0140	0.9860	94.04
30.5	4,329,554	15,416	0.0036	0.9964	92.72
31.5	4,009,340	18,271	0.0046	0.9954	92.39
32.5	3,621,244	18,280	0.0050	0.9950	91.97
33.5	2,933,640	60,201	0.0205	0.9795	91.50
34.5	2,766,319	37,592	0.0136	0.9864	89.63
35.5	2,228,390	51,370	0.0231	0.9769	88.41
36.5	1,895,433	36,499	0.0193	0.9807	86.37
37.5	1,661,203	119,493	0.0719	0.9281	84.71
38.5	1,405,080	11,760	0.0084	0.9916	78.61

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.20 & 367.20 - UNDERGROUND CABLE AND SWITCHES

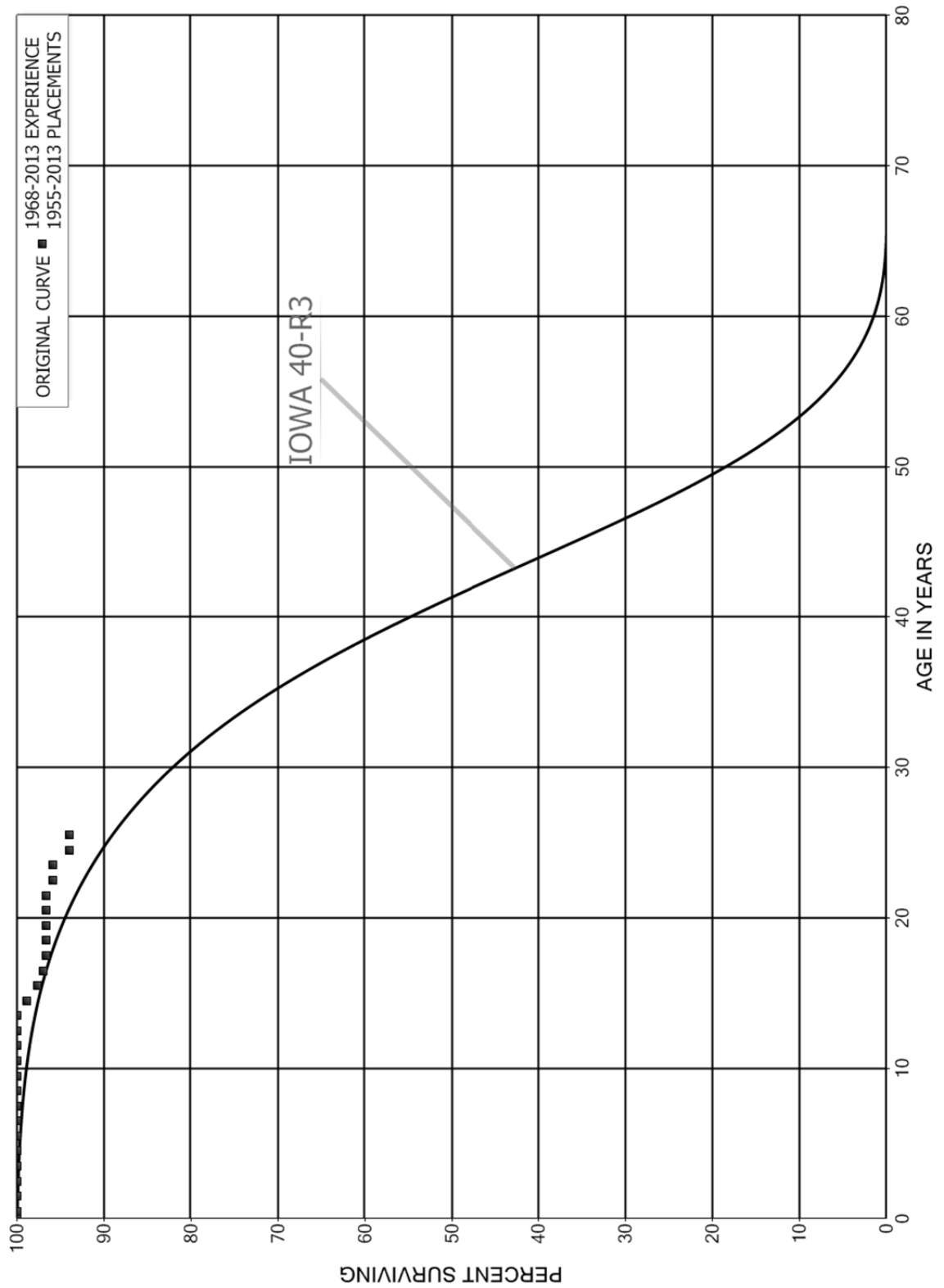
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1947-2013

EXPERIENCE BAND 1956-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,228,528	19,807	0.0161	0.9839	77.96
40.5	1,109,878	9,660	0.0087	0.9913	76.70
41.5	960,636	5,605	0.0058	0.9942	76.03
42.5	761,519	39,154	0.0514	0.9486	75.59
43.5	610,063	48,757	0.0799	0.9201	71.70
44.5	473,183	60,127	0.1271	0.8729	65.97
45.5	327,014	111,152	0.3399	0.6601	57.59
46.5	76,028	29,830	0.3924	0.6076	38.01
47.5	10,818		0.0000	1.0000	23.10
48.5	10,818		0.0000	1.0000	23.10
49.5	10,818		0.0000	1.0000	23.10
50.5	10,818		0.0000	1.0000	23.10
51.5	10,818	8,465	0.7825	0.2175	23.10
52.5	2,353		0.0000	1.0000	5.03
53.5	825		0.0000	1.0000	5.03
54.5	825		0.0000	1.0000	5.03
55.5	825	825	1.0000		5.03
56.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 361.40 - DISTRIBUTION - UNDERWATER CONDUCTORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 361.40 - DISTRIBUTION - UNDERWATER CONDUCTORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1955-2013

EXPERIENCE BAND 1968-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,456,979		0.0000	1.0000	100.00
0.5	4,432,008		0.0000	1.0000	100.00
1.5	3,499,831		0.0000	1.0000	100.00
2.5	3,502,071		0.0000	1.0000	100.00
3.5	3,628,581		0.0000	1.0000	100.00
4.5	3,671,516		0.0000	1.0000	100.00
5.5	3,618,952		0.0000	1.0000	100.00
6.5	3,650,658		0.0000	1.0000	100.00
7.5	3,650,658		0.0000	1.0000	100.00
8.5	3,566,889		0.0000	1.0000	100.00
9.5	3,566,889		0.0000	1.0000	100.00
10.5	3,566,889		0.0000	1.0000	100.00
11.5	3,566,889		0.0000	1.0000	100.00
12.5	3,566,889		0.0000	1.0000	100.00
13.5	3,566,889	42,742	0.0120	0.9880	100.00
14.5	3,524,147	42,935	0.0122	0.9878	98.80
15.5	3,483,583	23,285	0.0067	0.9933	97.60
16.5	3,460,298	10,296	0.0030	0.9970	96.95
17.5	3,450,002		0.0000	1.0000	96.66
18.5	3,450,002		0.0000	1.0000	96.66
19.5	3,450,002		0.0000	1.0000	96.66
20.5	3,450,002		0.0000	1.0000	96.66
21.5	3,453,036	30,732	0.0089	0.9911	96.66
22.5	3,422,304		0.0000	1.0000	95.80
23.5	1,980,953	37,932	0.0191	0.9809	95.80
24.5	1,943,021		0.0000	1.0000	93.96
25.5	29,055	2,371	0.0816	0.9184	93.96
26.5	29,549		0.0000	1.0000	86.29
27.5	29,549		0.0000	1.0000	86.29
28.5	29,549		0.0000	1.0000	86.29
29.5	29,549		0.0000	1.0000	86.29
30.5	31,363		0.0000	1.0000	86.29
31.5	31,363	3,034	0.0967	0.9033	86.29
32.5	28,329		0.0000	1.0000	77.95
33.5	31,066		0.0000	1.0000	77.95
34.5	46,818		0.0000	1.0000	77.95
35.5	336,723		0.0000	1.0000	77.95
36.5	336,723		0.0000	1.0000	77.95
37.5	336,723	2,865	0.0085	0.9915	77.95
38.5	333,858		0.0000	1.0000	77.28

NEWFOUNDLAND POWER INC.

ACCOUNT 361.40 - DISTRIBUTION - UNDERWATER CONDUCTORS

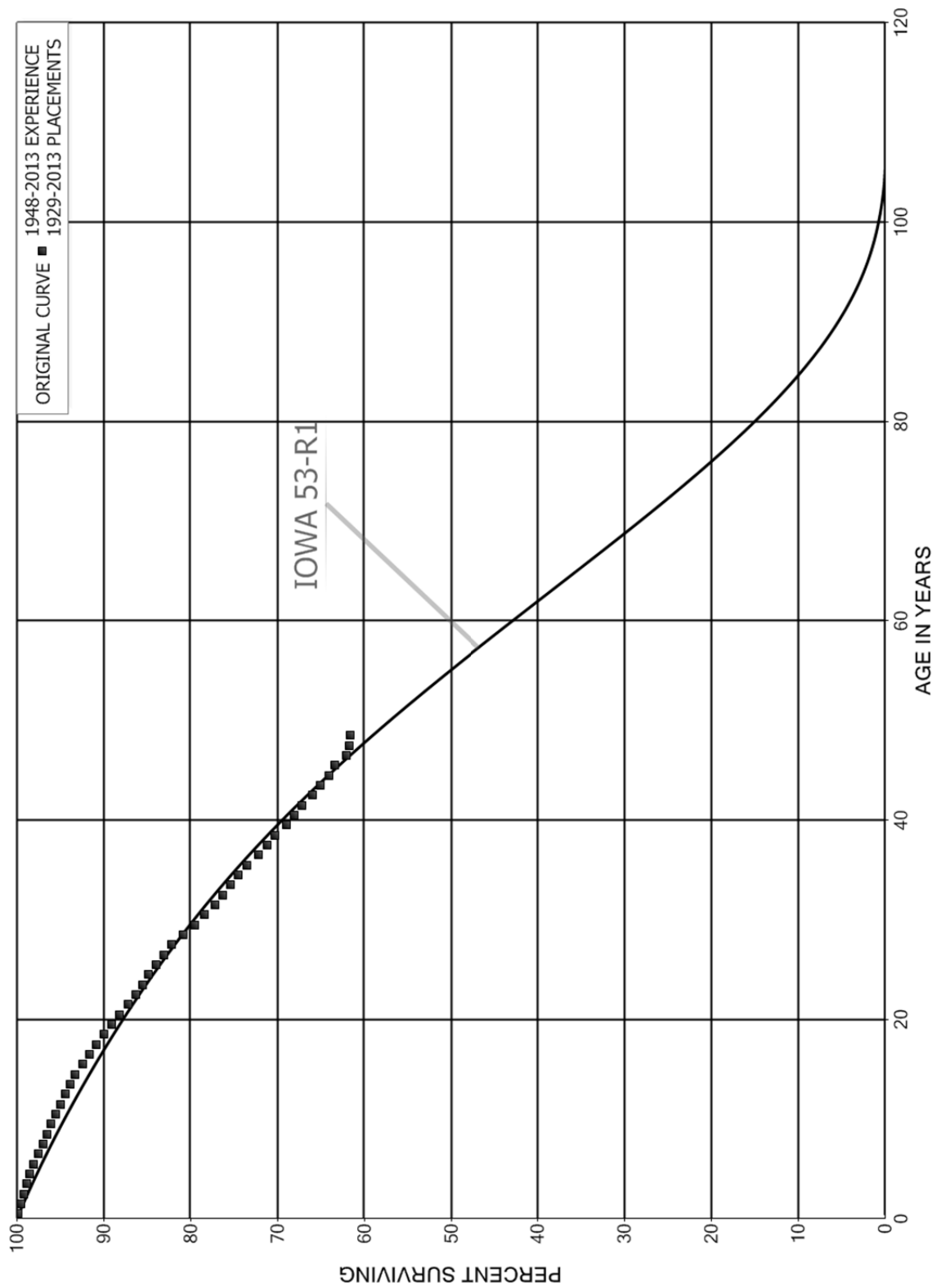
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1955-2013

EXPERIENCE BAND 1968-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	333,858		0.0000	1.0000	77.28
40.5	333,858		0.0000	1.0000	77.28
41.5	333,858	1,814	0.0054	0.9946	77.28
42.5	332,044		0.0000	1.0000	76.86
43.5	332,044		0.0000	1.0000	76.86
44.5	332,044	2,737	0.0082	0.9918	76.86
45.5	329,307	15,752	0.0478	0.9522	76.23
46.5	313,555	289,905	0.9246	0.0754	72.58
47.5	23,650	21,410	0.9053	0.0947	5.47
48.5					0.52

NEWFOUNDLAND POWER INC.
 ACCOUNTS 362.1, 362.2 & 361.10 - WOOD POLES AND OVERHEAD CONDUCTORS - BARE COPPER
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNTS 362.1, 362.2 & 361.10 - WOOD POLES AND OVERHEAD CONDUCTORS - BARE
COPPER

ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	433,072,808	745,700	0.0017	0.9983	100.00
0.5	416,756,954	1,318,018	0.0032	0.9968	99.83
1.5	401,925,297	1,306,514	0.0033	0.9967	99.51
2.5	387,748,851	1,332,341	0.0034	0.9966	99.19
3.5	373,614,601	1,491,491	0.0040	0.9960	98.85
4.5	361,554,937	1,421,203	0.0039	0.9961	98.45
5.5	351,607,842	1,883,417	0.0054	0.9946	98.07
6.5	342,676,700	1,900,509	0.0055	0.9945	97.54
7.5	330,904,885	1,576,364	0.0048	0.9952	97.00
8.5	322,413,508	1,505,817	0.0047	0.9953	96.54
9.5	313,465,046	1,821,555	0.0058	0.9942	96.09
10.5	303,818,251	1,738,658	0.0057	0.9943	95.53
11.5	294,119,838	1,727,386	0.0059	0.9941	94.98
12.5	282,770,647	1,611,328	0.0057	0.9943	94.42
13.5	271,699,415	1,741,031	0.0064	0.9936	93.89
14.5	261,357,744	2,562,082	0.0098	0.9902	93.28
15.5	249,606,792	2,144,897	0.0086	0.9914	92.37
16.5	238,545,728	1,832,287	0.0077	0.9923	91.58
17.5	226,022,544	2,272,620	0.0101	0.9899	90.87
18.5	211,134,113	2,148,437	0.0102	0.9898	89.96
19.5	196,094,783	1,967,241	0.0100	0.9900	89.04
20.5	180,938,807	1,958,063	0.0108	0.9892	88.15
21.5	165,065,742	1,719,121	0.0104	0.9896	87.20
22.5	150,162,079	1,287,162	0.0086	0.9914	86.29
23.5	134,645,657	1,208,182	0.0090	0.9910	85.55
24.5	122,118,436	1,140,625	0.0093	0.9907	84.78
25.5	111,538,283	1,212,716	0.0109	0.9891	83.99
26.5	101,127,008	1,131,248	0.0112	0.9888	83.08
27.5	91,518,257	1,417,926	0.0155	0.9845	82.15
28.5	82,544,792	1,341,114	0.0162	0.9838	80.87
29.5	73,023,612	1,105,032	0.0151	0.9849	79.56
30.5	65,631,399	1,009,779	0.0154	0.9846	78.36
31.5	58,373,234	626,291	0.0107	0.9893	77.15
32.5	51,857,061	605,810	0.0117	0.9883	76.32
33.5	45,013,733	539,499	0.0120	0.9880	75.43
34.5	39,451,935	556,535	0.0141	0.9859	74.53
35.5	34,327,538	605,581	0.0176	0.9824	73.48
36.5	29,740,197	391,477	0.0132	0.9868	72.18
37.5	25,240,385	344,271	0.0136	0.9864	71.23
38.5	20,648,612	369,372	0.0179	0.9821	70.26

NEWFOUNDLAND POWER INC.

ACCOUNTS 362.1, 362.2 & 361.10 - WOOD POLES AND OVERHEAD CONDUCTORS - BARE
COPPER

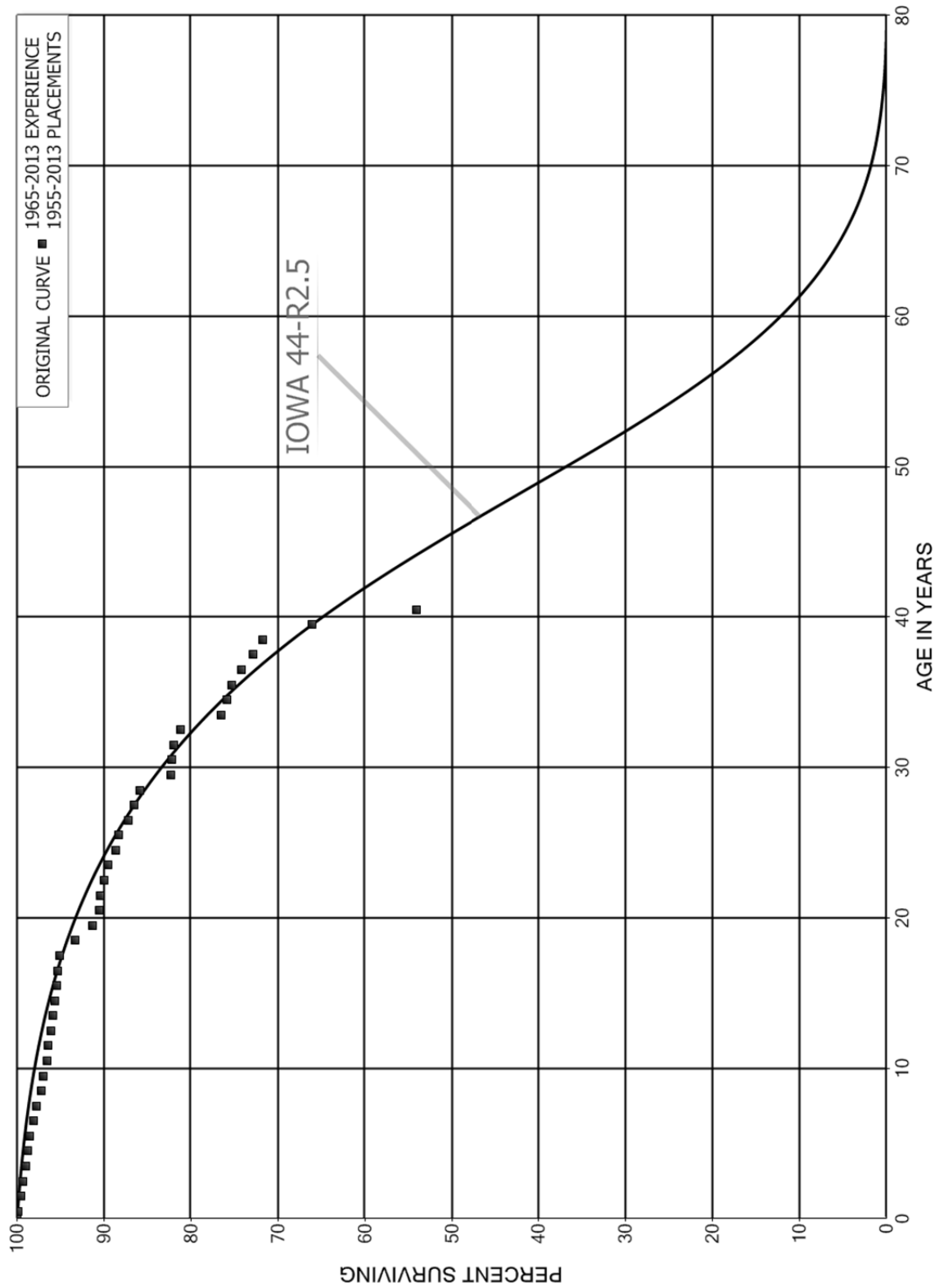
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	17,709,058	233,686	0.0132	0.9868	69.00
40.5	15,292,974	205,908	0.0135	0.9865	68.09
41.5	13,542,963	256,326	0.0189	0.9811	67.17
42.5	11,535,867	155,053	0.0134	0.9866	65.90
43.5	10,337,414	158,544	0.0153	0.9847	65.02
44.5	8,759,968	78,787	0.0090	0.9910	64.02
45.5	7,191,257	155,672	0.0216	0.9784	63.44
46.5	5,654,757	28,703	0.0051	0.9949	62.07
47.5	3,721,528	7,494	0.0020	0.9980	61.76
48.5	1,298,953	30,390	0.0234	0.9766	61.63
49.5	672,557	33,024	0.0491	0.9509	60.19
50.5	333,602	39,625	0.1188	0.8812	57.23
51.5	48,543	48,543	1.0000		50.44
52.5	30,296	30,296	1.0000		
53.5	21,864	21,864	1.0000		
54.5	18,436	18,436	1.0000		
55.5	8,526	8,526	1.0000		
56.5	7,034	7,034	1.0000		
57.5	4,386	4,386	1.0000		
58.5	2,421	2,421	1.0000		
59.5	1,873	1,873	1.0000		
60.5	5,379	5,379	1.0000		
61.5					
62.5					
63.5					
64.5					
65.5					
66.5					
67.5					
68.5	4,790	4,790	1.0000		
69.5					
70.5					
71.5	39,272	39,272	1.0000		
72.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 362.30 - DISTRIBUTION - POLES (CONCRETE & STEEL)
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 362.30 - DISTRIBUTION - POLES (CONCRETE & STEEL)

ORIGINAL LIFE TABLE

PLACEMENT BAND 1955-2013

EXPERIENCE BAND 1965-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	8,745,206	16,578	0.0019	0.9981	100.00
0.5	8,369,945	25,162	0.0030	0.9970	99.81
1.5	8,137,316	20,947	0.0026	0.9974	99.51
2.5	7,637,752	21,407	0.0028	0.9972	99.25
3.5	7,380,495	15,904	0.0022	0.9978	98.98
4.5	7,025,540	22,228	0.0032	0.9968	98.76
5.5	6,621,088	22,709	0.0034	0.9966	98.45
6.5	6,379,478	24,653	0.0039	0.9961	98.11
7.5	6,189,332	36,257	0.0059	0.9941	97.73
8.5	5,905,569	14,974	0.0025	0.9975	97.16
9.5	5,661,337	22,796	0.0040	0.9960	96.91
10.5	5,505,375	10,033	0.0018	0.9982	96.52
11.5	5,363,040	17,379	0.0032	0.9968	96.35
12.5	5,278,613	11,357	0.0022	0.9978	96.04
13.5	5,175,776	13,181	0.0025	0.9975	95.83
14.5	5,075,292	10,301	0.0020	0.9980	95.59
15.5	4,953,495	6,908	0.0014	0.9986	95.39
16.5	4,795,539	10,222	0.0021	0.9979	95.26
17.5	4,578,417	87,376	0.0191	0.9809	95.06
18.5	4,306,196	90,505	0.0210	0.9790	93.24
19.5	3,983,420	33,138	0.0083	0.9917	91.28
20.5	3,631,315	7,291	0.0020	0.9980	90.52
21.5	3,350,517	13,951	0.0042	0.9958	90.34
22.5	3,124,642	16,912	0.0054	0.9946	89.96
23.5	2,891,491	27,917	0.0097	0.9903	89.48
24.5	2,469,684	9,467	0.0038	0.9962	88.61
25.5	2,267,585	29,111	0.0128	0.9872	88.27
26.5	2,027,817	15,747	0.0078	0.9922	87.14
27.5	1,693,976	12,128	0.0072	0.9928	86.46
28.5	1,545,081	64,317	0.0416	0.9584	85.84
29.5	1,328,726	2,436	0.0018	0.9982	82.27
30.5	1,301,098	3,012	0.0023	0.9977	82.12
31.5	1,174,652	10,298	0.0088	0.9912	81.93
32.5	941,749	54,689	0.0581	0.9419	81.21
33.5	742,669	6,876	0.0093	0.9907	76.50
34.5	670,147	4,374	0.0065	0.9935	75.79
35.5	589,649	8,401	0.0142	0.9858	75.29
36.5	501,126	9,083	0.0181	0.9819	74.22
37.5	387,581	5,917	0.0153	0.9847	72.88
38.5	248,877	19,907	0.0800	0.9200	71.76

NEWFOUNDLAND POWER INC.

ACCOUNT 362.30 - DISTRIBUTION - POLES (CONCRETE & STEEL)

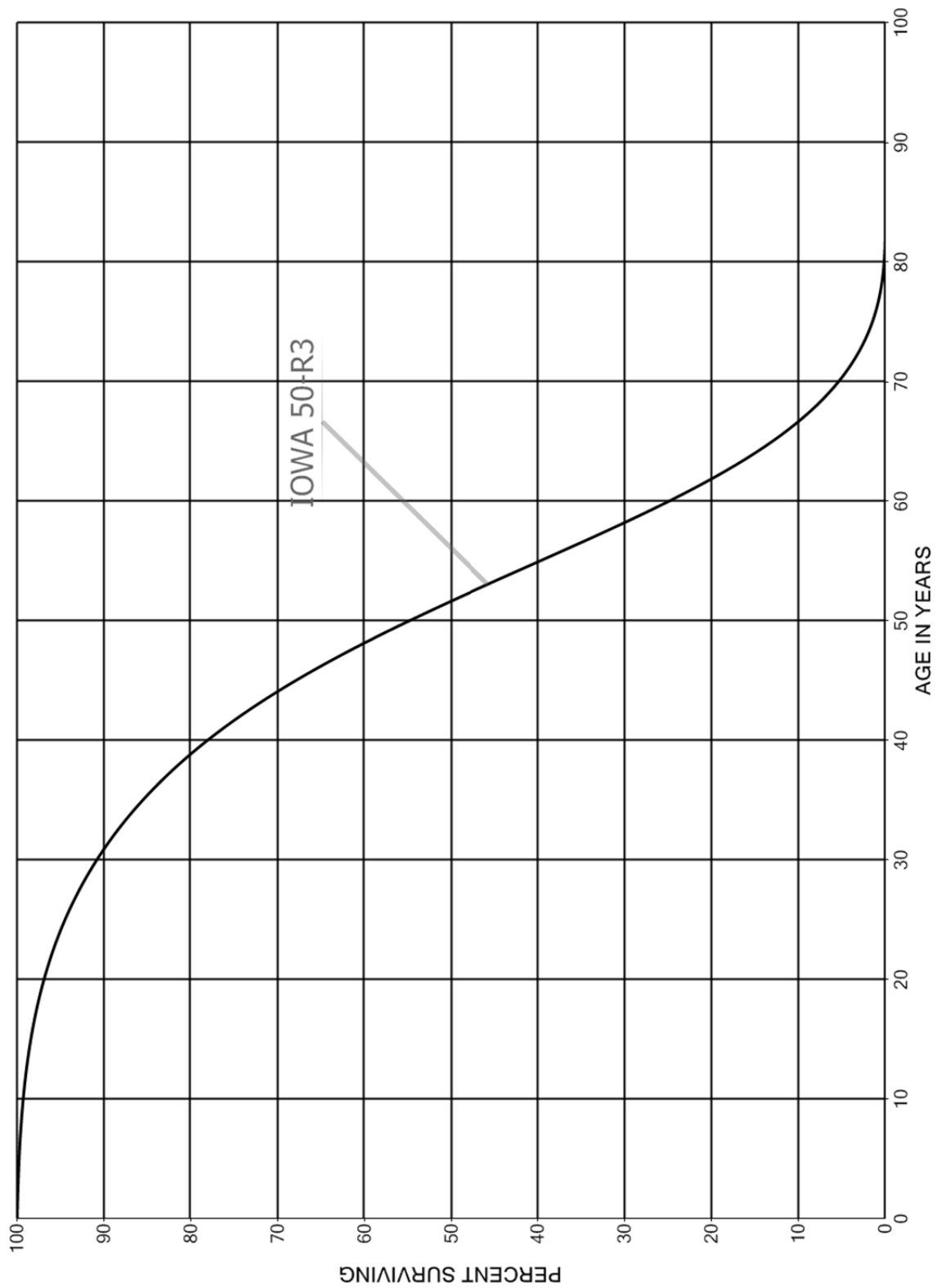
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1955-2013

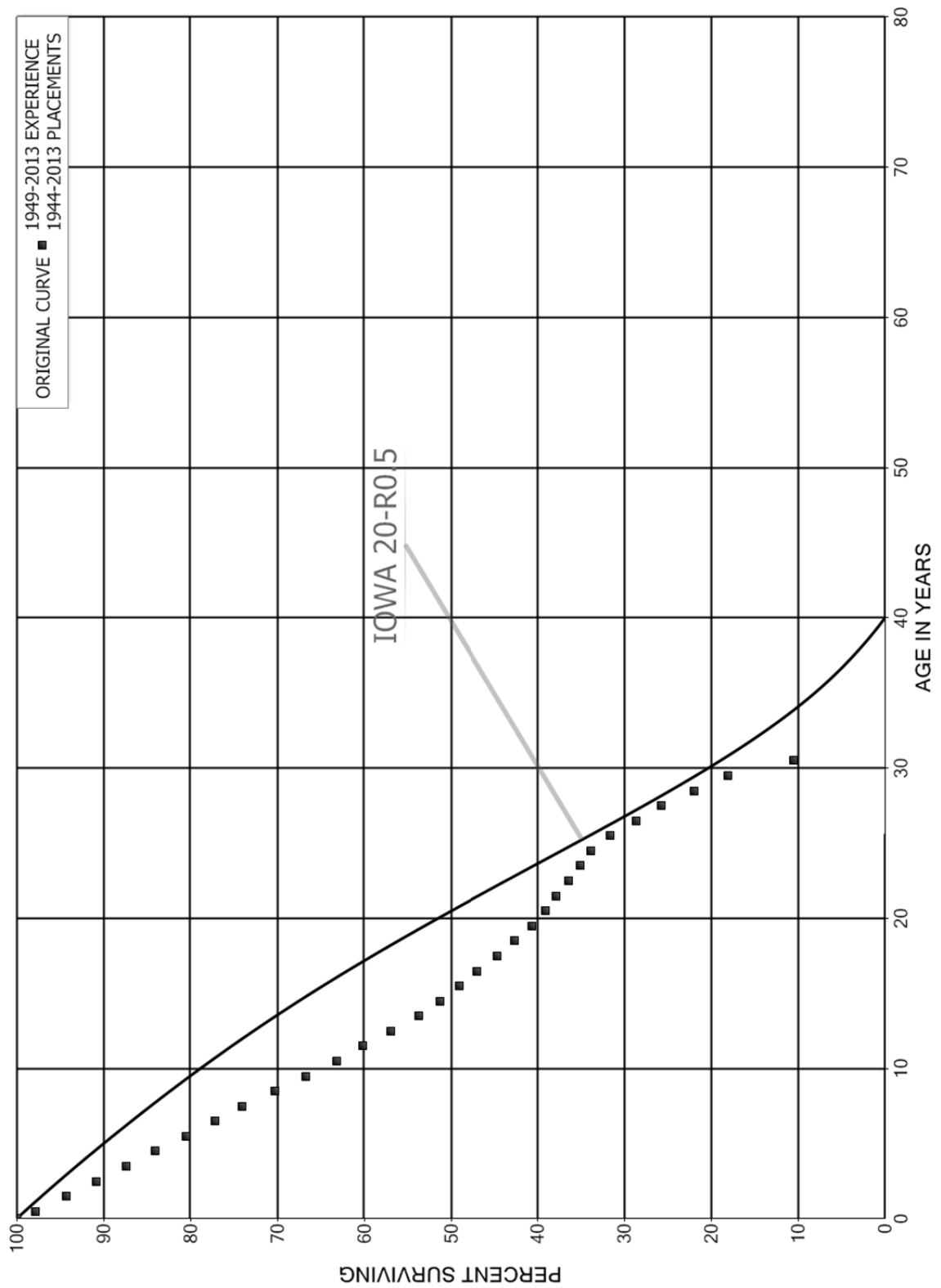
EXPERIENCE BAND 1965-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	171,506	30,930	0.1803	0.8197	66.02
40.5	83,877	4,972	0.0593	0.9407	54.12
41.5	26,041	3,189	0.1225	0.8775	50.91
42.5	17,763	5,709	0.3214	0.6786	44.67
43.5	12,054	126	0.0104	0.9896	30.32
44.5	11,928	129	0.0108	0.9892	30.00
45.5	11,799		0.0000	1.0000	29.68
46.5	11,799		0.0000	1.0000	29.68
47.5					29.68

NEWFOUNDLAND POWER INC.
ACCOUNT 362.40 - DISTRIBUTION - STEEL TOWERS
SMOOTH SURVIVOR CURVE



NEWFOUNDLAND POWER INC.
 ACCOUNT 363.00 - DISTRIBUTION - STREET LIGHTS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 363.00 - DISTRIBUTION - STREET LIGHTS

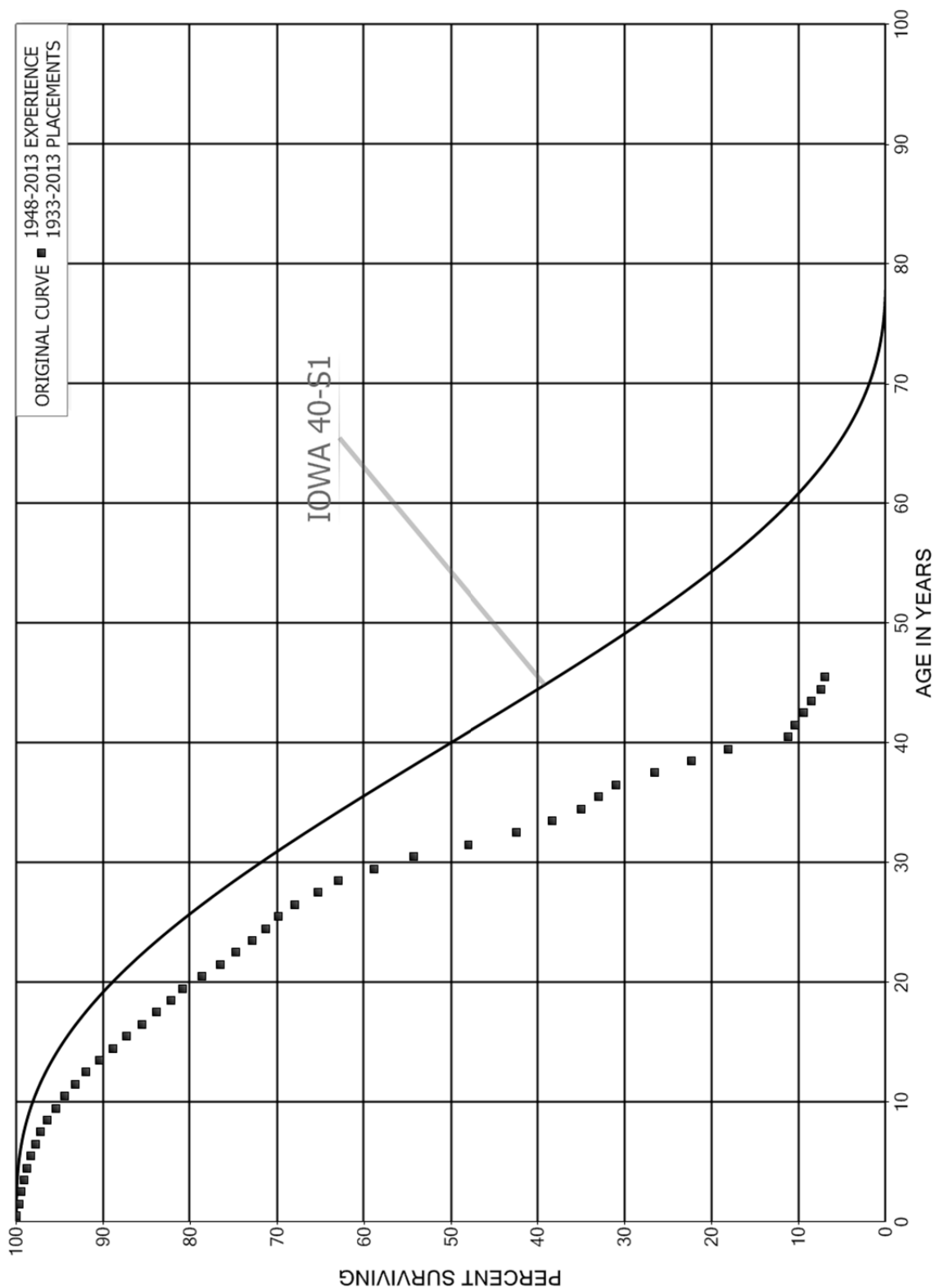
ORIGINAL LIFE TABLE

PLACEMENT BAND 1944-2013

EXPERIENCE BAND 1949-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	46,490,760	993,973	0.0214	0.9786	100.00
0.5	44,693,168	1,653,390	0.0370	0.9630	97.86
1.5	41,908,297	1,497,404	0.0357	0.9643	94.24
2.5	38,672,423	1,473,465	0.0381	0.9619	90.87
3.5	35,597,458	1,358,073	0.0382	0.9618	87.41
4.5	32,687,605	1,390,153	0.0425	0.9575	84.08
5.5	30,544,719	1,279,787	0.0419	0.9581	80.50
6.5	28,831,376	1,156,257	0.0401	0.9599	77.13
7.5	27,023,574	1,363,958	0.0505	0.9495	74.04
8.5	25,097,687	1,258,931	0.0502	0.9498	70.30
9.5	23,448,946	1,266,836	0.0540	0.9460	66.77
10.5	21,800,248	1,021,379	0.0469	0.9531	63.16
11.5	20,475,167	1,103,917	0.0539	0.9461	60.21
12.5	19,126,400	1,092,908	0.0571	0.9429	56.96
13.5	17,852,872	821,964	0.0460	0.9540	53.70
14.5	16,975,326	735,245	0.0433	0.9567	51.23
15.5	16,112,433	697,408	0.0433	0.9567	49.01
16.5	14,781,132	711,809	0.0482	0.9518	46.89
17.5	13,133,892	597,588	0.0455	0.9545	44.63
18.5	12,334,852	566,570	0.0459	0.9541	42.60
19.5	11,413,149	448,220	0.0393	0.9607	40.65
20.5	10,344,955	326,519	0.0316	0.9684	39.05
21.5	9,397,848	339,918	0.0362	0.9638	37.82
22.5	8,258,768	313,647	0.0380	0.9620	36.45
23.5	7,343,922	259,244	0.0353	0.9647	35.07
24.5	6,626,833	424,085	0.0640	0.9360	33.83
25.5	5,842,739	566,663	0.0970	0.9030	31.66
26.5	4,655,277	470,770	0.1011	0.8989	28.59
27.5	3,347,738	494,609	0.1477	0.8523	25.70
28.5	2,281,751	404,882	0.1774	0.8226	21.90
29.5	1,673,479	698,144	0.4172	0.5828	18.02
30.5	944,017	438,684	0.4647	0.5353	10.50
31.5	292,510	109,163	0.3732	0.6268	5.62
32.5	4,856	932	0.1918	0.8082	3.52
33.5	4,854		0.0000	1.0000	2.85
34.5					2.85

NEWFOUNDLAND POWER INC.
 ACCOUNTS 364.10, 364.11, 364.2, 364.3 & 364.4 - LINE TRANSFORMERS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNTS 364.10, 364.11, 364.2, 364.3 & 364.4 - LINE TRANSFORMERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1933-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	160,002,059	135,849	0.0008	0.9992	100.00
0.5	152,415,730	498,324	0.0033	0.9967	99.92
1.5	145,169,511	351,302	0.0024	0.9976	99.59
2.5	137,302,340	399,852	0.0029	0.9971	99.35
3.5	129,811,661	483,104	0.0037	0.9963	99.06
4.5	122,169,184	535,876	0.0044	0.9956	98.69
5.5	112,781,023	579,083	0.0051	0.9949	98.26
6.5	105,521,429	635,486	0.0060	0.9940	97.75
7.5	99,003,206	820,745	0.0083	0.9917	97.16
8.5	92,780,921	929,477	0.0100	0.9900	96.36
9.5	86,402,377	933,940	0.0108	0.9892	95.39
10.5	79,623,311	1,024,842	0.0129	0.9871	94.36
11.5	73,252,891	986,965	0.0135	0.9865	93.15
12.5	67,252,733	1,076,057	0.0160	0.9840	91.89
13.5	61,288,897	1,042,698	0.0170	0.9830	90.42
14.5	56,731,671	1,006,936	0.0177	0.9823	88.88
15.5	52,228,780	1,049,511	0.0201	0.9799	87.31
16.5	49,659,294	1,001,372	0.0202	0.9798	85.55
17.5	47,270,272	929,420	0.0197	0.9803	83.83
18.5	44,916,451	763,189	0.0170	0.9830	82.18
19.5	42,901,337	1,174,582	0.0274	0.9726	80.78
20.5	40,747,816	1,049,601	0.0258	0.9742	78.57
21.5	38,283,339	906,156	0.0237	0.9763	76.55
22.5	34,804,440	902,481	0.0259	0.9741	74.73
23.5	30,565,484	645,938	0.0211	0.9789	72.80
24.5	27,557,936	566,126	0.0205	0.9795	71.26
25.5	25,313,761	676,359	0.0267	0.9733	69.79
26.5	22,785,120	868,549	0.0381	0.9619	67.93
27.5	20,100,166	750,454	0.0373	0.9627	65.34
28.5	18,861,625	1,223,421	0.0649	0.9351	62.90
29.5	16,699,687	1,282,858	0.0768	0.9232	58.82
30.5	14,825,644	1,726,771	0.1165	0.8835	54.30
31.5	12,163,621	1,421,921	0.1169	0.8831	47.98
32.5	9,971,333	970,797	0.0974	0.9026	42.37
33.5	8,441,808	717,444	0.0850	0.9150	38.24
34.5	7,645,013	436,599	0.0571	0.9429	34.99
35.5	6,875,192	419,620	0.0610	0.9390	33.00
36.5	6,024,627	868,615	0.1442	0.8558	30.98
37.5	4,044,630	643,900	0.1592	0.8408	26.51
38.5	2,558,077	490,380	0.1917	0.8083	22.29

NEWFOUNDLAND POWER INC.

ACCOUNTS 364.10, 364.11, 364.2, 364.3 & 364.4 - LINE TRANSFORMERS

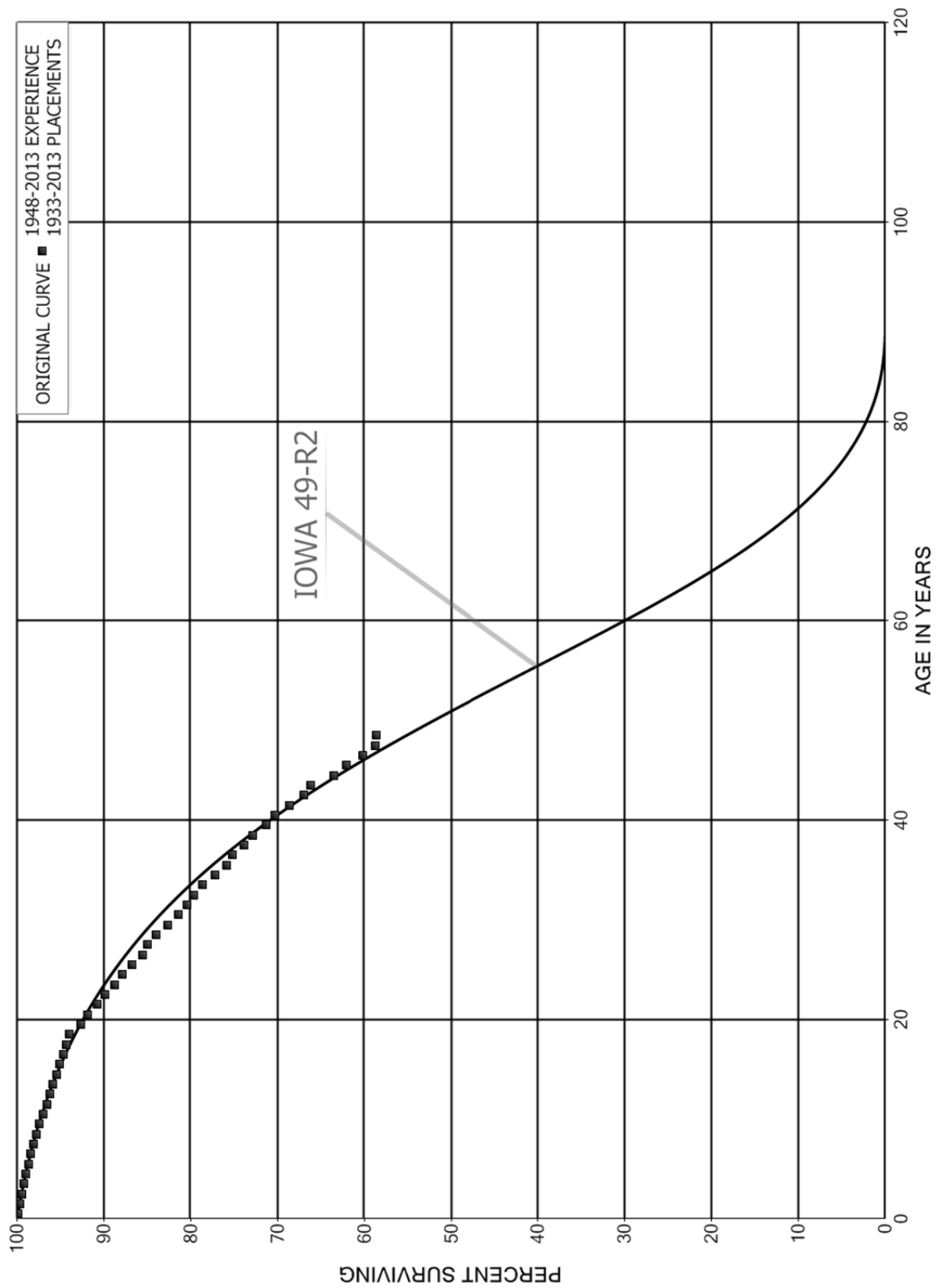
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1933-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,748,537	668,156	0.3821	0.6179	18.02
40.5	1,339,303	93,308	0.0697	0.9303	11.13
41.5	915,005	84,338	0.0922	0.9078	10.36
42.5	621,241	59,074	0.0951	0.9049	9.40
43.5	448,253	57,671	0.1287	0.8713	8.51
44.5	303,361	18,519	0.0610	0.9390	7.41
45.5	203,904	19,704	0.0966	0.9034	6.96
46.5	119,016	6,375	0.0536	0.9464	6.29
47.5	112,641	32,479	0.2883	0.7117	5.95
48.5	17,674	600	0.0339	0.9661	4.24
49.5	17,074		0.0000	1.0000	4.09
50.5	17,074		0.0000	1.0000	4.09
51.5	17,074	3,075	0.1801	0.8199	4.09
52.5	12,839	1,860	0.1449	0.8551	3.36
53.5	10,979	7,579	0.6903	0.3097	2.87
54.5	3,400		0.0000	1.0000	0.89
55.5	3,400		0.0000	1.0000	0.89
56.5	3,400	3,400	1.0000		0.89
57.5					

NEWFOUNDLAND POWER INC.
 ACCOUNTS 365.1, 361.11 & 361.15 - OVERHEAD SERVICES, WEATHER-PROOF COPPER CONDUCTORS, AND DUPLEX CONDUCTORS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNTS 365.1, 361.11 & 361.15 - OVERHEAD SERVICES, WEATHER-PROOF COPPER
CONDUCTORS, AND DUPLEX CONDUCTORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1933-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	100,198,304	177,861	0.0018	0.9982	100.00
0.5	97,388,590	241,029	0.0025	0.9975	99.82
1.5	93,180,959	209,732	0.0023	0.9977	99.58
2.5	89,022,420	180,277	0.0020	0.9980	99.35
3.5	84,045,525	196,763	0.0023	0.9977	99.15
4.5	79,807,306	208,177	0.0026	0.9974	98.92
5.5	76,382,962	225,227	0.0029	0.9971	98.66
6.5	73,850,403	261,635	0.0035	0.9965	98.37
7.5	71,317,042	251,595	0.0035	0.9965	98.02
8.5	69,018,156	220,146	0.0032	0.9968	97.67
9.5	66,943,813	303,922	0.0045	0.9955	97.36
10.5	64,906,126	259,289	0.0040	0.9960	96.92
11.5	62,751,225	245,758	0.0039	0.9961	96.53
12.5	60,624,471	218,362	0.0036	0.9964	96.16
13.5	59,053,584	246,184	0.0042	0.9958	95.81
14.5	57,320,587	225,136	0.0039	0.9961	95.41
15.5	55,679,395	216,529	0.0039	0.9961	95.04
16.5	54,121,535	205,845	0.0038	0.9962	94.67
17.5	52,219,631	197,138	0.0038	0.9962	94.31
18.5	50,083,398	683,286	0.0136	0.9864	93.95
19.5	47,052,434	450,182	0.0096	0.9904	92.67
20.5	43,761,052	522,072	0.0119	0.9881	91.78
21.5	40,298,436	365,021	0.0091	0.9909	90.69
22.5	36,913,950	448,661	0.0122	0.9878	89.87
23.5	33,725,225	353,623	0.0105	0.9895	88.77
24.5	30,405,699	376,056	0.0124	0.9876	87.84
25.5	27,378,172	378,074	0.0138	0.9862	86.76
26.5	24,755,228	178,274	0.0072	0.9928	85.56
27.5	22,297,636	250,662	0.0112	0.9888	84.94
28.5	19,909,030	312,520	0.0157	0.9843	83.99
29.5	17,199,889	255,579	0.0149	0.9851	82.67
30.5	15,042,257	183,013	0.0122	0.9878	81.44
31.5	13,403,680	132,120	0.0099	0.9901	80.45
32.5	11,686,111	144,654	0.0124	0.9876	79.66
33.5	10,161,618	195,307	0.0192	0.9808	78.67
34.5	8,696,589	144,240	0.0166	0.9834	77.16
35.5	7,464,584	64,550	0.0086	0.9914	75.88
36.5	6,454,795	116,004	0.0180	0.9820	75.22
37.5	5,467,293	73,522	0.0134	0.9866	73.87
38.5	4,507,297	99,422	0.0221	0.9779	72.88

NEWFOUNDLAND POWER INC.

ACCOUNTS 365.1, 361.11 & 361.15 - OVERHEAD SERVICES, WEATHER-PROOF COPPER
CONDUCTORS, AND DUPLEX CONDUCTORS

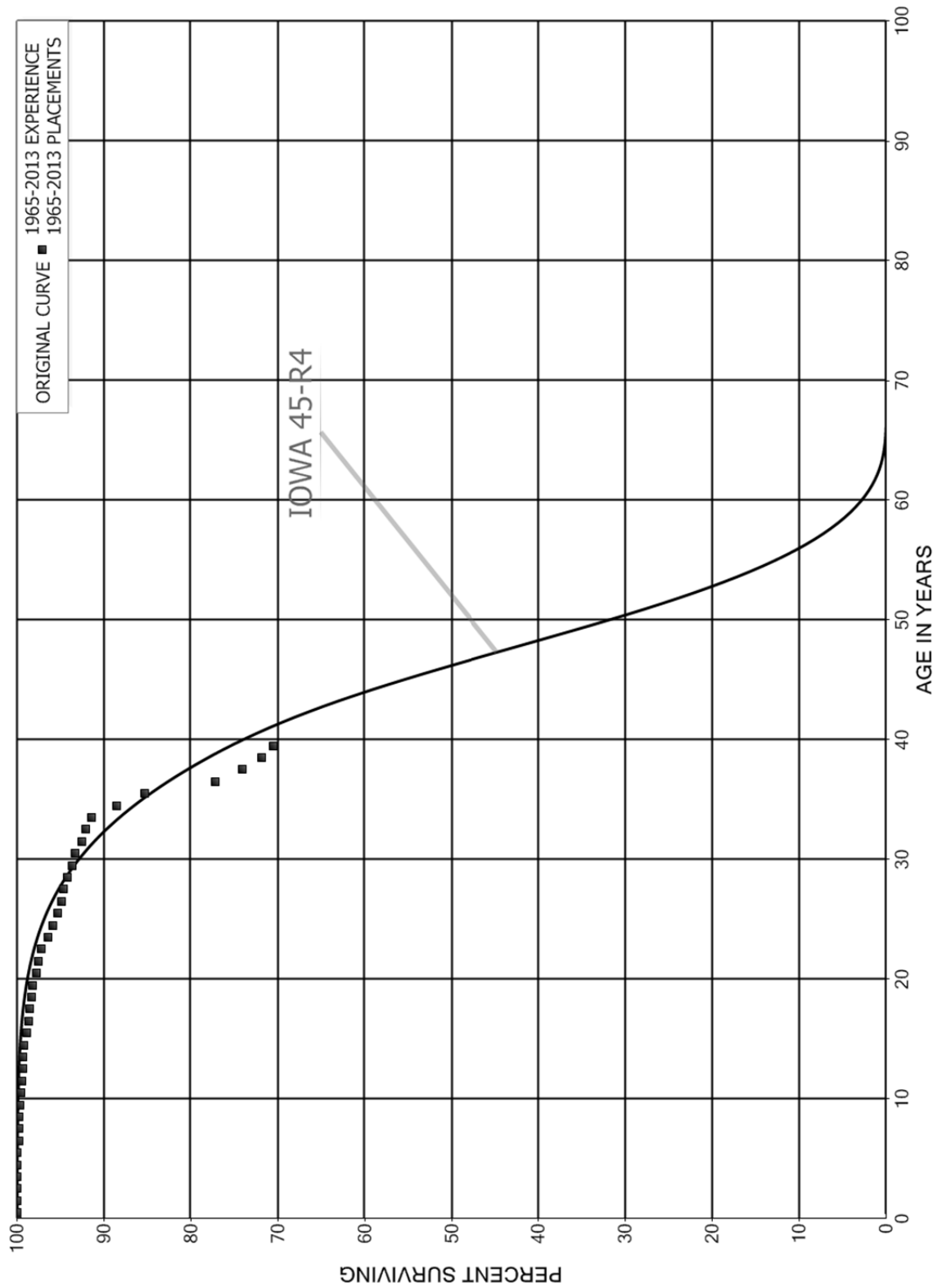
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1933-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	3,674,869	53,231	0.0145	0.9855	71.27
40.5	3,073,504	70,786	0.0230	0.9770	70.24
41.5	2,621,252	61,640	0.0235	0.9765	68.62
42.5	2,210,166	28,143	0.0127	0.9873	67.01
43.5	2,035,249	79,902	0.0393	0.9607	66.15
44.5	1,741,390	41,490	0.0238	0.9762	63.56
45.5	1,559,062	46,440	0.0298	0.9702	62.04
46.5	1,383,077	34,383	0.0249	0.9751	60.19
47.5	1,202,269	895	0.0007	0.9993	58.70
48.5	938,093	18,918	0.0202	0.9798	58.65
49.5	761,268	21,961	0.0288	0.9712	57.47
50.5	616,708	1,554	0.0025	0.9975	55.81
51.5	400,695	3,047	0.0076	0.9924	55.67
52.5	296,156	7,191	0.0243	0.9757	55.25
53.5	107,604	9,849	0.0915	0.9085	53.91
54.5					48.97

NEWFOUNDLAND POWER INC.
ACCOUNT 365.20 - DISTRIBUTION - SERVICES UNDERGROUND
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 365.20 - DISTRIBUTION - SERVICES UNDERGROUND

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2013

EXPERIENCE BAND 1965-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	9,506,742	3,167	0.0003	0.9997	100.00
0.5	7,662,817		0.0000	1.0000	99.97
1.5	7,181,856		0.0000	1.0000	99.97
2.5	6,810,399	1,312	0.0002	0.9998	99.97
3.5	6,501,443		0.0000	1.0000	99.95
4.5	6,166,446	3,107	0.0005	0.9995	99.95
5.5	5,797,568	7,543	0.0013	0.9987	99.90
6.5	5,453,403		0.0000	1.0000	99.77
7.5	5,312,689	1,137	0.0002	0.9998	99.77
8.5	5,130,923	4,565	0.0009	0.9991	99.75
9.5	4,874,907	4,815	0.0010	0.9990	99.66
10.5	4,612,109	8,160	0.0018	0.9982	99.56
11.5	4,453,592	2,838	0.0006	0.9994	99.38
12.5	4,378,095	284	0.0001	0.9999	99.32
13.5	4,215,321	7,128	0.0017	0.9983	99.31
14.5	4,220,361	13,989	0.0033	0.9967	99.14
15.5	4,197,463	10,243	0.0024	0.9976	98.82
16.5	3,951,333	3,490	0.0009	0.9991	98.57
17.5	3,572,075	8,266	0.0023	0.9977	98.49
18.5	3,302,732	4,360	0.0013	0.9987	98.26
19.5	3,077,720	12,656	0.0041	0.9959	98.13
20.5	2,852,958	4,975	0.0017	0.9983	97.73
21.5	2,698,621	11,324	0.0042	0.9958	97.56
22.5	2,520,003	19,541	0.0078	0.9922	97.15
23.5	2,230,980	13,267	0.0059	0.9941	96.39
24.5	1,936,351	11,220	0.0058	0.9942	95.82
25.5	1,715,305	7,279	0.0042	0.9958	95.27
26.5	1,589,928	4,333	0.0027	0.9973	94.86
27.5	1,524,880	7,011	0.0046	0.9954	94.60
28.5	1,385,623	8,284	0.0060	0.9940	94.17
29.5	1,249,954	3,909	0.0031	0.9969	93.60
30.5	1,180,542	9,861	0.0084	0.9916	93.31
31.5	1,001,400	4,741	0.0047	0.9953	92.53
32.5	917,648	7,395	0.0081	0.9919	92.09
33.5	783,542	24,581	0.0314	0.9686	91.35
34.5	708,494	25,913	0.0366	0.9634	88.49
35.5	649,953	61,856	0.0952	0.9048	85.25
36.5	505,090	20,067	0.0397	0.9603	77.14
37.5	394,829	11,924	0.0302	0.9698	74.07
38.5	167,422	3,147	0.0188	0.9812	71.84

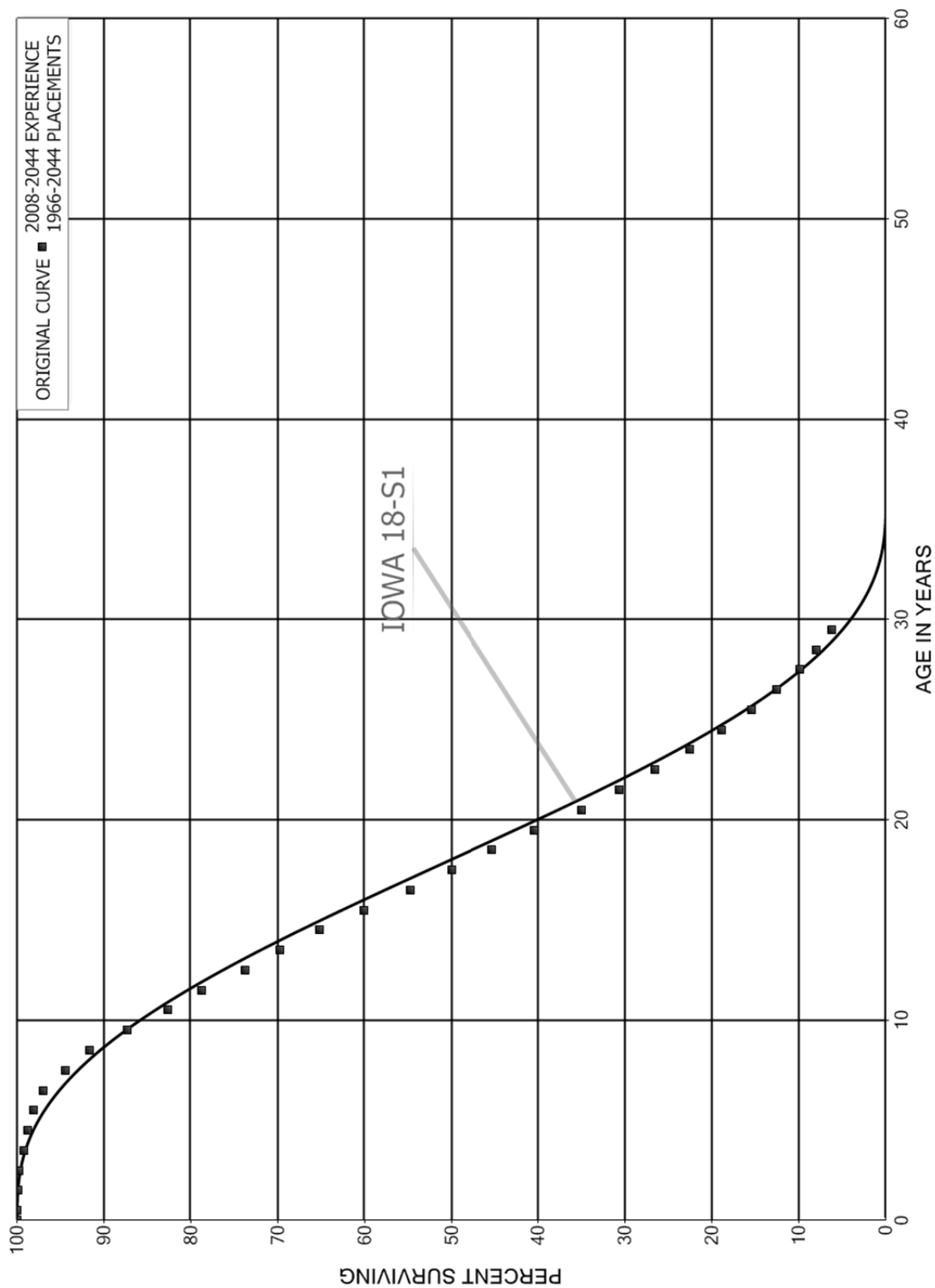
NEWFOUNDLAND POWER INC.

ACCOUNT 365.20 - DISTRIBUTION - SERVICES UNDERGROUND

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2013			EXPERIENCE BAND 1965-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	107,506		0.0000	1.0000	70.48
40.5	107,506		0.0000	1.0000	70.48
41.5	107,506		0.0000	1.0000	70.48
42.5	107,506	820	0.0076	0.9924	70.48
43.5	93,561	695	0.0074	0.9926	69.95
44.5	80,001	27,215	0.3402	0.6598	69.43
45.5	34,186	11,417	0.3340	0.6660	45.81
46.5	5,690	5,690	1.0000		30.51
47.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 366.10 - DISTRIBUTION - WATT-HOUR METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 366.10 - DISTRIBUTION - WATT-HOUR METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1966-2044

EXPERIENCE BAND 2008-2044

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	58,913,469	13,282	0.0002	0.9998	100.00
0.5	57,536,146	66,585	0.0012	0.9988	99.98
1.5	56,705,914	106,710	0.0019	0.9981	99.86
2.5	55,705,797	254,484	0.0046	0.9954	99.67
3.5	54,498,492	249,604	0.0046	0.9954	99.22
4.5	52,766,810	371,433	0.0070	0.9930	98.76
5.5	50,896,223	591,881	0.0116	0.9884	98.07
6.5	48,656,489	1,260,677	0.0259	0.9741	96.93
7.5	45,922,560	1,376,828	0.0300	0.9700	94.42
8.5	43,172,077	2,013,491	0.0466	0.9534	91.59
9.5	39,679,193	2,159,768	0.0544	0.9456	87.31
10.5	36,077,705	1,671,603	0.0463	0.9537	82.56
11.5	33,102,532	2,094,469	0.0633	0.9367	78.74
12.5	29,751,848	1,644,636	0.0553	0.9447	73.75
13.5	26,805,521	1,747,362	0.0652	0.9348	69.68
14.5	24,104,728	1,896,867	0.0787	0.9213	65.14
15.5	21,489,632	1,897,717	0.0883	0.9117	60.01
16.5	19,208,009	1,654,746	0.0861	0.9139	54.71
17.5	17,354,913	1,621,112	0.0934	0.9066	50.00
18.5	15,532,569	1,674,660	0.1078	0.8922	45.33
19.5	13,751,788	1,873,011	0.1362	0.8638	40.44
20.5	11,569,245	1,431,713	0.1238	0.8762	34.93
21.5	10,175,964	1,367,647	0.1344	0.8656	30.61
22.5	9,000,100	1,340,945	0.1490	0.8510	26.50
23.5	7,852,371	1,310,894	0.1669	0.8331	22.55
24.5	6,812,230	1,236,913	0.1816	0.8184	18.78
25.5	5,719,707	1,060,547	0.1854	0.8146	15.37
26.5	4,940,285	1,058,097	0.2142	0.7858	12.52
27.5	3,642,372	684,548	0.1879	0.8121	9.84
28.5	2,769,409	643,916	0.2325	0.7675	7.99
29.5	2,027,729	595,018	0.2934	0.7066	6.13
30.5	1,621,003	340,834	0.2103	0.7897	4.33
31.5	1,467,267	387,821	0.2643	0.7357	3.42
32.5	1,242,684	288,742	0.2324	0.7676	2.52
33.5	1,191,557	424,864	0.3566	0.6434	1.93
34.5	904,395	174,961	0.1935	0.8065	1.24
35.5	844,260	65,277	0.0773	0.9227	1.00
36.5	845,071	96,133	0.1138	0.8862	0.93
37.5	775,408	446,393	0.5757	0.4243	0.82
38.5	460,009	345,584	0.7513	0.2487	0.35

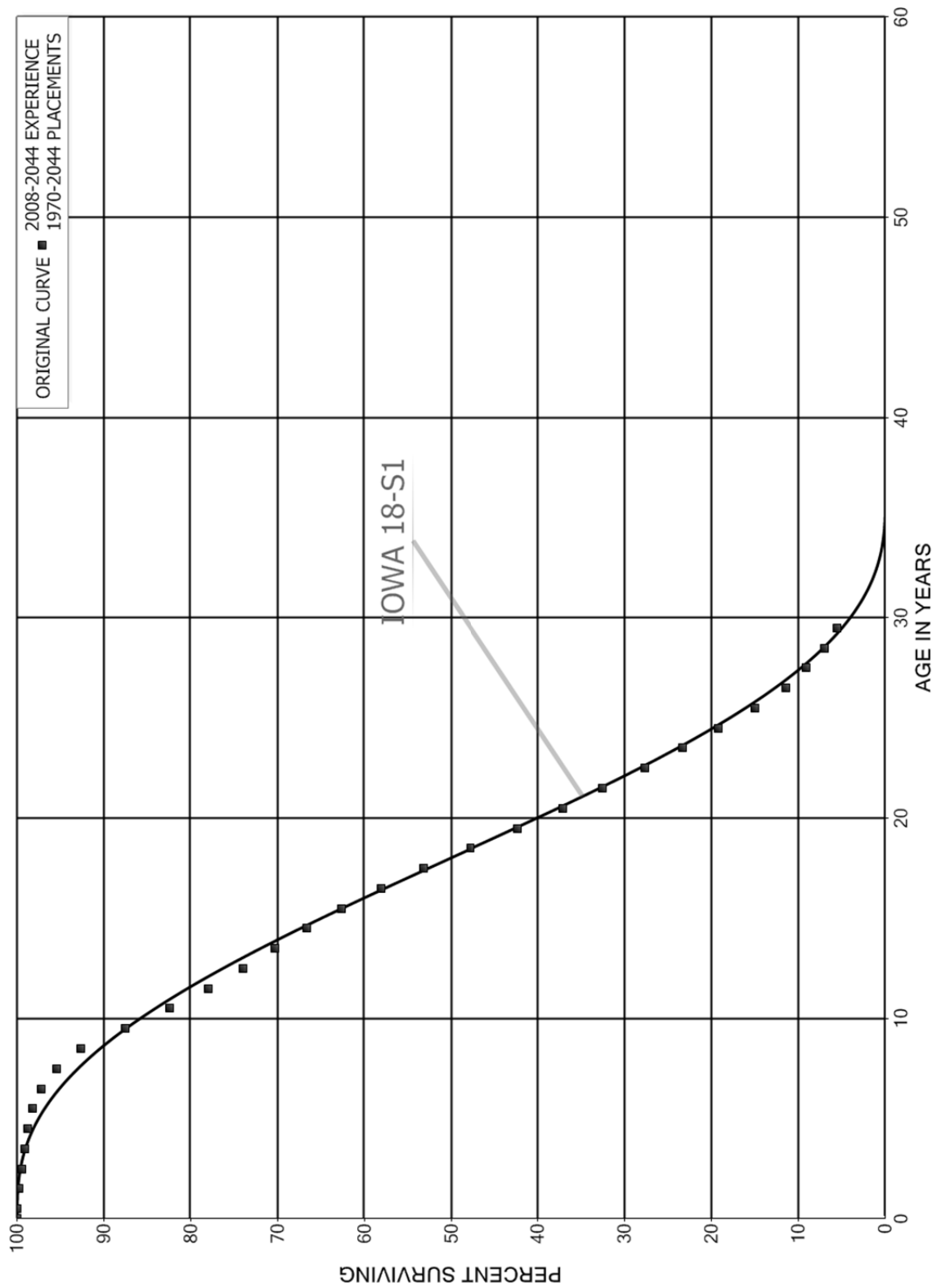
NEWFOUNDLAND POWER INC.

ACCOUNT 366.10 - DISTRIBUTION - WATT-HOUR METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1966-2044			EXPERIENCE BAND 2008-2044		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	166,568	71,039	0.4265	0.5735	0.09
40.5	225,809	225,494	0.9986	0.0014	0.05
41.5	16,928	16,928	1.0000	0.0000	0.00
42.5	0		0.0000	1.0000	0.00
43.5	0	0	1.0000		0.00
44.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 366.20 - DISTRIBUTION - DEMAND METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 366.20 - DISTRIBUTION - DEMAND METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1970-2044

EXPERIENCE BAND 2008-2044

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	25,523,628	5,373	0.0002	0.9998	100.00
0.5	25,232,403	68,592	0.0027	0.9973	99.98
1.5	24,633,971	73,883	0.0030	0.9970	99.71
2.5	24,030,508	74,257	0.0031	0.9969	99.41
3.5	23,448,070	88,282	0.0038	0.9962	99.10
4.5	23,004,674	140,593	0.0061	0.9939	98.73
5.5	22,218,643	225,037	0.0101	0.9899	98.12
6.5	21,427,544	381,891	0.0178	0.9822	97.13
7.5	20,406,433	607,003	0.0297	0.9703	95.40
8.5	19,111,428	1,033,462	0.0541	0.9459	92.56
9.5	17,379,030	1,028,658	0.0592	0.9408	87.56
10.5	15,655,111	838,560	0.0536	0.9464	82.37
11.5	14,167,464	723,747	0.0511	0.9489	77.96
12.5	12,893,505	643,630	0.0499	0.9501	73.98
13.5	11,724,222	609,986	0.0520	0.9480	70.29
14.5	10,655,936	648,253	0.0608	0.9392	66.63
15.5	9,606,544	700,453	0.0729	0.9271	62.58
16.5	8,519,490	712,835	0.0837	0.9163	58.01
17.5	7,525,256	771,855	0.1026	0.8974	53.16
18.5	6,526,610	744,074	0.1140	0.8860	47.71
19.5	5,679,218	693,562	0.1221	0.8779	42.27
20.5	5,144,500	636,594	0.1237	0.8763	37.11
21.5	4,563,712	691,736	0.1516	0.8484	32.51
22.5	3,828,417	591,678	0.1545	0.8455	27.59
23.5	3,213,284	577,320	0.1797	0.8203	23.32
24.5	2,734,683	601,483	0.2199	0.7801	19.13
25.5	2,174,800	513,334	0.2360	0.7640	14.92
26.5	1,867,518	386,406	0.2069	0.7931	11.40
27.5	1,557,665	354,382	0.2275	0.7725	9.04
28.5	1,242,645	259,826	0.2091	0.7909	6.99
29.5	1,048,541	222,457	0.2122	0.7878	5.52
30.5	877,623	272,801	0.3108	0.6892	4.35
31.5	697,778	312,398	0.4477	0.5523	3.00
32.5	405,898	85,924	0.2117	0.7883	1.66
33.5	356,476	153,599	0.4309	0.5691	1.31
34.5	213,510	172,581	0.8083	0.1917	0.74
35.5	51,657	51,656	1.0000	0.0000	0.14
36.5	1		0.0000	1.0000	0.00
37.5	1	0	0.3191	0.6809	0.00
38.5	1	0	0.3229	0.6771	0.00

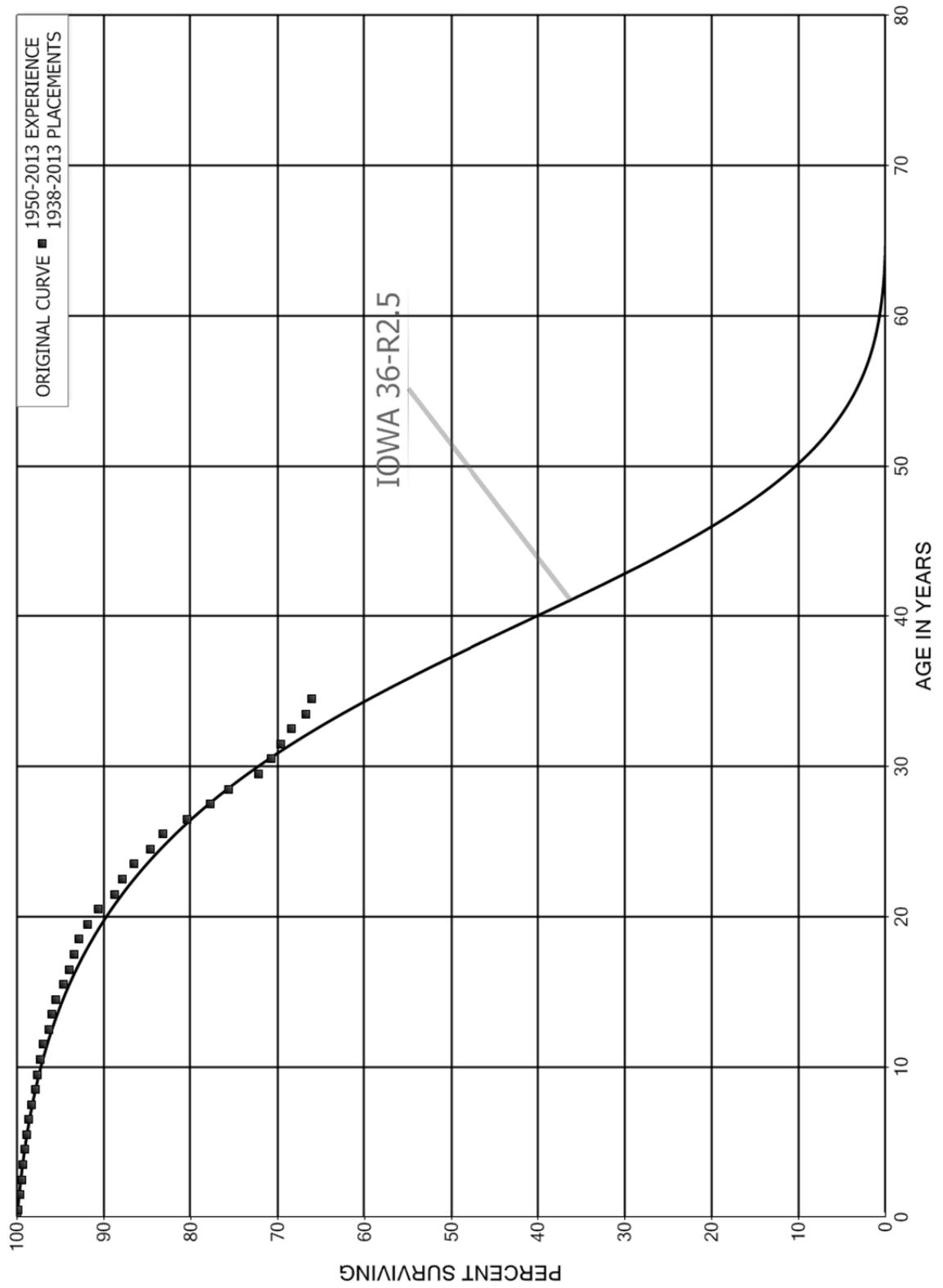
NEWFOUNDLAND POWER INC.

ACCOUNT 366.20 - DISTRIBUTION - DEMAND METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1970-2044			EXPERIENCE BAND 2008-2044		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1	0	0.4615	0.5385	0.00
40.5	0		0.0000	1.0000	0.00
41.5	0	0	1.0000		0.00
42.5					

NEWFOUNDLAND POWER INC.
 ACCOUNTS 366.30 & 366.40 - INSTRUMENT TRANSFORMERS AND METERING TANKS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNTS 366.30 & 366.40 - INSTRUMENT TRANSFORMERS AND METERING TANKS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1938-2013

EXPERIENCE BAND 1950-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,939,528	5,774	0.0012	0.9988	100.00
0.5	4,628,667	10,278	0.0022	0.9978	99.88
1.5	4,426,662	13,261	0.0030	0.9970	99.66
2.5	4,169,215	2,091	0.0005	0.9995	99.36
3.5	4,097,622	8,148	0.0020	0.9980	99.31
4.5	3,999,240	11,961	0.0030	0.9970	99.12
5.5	3,889,128	8,741	0.0022	0.9978	98.82
6.5	3,631,895	10,380	0.0029	0.9971	98.60
7.5	3,555,820	17,499	0.0049	0.9951	98.32
8.5	3,436,759	8,380	0.0024	0.9976	97.83
9.5	3,352,854	12,391	0.0037	0.9963	97.59
10.5	3,282,866	11,231	0.0034	0.9966	97.23
11.5	3,188,801	18,468	0.0058	0.9942	96.90
12.5	3,099,424	13,559	0.0044	0.9956	96.34
13.5	3,057,585	13,053	0.0043	0.9957	95.92
14.5	3,025,696	27,354	0.0090	0.9910	95.51
15.5	2,977,870	23,080	0.0078	0.9922	94.64
16.5	2,936,504	14,909	0.0051	0.9949	93.91
17.5	2,890,293	19,490	0.0067	0.9933	93.43
18.5	2,844,428	29,355	0.0103	0.9897	92.80
19.5	2,742,558	36,842	0.0134	0.9866	91.85
20.5	2,703,635	55,346	0.0205	0.9795	90.61
21.5	2,446,327	25,446	0.0104	0.9896	88.76
22.5	2,328,167	34,589	0.0149	0.9851	87.83
23.5	2,113,714	46,825	0.0222	0.9778	86.53
24.5	1,966,156	33,026	0.0168	0.9832	84.61
25.5	1,811,775	61,945	0.0342	0.9658	83.19
26.5	1,658,427	53,591	0.0323	0.9677	80.35
27.5	1,546,658	42,135	0.0272	0.9728	77.75
28.5	1,433,879	66,266	0.0462	0.9538	75.63
29.5	1,229,446	24,341	0.0198	0.9802	72.14
30.5	1,139,407	17,458	0.0153	0.9847	70.71
31.5	1,097,801	20,089	0.0183	0.9817	69.63
32.5	1,002,948	24,228	0.0242	0.9758	68.35
33.5	904,440	8,709	0.0096	0.9904	66.70
34.5	766,186	11,401	0.0149	0.9851	66.06
35.5	678,340	11,268	0.0166	0.9834	65.07
36.5	552,850	7,248	0.0131	0.9869	63.99
37.5	453,817	6,498	0.0143	0.9857	63.15
38.5	320,275	6,782	0.0212	0.9788	62.25

NEWFOUNDLAND POWER INC.

ACCOUNTS 366.30 & 366.40 - INSTRUMENT TRANSFORMERS AND METERING TANKS

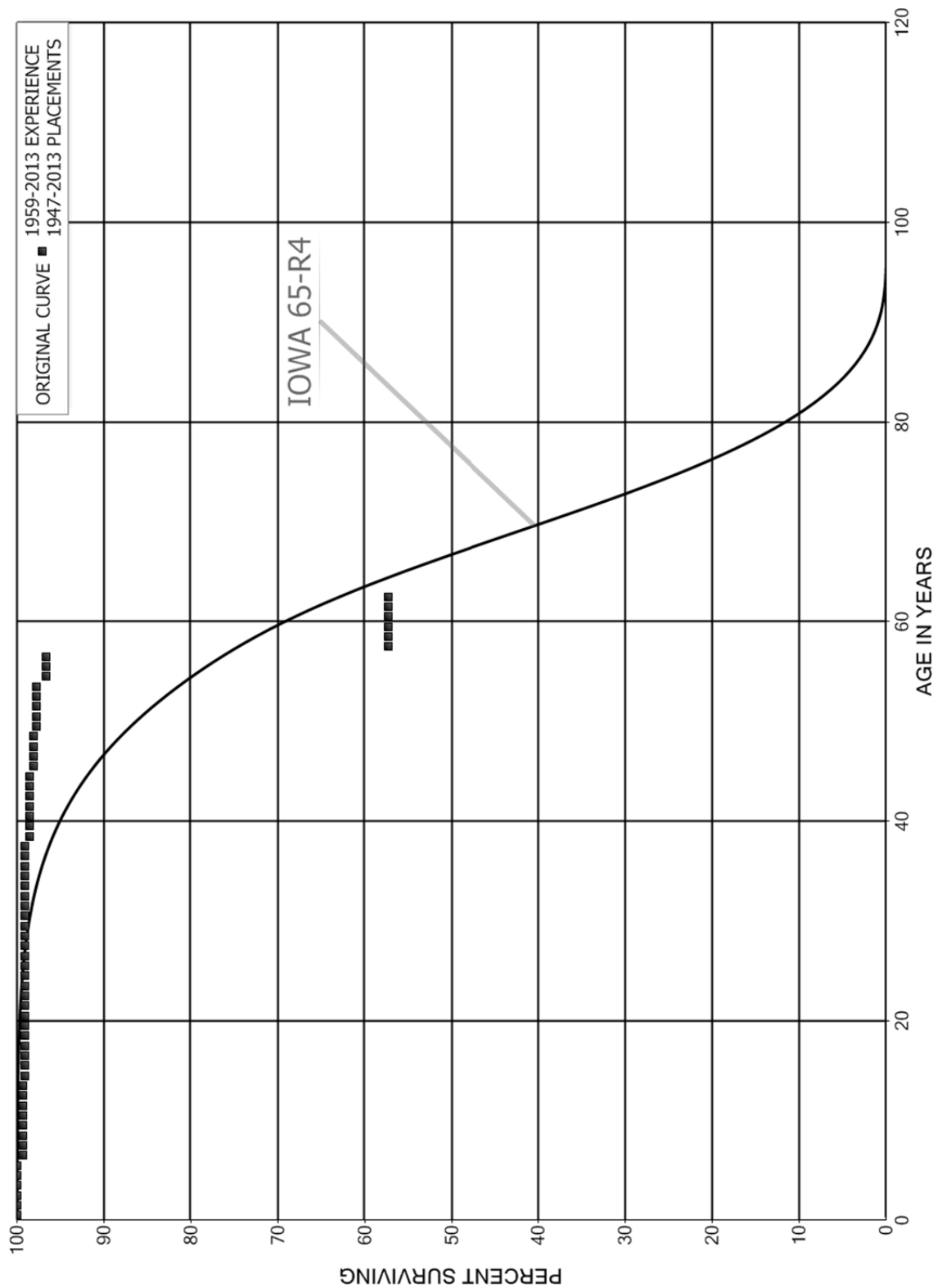
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1938-2013

EXPERIENCE BAND 1950-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	282,900	3,693	0.0131	0.9869	60.93
40.5	246,719	1,929	0.0078	0.9922	60.14
41.5	203,519	3,835	0.0188	0.9812	59.67
42.5	181,500	6,002	0.0331	0.9669	58.54
43.5	142,078	4,927	0.0347	0.9653	56.61
44.5	125,647	2,400	0.0191	0.9809	54.64
45.5	103,125	873	0.0085	0.9915	53.60
46.5	89,543	453	0.0051	0.9949	53.15
47.5	56,178	211	0.0038	0.9962	52.88
48.5	42,409	423	0.0100	0.9900	52.68
49.5	30,546	1,208	0.0396	0.9604	52.15
50.5	19,322	169	0.0088	0.9912	50.09
51.5	13,688	85	0.0062	0.9938	49.65
52.5	11,541	212	0.0183	0.9817	49.34
53.5	6,350	342	0.0538	0.9462	48.44
54.5					45.83

NEWFOUNDLAND POWER INC.
ACCOUNT 367.10 - DISTRIBUTION - UNDERGROUND DUCT AND MANHOLES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 367.10 - DISTRIBUTION - UNDERGROUND DUCT AND MANHOLES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1947-2013

EXPERIENCE BAND 1959-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	9,061,101		0.0000	1.0000	100.00
0.5	8,336,864		0.0000	1.0000	100.00
1.5	5,268,175	1,547	0.0003	0.9997	100.00
2.5	4,963,301		0.0000	1.0000	99.97
3.5	4,956,477		0.0000	1.0000	99.97
4.5	4,847,413		0.0000	1.0000	99.97
5.5	4,748,826	31,599	0.0067	0.9933	99.97
6.5	4,797,259		0.0000	1.0000	99.31
7.5	4,749,174		0.0000	1.0000	99.31
8.5	4,678,827		0.0000	1.0000	99.31
9.5	4,615,873	2,079	0.0005	0.9995	99.31
10.5	4,434,017		0.0000	1.0000	99.26
11.5	4,240,201		0.0000	1.0000	99.26
12.5	4,193,034		0.0000	1.0000	99.26
13.5	4,109,720	9,712	0.0024	0.9976	99.26
14.5	4,100,008	219	0.0001	0.9999	99.03
15.5	4,099,789		0.0000	1.0000	99.02
16.5	4,099,789		0.0000	1.0000	99.02
17.5	4,075,155		0.0000	1.0000	99.02
18.5	4,075,155		0.0000	1.0000	99.02
19.5	4,057,584		0.0000	1.0000	99.02
20.5	4,092,953		0.0000	1.0000	99.02
21.5	3,831,952		0.0000	1.0000	99.02
22.5	3,230,918		0.0000	1.0000	99.02
23.5	3,187,627		0.0000	1.0000	99.02
24.5	3,156,058		0.0000	1.0000	99.02
25.5	3,156,058		0.0000	1.0000	99.02
26.5	3,101,598		0.0000	1.0000	99.02
27.5	2,669,334		0.0000	1.0000	99.02
28.5	2,634,219		0.0000	1.0000	99.02
29.5	2,727,627		0.0000	1.0000	99.02
30.5	2,687,532		0.0000	1.0000	99.02
31.5	2,602,420		0.0000	1.0000	99.02
32.5	2,364,636		0.0000	1.0000	99.02
33.5	1,643,930		0.0000	1.0000	99.02
34.5	1,556,436		0.0000	1.0000	99.02
35.5	1,513,291		0.0000	1.0000	99.02
36.5	1,087,891		0.0000	1.0000	99.02
37.5	942,576	5,340	0.0057	0.9943	99.02
38.5	828,132		0.0000	1.0000	98.46

NEWFOUNDLAND POWER INC.

ACCOUNT 367.10 - DISTRIBUTION - UNDERGROUND DUCT AND MANHOLES

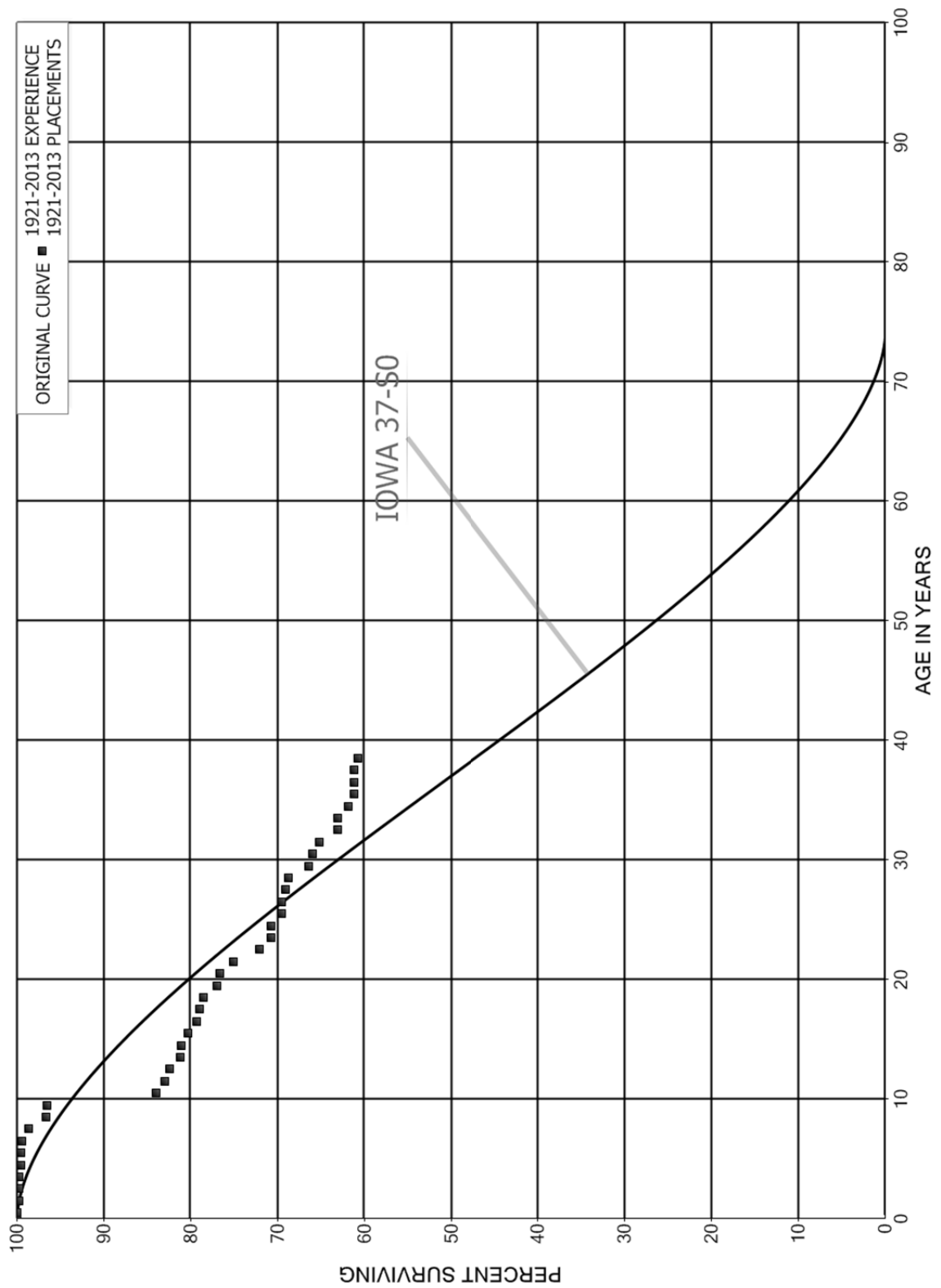
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1947-2013

EXPERIENCE BAND 1959-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	568,947		0.0000	1.0000	98.46
40.5	568,098		0.0000	1.0000	98.46
41.5	563,769		0.0000	1.0000	98.46
42.5	555,818		0.0000	1.0000	98.46
43.5	552,226		0.0000	1.0000	98.46
44.5	552,226	2,304	0.0042	0.9958	98.46
45.5	549,922		0.0000	1.0000	98.05
46.5	465,110		0.0000	1.0000	98.05
47.5	204,492		0.0000	1.0000	98.05
48.5	174,173	538	0.0031	0.9969	98.05
49.5	173,635		0.0000	1.0000	97.75
50.5	173,635		0.0000	1.0000	97.75
51.5	173,635		0.0000	1.0000	97.75
52.5	173,635		0.0000	1.0000	97.75
53.5	173,635	2,050	0.0118	0.9882	97.75
54.5	167,477		0.0000	1.0000	96.59
55.5	167,477		0.0000	1.0000	96.59
56.5	167,477	68,214	0.4073	0.5927	96.59
57.5	99,263		0.0000	1.0000	57.25
58.5	99,263		0.0000	1.0000	57.25
59.5	99,263		0.0000	1.0000	57.25
60.5	99,263		0.0000	1.0000	57.25
61.5	99,263		0.0000	1.0000	57.25
62.5	99,263		0.0000	1.0000	57.25
63.5	99,263		0.0000	1.0000	57.25
64.5	99,263		0.0000	1.0000	57.25
65.5	99,263	99,263	1.0000		57.25
66.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 371.10 - BUILDINGS AND STRUCTURES - SMALL
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 371.10 - BUILDINGS AND STRUCTURES - SMALL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1921-2013

EXPERIENCE BAND 1921-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,327,531	200	0.0001	0.9999	100.00
0.5	2,318,283	6,000	0.0026	0.9974	99.99
1.5	2,171,469		0.0000	1.0000	99.73
2.5	1,983,318	1,100	0.0006	0.9994	99.73
3.5	1,911,343	2,470	0.0013	0.9987	99.68
4.5	1,926,907	873	0.0005	0.9995	99.55
5.5	1,868,959	2,617	0.0014	0.9986	99.50
6.5	1,887,731	13,211	0.0070	0.9930	99.36
7.5	2,054,739	43,530	0.0212	0.9788	98.67
8.5	2,027,529	2,218	0.0011	0.9989	96.58
9.5	2,370,103	308,532	0.1302	0.8698	96.47
10.5	2,076,959	22,743	0.0110	0.9890	83.91
11.5	2,048,216	14,082	0.0069	0.9931	83.00
12.5	2,018,698	29,534	0.0146	0.9854	82.42
13.5	1,949,526	4,884	0.0025	0.9975	81.22
14.5	1,939,554	17,460	0.0090	0.9910	81.02
15.5	1,909,112	23,659	0.0124	0.9876	80.29
16.5	1,860,586	9,047	0.0049	0.9951	79.29
17.5	1,848,978	8,980	0.0049	0.9951	78.91
18.5	1,853,114	37,559	0.0203	0.9797	78.52
19.5	1,820,031	6,319	0.0035	0.9965	76.93
20.5	1,863,991	37,918	0.0203	0.9797	76.66
21.5	1,828,712	74,488	0.0407	0.9593	75.10
22.5	1,680,591	31,505	0.0187	0.9813	72.05
23.5	1,607,431	423	0.0003	0.9997	70.69
24.5	1,583,525	25,930	0.0164	0.9836	70.68
25.5	1,459,979	961	0.0007	0.9993	69.52
26.5	1,399,991	7,483	0.0053	0.9947	69.47
27.5	1,336,382	6,981	0.0052	0.9948	69.10
28.5	935,393	31,999	0.0342	0.9658	68.74
29.5	833,442	5,100	0.0061	0.9939	66.39
30.5	678,651	8,717	0.0128	0.9872	65.98
31.5	621,048	20,057	0.0323	0.9677	65.14
32.5	587,465		0.0000	1.0000	63.03
33.5	586,632	11,631	0.0198	0.9802	63.03
34.5	544,672	5,467	0.0100	0.9900	61.78
35.5	478,245		0.0000	1.0000	61.16
36.5	430,010		0.0000	1.0000	61.16
37.5	393,247	2,821	0.0072	0.9928	61.16
38.5	452,519		0.0000	1.0000	60.72

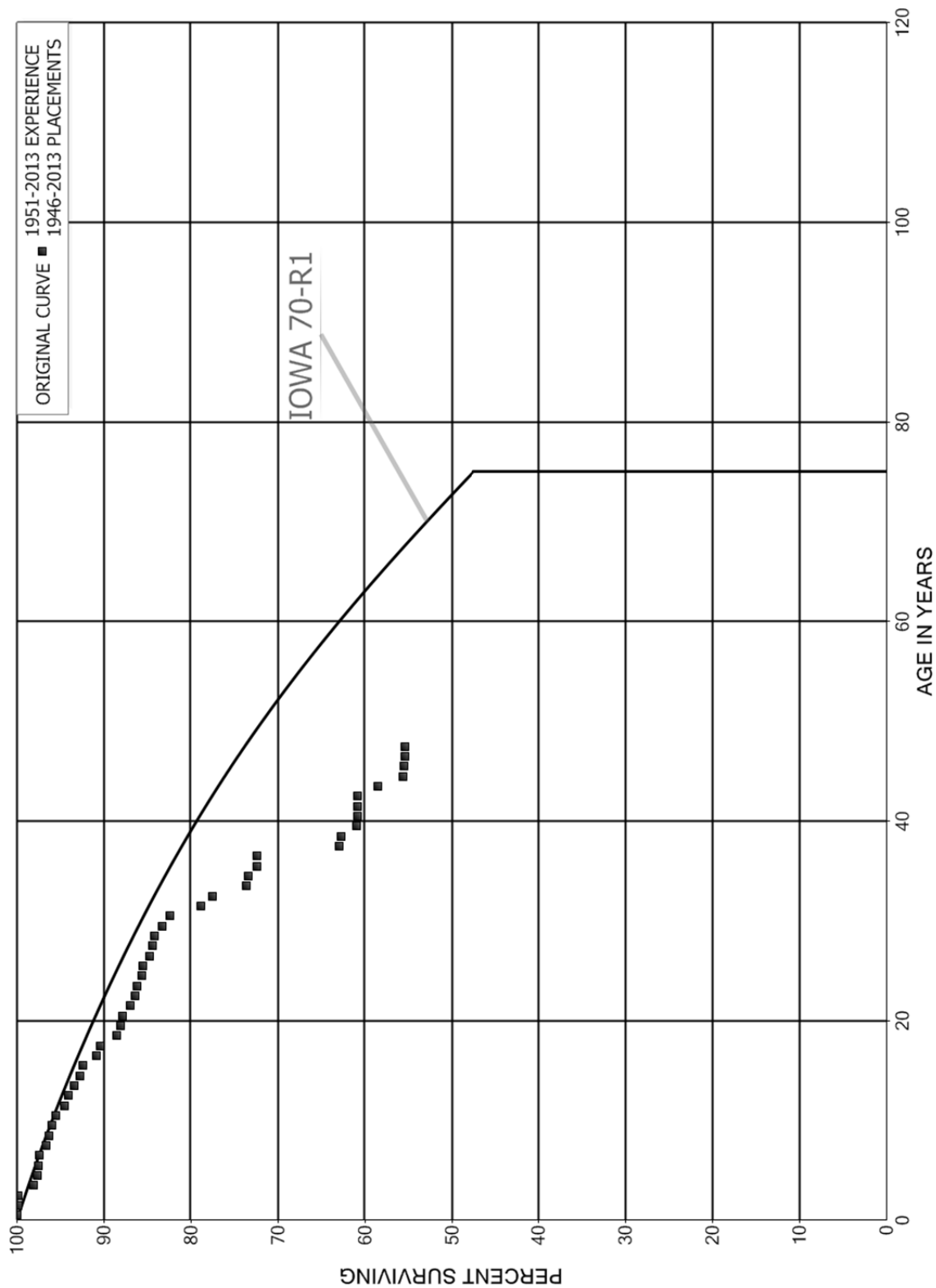
NEWFOUNDLAND POWER INC.

ACCOUNT 371.10 - BUILDINGS AND STRUCTURES - SMALL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1921-2013			EXPERIENCE BAND 1921-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	414,305		0.0000	1.0000	60.72
40.5	385,551		0.0000	1.0000	60.72
41.5	392,259	7,154	0.0182	0.9818	60.72
42.5	365,482	2,250	0.0062	0.9938	59.62
43.5	313,558		0.0000	1.0000	59.25
44.5	290,970	12,815	0.0440	0.9560	59.25
45.5	256,927		0.0000	1.0000	56.64
46.5	247,338		0.0000	1.0000	56.64
47.5	230,309		0.0000	1.0000	56.64
48.5	228,504		0.0000	1.0000	56.64
49.5	159,801		0.0000	1.0000	56.64
50.5	65,674	500	0.0076	0.9924	56.64
51.5	62,345		0.0000	1.0000	56.21
52.5	53,394		0.0000	1.0000	56.21
53.5	53,394		0.0000	1.0000	56.21
54.5	17,629		0.0000	1.0000	56.21
55.5	15,300		0.0000	1.0000	56.21
56.5	15,300	15,300	1.0000		56.21
57.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1946-2013

EXPERIENCE BAND 1951-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	46,627,905		0.0000	1.0000	100.00
0.5	44,780,879	75,969	0.0017	0.9983	100.00
1.5	43,456,745	15,713	0.0004	0.9996	99.83
2.5	40,894,539	700,931	0.0171	0.9829	99.79
3.5	39,274,586	196,218	0.0050	0.9950	98.08
4.5	38,674,610	53,692	0.0014	0.9986	97.59
5.5	37,638,318	25,635	0.0007	0.9993	97.46
6.5	36,256,427	276,877	0.0076	0.9924	97.39
7.5	34,512,405	120,387	0.0035	0.9965	96.65
8.5	33,904,011	116,103	0.0034	0.9966	96.31
9.5	33,425,151	149,442	0.0045	0.9955	95.98
10.5	32,931,924	350,547	0.0106	0.9894	95.55
11.5	32,186,517	159,527	0.0050	0.9950	94.53
12.5	31,571,146	214,009	0.0068	0.9932	94.07
13.5	30,521,114	239,902	0.0079	0.9921	93.43
14.5	28,972,034	104,790	0.0036	0.9964	92.69
15.5	28,273,551	455,659	0.0161	0.9839	92.36
16.5	27,014,497	137,851	0.0051	0.9949	90.87
17.5	26,509,269	549,646	0.0207	0.9793	90.41
18.5	25,826,183	152,009	0.0059	0.9941	88.53
19.5	24,860,729	51,293	0.0021	0.9979	88.01
20.5	23,696,504	250,275	0.0106	0.9894	87.83
21.5	22,810,382	144,365	0.0063	0.9937	86.90
22.5	22,267,132	52,966	0.0024	0.9976	86.35
23.5	10,790,403	60,994	0.0057	0.9943	86.15
24.5	9,830,300	21,327	0.0022	0.9978	85.66
25.5	8,671,744	79,451	0.0092	0.9908	85.47
26.5	7,320,035	25,343	0.0035	0.9965	84.69
27.5	6,988,950	21,663	0.0031	0.9969	84.40
28.5	7,142,651	68,198	0.0095	0.9905	84.14
29.5	7,017,479	80,081	0.0114	0.9886	83.33
30.5	6,826,120	289,663	0.0424	0.9576	82.38
31.5	6,114,974	107,567	0.0176	0.9824	78.89
32.5	5,881,739	292,496	0.0497	0.9503	77.50
33.5	3,323,712	8,830	0.0027	0.9973	73.64
34.5	2,848,093	39,107	0.0137	0.9863	73.45
35.5	2,521,513	2,912	0.0012	0.9988	72.44
36.5	2,157,876	279,188	0.1294	0.8706	72.36
37.5	1,819,198	8,494	0.0047	0.9953	62.99
38.5	1,547,645	44,300	0.0286	0.9714	62.70

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

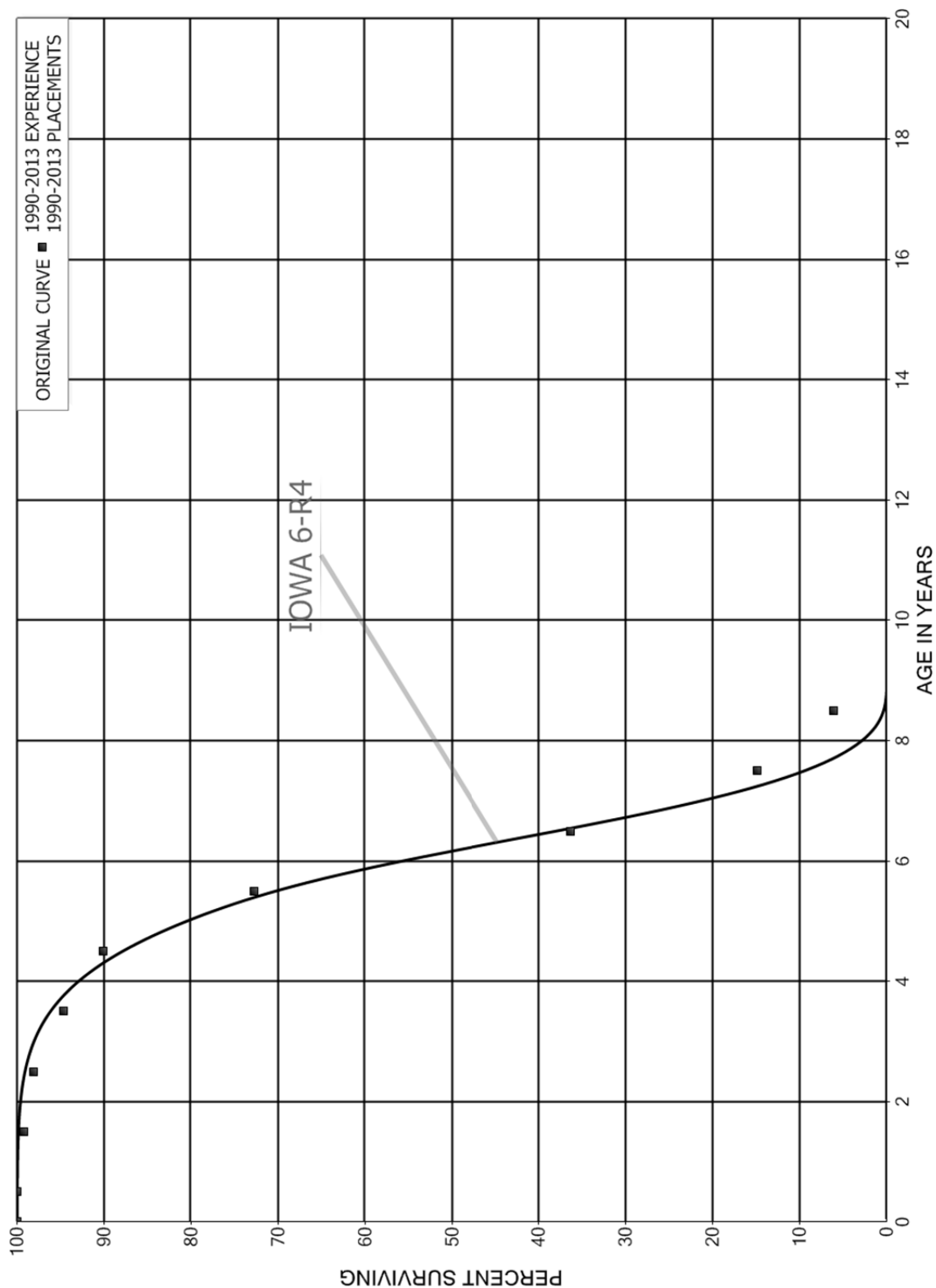
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1946-2013

EXPERIENCE BAND 1951-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,322,529	600	0.0005	0.9995	60.91
40.5	1,294,466	1,094	0.0008	0.9992	60.88
41.5	1,269,575		0.0000	1.0000	60.83
42.5	1,265,489	47,593	0.0376	0.9624	60.83
43.5	1,208,099	60,859	0.0504	0.9496	58.54
44.5	483,539	425	0.0009	0.9991	55.59
45.5	475,753	1,005	0.0021	0.9979	55.54
46.5	472,954		0.0000	1.0000	55.42
47.5	362,994	11,899	0.0328	0.9672	55.42
48.5	348,007	972	0.0028	0.9972	53.61
49.5	347,035		0.0000	1.0000	53.46
50.5	334,205	500	0.0015	0.9985	53.46
51.5	330,362	117,499	0.3557	0.6443	53.38
52.5	253,530		0.0000	1.0000	34.39
53.5	211,327		0.0000	1.0000	34.39
54.5	209,280		0.0000	1.0000	34.39
55.5	30,675		0.0000	1.0000	34.39
56.5	2,100		0.0000	1.0000	34.39
57.5	2,100		0.0000	1.0000	34.39
58.5	2,100		0.0000	1.0000	34.39
59.5	2,100		0.0000	1.0000	34.39
60.5					34.39

NEWFOUNDLAND POWER INC.
ACCOUNT 378.20 - TRANSPORTATION - PICK-UP TRUCKS AND VANS
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 378.20 - TRANSPORTATION - PICK-UP TRUCKS AND VANS

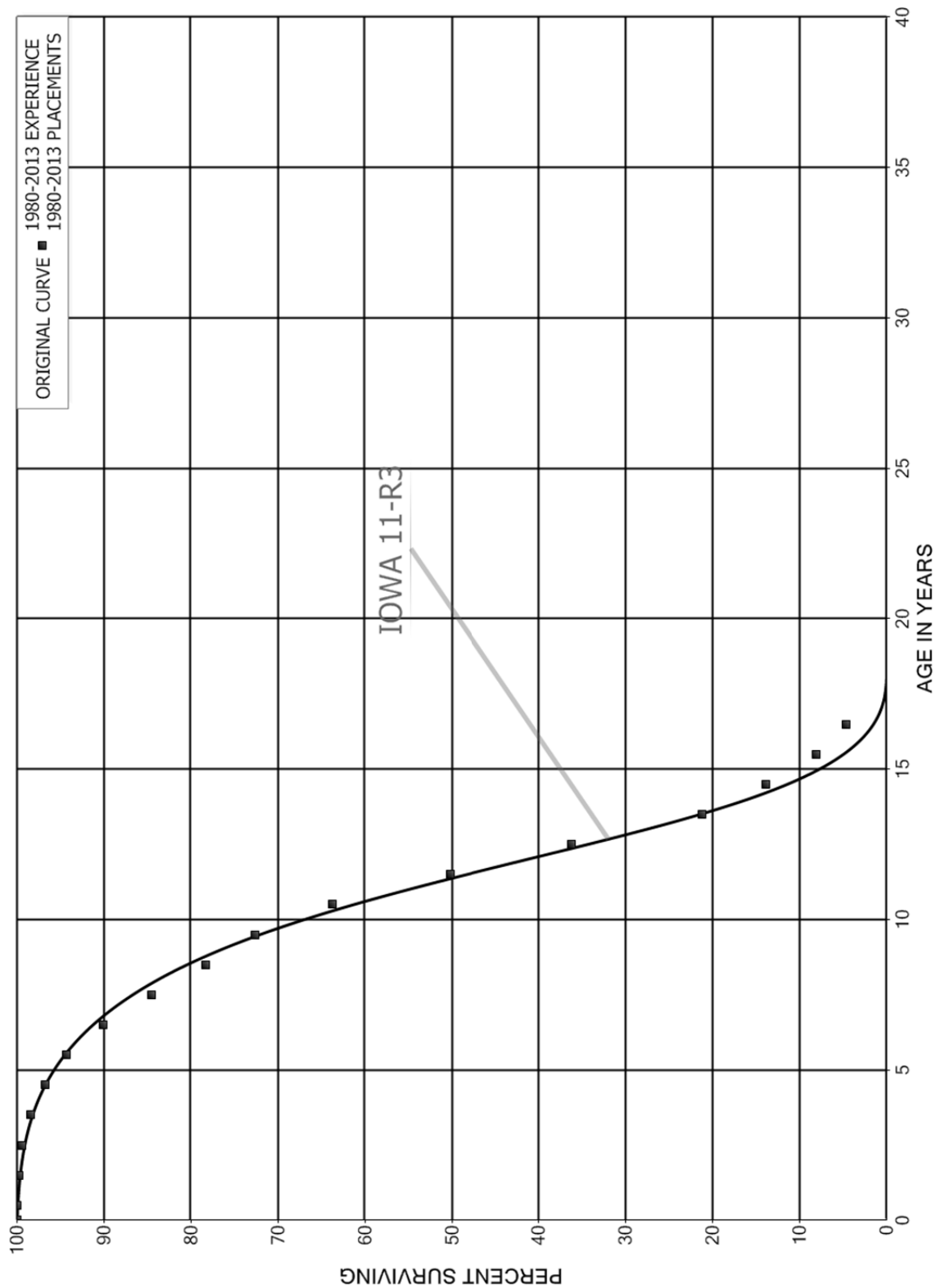
ORIGINAL LIFE TABLE

PLACEMENT BAND 1990-2013

EXPERIENCE BAND 1990-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	19,295,394		0.0000	1.0000	100.00
0.5	18,128,703	147,177	0.0081	0.9919	100.00
1.5	17,513,217	206,596	0.0118	0.9882	99.19
2.5	16,925,742	586,965	0.0347	0.9653	98.02
3.5	15,786,874	756,005	0.0479	0.9521	94.62
4.5	13,940,511	2,692,967	0.1932	0.8068	90.09
5.5	10,008,675	5,015,013	0.5011	0.4989	72.69
6.5	4,573,831	2,698,835	0.5901	0.4099	36.26
7.5	1,581,864	941,792	0.5954	0.4046	14.87
8.5	402,055	270,451	0.6727	0.3273	6.02
9.5	19,550	19,546	0.9998	0.0002	1.97
10.5	3	3	0.9564	0.0436	0.00
11.5	0		0.0000	1.0000	0.00
12.5					0.00

NEWFOUNDLAND POWER INC.
 ACCOUNTS 378.30 & 378.40 - TRANSPORTATION - TRUCKS WITH DERRICKS AND LINE AND STAKE BODIES
 ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNTS 378.30 & 378.40 - TRANSPORTATION - TRUCKS WITH DERRICKS AND LINE AND
STAKE BODIES

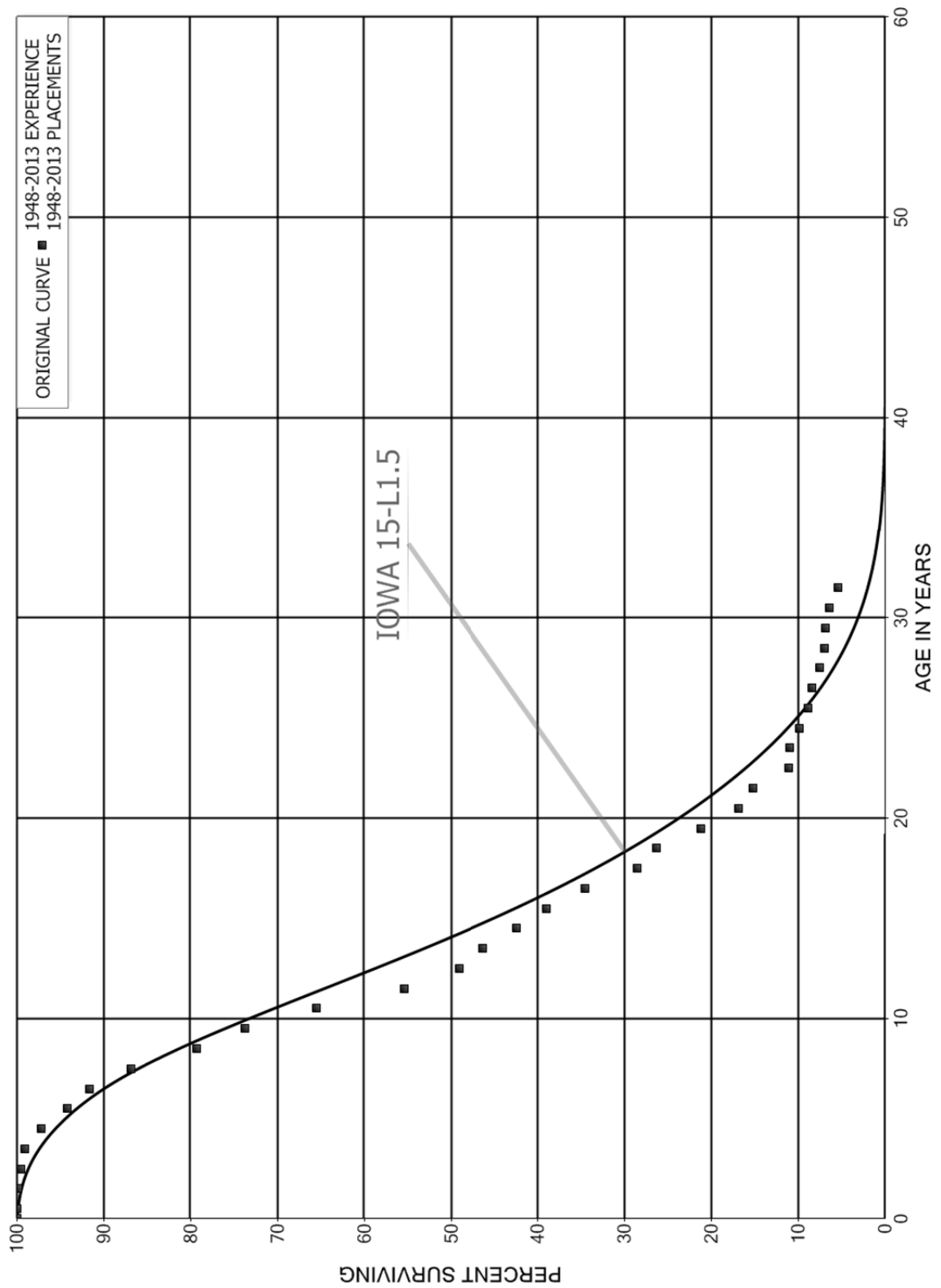
ORIGINAL LIFE TABLE

PLACEMENT BAND 1980-2013

EXPERIENCE BAND 1980-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	43,666,465		0.0000	1.0000	100.00
0.5	41,264,568	118,779	0.0029	0.9971	100.00
1.5	39,850,384	141,377	0.0035	0.9965	99.71
2.5	37,167,546	357,566	0.0096	0.9904	99.36
3.5	34,960,998	613,088	0.0175	0.9825	98.40
4.5	33,374,973	815,349	0.0244	0.9756	96.68
5.5	31,736,362	1,429,793	0.0451	0.9549	94.32
6.5	28,831,012	1,765,046	0.0612	0.9388	90.07
7.5	25,308,724	1,879,119	0.0742	0.9258	84.55
8.5	22,371,596	1,631,180	0.0729	0.9271	78.27
9.5	19,054,235	2,324,787	0.1220	0.8780	72.57
10.5	14,219,879	3,010,044	0.2117	0.7883	63.71
11.5	11,034,170	3,078,944	0.2790	0.7210	50.23
12.5	7,353,236	3,055,785	0.4156	0.5844	36.21
13.5	3,970,451	1,382,164	0.3481	0.6519	21.16
14.5	2,468,960	1,033,914	0.4188	0.5812	13.80
15.5	1,333,155	570,272	0.4278	0.5722	8.02
16.5	762,890	297,204	0.3896	0.6104	4.59
17.5	423,688	233,123	0.5502	0.4498	2.80
18.5	207,183	23,975	0.1157	0.8843	1.26
19.5	183,208	124,571	0.6799	0.3201	1.11
20.5	58,638	53,688	0.9156	0.0844	0.36
21.5	36,568	30,330	0.8294	0.1706	0.03
22.5	6,238		0.0000	1.0000	0.01
23.5	6,238		0.0000	1.0000	0.01
24.5					0.01

NEWFOUNDLAND POWER INC.
ACCOUNT 378.50 - TRANSPORTATION - MISCELLANEOUS
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 378.50 - TRANSPORTATION - MISCELLANEOUS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1948-2013

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,457,248		0.0000	1.0000	100.00
0.5	4,302,488	8,107	0.0019	0.9981	100.00
1.5	4,185,716	11,896	0.0028	0.9972	99.81
2.5	4,173,820	17,907	0.0043	0.9957	99.53
3.5	4,144,848	79,965	0.0193	0.9807	99.10
4.5	3,922,617	123,083	0.0314	0.9686	97.19
5.5	3,537,281	94,772	0.0268	0.9732	94.14
6.5	3,450,565	181,171	0.0525	0.9475	91.62
7.5	3,151,410	274,379	0.0871	0.9129	86.81
8.5	2,742,737	191,105	0.0697	0.9303	79.25
9.5	2,406,081	269,671	0.1121	0.8879	73.73
10.5	2,115,738	324,825	0.1535	0.8465	65.46
11.5	1,787,719	206,576	0.1156	0.8844	55.41
12.5	1,564,448	86,681	0.0554	0.9446	49.01
13.5	1,470,306	125,463	0.0853	0.9147	46.29
14.5	1,347,829	107,864	0.0800	0.9200	42.34
15.5	1,237,230	140,808	0.1138	0.8862	38.96
16.5	1,097,907	191,075	0.1740	0.8260	34.52
17.5	907,671	71,470	0.0787	0.9213	28.51
18.5	814,102	159,411	0.1958	0.8042	26.27
19.5	603,914	122,380	0.2026	0.7974	21.13
20.5	475,452	46,304	0.0974	0.9026	16.84
21.5	424,689	114,786	0.2703	0.7297	15.20
22.5	305,427	5,250	0.0172	0.9828	11.09
23.5	302,588	28,876	0.0954	0.9046	10.90
24.5	271,318	28,491	0.1050	0.8950	9.86
25.5	239,490	11,503	0.0480	0.9520	8.83
26.5	227,987	25,463	0.1117	0.8883	8.40
27.5	201,924	13,020	0.0645	0.9355	7.46
28.5	188,904	3,545	0.0188	0.9812	6.98
29.5	185,359	12,233	0.0660	0.9340	6.85
30.5	173,126	26,019	0.1503	0.8497	6.40
31.5	147,108		0.0000	1.0000	5.44
32.5	147,108	332	0.0023	0.9977	5.44
33.5	146,526	47,995	0.3276	0.6724	5.43
34.5	89,286	8,706	0.0975	0.9025	3.65
35.5	80,580		0.0000	1.0000	3.29
36.5	80,580	4,181	0.0519	0.9481	3.29
37.5	76,400	15,153	0.1983	0.8017	3.12
38.5	43,922	0	0.0000	1.0000	2.50

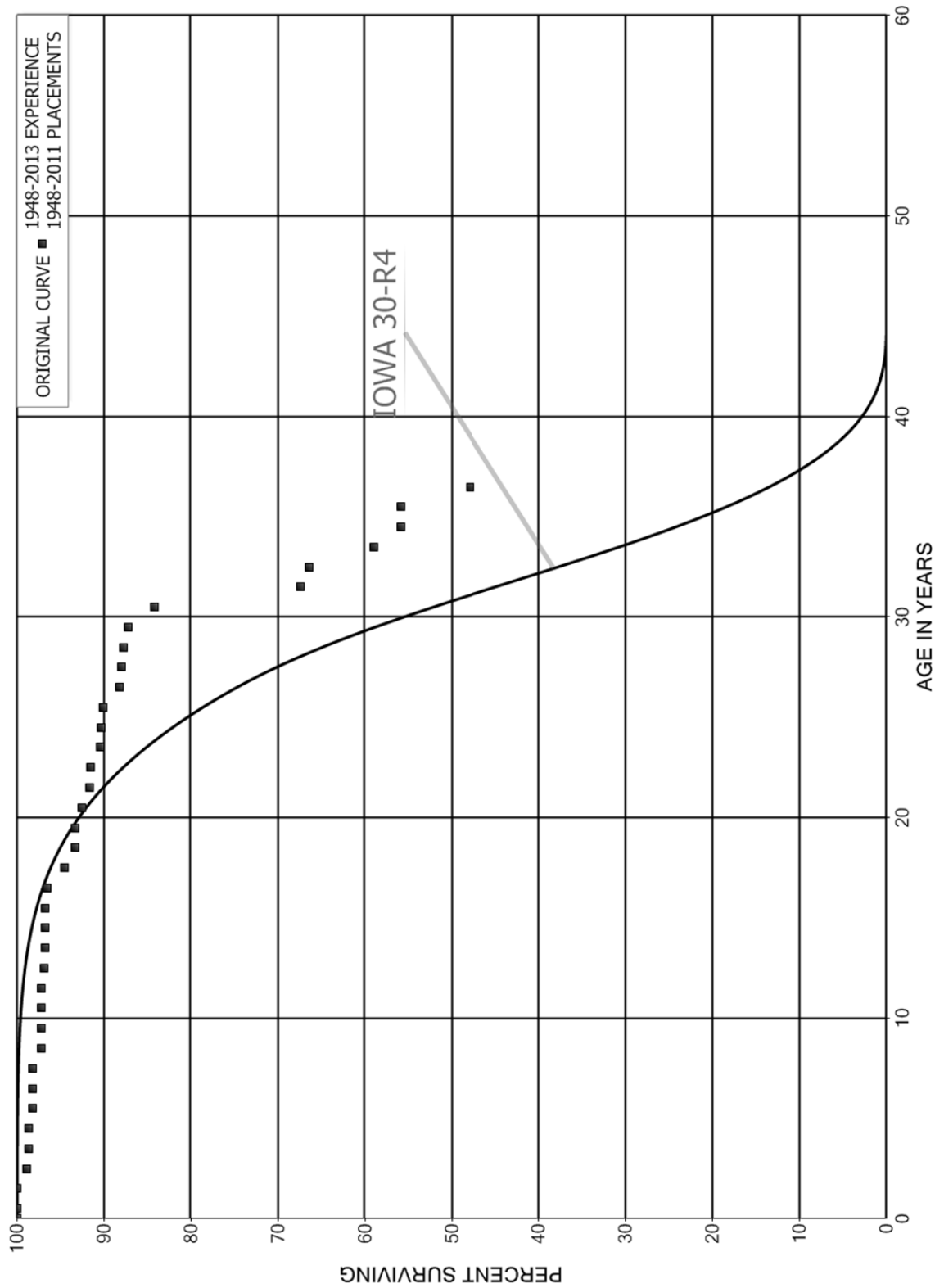
NEWFOUNDLAND POWER INC.

ACCOUNT 378.50 - TRANSPORTATION - MISCELLANEOUS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1948-2013			EXPERIENCE BAND 1948-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	43,921		0.0000	1.0000	2.50
40.5	43,921		0.0000	1.0000	2.50
41.5	43,921		0.0000	1.0000	2.50
42.5	43,921	39,739	0.9048	0.0952	2.50
43.5	4,183		0.0000	1.0000	0.24
44.5	4,183	0	0.0001	0.9999	0.24
45.5	4,182		0.0000	1.0000	0.24
46.5	4,182	4,182	1.0000		0.24
47.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 382.00 - RADIO SITES
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 382.00 - RADIO SITES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1948-2011

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	615,904		0.0000	1.0000	100.00
0.5	615,682		0.0000	1.0000	100.00
1.5	615,682	7,217	0.0117	0.9883	100.00
2.5	605,686	1,239	0.0020	0.9980	98.83
3.5	577,012		0.0000	1.0000	98.63
4.5	593,132	2,815	0.0047	0.9953	98.63
5.5	590,317		0.0000	1.0000	98.16
6.5	591,282		0.0000	1.0000	98.16
7.5	617,342	6,302	0.0102	0.9898	98.16
8.5	611,932	93	0.0002	0.9998	97.16
9.5	613,999		0.0000	1.0000	97.14
10.5	614,209		0.0000	1.0000	97.14
11.5	614,209	1,612	0.0026	0.9974	97.14
12.5	610,728	1,250	0.0020	0.9980	96.89
13.5	601,715		0.0000	1.0000	96.69
14.5	601,715	91	0.0002	0.9998	96.69
15.5	603,002	1,000	0.0017	0.9983	96.67
16.5	602,002	12,627	0.0210	0.9790	96.51
17.5	589,375	7,349	0.0125	0.9875	94.49
18.5	583,724	352	0.0006	0.9994	93.31
19.5	583,372	4,564	0.0078	0.9922	93.25
20.5	576,743	5,804	0.0101	0.9899	92.52
21.5	569,974	612	0.0011	0.9989	91.59
22.5	569,362	7,087	0.0124	0.9876	91.49
23.5	562,275	500	0.0009	0.9991	90.36
24.5	561,775	1,098	0.0020	0.9980	90.28
25.5	543,013	11,276	0.0208	0.9792	90.10
26.5	531,737	1,469	0.0028	0.9972	88.23
27.5	458,809	1,625	0.0035	0.9965	87.98
28.5	317,000	1,648	0.0052	0.9948	87.67
29.5	254,550	8,941	0.0351	0.9649	87.22
30.5	126,118	25,146	0.1994	0.8006	84.15
31.5	97,272	1,341	0.0138	0.9862	67.37
32.5	95,931	10,797	0.1125	0.8875	66.45
33.5	85,134	4,536	0.0533	0.9467	58.97
34.5	80,598		0.0000	1.0000	55.83
35.5	80,598	11,592	0.1438	0.8562	55.83
36.5	21,075	4,840	0.2297	0.7703	47.80
37.5	16,235		0.0000	1.0000	36.82
38.5	10,099	1,183	0.1171	0.8829	36.82

NEWFOUNDLAND POWER INC.

ACCOUNT 382.00 - RADIO SITES

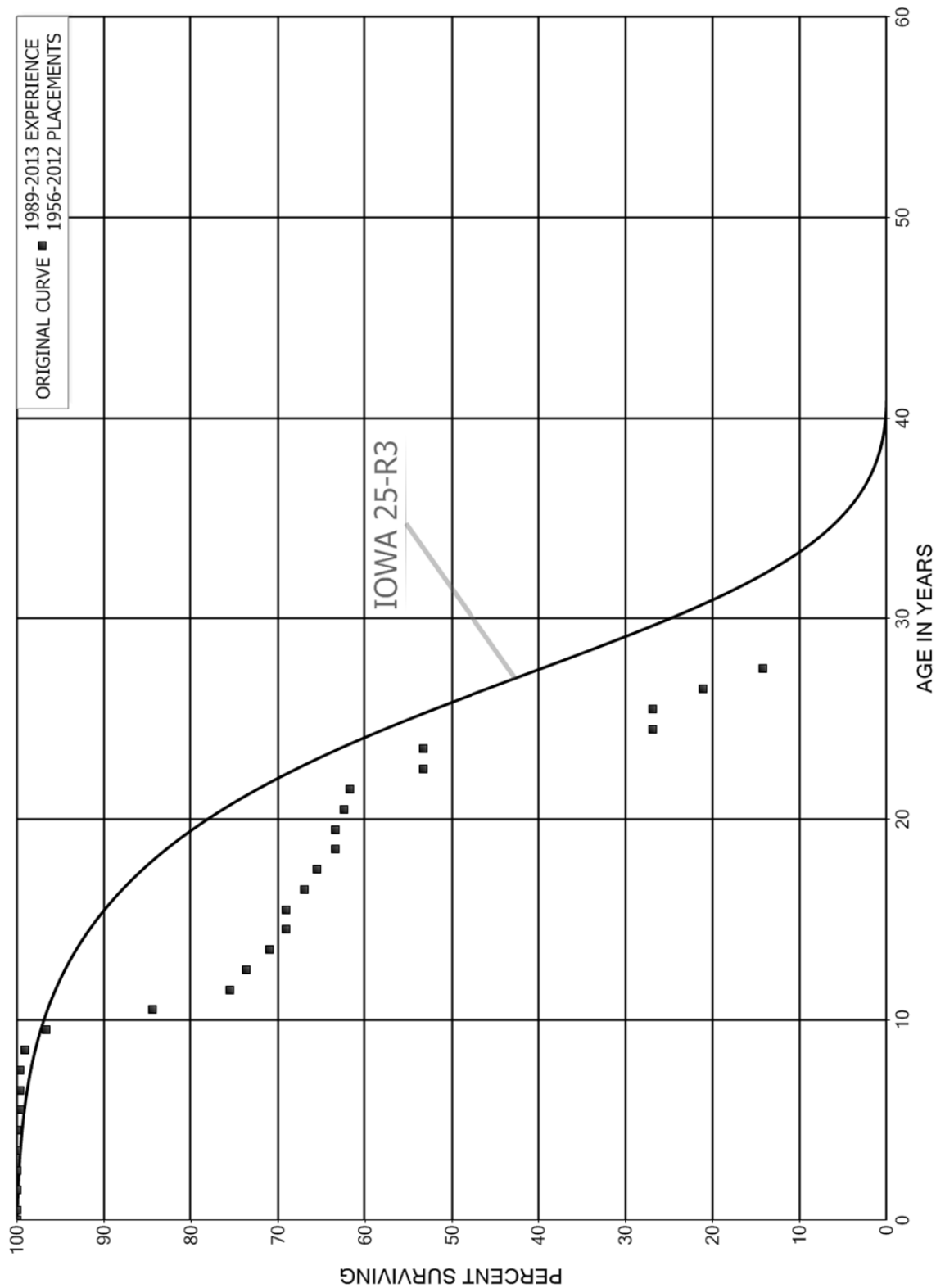
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1948-2011

EXPERIENCE BAND 1948-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,916	210	0.0236	0.9764	32.51
40.5	8,706		0.0000	1.0000	31.74
41.5	8,706		0.0000	1.0000	31.74
42.5	8,706	3,945	0.4531	0.5469	31.74
43.5	4,761		0.0000	1.0000	17.36
44.5	4,761	195	0.0410	0.9590	17.36
45.5	4,566		0.0000	1.0000	16.65
46.5	3,097		0.0000	1.0000	16.65
47.5					16.65

NEWFOUNDLAND POWER INC.
ACCOUNT 384.00 - COMMUNICATIONS - CABLES AND PROTECTION
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 384.00 - COMMUNICATIONS - CABLES AND PROTECTION

ORIGINAL LIFE TABLE

PLACEMENT BAND 1956-2012

EXPERIENCE BAND 1989-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,514,025		0.0000	1.0000	100.00
0.5	3,544,100		0.0000	1.0000	100.00
1.5	3,505,982		0.0000	1.0000	100.00
2.5	3,463,088	775	0.0002	0.9998	100.00
3.5	3,534,898		0.0000	1.0000	99.98
4.5	3,182,124	11,537	0.0036	0.9964	99.98
5.5	2,978,406		0.0000	1.0000	99.62
6.5	2,968,166		0.0000	1.0000	99.62
7.5	3,088,760	16,593	0.0054	0.9946	99.62
8.5	3,003,691	75,717	0.0252	0.9748	99.08
9.5	3,019,716	380,346	0.1260	0.8740	96.58
10.5	2,418,196	254,491	0.1052	0.8948	84.42
11.5	2,023,726	50,329	0.0249	0.9751	75.53
12.5	1,740,774	63,643	0.0366	0.9634	73.65
13.5	1,513,376	39,546	0.0261	0.9739	70.96
14.5	1,449,602		0.0000	1.0000	69.11
15.5	1,245,479	39,444	0.0317	0.9683	69.11
16.5	1,212,509	25,283	0.0209	0.9791	66.92
17.5	1,217,658	40,384	0.0332	0.9668	65.52
18.5	1,177,274		0.0000	1.0000	63.35
19.5	1,177,274	16,915	0.0144	0.9856	63.35
20.5	1,177,809	13,491	0.0115	0.9885	62.44
21.5	1,164,319	158,975	0.1365	0.8635	61.73
22.5	512,760	0	0.0000	1.0000	53.30
23.5	305,260	151,259	0.4955	0.5045	53.30
24.5	154,001		0.0000	1.0000	26.89
25.5	156,689	33,788	0.2156	0.7844	26.89
26.5	122,901	39,978	0.3253	0.6747	21.09
27.5	82,923		0.0000	1.0000	14.23
28.5	72,994	17,450	0.2391	0.7609	14.23
29.5	56,393	36,861	0.6536	0.3464	10.83
30.5	19,533	39	0.0020	0.9980	3.75
31.5	19,494	11,434	0.5865	0.4135	3.74
32.5	16,793	379	0.0226	0.9774	1.55
33.5	16,939	7,211	0.4257	0.5743	1.51
34.5	9,728		0.0000	1.0000	0.87
35.5	9,728		0.0000	1.0000	0.87
36.5	9,728		0.0000	1.0000	0.87
37.5	9,728	849	0.0873	0.9127	0.87
38.5	8,879		0.0000	1.0000	0.79

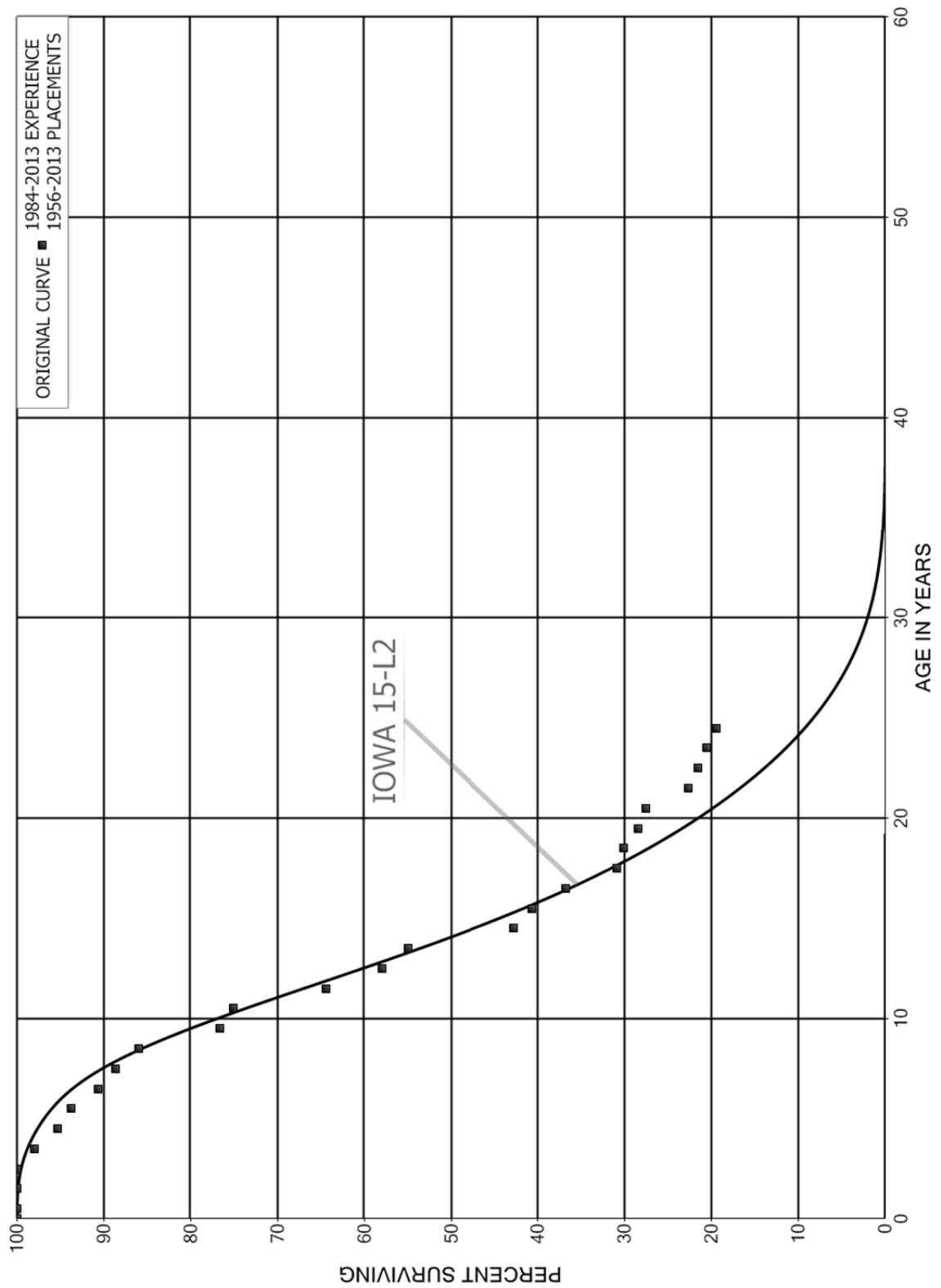
NEWFOUNDLAND POWER INC.

ACCOUNT 384.00 - COMMUNICATIONS - CABLES AND PROTECTION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1956-2012			EXPERIENCE BAND 1989-2013		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,879		0.0000	1.0000	0.79
40.5	8,879	7,262	0.8179	0.1821	0.79
41.5	1,617	525	0.3247	0.6753	0.14
42.5	1,092		0.0000	1.0000	0.10
43.5	1,092		0.0000	1.0000	0.10
44.5	1,092	1,092	1.0000		0.10
45.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 386.00 - COMMUNICATIONS - SCADA EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 386.00 - COMMUNICATIONS - SCADA EQUIPMENT

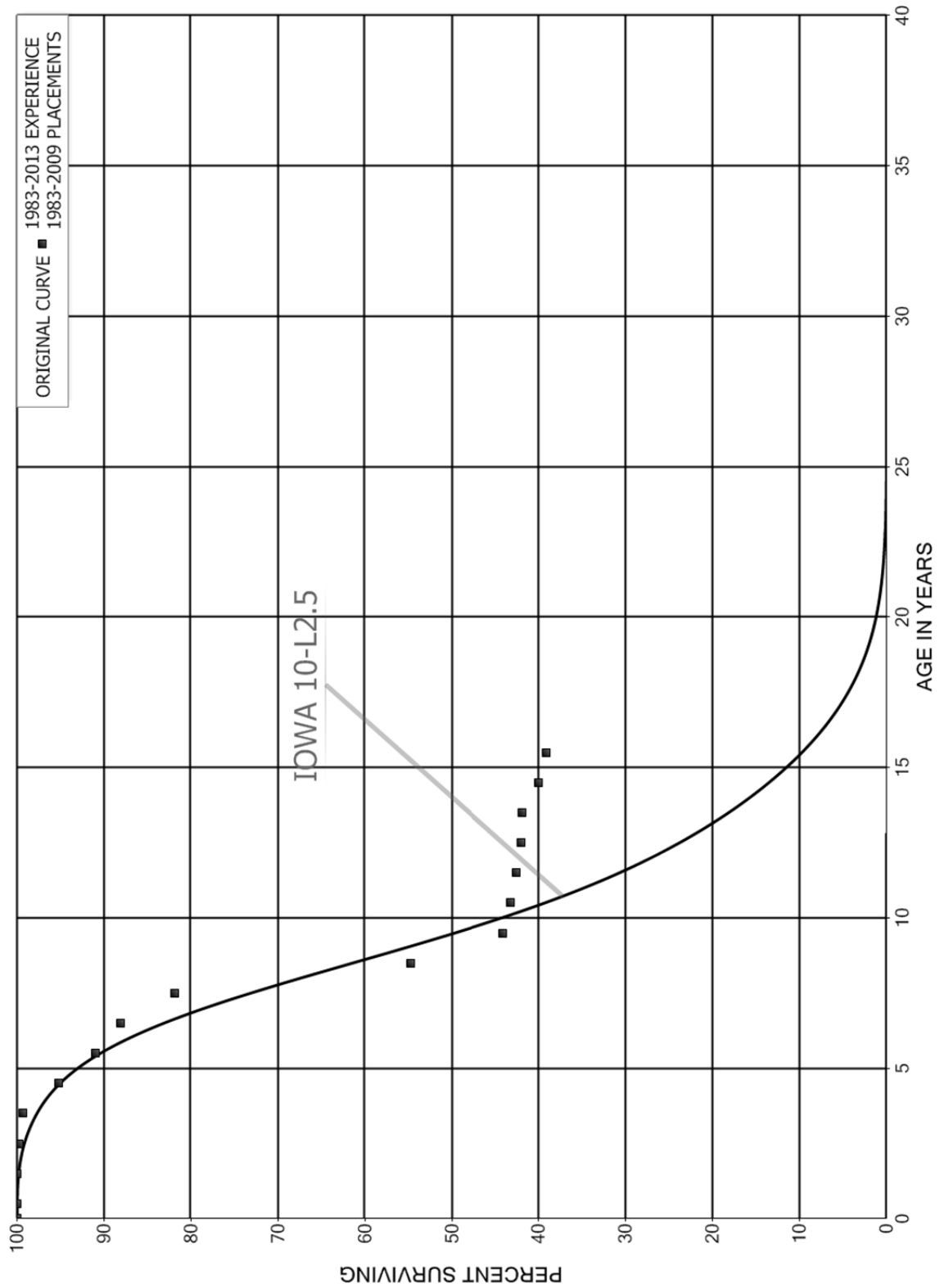
ORIGINAL LIFE TABLE

PLACEMENT BAND 1956-2013

EXPERIENCE BAND 1984-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,881,424		0.0000	1.0000	100.00
0.5	12,574,653		0.0000	1.0000	100.00
1.5	12,698,441	1,140	0.0001	0.9999	100.00
2.5	12,685,734	263,736	0.0208	0.9792	99.99
3.5	13,317,372	351,497	0.0264	0.9736	97.91
4.5	13,245,252	223,214	0.0169	0.9831	95.33
5.5	12,705,552	413,854	0.0326	0.9674	93.72
6.5	12,005,103	265,346	0.0221	0.9779	90.67
7.5	11,840,468	368,048	0.0311	0.9689	88.66
8.5	11,251,585	1,213,663	0.1079	0.8921	85.91
9.5	9,932,512	206,559	0.0208	0.9792	76.64
10.5	10,080,271	1,429,848	0.1418	0.8582	75.05
11.5	8,512,409	849,684	0.0998	0.9002	64.40
12.5	7,216,318	380,875	0.0528	0.9472	57.97
13.5	5,615,024	1,244,305	0.2216	0.7784	54.91
14.5	4,225,403	205,954	0.0487	0.9513	42.75
15.5	4,096,880	397,422	0.0970	0.9030	40.66
16.5	3,293,895	523,773	0.1590	0.8410	36.72
17.5	2,791,967	69,587	0.0249	0.9751	30.88
18.5	3,025,192	172,809	0.0571	0.9429	30.11
19.5	2,543,135	83,849	0.0330	0.9670	28.39
20.5	2,455,220	432,609	0.1762	0.8238	27.45
21.5	1,928,048	95,309	0.0494	0.9506	22.62
22.5	1,674,366	80,957	0.0484	0.9516	21.50
23.5	1,652,690	89,311	0.0540	0.9460	20.46
24.5	1,263,324	76,095	0.0602	0.9398	19.35
25.5	1,180,143	130,181	0.1103	0.8897	18.19
26.5	988,801	40,288	0.0407	0.9593	16.18
27.5	625,280	6,993	0.0112	0.9888	15.52
28.5	589,811	7,104	0.0120	0.9880	15.35
29.5	382,269		0.0000	1.0000	15.16
30.5	31,819		0.0000	1.0000	15.16
31.5	31,819	7,382	0.2320	0.7680	15.16
32.5	15,080		0.0000	1.0000	11.65
33.5	8,937		0.0000	1.0000	11.65
34.5	8,937	2,335	0.2613	0.7387	11.65
35.5	6,602		0.0000	1.0000	8.60
36.5	6,602	624	0.0945	0.9055	8.60
37.5	5,978	514	0.0860	0.9140	7.79
38.5	5,464		0.0000	1.0000	7.12
39.5					7.12

NEWFOUNDLAND POWER INC.
ACCOUNT 389.10 - TELEPHONE EQUIPMENT - TELEPHONE AND DATA COLLECTION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



NEWFOUNDLAND POWER INC.

ACCOUNT 389.10 - TELEPHONE EQUIPMENT - TELEPHONE AND DATA COLLECTION
EQUIPMENT

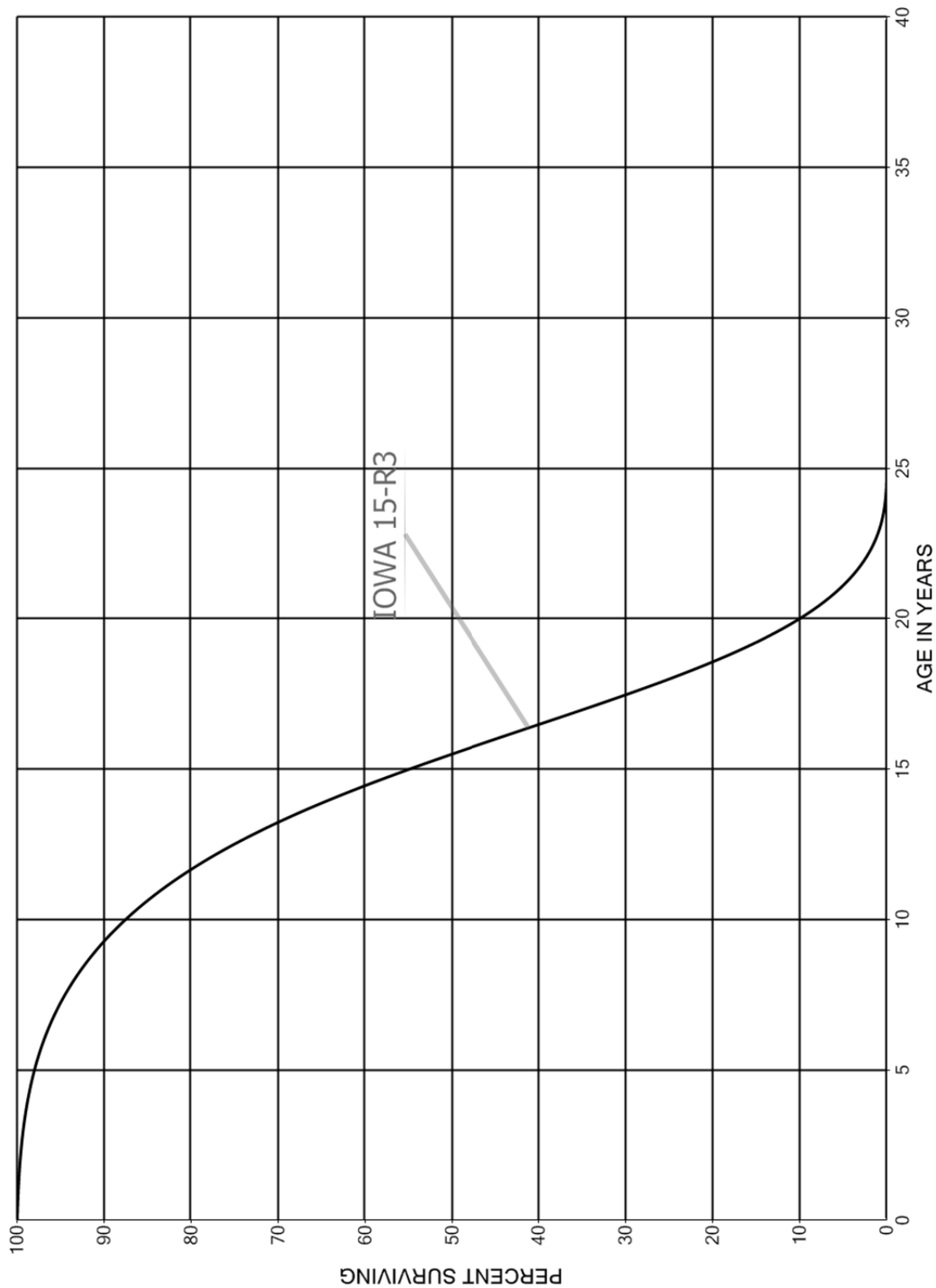
ORIGINAL LIFE TABLE

PLACEMENT BAND 1983-2009

EXPERIENCE BAND 1983-2013

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,445,462		0.0000	1.0000	100.00
0.5	2,445,462		0.0000	1.0000	100.00
1.5	2,981,945	7,202	0.0024	0.9976	100.00
2.5	3,015,791	13,912	0.0046	0.9954	99.76
3.5	2,946,952	122,064	0.0414	0.9586	99.30
4.5	2,811,000	126,640	0.0451	0.9549	95.19
5.5	2,659,313	84,353	0.0317	0.9683	90.90
6.5	2,574,960	181,941	0.0707	0.9293	88.01
7.5	2,208,345	729,893	0.3305	0.6695	81.79
8.5	1,473,774	288,069	0.1955	0.8045	54.76
9.5	1,185,705	22,828	0.0193	0.9807	44.06
10.5	1,192,905	19,866	0.0167	0.9833	43.21
11.5	1,173,039	16,086	0.0137	0.9863	42.49
12.5	1,156,953	2,741	0.0024	0.9976	41.91
13.5	1,130,789	49,533	0.0438	0.9562	41.81
14.5	1,049,658	22,735	0.0217	0.9783	39.98
15.5	234,933	29,737	0.1266	0.8734	39.11
16.5	187,761	29,188	0.1555	0.8445	34.16
17.5	36,591	0	0.0000	1.0000	28.85
18.5	36,591	5,258	0.1437	0.8563	28.85
19.5	26,592	15,004	0.5642	0.4358	24.70
20.5	11,588		0.0000	1.0000	10.77
21.5	11,588	11,587	0.9999	0.0001	10.77
22.5	1	1	1.0000		0.00
23.5					

NEWFOUNDLAND POWER INC.
ACCOUNT 391.00 - COMMUNICATIONS - TEST EQUIPMENT
SMOOTH SURVIVOR CURVE



APPENDIX B. NET SALVAGE STATISTICS

NEWFOUNDLAND POWER INC.

HYDRO PRODUCTION PLANT - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	13,026	4,263	33		0		0	4,263-	33-
1977	93,651	5,340	6		0	6,172	7	832	1
1978	153,825	11,880	8		0	1,383	1	10,497-	7-
1979	217,689	42,834	20		0		0	42,834-	20-
1980	58,096	7,434	13		0		0	7,434-	13-
1981	176,662	15,829	9		0	5,000	3	10,829-	6-
1982	112,902	13,606	12		0	291	0	13,315-	12-
1983	622,353	62,201	10		0	706	0	61,495-	10-
1984	214,685	7,248	3		0	2,448	1	4,800-	2-
1985	326,146	40,098	12		0	19,936	6	20,162-	6-
1986	213,292	40,731	19		0	37,679	18	3,052-	1-
1987	418,535	84,545	20		0	229	0	84,316-	20-
1988	122,353	25,334	21		0	83,754	68	58,420	48
1989	374,685	43,992	12		0	8-	0	44,000-	12-
1990	458,300	68,601	15		0	525	0	68,076-	15-
1991	191,896	50,886	27		0		0	50,886-	27-
1992	245,358	14,431	6		0	54,166	22	39,735	16
1993	72,070	19,768	27	3,863-	5-		0	23,631-	33-
1994	181,301	41,612	23		0	182,450	101	140,838	78
1995	406,346	70,341	17		0		0	70,341-	17-
1996	180,927	37,327	21		0		0	37,327-	21-
1997	556,891	27,502	5		0		0	27,502-	5-
1998	275,574	84,467	31		0		0	84,467-	31-
1999	778,325	270,332	35		0		0	270,332-	35-
2000	840,111	325,162	39		0		0	325,162-	39-
2001	513,250	278,683	54		0		0	278,683-	54-
2002	802,570	174,472	22		0	2,058	0	172,414-	21-
2003	443,979	80,275	18		0		0	80,275-	18-
2004	1,219,396	239,492	20		0		0	239,492-	20-
2005	282,005	107,792	38		0		0	107,792-	38-
2006	742,973	308,439	42		0		0	308,439-	42-
2007	1,280,921	605,551	47		0		0	605,551-	47-
2008	707,755	281,060	40		0		0	281,060-	40-
2009	836,483	518,819	62		0		0	518,819-	62-
2010	618,636	465,897	75		0		0	465,897-	75-
2011	959,332	340,172	35		0		0	340,172-	35-
2012	680,156	368,296	54		0	3,162	0	365,134-	54-
2013	316,073	432,934	137		0	6,853	2	426,081-	135-
TOTAL	16,708,529	5,617,646	34	3,863-	0	406,804	2	5,214,705-	31-

NEWFOUNDLAND POWER INC.

HYDRO PRODUCTION PLANT - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	86,834	7,161	8		0	2,518	3	4,643-	5-
77-79	155,055	20,018	13		0	2,518	2	17,500-	11-
78-80	143,203	20,716	14		0	461	0	20,255-	14-
79-81	150,816	22,032	15		0	1,667	1	20,366-	14-
80-82	115,887	12,290	11		0	1,764	2	10,526-	9-
81-83	303,972	30,545	10		0	1,999	1	28,546-	9-
82-84	316,647	27,685	9		0	1,148	0	26,537-	8-
83-85	387,728	36,516	9		0	7,697	2	28,819-	7-
84-86	251,374	29,359	12		0	20,021	8	9,338-	4-
85-87	319,324	55,125	17		0	19,281	6	35,843-	11-
86-88	251,393	50,203	20		0	40,554	16	9,649-	4-
87-89	305,191	51,290	17		0	27,992	9	23,299-	8-
88-90	318,446	45,976	14		0	28,090	9	17,885-	6-
89-91	341,627	54,493	16		0	172	0	54,321-	16-
90-92	298,518	44,639	15		0	18,230	6	26,409-	9-
91-93	169,775	28,362	17	1,288-	1-	18,055	11	11,594-	7-
92-94	166,243	25,270	15	1,288-	1-	78,872	47	52,314	31
93-95	219,906	43,907	20	1,288-	1-	60,817	28	15,622	7
94-96	256,191	49,760	19		0	60,817	24	11,057	4
95-97	381,388	45,057	12		0		0	45,057-	12-
96-98	337,797	49,765	15		0		0	49,765-	15-
97-99	536,930	127,434	24		0		0	127,434-	24-
98-00	631,337	226,654	36		0		0	226,654-	36-
99-01	710,562	291,392	41		0		0	291,392-	41-
00-02	718,644	259,439	36		0	686	0	258,753-	36-
01-03	586,600	177,810	30		0	686	0	177,124-	30-
02-04	821,982	164,746	20		0	686	0	164,060-	20-
03-05	648,460	142,520	22		0		0	142,520-	22-
04-06	748,125	218,574	29		0		0	218,574-	29-
05-07	768,633	340,594	44		0		0	340,594-	44-
06-08	910,550	398,350	44		0		0	398,350-	44-
07-09	941,720	468,477	50		0		0	468,477-	50-
08-10	720,958	421,925	59		0		0	421,925-	59-
09-11	804,817	441,629	55		0		0	441,629-	55-
10-12	752,708	391,455	52		0	1,054	0	390,401-	52-
11-13	651,854	380,467	58		0	3,338	1	377,129-	58-
FIVE-YEAR AVERAGE									
09-13	682,136	425,224	62		0	2,003	0	423,221-	62-

NEWFOUNDLAND POWER INC.

OTHER PRODUCTION PLANT - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S R E U S E		S A L V A G E F I N A L		N E T S A L V A G E	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1977	14,090		0		0	1,545	11	1,545	11
1978	150		0		0		0		0
1979	333		0		0		0		0
1980									
1981									
1982	38,426	249	1		0		0	249-	1-
1983	27,838	871	3		0	1	0	870-	3-
1984	24,089	500	2		0	338	1	162-	1-
1985	13,345	426	3		0	324	2	102-	1-
1986	10,885	4,510	41		0		0	4,510-	41-
1987	136,510	21,638	16		0		0	21,638-	16-
1988	30,100	7,105	24		0		0	7,105-	24-
1989	3,747	108	3		0		0	108-	3-
1990	28,400	3,657	13		0		0	3,657-	13-
1991	40,689	601	1		0		0	601-	1-
1992	4,000		0		0		0		0
1993	93,144	29,147	31		0		0	29,147-	31-
1994	167,629	15,108	9		0		0	15,108-	9-
1995	44,946	54,018	120		0		0	54,018-	120-
1996	138,078	30,328	22		0		0	30,328-	22-
1997	45,630	12,706	28		0		0	12,706-	28-
1998	1,699,761	116,979	7	394	0		0	116,585-	7-
1999	185,402	275,360	149		0	18,400	10	256,960-	139-
2000	533,728	56,747	11		0		0	56,747-	11-
2001	18,145	20,026	110		0		0	20,026-	110-
2002	261,391	118,715	45		0		0	118,715-	45-
2003	783,624	70,120	9		0	83,609-	11-	153,729-	20-
2004	118,794	21,602	18		0	13,996	12	7,606-	6-
2005	1,663,002	130,859	8		0	423,735	25	292,876	18
2006	26,302	6,858	26		0		0	6,858-	26-
2007	5,636	2,429	43		0		0	2,429-	43-
2008	1,500	3,769	251		0		0	3,769-	251-
2009	42,385	11,377	27		0		0	11,377-	27-
2010	3,000	20,128	671		0		0	20,128-	671-
2011	15,851	25,493	161		0		0	25,493-	161-
2012	114,494	1,118	1		0		0	1,118-	1-
2013	52,473	19,421	37		0		0	19,421-	37-
TOTAL	6,387,517	1,081,973	17	394	0	374,730	6	706,849-	11-

NEWFOUNDLAND POWER INC.

OTHER PRODUCTION PLANT - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	PCT	S A L V A G E FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
77-79	4,858		0		0	515	11	515	11
78-80	161		0		0		0		0
79-81	111		0		0		0		0
80-82	12,809	83	1		0		0	83-	1-
81-83	22,088	373	2		0		0	373-	2-
82-84	30,118	540	2		0	113	0	427-	1-
83-85	21,757	599	3		0	221	1	378-	2-
84-86	16,106	1,812	11		0	221	1	1,591-	10-
85-87	53,580	8,858	17		0	108	0	8,750-	16-
86-88	59,165	11,084	19		0		0	11,084-	19-
87-89	56,786	9,617	17		0		0	9,617-	17-
88-90	20,749	3,623	17		0		0	3,623-	17-
89-91	24,279	1,455	6		0		0	1,455-	6-
90-92	24,363	1,419	6		0		0	1,419-	6-
91-93	45,944	9,916	22		0		0	9,916-	22-
92-94	88,258	14,752	17		0		0	14,752-	17-
93-95	101,906	32,758	32		0		0	32,758-	32-
94-96	116,884	33,151	28		0		0	33,151-	28-
95-97	76,218	32,351	42		0		0	32,351-	42-
96-98	627,823	53,338	8	131	0		0	53,206-	8-
97-99	643,598	135,015	21	131	0	6,133	1	128,750-	20-
98-00	806,297	149,695	19	131	0	6,133	1	143,431-	18-
99-01	245,758	117,378	48		0	6,133	2	111,244-	45-
00-02	271,088	65,163	24		0		0	65,163-	24-
01-03	354,387	69,620	20		0	27,870-	8-	97,490-	28-
02-04	387,936	70,146	18		0	23,204-	6-	93,350-	24-
03-05	855,140	74,194	9		0	118,041	14	43,847	5
04-06	602,699	53,106	9		0	145,910	24	92,804	15
05-07	564,980	46,715	8		0	141,245	25	94,530	17
06-08	11,146	4,352	39		0		0	4,352-	39-
07-09	16,507	5,858	35		0		0	5,858-	35-
08-10	15,628	11,758	75		0		0	11,758-	75-
09-11	20,412	18,999	93		0		0	18,999-	93-
10-12	44,448	15,580	35		0		0	15,580-	35-
11-13	60,939	15,344	25		0		0	15,344-	25-

FIVE-YEAR AVERAGE

09-13	45,641	15,507	34		0		0	15,507-	34-
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NEWFOUNDLAND POWER INC.

SUBSTATIONS - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	209,702	4,114	2		0	6,253	3	2,139	1
1977	715,030	12,172	2		0	24,614	3	12,442	2
1978	324,510	21,609	7		0	84,012	26	62,403	19
1979	122,514	10,227	8		0	17,454	14	7,227	6
1980	108,065	2,436	2		0	45,517	42	43,081	40
1981	238,697	147,479	62		0	61,857	26	85,622-	36-
1982	129,423	3,099	2		0	7,165	6	4,066	3
1983	122,630	11,041	9		0	15,891	13	4,850	4
1984	175,717	13,590	8		0	13,396	8	194-	0
1985	406,932	18,807	5		0	8,078	2	10,729-	3-
1986	192,045	12,595	7		0	6,350	3	6,245-	3-
1987	321,499	27,183	8		0	7,263	2	19,920-	6-
1988	293,006	44,292	15		0	34,462	12	9,830-	3-
1989	171,633	51,567	30		0	7,769-	5-	59,336-	35-
1990	439,514	61,127	14		0	25,181	6	35,946-	8-
1991	256,468	39,146	15	23,514	9		0	15,632-	6-
1992	490,044	36,153	7	2,086	0		0	34,067-	7-
1993	124,896	37,515	30	3,426	3		0	34,089-	27-
1994	457,823	83,034	18		0	101,855	22	18,821	4
1995	220,360	47,975	22	101,135	46		0	53,160	24
1996	408,816	63,917	16	10,702	3		0	53,215-	13-
1997	462,017	73,776	16	18,898	4		0	54,878-	12-
1998	453,867	57,107	13		0	17,258	4	39,849-	9-
1999	1,100,914	253,110	23	13,300	1		0	239,810-	22-
2000	491,183	186,825	38	25,556	5		0	161,269-	33-
2001	626,831	110,079	18	754	0		0	109,325-	17-
2002	1,908,272	88,133	5		0	2,773	0	85,360-	4-
2003	526,793	113,166	21		0	515,590	98	402,424	76
2004	805,114	434,013	54		0		0	434,013-	54-
2005	1,188,785	386,434	33		0	1,270	0	385,164-	32-
2006	991,971	459,498	46		0	65,682	7	393,816-	40-
2007	435,242	749,064	172		0	44,634	10	704,430-	162-
2008	980,741	656,368	67		0	2,932	0	653,436-	67-
2009	1,335,355	926,102	69		0		0	926,102-	69-
2010	2,023,371	872,190	43		0		0	872,190-	43-
2011	1,817,358	1,034,788	57		0		0	1,034,788-	57-
2012	2,340,010	1,096,492	47		0		0	1,096,492-	47-
2013	2,613,572	1,342,356	51		0		0	1,342,356-	51-
TOTAL	26,030,722	9,588,579	37	199,371	1	1,101,718	4	8,287,490-	32-

NEWFOUNDLAND POWER INC.

SUBSTATIONS - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	416,414	12,632	3		0	38,293	9	25,661	6
77-79	387,351	14,669	4		0	42,027	11	27,357	7
78-80	185,030	11,424	6		0	48,994	26	37,570	20
79-81	156,425	53,381	34		0	41,609	27	11,771-	8-
80-82	158,728	51,005	32		0	38,180	24	12,825-	8-
81-83	163,583	53,873	33		0	28,304	17	25,569-	16-
82-84	142,590	9,243	6		0	12,151	9	2,907	2
83-85	235,093	14,479	6		0	12,455	5	2,024-	1-
84-86	258,231	14,997	6		0	9,275	4	5,723-	2-
85-87	306,825	19,528	6		0	7,230	2	12,298-	4-
86-88	268,850	28,023	10		0	16,025	6	11,998-	4-
87-89	262,046	41,014	16		0	11,319	4	29,695-	11-
88-90	301,384	52,329	17		0	17,291	6	35,037-	12-
89-91	289,205	50,613	18	7,838	3	5,804	2	36,971-	13-
90-92	395,342	45,475	12	8,533	2	8,394	2	28,548-	7-
91-93	290,469	37,605	13	9,675	3		0	27,929-	10-
92-94	357,588	52,234	15	1,837	1	33,952	9	16,445-	5-
93-95	267,693	56,175	21	34,854	13	33,952	13	12,631	5
94-96	362,333	64,975	18	37,279	10	33,952	9	6,255	2
95-97	363,731	61,889	17	43,578	12		0	18,311-	5-
96-98	441,567	64,933	15	9,867	2	5,753	1	49,314-	11-
97-99	672,266	127,998	19	10,733	2	5,753	1	111,512-	17-
98-00	681,988	165,681	24	12,952	2	5,753	1	146,976-	22-
99-01	739,643	183,338	25	13,203	2		0	170,135-	23-
00-02	1,008,762	128,346	13	8,770	1	924	0	118,651-	12-
01-03	1,020,632	103,793	10	251	0	172,788	17	69,246	7
02-04	1,080,060	211,771	20		0	172,788	16	38,983-	4-
03-05	840,231	311,204	37		0	172,287	21	138,918-	17-
04-06	995,290	426,648	43		0	22,317	2	404,331-	41-
05-07	871,999	531,665	61		0	37,195	4	494,470-	57-
06-08	802,651	621,643	77		0	37,749	5	583,894-	73-
07-09	917,113	777,178	85		0	15,855	2	761,323-	83-
08-10	1,446,489	818,220	57		0	977	0	817,243-	56-
09-11	1,725,362	944,360	55		0		0	944,360-	55-
10-12	2,060,246	1,001,157	49		0		0	1,001,157-	49-
11-13	2,256,980	1,157,879	51		0		0	1,157,879-	51-
FIVE-YEAR AVERAGE									
09-13	2,025,933	1,054,386	52		0		0	1,054,386-	52-

NEWFOUNDLAND POWER INC.

TRANSMISSION - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	74,518	27,005	36		0	22,953	31	4,052-	5-
1977	170,350	89,070	52		0	103,137	61	14,067	8
1978	166,933	20,255	12		0	26,050	16	5,795	3
1979	53,320	9,423	18		0	27,253	51	17,830	33
1980	192,641	14,937	8		0	29,762	15	14,825	8
1981	443,094	18,798	4		0	16,820	4	1,978-	0
1982	533,077	23,296	4		0	68,325	13	45,029	8
1983	26,333	8,388	32		0	8,175	31	213-	1-
1984	152,266	24,524	16		0	8,112	5	16,412-	11-
1985	780,922	16,683	2		0	15,442	2	1,241-	0
1986	68,915	19,596	28		0	19,343	28	253-	0
1987	393,705	43,333	11		0	18,684	5	24,649-	6-
1988	103,626	145,293	140		0	235,666	227	90,373	87
1989	215,507	112,599	52		0	48,771	23	63,828-	30-
1990	271,586	145,621	54		0	11,387	4	134,234-	49-
1991	340,676	103,835	30	16,558	5		0	87,277-	26-
1992	531,746	192,372	36	91,746	17		0	100,626-	19-
1993	245,646	77,899	32	51,560	21		0	26,339-	11-
1994	187,115	210,310	112	140,666	75		0	69,644-	37-
1995	243,439	126,204	52	72,160	30		0	54,044-	22-
1996	213,953	140,234	66	23,602	11		0	116,632-	55-
1997	189,030	152,957	81	4,219	2		0	148,738-	79-
1998	547,844	191,336	35	21,566	4		0	169,770-	31-
1999	316,943	163,447	52	16,998	5	107	0	146,342-	46-
2000	188,434	135,200	72	27,175	14		0	108,025-	57-
2001	340,710	361,072	106		0	2,224	1	358,848-	105-
2002	484,166	274,226	57		0	52,038	11	222,188-	46-
2003	1,658,925	286,028	17	94,658	6		0	191,370-	12-
2004	642,536	257,876	40		0		0	257,876-	40-
2005	500,799	312,005	62		0		0	312,005-	62-
2006	853,649	686,175	80		0	31,240	4	654,935-	77-
2007	990,546	586,391	59		0	35,423	4	550,968-	56-
2008	1,182,885	825,047	70		0	17,044	1	808,003-	68-
2009	678,845	793,743	117		0	300	0	793,443-	117-
2010	520,909	366,267	70		0		0	366,267-	70-
2011	1,690,825	758,646	45		0		0	758,646-	45-
2012	605,863	799,180	132		0		0	799,180-	132-
2013	1,164,450	933,171	80		0		0	933,171-	80-
TOTAL	17,966,726	9,452,442	53	560,908	3	798,256	4	8,093,278-	45-

NEWFOUNDLAND POWER INC.

TRANSMISSION - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	137,267	45,443	33		0	50,713	37	5,270	4
77-79	130,201	39,583	30		0	52,147	40	12,564	10
78-80	137,631	14,872	11		0	27,688	20	12,817	9
79-81	229,685	14,386	6		0	24,612	11	10,226	4
80-82	389,604	19,010	5		0	38,302	10	19,292	5
81-83	334,168	16,827	5		0	31,107	9	14,279	4
82-84	237,225	18,736	8		0	28,204	12	9,468	4
83-85	319,840	16,532	5		0	10,576	3	5,955-	2-
84-86	334,034	20,268	6		0	14,299	4	5,969-	2-
85-87	414,514	26,537	6		0	17,823	4	8,714-	2-
86-88	188,749	69,407	37		0	91,231	48	21,824	12
87-89	237,613	100,408	42		0	101,040	43	632	0
88-90	196,906	134,504	68		0	98,608	50	35,896-	18-
89-91	275,923	120,685	44	5,519	2	20,053	7	95,113-	34-
90-92	381,336	147,276	39	36,101	9	3,796	1	107,379-	28-
91-93	372,689	124,702	33	53,288	14		0	71,414-	19-
92-94	321,502	160,194	50	94,657	29		0	65,536-	20-
93-95	225,400	138,138	61	88,129	39		0	50,009-	22-
94-96	214,836	158,916	74	78,809	37		0	80,107-	37-
95-97	215,474	139,798	65	33,327	15		0	106,471-	49-
96-98	316,943	161,509	51	16,462	5		0	145,047-	46-
97-99	351,273	169,247	48	14,261	4	36	0	154,950-	44-
98-00	351,074	163,328	47	21,913	6	36	0	141,379-	40-
99-01	282,029	219,906	78	14,724	5	777	0	204,405-	72-
00-02	337,770	256,833	76	9,058	3	18,087	5	229,687-	68-
01-03	827,934	307,109	37	31,553	4	18,087	2	257,469-	31-
02-04	928,542	272,710	29	31,553	3	17,346	2	223,811-	24-
03-05	934,087	285,303	31	31,553	3		0	253,750-	27-
04-06	665,661	418,685	63		0	10,413	2	408,272-	61-
05-07	781,665	528,190	68		0	22,221	3	505,969-	65-
06-08	1,009,027	699,204	69		0	27,902	3	671,302-	67-
07-09	950,759	735,060	77		0	17,589	2	717,471-	75-
08-10	794,213	661,686	83		0	5,781	1	655,904-	83-
09-11	963,526	639,552	66		0	100	0	639,452-	66-
10-12	939,199	641,364	68		0		0	641,364-	68-
11-13	1,153,713	830,332	72		0		0	830,332-	72-
FIVE-YEAR AVERAGE									
09-13	932,178	730,201	78		0	60	0	730,141-	78-

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.10, 361.11, 361.14 & 361.30 - OVERHEAD CONDUCTOR - COPPER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	132,517	41,769	32		0	79,253	60	37,484	28
1977	95,956	40,152	42		0	46,300	48	6,148	6
1978	173,991	39,827	23		0	88,533	51	48,706	28
1979	123,830	36,705	30		0	79,504	64	42,799	35
1980	109,738	28,428	26		0	80,899	74	52,471	48
1981	126,244	41,099	33		0	85,428	68	44,329	35
1982	71,496	58,670	82		0	43,990	62	14,680-	21-
1983	58,006	29,082	50		0	50,786	88	21,704	37
1984	91,364	75,982	83		0	41,804	46	34,178-	37-
1985	146,796	80,316	55		0	74,289	51	6,027-	4-
1986	52,591	17,995	34		0	27,795	53	9,800	19
1987	45,990	46,400	101		0	24,076	52	22,324-	49-
1988	77,981	33,166	43		0	23,741	30	9,425-	12-
1989	75,814	44,423	59		0	52,127	69	7,704	10
1990	115,821	47,204	41		0	17,431-	15-	64,635-	56-
1991	114,894	48,610	42	54,402-	47-		0	103,012-	90-
1992	48,525	47,798	99	13,431-	28-		0	61,229-	126-
1993	54,537	42,373	78	59,488-	109-		0	101,861-	187-
1994	45,980	12,785	28	18,934-	41-		0	31,719-	69-
1995	38,539	35,154	91		0	8,124	21	27,030-	70-
1996	66,072	53,514	81	1,423	2	39,457	60	12,634-	19-
1997	37,599	41,250	110	1,021	3	28,171	75	12,058-	32-
1998	23,966	23,437	98	3,246	14	31,903	133	11,712	49
1999	481,168	129,222	27	293	0	28,056	6	100,873-	21-
2000	120,936	48,795	40		0	44,605	37	4,190-	3-
2001	145,784	43,823	30		0	20,761	14	23,062-	16-
2002	351,591	54,677	16		0	52,793	15	1,884-	1-
2003	211,296	109,607	52		0	38,175	18	71,432-	34-
2004	190,156	180,276	95		0	47,795	25	132,481-	70-
2005	232,783	171,438	74		0	69,537	30	101,901-	44-
2006	141,697	148,556	105		0	121,925	86	26,631-	19-
2007	20,977	29,594	141		0	32,212	154	2,618	12
2008	51,812	70,486	136		0	28,917	56	41,569-	80-
2009	136,118	137,351	101		0	72,261	53	65,090-	48-
2010	16,778	29,358	175		0	17,279	103	12,079-	72-
2011	159,841	84,513	53		0	224,091	140	139,578	87
2012	34,058	92,735	272		0	44,838	132	47,897-	141-
2013	110,346	211,310	191		0	85,935	78	125,375-	114-
TOTAL	4,333,588	2,507,880	58	140,272-	3-	1,817,929	42	830,223-	19-

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.10, 361.11, 361.14 & 361.30 - OVERHEAD CONDUCTOR - COPPER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	134,155	40,583	30		0	71,362	53	30,779	23
77-79	131,259	38,895	30		0	71,446	54	32,551	25
78-80	135,853	34,987	26		0	82,979	61	47,992	35
79-81	119,937	35,411	30		0	81,944	68	46,533	39
80-82	102,493	42,732	42		0	70,106	68	27,373	27
81-83	85,249	42,950	50		0	60,068	70	17,118	20
82-84	73,622	54,578	74		0	45,527	62	9,051-	12-
83-85	98,722	61,793	63		0	55,626	56	6,167-	6-
84-86	96,917	58,098	60		0	47,963	49	10,135-	10-
85-87	81,792	48,237	59		0	42,053	51	6,184-	8-
86-88	58,854	32,520	55		0	25,204	43	7,316-	12-
87-89	66,595	41,330	62		0	33,315	50	8,015-	12-
88-90	89,872	41,598	46		0	19,479	22	22,119-	25-
89-91	102,176	46,746	46	18,134-	18-	11,565	11	53,314-	52-
90-92	93,080	47,871	51	22,611-	24-	5,810-	6-	76,292-	82-
91-93	72,652	46,260	64	42,440-	58-		0	88,701-	122-
92-94	49,681	34,319	69	30,618-	62-		0	64,936-	131-
93-95	46,352	30,104	65	26,141-	56-	2,708	6	53,537-	116-
94-96	50,197	33,818	67	5,837-	12-	15,860	32	23,794-	47-
95-97	47,403	43,306	91	815	2	25,251	53	17,241-	36-
96-98	42,546	39,400	93	1,897	4	33,177	78	4,327-	10-
97-99	180,911	64,636	36	1,520	1	29,377	16	33,740-	19-
98-00	208,690	67,151	32	1,180	1	34,855	17	31,117-	15-
99-01	249,296	73,947	30	98	0	31,141	12	42,708-	17-
00-02	206,104	49,098	24		0	39,386	19	9,712-	5-
01-03	236,224	69,369	29		0	37,243	16	32,126-	14-
02-04	251,014	114,853	46		0	46,254	18	68,599-	27-
03-05	211,412	153,774	73		0	51,836	25	101,938-	48-
04-06	188,212	166,757	89		0	79,752	42	87,004-	46-
05-07	131,819	116,529	88		0	74,558	57	41,971-	32-
06-08	71,495	82,879	116		0	61,018	85	21,861-	31-
07-09	69,636	79,144	114		0	44,463	64	34,680-	50-
08-10	68,236	79,065	116		0	39,486	58	39,579-	58-
09-11	104,246	83,741	80		0	104,544	100	20,803	20
10-12	70,226	68,869	98		0	95,403	136	26,534	38
11-13	101,415	129,519	128		0	118,288	117	11,231-	11-
FIVE-YEAR AVERAGE									
09-13	91,428	111,053	121		0	88,881	97	22,173-	24-

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.12, 361.13 & 361.15 - OVERHEAD CONDUCTOR - ALUMINUM

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	114,352	32,493	28		0	10,057	9	22,436-	20-
1977	108,780	41,355	38		0	4,782	4	36,573-	34-
1978	140,791	33,261	24		0	37,806	27	4,545	3
1979	154,624	37,692	24		0	36,061	23	1,631-	1-
1980	164,657	34,710	21		0	42,215	26	7,505	5
1981	174,862	37,541	21		0	32,471	19	5,070-	3-
1982	218,786	112,179	51		0	56,834	26	55,345-	25-
1983	160,455	49,844	31		0	43,408	27	6,436-	4-
1984	153,914	66,712	43		0	35,513	23	31,199-	20-
1985	249,623	113,757	46		0	34,204	14	79,553-	32-
1986	186,915	108,955	58		0	24,317	13	84,638-	45-
1987	198,281	73,590	37		0	26,558	13	47,032-	24-
1988	217,376	139,050	64		0	32,336	15	106,714-	49-
1989	317,420	217,138	68		0	75,674	24	141,464-	45-
1990	332,374	103,431	31	1,217	0	33,020	10	69,194-	21-
1991	325,342	106,513	33	2,489	1	67,513	21	36,511-	11-
1992	232,436	104,733	45	2,467	1	66,917	29	35,349-	15-
1993	253,834	92,848	37	898	0	24,371	10	67,579-	27-
1994	254,897	28,014	11	1,230	0	33,360	13	6,576	3
1995	318,265	124,635	39	2,410	1	65,365	21	56,860-	18-
1996	186,416	73,900	40	1,072	1	29,601	16	43,227-	23-
1997	169,004	87,657	52	1,738	1	33,161	20	52,758-	31-
1998	197,011	77,707	39	2,765	1	26,431	13	48,511-	25-
1999	545,297	204,262	37	247	0	24,536	4	179,479-	33-
2000	799,899	195,815	24		0	95,580	12	100,235-	13-
2001	409,966	397,785	97	10,895	3	36,357	9	350,533-	86-
2002	1,612,240	334,441	21		0	57,755	4	276,686-	17-
2003	1,164,739	261,955	22		0	43,582	4	218,373-	19-
2004	973,070	530,818	55		0	24,888	3	505,930-	52-
2005	450,036	528,030	117		0	30,930	7	497,100-	110-
2006	385,721	788,369	204		0	41,339	11	747,030-	194-
2007	887,464	469,180	53		0	32,094	4	437,086-	49-
2008	381,307	647,537	170		0	24,787	7	622,750-	163-
2009	605,754	726,996	120		0	28,894	5	698,102-	115-
2010	622,967	616,879	99		0	26,212	4	590,667-	95-
2011	1,006,345	415,650	41		0	73,097	7	342,553-	34-
2012	601,982	858,691	143		0	22,555	4	836,136-	139-
2013	758,724	1,067,805	141		0	29,307	4	1,038,498-	137-
TOTAL	16,035,928	9,941,928	62	27,428	0	1,463,888	9	8,450,612-	53-

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.12, 361.13 & 361.15 - OVERHEAD CONDUCTOR - ALUMINUM

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	121,308	35,703	29		0	17,548	14	18,155-	15-
77-79	134,732	37,436	28		0	26,216	19	11,220-	8-
78-80	153,357	35,221	23		0	38,694	25	3,473	2
79-81	164,714	36,648	22		0	36,916	22	268	0
80-82	186,102	61,477	33		0	43,840	24	17,637-	9-
81-83	184,701	66,521	36		0	44,238	24	22,284-	12-
82-84	177,718	76,245	43		0	45,252	25	30,993-	17-
83-85	187,997	76,771	41		0	37,708	20	39,063-	21-
84-86	196,817	96,475	49		0	31,345	16	65,130-	33-
85-87	211,606	98,767	47		0	28,360	13	70,408-	33-
86-88	200,857	107,198	53		0	27,737	14	79,461-	40-
87-89	244,359	143,259	59		0	44,856	18	98,403-	40-
88-90	289,057	153,206	53	406	0	47,010	16	105,791-	37-
89-91	325,045	142,361	44	1,235	0	58,736	18	82,390-	25-
90-92	296,717	104,892	35	2,058	1	55,817	19	47,018-	16-
91-93	270,537	101,365	37	1,951	1	52,934	20	46,480-	17-
92-94	247,056	75,198	30	1,532	1	41,549	17	32,117-	13-
93-95	275,665	81,832	30	1,513	1	41,032	15	39,288-	14-
94-96	253,193	75,516	30	1,571	1	42,775	17	31,170-	12-
95-97	224,562	95,397	42	1,740	1	42,709	19	50,948-	23-
96-98	184,144	79,755	43	1,858	1	29,731	16	48,165-	26-
97-99	303,771	123,209	41	1,583	1	28,043	9	93,583-	31-
98-00	514,069	159,261	31	1,004	0	48,849	10	109,408-	21-
99-01	585,054	265,954	45	3,714	1	52,158	9	210,082-	36-
00-02	940,702	309,347	33	3,632	0	63,231	7	242,485-	26-
01-03	1,062,315	331,394	31	3,632	0	45,898	4	281,864-	27-
02-04	1,250,017	375,738	30		0	42,075	3	333,663-	27-
03-05	862,615	440,268	51		0	33,133	4	407,134-	47-
04-06	602,942	615,739	102		0	32,386	5	583,353-	97-
05-07	574,407	595,193	104		0	34,788	6	560,405-	98-
06-08	551,497	635,029	115		0	32,740	6	602,289-	109-
07-09	624,842	614,571	98		0	28,592	5	585,979-	94-
08-10	536,676	663,804	124		0	26,631	5	637,173-	119-
09-11	745,022	586,508	79		0	42,734	6	543,774-	73-
10-12	743,765	630,407	85		0	40,621	5	589,785-	79-
11-13	789,017	780,715	99		0	41,653	5	739,062-	94-
FIVE-YEAR AVERAGE									
09-13	719,155	737,204	103		0	36,013	5	701,191-	98-

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.20 & 361.40 - DISTRIBUTION - UNDERGROUND CABLES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	15,435	5,850	38		0	2,499	16	3,351-	22-
1977	29,672	6,820	23		0	1,945	7	4,875-	16-
1978	10,173	3,903	38		0	7,184	71	3,281	32
1979	18,146	5,758	32		0	5,122	28	636-	4-
1980	7,019	1,035	15		0	413	6	622-	9-
1981	18,462		0		0		0		0
1982	13,029		0		0		0		0
1983	5,425		0		0		0		0
1984	9,668		0		0		0		0
1985	136,329		0		0		0		0
1986	42,361		0		0		0		0
1987	27,747		0		0		0		0
1988	27,914		0		0		0		0
1989	33,138		0		0		0		0
1990	63,650		0		0	80,445	126	80,445	126
1991	62,058		0	6,110	10		0	6,110	10
1992	12,570		0	1,212-	10-		0	1,212-	10-
1993	21,230		0		0		0		0
1994	61,710		0	333-	1-		0	333-	1-
1995	28,002		0		0	494	2	494	2
1996	50,538	2,165	4	98	0	9,684	19	7,617	15
1997	2,251		0	2,807-	125-		0	2,807-	125-
1998	4,980	37	1		0	950	19	913	18
1999									
2000		8,179				1,786		6,393-	
2001	27,112	1,867	7		0		0	1,867-	7-
2002	473,080		0		0		0		0
2003	30,144	44,602	148		0		0	44,602-	148-
2004	23,810	48,977	206		0		0	48,977-	206-
2005	19,476		0		0		0		0
2006	12,298	15,391	125		0		0	15,391-	125-
2007	16,681	17,422	104		0		0	17,422-	104-
2008	11,523	19,854	172		0		0	19,854-	172-
2009	22,105	44,473	201		0		0	44,473-	201-
2010	38,680	5,864	15		0		0	5,864-	15-
2011	18,663		0		0		0		0
2012	247,007		0		0		0		0
2013	202,087	75,055	37		0		0	75,055-	37-
TOTAL	1,844,173	307,252	17	1,856	0	110,522	6	194,874-	11-

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.20 & 361.40 - DISTRIBUTION - UNDERGROUND CABLES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	18,427	5,524	30		0	3,876	21	1,648-	9-
77-79	19,330	5,494	28		0	4,750	25	743-	4-
78-80	11,779	3,565	30		0	4,240	36	674	6
79-81	14,542	2,264	16		0	1,845	13	419-	3-
80-82	12,837	345	3		0	138	1	207-	2-
81-83	12,305		0		0		0		0
82-84	9,374		0		0		0		0
83-85	50,474		0		0		0		0
84-86	62,786		0		0		0		0
85-87	68,812		0		0		0		0
86-88	32,674		0		0		0		0
87-89	29,600		0		0		0		0
88-90	41,567		0		0	26,815	65	26,815	65
89-91	52,949		0	2,037	4	26,815	51	28,852	54
90-92	46,093		0	1,633	4	26,815	58	28,448	62
91-93	31,953		0	1,633	5		0	1,633	5
92-94	31,837		0	515-	2-		0	515-	2-
93-95	36,981		0	111-	0	165	0	54	0
94-96	46,750	722	2	78-	0	3,393	7	2,593	6
95-97	26,930	722	3	903-	3-	3,393	13	1,768	7
96-98	19,256	734	4	903-	5-	3,545	18	1,908	10
97-99	2,410	12	1	936-	39-	317	13	631-	26-
98-00	1,660	2,739	165		0	912	55	1,827-	110-
99-01	9,037	3,349	37		0	595	7	2,753-	30-
00-02	166,731	3,349	2		0	595	0	2,753-	2-
01-03	176,779	15,490	9		0		0	15,490-	9-
02-04	175,678	31,193	18		0		0	31,193-	18-
03-05	24,477	31,193	127		0		0	31,193-	127-
04-06	18,528	21,456	116		0		0	21,456-	116-
05-07	16,152	10,938	68		0		0	10,938-	68-
06-08	13,501	17,556	130		0		0	17,556-	130-
07-09	16,770	27,250	162		0		0	27,250-	162-
08-10	24,103	23,397	97		0		0	23,397-	97-
09-11	26,483	16,779	63		0		0	16,779-	63-
10-12	101,450	1,955	2		0		0	1,955-	2-
11-13	155,919	25,018	16		0		0	25,018-	16-
FIVE-YEAR AVERAGE									
09-13	105,708	25,078	24		0		0	25,078-	24-

NEWFOUNDLAND POWER INC.

ACCOUNTS 362.10 & 362.20 - DISTRIBUTION - POLES AND FIXTURES - WOOD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S R E U S E		S A L V A G E F I N A L		N E T S A L V A G E	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2000	1,527,165	587,498	38	90,426	6		0	497,072-	33-
2001	2,759,061	534,374	19	136,453	5		0	397,921-	14-
2002	2,048,803	727,652	36		0	55,979	3	671,673-	33-
2003	848,567	474,873	56		0	238	0	474,635-	56-
2004	837,695	479,745	57		0		0	479,745-	57-
2005	1,254,719	503,125	40		0	32,119	3	471,006-	38-
2006	1,401,597	734,953	52		0	5,042	0	729,911-	52-
2007	2,055,461	805,702	39		0		0	805,702-	39-
2008	1,578,668	1,000,432	63		0		0	1,000,432-	63-
2009	1,233,368	571,716	46		0		0	571,716-	46-
2010	1,760,816	649,029	37		0		0	649,029-	37-
2011	1,222,195	940,872	77		0		0	940,872-	77-
2012	654,824	457,979	70	3,881	1		0	454,098-	69-
2013	958,365	583,178	61		0		0	583,178-	61-
TOTAL	20,141,305	9,051,128	45	230,760	1	93,378	0	8,726,990-	43-

THREE-YEAR MOVING AVERAGES

00-02	2,111,677	616,508	29	75,626	4	18,660	1	522,222-	25-
01-03	1,885,477	578,966	31	45,484	2	18,739	1	514,743-	27-
02-04	1,245,022	560,757	45		0	18,739	2	542,018-	44-
03-05	980,327	485,914	50		0	10,786	1	475,129-	48-
04-06	1,164,671	572,608	49		0	12,387	1	560,221-	48-
05-07	1,570,592	681,260	43		0	12,387	1	668,873-	43-
06-08	1,678,575	847,029	50		0	1,681	0	845,348-	50-
07-09	1,622,499	792,617	49		0		0	792,617-	49-
08-10	1,524,284	740,392	49		0		0	740,392-	49-
09-11	1,405,460	720,539	51		0		0	720,539-	51-
10-12	1,212,611	682,627	56	1,294	0		0	681,333-	56-
11-13	945,128	660,676	70	1,294	0		0	659,383-	70-

FIVE-YEAR AVERAGE

09-13	1,165,914	640,555	55	776	0		0	639,779-	55-
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NEWFOUNDLAND POWER INC.

ACCOUNT 362.30 - DISTRIBUTION - POLES AND FIXTURES - CONCRETE / STEEL

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2001	4,945	2,358	48		0		0	2,358-	48-
2002	240,169		0		0		0		0
2003	11,840		0		0		0		0
2004	14,393		0		0		0		0
2005	14,582		0		0		0		0
2006	14,262		0		0		0		0
2007	14,172		0		0		0		0
2008	2,857		0		0		0		0
2009	12,527		0		0		0		0
2010	28,592		0		0		0		0
2011	69,723		0		0		0		0
2012	27,356		0		0		0		0
2013	83,897		0		0		0		0
TOTAL	539,314	2,358	0		0		0	2,358-	0

THREE-YEAR MOVING AVERAGES

01-03	85,651	786	1		0		0	786-	1-
02-04	88,801		0		0		0		0
03-05	13,605		0		0		0		0
04-06	14,412		0		0		0		0
05-07	14,338		0		0		0		0
06-08	10,430		0		0		0		0
07-09	9,852		0		0		0		0
08-10	14,659		0		0		0		0
09-11	36,947		0		0		0		0
10-12	41,890		0		0		0		0
11-13	60,325		0		0		0		0

FIVE-YEAR AVERAGE

09-13	44,419		0		0		0		0
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NEWFOUNDLAND POWER INC.

ACCOUNT 362.40 - DISTRIBUTION - STEEL TOWERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1977	38,068		0		0		0		0
1978									
1979									
1980									
1981									
1982									
1983									
1984									
1985									
1986									
1987									
1988									
1989									
1990									
1991									
1992									
1993									
1994									
1995									
1996									
1997									
1998									
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006									
2007									
2008									
2009									
2010									
2011									
2012									
2013									
TOTAL	38,068		0		0		0		0

NEWFOUNDLAND POWER INC.

ACCOUNT 362.40 - DISTRIBUTION - STEEL TOWERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
77-79	12,689		0		0		0		0
78-80									
79-81									
80-82									
81-83									
82-84									
83-85									
84-86									
85-87									
86-88									
87-89									
88-90									
89-91									
90-92									
91-93									
92-94									
93-95									
94-96									
95-97									
96-98									
97-99									
98-00									
99-01									
00-02									
01-03									
02-04									
03-05									
04-06									
05-07									
06-08									
07-09									
08-10									
09-11									
10-12									
11-13									

FIVE-YEAR AVERAGE

09-13

NEWFOUNDLAND POWER INC.

ACCOUNT 363.00 - DISTRIBUTION - STREET LIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	339,322	22,029	6		0	125,561	37	103,532	31
1977	292,908	28,558	10		0	118,441	40	89,883	31
1978	320,116	22,212	7		0	45,087	14	22,875	7
1979	276,629	28,957	10		0	50,176	18	21,219	8
1980	652,796	24,086	4		0	57,568	9	33,482	5
1981	287,170	22,230	8		0	58,125	20	35,895	12
1982	386,991	25,909	7		0	64,306	17	38,397	10
1983	266,347	20,962	8		0	60,854	23	39,892	15
1984	324,804	26,377	8		0	66,612	21	40,235	12
1985	298,090	30,373	10		0	74,415	25	44,042	15
1986	320,832	39,069	12		0	102,154	32	63,085	20
1987	353,116	63,166	18		0	86,793	25	23,627	7
1988	320,397	60,541	19		0	85,322	27	24,781	8
1989	440,693	62,442	14		0	105,334	24	42,892	10
1990	434,043	93,205	21		0	131,171	30	37,966	9
1991	570,055	94,194	17	119,048	21		0	24,854	4
1992	553,001	75,827	14	139,543	25		0	63,716	12
1993	539,127	67,992	13	138,012	26		0	70,020	13
1994	624,544	94,884	15	151,019	24		0	56,135	9
1995	651,946	78,266	12	137,761	21	2,493	0	61,988	10
1996	821,347	91,578	11	104,264	13	85,107	10	97,793	12
1997	473,302	78,014	16	73,658	16	83,379	18	79,023	17
1998	286,015	67,032	23	64,895	23	62,611	22	60,474	21
1999	755,062	54,548	7	32,768	4	27,155	4	5,375	1
2000	790,310	71,692	9	59,204	7	2,619	0	9,869-	1-
2001	848,141	80,975	10	48,197	6	5,576	1	27,202-	3-
2002	2,029,708	59,282	3		0	24,392	1	34,890-	2-
2003	808,150	81,887	10		0	5,824	1	76,063-	9-
2004	792,759	87,414	11		0	3,850	0	83,564-	11-
2005	868,981	107,588	12		0	9,024	1	98,564-	11-
2006	1,003,349	97,400	10		0	5,399	1	92,001-	9-
2007	1,018,473	151,112	15		0	6,546	1	144,566-	14-
2008	1,005,172	195,116	19		0	5,043	1	190,073-	19-
2009	960,513	207,752	22		0	620	0	207,132-	22-
2010	1,214,894	227,978	19		0	6,856	1	221,122-	18-
2011	1,518,432	278,254	18		0	8,123	1	270,131-	18-
2012	904,416	192,955	21		0	5,353	1	187,602-	21-
2013	1,740,272	215,543	12		0	4,303	0	211,240-	12-
TOTAL	26,092,222	3,327,399	13	1,068,369	4	1,586,192	6	672,838-	3-

NEWFOUNDLAND POWER INC.

ACCOUNT 363.00 - DISTRIBUTION - STREET LIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	317,449	24,266	8		0	96,363	30	72,097	23
77-79	296,551	26,576	9		0	71,235	24	44,659	15
78-80	416,514	25,085	6		0	50,944	12	25,859	6
79-81	405,532	25,091	6		0	55,290	14	30,199	7
80-82	442,319	24,075	5		0	60,000	14	35,925	8
81-83	313,503	23,034	7		0	61,095	19	38,061	12
82-84	326,047	24,416	7		0	63,924	20	39,508	12
83-85	296,414	25,904	9		0	67,294	23	41,390	14
84-86	314,575	31,940	10		0	81,060	26	49,121	16
85-87	324,013	44,203	14		0	87,787	27	43,585	13
86-88	331,448	54,259	16		0	91,423	28	37,164	11
87-89	371,402	62,050	17		0	92,483	25	30,433	8
88-90	398,378	72,063	18		0	107,276	27	35,213	9
89-91	481,597	83,280	17	39,683	8	78,835	16	35,237	7
90-92	519,033	87,742	17	86,197	17	43,724	8	42,179	8
91-93	554,061	79,338	14	132,201	24		0	52,863	10
92-94	572,224	79,568	14	142,858	25		0	63,290	11
93-95	605,206	80,381	13	142,264	24	831	0	62,714	10
94-96	699,279	88,243	13	131,015	19	29,200	4	71,972	10
95-97	648,865	82,619	13	105,228	16	56,993	9	79,601	12
96-98	526,888	78,875	15	80,939	15	77,032	15	79,097	15
97-99	504,793	66,531	13	57,107	11	57,715	11	48,291	10
98-00	610,462	64,424	11	52,289	9	30,795	5	18,660	3
99-01	797,838	69,072	9	46,723	6	11,783	1	10,565-	1-
00-02	1,222,720	70,650	6	35,800	3	10,862	1	23,987-	2-
01-03	1,228,666	74,048	6	16,066	1	11,931	1	46,052-	4-
02-04	1,210,206	76,194	6		0	11,355	1	64,839-	5-
03-05	823,297	92,296	11		0	6,233	1	86,064-	10-
04-06	888,363	97,467	11		0	6,091	1	91,376-	10-
05-07	963,601	118,700	12		0	6,990	1	111,710-	12-
06-08	1,008,998	147,876	15		0	5,663	1	142,213-	14-
07-09	994,719	184,660	19		0	4,070	0	180,590-	18-
08-10	1,060,193	210,282	20		0	4,173	0	206,109-	19-
09-11	1,231,280	237,995	19		0	5,200	0	232,795-	19-
10-12	1,212,581	233,062	19		0	6,777	1	226,285-	19-
11-13	1,387,707	228,917	16		0	5,926	0	222,991-	16-
FIVE-YEAR AVERAGE									
09-13	1,267,705	224,496	18		0	5,051	0	219,445-	17-

NEWFOUNDLAND POWER INC.

ACCOUNT 364.00 - DISTRIBUTION - TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E REUSE		FINAL		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1976	209,142		0		0	20,950	10	20,950	10
1977	301,115		0		0	11,869	4	11,869	4
1978	370,766		0		0	30,646	8	30,646	8
1979	324,223	277	0		0	22,112	7	21,835	7
1980	243,756	352	0		0	45,495	19	45,143	19
1981	343,984	2,209	1		0	9,958	3	7,749	2
1982	300,512		0		0	9,111	3	9,111	3
1983	345,070	203	0		0	30,557	9	30,354	9
1984	429,292	585	0		0	18,444	4	17,859	4
1985	202,997	294	0		0	5,596	3	5,302	3
1986	259,030	892	0		0	11,023	4	10,131	4
1987	235,686	601	0		0	6,422	3	5,821	2
1988	330,575	1,658	1		0	29,257	9	27,599	8
1989	371,252	5,113	1		0	14,079	4	8,966	2
1990	470,448	4,905	1		0	16,675	4	11,770	3
1991	339,804	4,659	1	26,611	8		0	21,952	6
1992	191,717	5,687	3	19,686	10		0	13,999	7
1993	230,692	7,268	3	28,350	12		0	21,082	9
1994	197,274	2,670	1	10,681	5		0	8,011	4
1995	227,683	211,488	93	30,731	13	27,410	12	153,347-	67-
1996	155,826	10,408	7	19,440	12	13,940	9	22,972	15
1997	845,887	4,487	1	640-	0	7,000	1	1,873	0
1998	1,789,961	88,001	5	269,189	15	95,274	5	276,462	15
1999	1,419,119	78,045	5	414,515	29	14,427	1	350,897	25
2000	1,226,597	80,581	7	325,960	27	13,712	1	259,091	21
2001	912,446	80,007	9	118,967	13	3,950	0	42,910	5
2002	1,483,059	36,016	2		0	2,340	0	33,676-	2-
2003	1,242,622	326,589	26		0	387,620	31	61,031	5
2004	752,442	85,395	11		0		0	85,395-	11-
2005	1,600,527	346,248	22		0	68,693	4	277,555-	17-
2006	5,837,714	253,498	4		0	161,989	3	91,509-	2-
2007	2,825,162	345,826	12		0	90,402	3	255,424-	9-
2008	1,089,869	384,841	35		0	90,343	8	294,498-	27-
2009	1,218,308	375,460	31		0	75,444	6	300,016-	25-
2010	615,001	290,602	47		0	56,965	9	233,637-	38-
2011	1,502,281	563,461	38		0	36,605	2	526,856-	35-
2012	1,261,387	712,170	56		0	42,023	3	670,147-	53-
2013	1,405,235	510,958	36		0	35,225	3	475,733-	34-
TOTAL	33,108,460	4,821,454	15	1,263,490	4	1,505,556	5	2,052,408-	6-

NEWFOUNDLAND POWER INC.

ACCOUNT 364.00 - DISTRIBUTION - TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	293,674		0		0	21,155	7	21,155	7
77-79	332,035	92	0		0	21,542	6	21,450	6
78-80	312,915	210	0		0	32,751	10	32,541	10
79-81	303,988	946	0		0	25,855	9	24,909	8
80-82	296,084	854	0		0	21,521	7	20,668	7
81-83	329,855	804	0		0	16,542	5	15,738	5
82-84	358,291	263	0		0	19,371	5	19,108	5
83-85	325,786	361	0		0	18,199	6	17,838	5
84-86	297,106	590	0		0	11,688	4	11,097	4
85-87	232,571	596	0		0	7,680	3	7,085	3
86-88	275,097	1,050	0		0	15,567	6	14,517	5
87-89	312,504	2,457	1		0	16,586	5	14,129	5
88-90	390,758	3,892	1		0	20,004	5	16,112	4
89-91	393,835	4,892	1	8,870	2	10,251	3	14,229	4
90-92	333,990	5,084	2	15,432	5	5,558	2	15,907	5
91-93	254,071	5,871	2	24,882	10		0	19,011	7
92-94	206,561	5,208	3	19,572	9		0	14,364	7
93-95	218,550	73,809	34	23,254	11	9,137	4	41,418-	19-
94-96	193,594	74,855	39	20,284	10	13,783	7	40,788-	21-
95-97	409,799	75,461	18	16,510	4	16,117	4	42,834-	10-
96-98	930,558	34,299	4	95,996	10	38,738	4	100,436	11
97-99	1,351,656	56,844	4	227,688	17	38,900	3	209,744	16
98-00	1,478,559	82,209	6	336,555	23	41,138	3	295,483	20
99-01	1,186,054	79,544	7	286,481	24	10,696	1	217,633	18
00-02	1,207,367	65,535	5	148,309	12	6,667	1	89,442	7
01-03	1,212,709	147,537	12	39,656	3	131,303	11	23,422	2
02-04	1,159,374	149,333	13		0	129,987	11	19,347-	2-
03-05	1,198,530	252,744	21		0	152,104	13	100,640-	8-
04-06	2,730,228	228,380	8		0	76,894	3	151,486-	6-
05-07	3,421,134	315,191	9		0	107,028	3	208,163-	6-
06-08	3,250,915	328,055	10		0	114,245	4	213,810-	7-
07-09	1,711,113	368,709	22		0	85,396	5	283,313-	17-
08-10	974,393	350,301	36		0	74,251	8	276,050-	28-
09-11	1,111,863	409,841	37		0	56,338	5	353,503-	32-
10-12	1,126,223	522,078	46		0	45,198	4	476,880-	42-
11-13	1,389,634	595,530	43		0	37,951	3	557,579-	40-
FIVE-YEAR AVERAGE									
09-13	1,200,442	490,530	41		0	49,252	4	441,278-	37-

NEWFOUNDLAND POWER INC.

ACCOUNT 365.00 - DISTRIBUTION - SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	116,831	47,923	41		0	4,701	4	43,222-	37-
1977	123,300	58,412	47		0	6,263	5	52,149-	42-
1978	126,631	60,500	48		0	15,116	12	45,384-	36-
1979	138,960	63,186	45		0	17,372	13	45,814-	33-
1980	118,572	62,500	53		0	10,391	9	52,109-	44-
1981	146,271	76,388	52		0	14,830	10	61,558-	42-
1982	161,068	72,978	45		0	11,232	7	61,746-	38-
1983	165,847	81,841	49		0	15,508	9	66,333-	40-
1984	227,839	83,655	37		0	15,558	7	68,097-	30-
1985	166,496	86,937	52		0	18,404	11	68,533-	41-
1986	143,362	93,190	65		0	19,515	14	73,675-	51-
1987	121,573	113,175	93		0	13,435	11	99,740-	82-
1988	150,491	102,958	68		0	53,716	36	49,242-	33-
1989	166,620	130,934	79		0	24,406	15	106,528-	64-
1990	182,441	163,221	89		0	69,679	38	93,542-	51-
1991	149,716	161,073	108	63,727	43		0	97,346-	65-
1992	164,570	150,230	91	43,847	27		0	106,383-	65-
1993	158,154	121,755	77	40,719	26		0	81,036-	51-
1994	104,640	115,175	110	42,048	40		0	73,127-	70-
1995	87,789	104,798	119	35,449	40		0	69,349-	79-
1996	94,690	99,313	105	300	0	20,917	22	78,096-	82-
1997	61,501	91,488	149		0	16,317	27	75,171-	122-
1998	27,057	73,289	271		0	14,685	54	58,604-	217-
1999	176,631	108,307	61		0	21,903	12	86,404-	49-
2000	188,122	127,528	68		0		0	127,528-	68-
2001	226,430	149,407	66		0	26,471	12	122,936-	54-
2002	209,907	174,746	83		0	33,015	16	141,731-	68-
2003	503,249	174,526	35		0	27,862	6	146,664-	29-
2004	449,745	158,542	35		0	19,516	4	139,026-	31-
2005	253,823	191,208	75		0	24,450	10	166,758-	66-
2006	291,904	177,395	61		0	23,250	8	154,145-	53-
2007	289,498	159,345	55		0	18,364	6	140,981-	49-
2008	234,159	227,578	97		0	14,156	6	213,422-	91-
2009	209,258	238,443	114		0	13,683	7	224,760-	107-
2010	389,228	302,495	78		0	17,300	4	285,195-	73-
2011	410,664	371,667	91		0	19,885	5	351,782-	86-
2012	311,430	346,758	111		0	16,962	5	329,796-	106-
2013	593,957	428,878	72		0	14,490	2	414,388-	70-
TOTAL	7,842,423	5,551,742	71	226,090	3	653,352	8	4,672,300-	60-

NEWFOUNDLAND POWER INC.

ACCOUNT 365.00 - DISTRIBUTION - SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	122,254	55,612	45		0	8,693	7	46,918-	38-
77-79	129,630	60,699	47		0	12,917	10	47,782-	37-
78-80	128,054	62,062	48		0	14,293	11	47,769-	37-
79-81	134,601	67,358	50		0	14,198	11	53,160-	39-
80-82	141,970	70,622	50		0	12,151	9	58,471-	41-
81-83	157,729	77,069	49		0	13,857	9	63,212-	40-
82-84	184,918	79,491	43		0	14,099	8	65,392-	35-
83-85	186,727	84,144	45		0	16,490	9	67,654-	36-
84-86	179,232	87,927	49		0	17,826	10	70,102-	39-
85-87	143,810	97,767	68		0	17,118	12	80,649-	56-
86-88	138,475	103,108	74		0	28,889	21	74,219-	54-
87-89	146,228	115,689	79		0	30,519	21	85,170-	58-
88-90	166,517	132,371	79		0	49,267	30	83,104-	50-
89-91	166,259	151,743	91	21,242	13	31,362	19	99,139-	60-
90-92	165,576	158,175	96	35,858	22	23,226	14	99,090-	60-
91-93	157,480	144,353	92	49,431	31		0	94,922-	60-
92-94	142,455	129,053	91	42,205	30		0	86,849-	61-
93-95	116,861	113,909	97	39,405	34		0	74,504-	64-
94-96	95,706	106,429	111	25,932	27	6,972	7	73,524-	77-
95-97	81,327	98,533	121	11,916	15	12,411	15	74,205-	91-
96-98	61,083	88,030	144	100	0	17,306	28	70,624-	116-
97-99	88,396	91,028	103		0	17,635	20	73,393-	83-
98-00	130,603	103,041	79		0	12,196	9	90,845-	70-
99-01	197,061	128,414	65		0	16,125	8	112,289-	57-
00-02	208,153	150,560	72		0	19,829	10	130,732-	63-
01-03	313,195	166,226	53		0	29,116	9	137,110-	44-
02-04	387,634	169,271	44		0	26,798	7	142,474-	37-
03-05	402,272	174,759	43		0	23,943	6	150,816-	37-
04-06	331,824	175,715	53		0	22,405	7	153,310-	46-
05-07	278,408	175,983	63		0	22,021	8	153,961-	55-
06-08	271,854	188,106	69		0	18,590	7	169,516-	62-
07-09	244,305	208,455	85		0	15,401	6	193,054-	79-
08-10	277,548	256,172	92		0	15,046	5	241,126-	87-
09-11	336,383	304,202	90		0	16,956	5	287,246-	85-
10-12	370,441	340,307	92		0	18,049	5	322,258-	87-
11-13	438,683	382,434	87		0	17,112	4	365,322-	83-
FIVE-YEAR AVERAGE									
09-13	382,907	337,648	88		0	16,464	4	321,184-	84-

NEWFOUNDLAND POWER INC.

ACCOUNT 366.00 - DISTRIBUTION - METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	267,479		0		0		0		0
1977	230,387		0		0		0		0
1978	118,924	44	0		0	38	0	6-	0
1979	119,222	27	0		0	2,599	2	2,572	2
1980	132,578		0		0	893	1	893	1
1981	157,254		0		0	303	0	303	0
1982	153,822		0		0	236	0	236	0
1983	139,459		0		0	503	0	503	0
1984	129,968		0		0		0		0
1985	107,970		0		0		0		0
1986	137,434	52	0		0		0	52-	0
1987	173,229		0		0		0		0
1988	178,275		0		0		0		0
1989	140,116		0		0	750	1	750	1
1990	123,401		0		0		0		0
1991	259,750		0		0		0		0
1992	148,500	211	0		0		0	211-	0
1993	240,308	130	0	337-	0		0	467-	0
1994	293,024		0	30	0		0	30	0
1995	267,494		0		0		0		0
1996	270,217		0		0		0		0
1997	258,728		0		0		0		0
1998	188,284		0		0		0		0
1999	463,615	10,421	2		0		0	10,421-	2-
2000	491,727	5,578	1		0		0	5,578-	1-
2001	348,826	9,202	3		0		0	9,202-	3-
2002	367,726	8,903	2		0	88	0	8,815-	2-
2003	384,661	8,840	2		0	928	0	7,912-	2-
2004	587,863	48,439	8		0	1,082	0	47,357-	8-
2005	1,562,397	67,588	4		0	2,041	0	65,547-	4-
2006	611,499	70,404	12		0	3,931	1	66,473-	11-
2007	1,244,564	55,815	4		0	4,882	0	50,933-	4-
2008	1,395,748	112,233	8		0	1,355	0	110,878-	8-
2009	1,418,534	161,882	11		0		0	161,882-	11-
2010	1,875,662	127,516	7		0		0	127,516-	7-
2011	1,806,466	87,621	5		0		0	87,621-	5-
2012	2,485,595	114,533	5		0		0	114,533-	5-
2013	2,109,025	141,244	7		0		0	141,244-	7-
TOTAL	21,389,731	1,030,683	5	307-	0	19,629	0	1,011,361-	5-

NEWFOUNDLAND POWER INC.

ACCOUNT 366.00 - DISTRIBUTION - METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	205,597	15	0		0	13	0	2-	0
77-79	156,178	24	0		0	879	1	855	1
78-80	123,575	24	0		0	1,177	1	1,153	1
79-81	136,351	9	0		0	1,265	1	1,256	1
80-82	147,885		0		0	477	0	477	0
81-83	150,178		0		0	347	0	347	0
82-84	141,083		0		0	246	0	246	0
83-85	125,799		0		0	168	0	168	0
84-86	125,124	17	0		0		0	17-	0
85-87	139,544	17	0		0		0	17-	0
86-88	162,979	17	0		0		0	17-	0
87-89	163,873		0		0	250	0	250	0
88-90	147,264		0		0	250	0	250	0
89-91	174,422		0		0	250	0	250	0
90-92	177,217	70	0		0		0	70-	0
91-93	216,186	114	0	112-	0		0	226-	0
92-94	227,277	114	0	102-	0		0	216-	0
93-95	266,942	43	0	102-	0		0	146-	0
94-96	276,912		0	10	0		0	10	0
95-97	265,480		0		0		0		0
96-98	239,076		0		0		0		0
97-99	303,542	3,474	1		0		0	3,474-	1-
98-00	381,209	5,333	1		0		0	5,333-	1-
99-01	434,723	8,400	2		0		0	8,400-	2-
00-02	402,760	7,894	2		0	29	0	7,865-	2-
01-03	367,071	8,982	2		0	339	0	8,643-	2-
02-04	446,750	22,061	5		0	699	0	21,361-	5-
03-05	844,974	41,622	5		0	1,350	0	40,272-	5-
04-06	920,586	62,144	7		0	2,351	0	59,792-	6-
05-07	1,139,487	64,602	6		0	3,618	0	60,984-	5-
06-08	1,083,937	79,484	7		0	3,389	0	76,095-	7-
07-09	1,352,949	109,977	8		0	2,079	0	107,898-	8-
08-10	1,563,315	133,877	9		0	452	0	133,425-	9-
09-11	1,700,221	125,673	7		0		0	125,673-	7-
10-12	2,055,908	109,890	5		0		0	109,890-	5-
11-13	2,133,695	114,466	5		0		0	114,466-	5-
FIVE-YEAR AVERAGE									
09-13	1,939,056	126,559	7		0		0	126,559-	7-

NEWFOUNDLAND POWER INC.

ACCOUNT 367.00 - DISTRIBUTION - UNDERGROUND DUCTS, MANHOLES AND SWITCHES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1977	18,627		0		0		0		0
1978	1,527		0		0		0		0
1979									
1980	20		0		0		0		0
1981									
1982									
1983									
1984									
1985	37,480		0		0		0		0
1986									
1987									
1988									
1989									
1990									
1991	9,931		0		0		0		0
1992	254		0		0		0		0
1993									
1994									
1995									
1996	538		0		0		0		0
1997				1,688-				1,688-	
1998									
1999									
2000									
2001	2,050	21,665			0		0	21,665-	
2002		59,701				1,037		58,664-	
2003		101,237				354		100,883-	
2004		36,433						36,433-	
2005									
2006									
2007									
2008									
2009									
2010	31,599		0		0		0		0
2011	5,706	3,868	68		0		0	3,868-	68-
2012	89,799	23,243	26		0		0	23,243-	26-
2013	169,527	8,011	5		0		0	8,011-	5-
TOTAL	367,057	254,158	69	1,688-	0	1,391	0	254,455-	69-

NEWFOUNDLAND POWER INC.

ACCOUNT 367.00 - DISTRIBUTION - UNDERGROUND DUCTS, MANHOLES AND SWITCHES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
77-79	6,718		0		0		0		0
78-80	516		0		0		0		0
79-81	7		0		0		0		0
80-82	7		0		0		0		0
81-83									
82-84									
83-85	12,493		0		0		0		0
84-86	12,493		0		0		0		0
85-87	12,493		0		0		0		0
86-88									
87-89									
88-90									
89-91	3,310		0		0		0		0
90-92	3,395		0		0		0		0
91-93	3,395		0		0		0		0
92-94	85		0		0		0		0
93-95									
94-96	179		0		0		0		0
95-97	179		0	563-	314-		0	563-	314-
96-98	179		0	563-	314-		0	563-	314-
97-99				563-				563-	
98-00									
99-01	683	7,222			0		0	7,222-	
00-02	683	27,122			0	346	51	26,776-	
01-03	683	60,868			0	464	68	60,404-	
02-04		65,790				464		65,327-	
03-05		45,890				118		45,772-	
04-06		12,144						12,144-	
05-07									
06-08									
07-09									
08-10	10,533		0		0		0		0
09-11	12,435	1,289	10		0		0	1,289-	10-
10-12	42,368	9,037	21		0		0	9,037-	21-
11-13	88,344	11,707	13		0		0	11,707-	13-
FIVE-YEAR AVERAGE									
09-13	59,326	7,024	12		0		0	7,024-	12-

NEWFOUNDLAND POWER INC.

ACCOUNT 371.00 - GENERAL - BUILDINGS AND STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	4,843	163	3		0	8,659	179	8,496	175
1977	300		0		0	1,650	550	1,650	550
1978	79,242	637	1		0	11,980	15	11,343	14
1979	5,552	520	9		0	26,283	473	25,763	464
1980	57,403	6,451	11		0	18,648	32	12,197	21
1981	35,733	1,746	5		0	25,401	71	23,655	66
1982	43,455	10,346	24		0	375	1	9,971-	23-
1983	160,675	5,884	4		0	1,228	1	4,656-	3-
1984	37,007	516	1		0	48,478	131	47,962	130
1985	78,642	939	1		0	1,837	2	898	1
1986	50,404	1,886	4		0	2,879	6	993	2
1987	39,555	7,433	19		0	700	2	6,733-	17-
1988	68,927	39,213	57		0	45,121	65	5,908	9
1989	248,470	48,248	19		0	12,616	5	35,632-	14-
1990	16,329	2,622	16		0		0	2,622-	16-
1991	23,928	9,157	38		0	12,049	50	2,892	12
1992	859,831	11,658	1		0	86,852	10	75,194	9
1993	29,875	7,811	26		0		0	7,811-	26-
1994	235,688	47,807	20		0	50,341	21	2,534	1
1995	84,430	26,455	31		0		0	26,455-	31-
1996	23,201	5,802	25		0		0	5,802-	25-
1997	404,294	38,948	10		0	9,826	2	29,122-	7-
1998	190,691	37,368	20		0		0	37,368-	20-
1999	176,260	11,040	6		0		0	11,040-	6-
2000	26,000	12,896	50		0	5,245	20	7,651-	29-
2001	22,301	13,475	60		0		0	13,475-	60-
2002	753,173	42,714	6		0	3,218	0	39,496-	5-
2003	5,000	7,180	144		0	3,896	78	3,284-	66-
2004	548,906	22,445	4		0		0	22,445-	4-
2005	442,464	8,384	2		0	10,028	2	1,644	0
2006	604,572	58,326	10		0		0	58,326-	10-
2007	168,484	57,130	34		0		0	57,130-	34-
2008	60,600	65,497	108		0		0	65,497-	108-
2009	207,927	17,374	8		0		0	17,374-	8-
2010	156,992	138,488	88		0	990	1	137,498-	88-
2011	174,778	81,629	47		0		0	81,629-	47-
2012	287,583	185,182	64		0		0	185,182-	64-
2013	653,776	347,260	53		0	2,646	0	344,614-	53-
TOTAL	7,067,293	1,380,630	20		0	390,946	6	989,684-	14-

NEWFOUNDLAND POWER INC.

ACCOUNT 371.00 - GENERAL - BUILDINGS AND STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	PCT	S A L V A G E FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	28,128	267	1		0	7,430	26	7,163	25
77-79	28,365	386	1		0	13,304	47	12,919	46
78-80	47,399	2,536	5		0	18,970	40	16,434	35
79-81	32,896	2,906	9		0	23,444	71	20,538	62
80-82	45,530	6,181	14		0	14,808	33	8,627	19
81-83	79,954	5,992	7		0	9,001	11	3,009	4
82-84	80,379	5,582	7		0	16,694	21	11,112	14
83-85	92,108	2,446	3		0	17,181	19	14,735	16
84-86	55,351	1,114	2		0	17,731	32	16,618	30
85-87	56,200	3,419	6		0	1,805	3	1,614-	3-
86-88	52,962	16,177	31		0	16,233	31	56	0
87-89	118,984	31,631	27		0	19,479	16	12,152-	10-
88-90	111,242	30,028	27		0	19,246	17	10,782-	10-
89-91	96,242	20,009	21		0	8,222	9	11,787-	12-
90-92	300,029	7,812	3		0	32,967	11	25,155	8
91-93	304,545	9,542	3		0	32,967	11	23,425	8
92-94	375,131	22,425	6		0	45,731	12	23,306	6
93-95	116,664	27,358	23		0	16,780	14	10,577-	9-
94-96	114,440	26,688	23		0	16,780	15	9,908-	9-
95-97	170,642	23,735	14		0	3,275	2	20,460-	12-
96-98	206,062	27,373	13		0	3,275	2	24,097-	12-
97-99	257,082	29,119	11		0	3,275	1	25,843-	10-
98-00	130,984	20,435	16		0	1,748	1	18,686-	14-
99-01	74,854	12,470	17		0	1,748	2	10,722-	14-
00-02	267,158	23,028	9		0	2,821	1	20,207-	8-
01-03	260,158	21,123	8		0	2,371	1	18,752-	7-
02-04	435,693	24,113	6		0	2,371	1	21,742-	5-
03-05	332,123	12,670	4		0	4,641	1	8,028-	2-
04-06	531,981	29,718	6		0	3,343	1	26,376-	5-
05-07	405,173	41,280	10		0	3,343	1	37,937-	9-
06-08	277,885	60,318	22		0		0	60,318-	22-
07-09	145,670	46,667	32		0		0	46,667-	32-
08-10	141,840	73,786	52		0	330	0	73,456-	52-
09-11	179,899	79,164	44		0	330	0	78,834-	44-
10-12	206,451	135,100	65		0	330	0	134,770-	65-
11-13	372,046	204,690	55		0	882	0	203,808-	55-
FIVE-YEAR AVERAGE									
09-13	296,211	153,987	52		0	727	0	153,259-	52-

NEWFOUNDLAND POWER INC.

ACCOUNT 378.20 - TRANSPORTATION - PICK-UP TRUCKS AND VANS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	76,935		0		0	14,419	19	14,419	19
1977	194,411		0		0	27,272	14	27,272	14
1978	117,670		0		0	20,360	17	20,360	17
1979	140,956		0		0	30,262	21	30,262	21
1980	189,104		0		0	37,925	20	37,925	20
1981	234,687	167	0		0	48,049	20	47,882	20
1982	192,122	446	0		0	34,468	18	34,022	18
1983	152,371	420	0		0	23,322	15	22,902	15
1984	253,637	559	0		0	46,893	18	46,334	18
1985	296,407	1,825	1		0	41,565	14	39,740	13
1986	411,189		0		0	53,406	13	53,406	13
1987	291,609		0		0	44,965	15	44,965	15
1988	485,410		0		0	91,137	19	91,137	19
1989	350,708		0		0	81,021	23	81,021	23
1990	225,867		0		0	37,234	16	37,234	16
1991	505,246		0		0	65,950	13	65,950	13
1992	455,597	61	0		0	65,336	14	65,275	14
1993	496,798	52	0		0	81,279	16	81,227	16
1994	592,278	141	0		0	75,541	13	75,400	13
1995	645,586	242	0		0	99,820	15	99,578	15
1996	342,615		0		0	54,438	16	54,438	16
1997	810,668	3,015	0		0	126,979	16	123,964	15
1998	399,694		0		0	61,392	15	61,392	15
1999	745,007		0		0	147,720	20	147,720	20
2000	655,463	336	0		0	104,561	16	104,225	16
2001	456,416		0		0	67,984	15	67,984	15
2002	1,042,188		0		0	143,096	14	143,096	14
2003	707,749		0		0	244,822	35	244,822	35
2004	558,682		0		0	112,179	20	112,179	20
2005	1,315,354		0		0	175,840	13	175,840	13
2006	723,512		0		0	67,772	9	67,772	9
2007	813,637		0		0	116,614	14	116,614	14
2008	1,131,192		0		0	141,281	12	141,281	12
2009	858,160		0		0	122,252	14	122,252	14
2010	545,514		0		0	70,148	13	70,148	13
2011	549,703		0		0	50,011	9	50,011	9
2012	875,990		0		0	87,084	10	87,084	10
2013	602,458		0		0	81,221	13	81,221	13
TOTAL	19,442,590	7,264	0		0	2,995,618	15	2,988,354	15

NEWFOUNDLAND POWER INC.

ACCOUNT 378.20 - TRANSPORTATION - PICK-UP TRUCKS AND VANS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR	COST OF		G R O S S S A L V A G E				NET	
	RETIREMENTS	REMOVAL	PCT	REUSE	PCT	FINAL	PCT	SALVAGE	PCT
	AMOUNT			AMOUNT		AMOUNT		AMOUNT	
THREE-YEAR MOVING AVERAGES									
76-78	129,672		0		0	20,684	16	20,684	16
77-79	151,012		0		0	25,965	17	25,965	17
78-80	149,243		0		0	29,516	20	29,516	20
79-81	188,249	56	0		0	38,745	21	38,690	21
80-82	205,304	204	0		0	40,147	20	39,943	19
81-83	193,060	344	0		0	35,280	18	34,935	18
82-84	199,377	475	0		0	34,894	18	34,419	17
83-85	234,138	935	0		0	37,260	16	36,325	16
84-86	320,411	795	0		0	47,288	15	46,493	15
85-87	333,068	608	0		0	46,645	14	46,037	14
86-88	396,069		0		0	63,169	16	63,169	16
87-89	375,909		0		0	72,374	19	72,374	19
88-90	353,995		0		0	69,797	20	69,797	20
89-91	360,607		0		0	61,402	17	61,402	17
90-92	395,570	20	0		0	56,173	14	56,153	14
91-93	485,880	38	0		0	70,855	15	70,817	15
92-94	514,891	85	0		0	74,052	14	73,967	14
93-95	578,221	145	0		0	85,547	15	85,402	15
94-96	526,826	128	0		0	76,600	15	76,472	15
95-97	599,623	1,086	0		0	93,746	16	92,660	15
96-98	517,659	1,005	0		0	80,936	16	79,931	15
97-99	651,790	1,005	0		0	112,030	17	111,025	17
98-00	600,055	112	0		0	104,558	17	104,446	17
99-01	618,962	112	0		0	106,755	17	106,643	17
00-02	718,022	112	0		0	105,214	15	105,102	15
01-03	735,451		0		0	151,967	21	151,967	21
02-04	769,540		0		0	166,699	22	166,699	22
03-05	860,595		0		0	177,614	21	177,614	21
04-06	865,849		0		0	118,597	14	118,597	14
05-07	950,834		0		0	120,075	13	120,075	13
06-08	889,447		0		0	108,556	12	108,556	12
07-09	934,330		0		0	126,716	14	126,716	14
08-10	844,955		0		0	111,227	13	111,227	13
09-11	651,125		0		0	80,804	12	80,804	12
10-12	657,069		0		0	69,081	11	69,081	11
11-13	676,050		0		0	72,772	11	72,772	11
FIVE-YEAR AVERAGE									
09-13	686,365		0		0	82,143	12	82,143	12

NEWFOUNDLAND POWER INC.

ACCOUNTS 378.30 & 378.40 - TRANSPORTATION - TRUCKS WITH DERRICKS AND LINE AND
STAKE BODIES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E REUSE		F I N A L		N E T SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1976	182,763		0		0	29,724	16	29,724	16
1977	150,531		0		0	14,801	10	14,801	10
1978	119,256		0		0	19,504	16	19,504	16
1979	206,036		0		0	39,929	19	39,929	19
1980	239,577		0		0	35,616	15	35,616	15
1981	382,950	118	0		0	46,910	12	46,792	12
1982	255,790	418	0		0	32,547	13	32,129	13
1983	205,939	394	0		0	23,481	11	23,087	11
1984	296,989	416	0		0	34,328	12	33,912	11
1985	548,699	1,691	0		0	48,376	9	46,685	9
1986	617,886		0		0	83,827	14	83,827	14
1987	334,810		0		0	34,245	10	34,245	10
1988	607,527		0		0	60,253	10	60,253	10
1989	503,408	702	0		0	72,535	14	71,833	14
1990	177,752	390	0		0	23,040	13	22,650	13
1991	753,999	12,953	2		0	70,266	9	57,313	8
1992	666,166		0		0	30,464	5	30,464	5
1993	887,092		0		0	45,489	5	45,489	5
1994	768,402		0		0	50,740	7	50,740	7
1995	695,099		0		0	45,436	7	45,436	7
1996	1,049,280	2,362	0		0	69,031	7	66,669	6
1997	584,835		0		0	44,824	8	44,824	8
1998	437,847		0		0	21,756	5	21,756	5
1999	312,192		0		0	30,964	10	30,964	10
2000	1,478,164		0		0	171,607	12	171,607	12
2001	1,187,211		0		0	106,928	9	106,928	9
2002	1,560,774		0		0	55,690	4	55,690	4
2003	1,419,218	2,457	0		0	117,642	8	115,185	8
2004	1,538,748		0		0	64,335	4	64,335	4
2005	2,176,168		0		0	82,452	4	82,452	4
2006	913,874		0		0	38,268	4	38,268	4
2007	953,121		0		0	50,488	5	50,488	5
2008	747,614		0		0	21,977	3	21,977	3
2009	997,544	137	0		0	19,919	2	19,782	2
2010	298,431		0		0	8,302	3	8,302	3
2011	1,546,933		0		0	54,259	4	54,259	4
2012	552,582	3,349	1		0	20,980	4	17,631	3
2013	1,342,211	2,305	0		0	53,352	4	51,047	4
TOTAL	27,697,417	27,692	0		0	1,874,285	7	1,846,593	7

NEWFOUNDLAND POWER INC.

ACCOUNTS 378.30 & 378.40 - TRANSPORTATION - TRUCKS WITH DERRICKS AND LINE AND
STAKE BODIES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				N E T	
		AMOUNT	PCT	REUSE		FINAL		SALVAGE	
				AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	150,850		0		0	21,343	14	21,343	14
77-79	158,608		0		0	24,745	16	24,745	16
78-80	188,290		0		0	31,683	17	31,683	17
79-81	276,188	39	0		0	40,818	15	40,779	15
80-82	292,772	179	0		0	38,358	13	38,179	13
81-83	281,560	310	0		0	34,313	12	34,003	12
82-84	252,906	409	0		0	30,119	12	29,709	12
83-85	350,542	834	0		0	35,395	10	34,561	10
84-86	487,858	702	0		0	55,510	11	54,808	11
85-87	500,465	564	0		0	55,483	11	54,919	11
86-88	520,074		0		0	59,442	11	59,442	11
87-89	481,915	234	0		0	55,678	12	55,444	12
88-90	429,562	364	0		0	51,943	12	51,579	12
89-91	478,386	4,682	1		0	55,280	12	50,599	11
90-92	532,639	4,448	1		0	41,257	8	36,809	7
91-93	769,086	4,318	1		0	48,740	6	44,422	6
92-94	773,887		0		0	42,231	5	42,231	5
93-95	783,531		0		0	47,222	6	47,222	6
94-96	837,594	787	0		0	55,069	7	54,282	6
95-97	776,405	787	0		0	53,097	7	52,310	7
96-98	690,654	787	0		0	45,204	7	44,416	6
97-99	444,958		0		0	32,515	7	32,515	7
98-00	742,734		0		0	74,776	10	74,776	10
99-01	992,522		0		0	103,166	10	103,166	10
00-02	1,408,716		0		0	111,408	8	111,408	8
01-03	1,389,068	819	0		0	93,420	7	92,601	7
02-04	1,506,246	819	0		0	79,222	5	78,403	5
03-05	1,711,378	819	0		0	88,143	5	87,324	5
04-06	1,542,930		0		0	61,685	4	61,685	4
05-07	1,347,721		0		0	57,069	4	57,069	4
06-08	871,536		0		0	36,911	4	36,911	4
07-09	899,426	46	0		0	30,795	3	30,749	3
08-10	681,196	46	0		0	16,733	2	16,687	2
09-11	947,636	46	0		0	27,493	3	27,448	3
10-12	799,315	1,116	0		0	27,847	3	26,731	3
11-13	1,147,242	1,885	0		0	42,864	4	40,979	4

FIVE-YEAR AVERAGE

09-13	947,540	1,158	0		0	31,362	3	30,204	3
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NEWFOUNDLAND POWER INC.

ACCOUNT 378.50 - TRANSPORTATION - MISCELLANEOUS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1976	6,055		0		0	4,743	78	4,743	78
1977	7,555		0		0	652	9	652	9
1978	10,730		0		0		0		0
1979	5,596		0		0	1,670	30	1,670	30
1980	9,742		0		0	3,364	35	3,364	35
1981	10,912	18	0		0	1,851	17	1,833	17
1982	20,328	80	0		0	6,505	32	6,425	32
1983	5,165	35	1		0	2,240	43	2,205	43
1984	34,387	1,180	3		0	10,802	31	9,622	28
1985	12,169	62	1		0	3,184	26	3,122	26
1986	40,742		0		0	6,576	16	6,576	16
1987	51,976		0		0	8,499	16	8,499	16
1988	47,006		0		0	4,375	9	4,375	9
1989	127,685		0		0	16,403	13	16,403	13
1990	37,743		0		0	9,560	25	9,560	25
1991						584		584	
1992	109,454		0		0	9,069	8	9,069	8
1993	21,690		0		0	4,557	21	4,557	21
1994	117,038		0		0	26,435	23	26,435	23
1995	47,593	48	0		0	4,513	9	4,465	9
1996	114,131		0		0	9,103	8	9,103	8
1997	150,730		0		0	20,605	14	20,605	14
1998	123,183		0		0	51,349	42	51,349	42
1999	45,848		0		0	21,811	48	21,811	48
2000	313,095		0		0	37,477	12	37,477	12
2001	63,382		0		0	10,698	17	10,698	17
2002	112,182		0		0	6,939	6	6,939	6
2003	223,072		0		0	53,327	24	53,327	24
2004	59,431		0		0	10,228	17	10,228	17
2005	212,146		0		0	46,314	22	46,314	22
2006	366,663		0		0	21,041	6	21,041	6
2007	10,430-		0		0	4,422	42-	4,422	42-
2008	179,897		0		0	8,670	5	8,670	5
2009	69,318		0		0	11,457	17	11,457	17
2010	28,370		0		0	3,182	11	3,182	11
2011	149,019		0		0	12,906	9	12,906	9
2012	126,425		0		0	25,102	20	25,102	20
2013	98,210		0		0	4,190	4	4,190	4
TOTAL	3,148,239	1,423	0		0	484,403	15	482,980	15

NEWFOUNDLAND POWER INC.

ACCOUNT 378.50 - TRANSPORTATION - MISCELLANEOUS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR	COST OF		G R O S S S A L V A G E				NET	
	RETIREMENTS	REMOVAL		REUSE		FINAL		SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	8,113		0		0	1,798	22	1,798	22
77-79	7,960		0		0	774	10	774	10
78-80	8,689		0		0	1,678	19	1,678	19
79-81	8,750	6	0		0	2,295	26	2,289	26
80-82	13,661	33	0		0	3,907	29	3,874	28
81-83	12,135	44	0		0	3,532	29	3,488	29
82-84	19,960	432	2		0	6,516	33	6,084	30
83-85	17,240	426	2		0	5,409	31	4,983	29
84-86	29,099	414	1		0	6,854	24	6,440	22
85-87	34,962	21	0		0	6,086	17	6,066	17
86-88	46,575		0		0	6,483	14	6,483	14
87-89	75,556		0		0	9,759	13	9,759	13
88-90	70,811		0		0	10,113	14	10,113	14
89-91	55,143		0		0	8,849	16	8,849	16
90-92	49,066		0		0	6,404	13	6,404	13
91-93	43,715		0		0	4,737	11	4,737	11
92-94	82,727		0		0	13,354	16	13,354	16
93-95	62,107	16	0		0	11,835	19	11,819	19
94-96	92,921	16	0		0	13,350	14	13,334	14
95-97	104,151	16	0		0	11,407	11	11,391	11
96-98	129,348		0		0	27,019	21	27,019	21
97-99	106,587		0		0	31,255	29	31,255	29
98-00	160,709		0		0	36,879	23	36,879	23
99-01	140,775		0		0	23,329	17	23,329	17
00-02	162,886		0		0	18,371	11	18,371	11
01-03	132,879		0		0	23,655	18	23,655	18
02-04	131,562		0		0	23,498	18	23,498	18
03-05	164,883		0		0	36,623	22	36,623	22
04-06	212,747		0		0	25,861	12	25,861	12
05-07	189,460		0		0	23,926	13	23,926	13
06-08	178,710		0		0	11,378	6	11,378	6
07-09	79,595		0		0	8,183	10	8,183	10
08-10	92,529		0		0	7,770	8	7,770	8
09-11	82,236		0		0	9,182	11	9,182	11
10-12	101,272		0		0	13,730	14	13,730	14
11-13	124,551		0		0	14,066	11	14,066	11
FIVE-YEAR AVERAGE									
09-13	94,268		0		0	11,367	12	11,367	12

NEWFOUNDLAND POWER INC.

ACCOUNT 382.00 - RADIO SITES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	PCT	S A L V A G E FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1977	4,562		0		0		0		0
1978									
1979									
1980									
1981									
1982									
1983									
1984	53,582		0		0		0		0
1985									
1986		916						916-	
1987		2,761				2,712		49-	
1988									
1989	42,807		0		0	232	1	232	1
1990									
1991									
1992		2,520		1,850				670-	
1993		445				634		189	
1994									
1995	8,982		0		0		0		0
1996									
1997									
1998									
1999									
2000		222						222-	
2001	4,699		0		0		0		0
2002	10,286		0		0		0		0
2003									
2004									
2005									
2006									
2007									
2008									
2009									
2010	2,493		0		0		0		0
2011									
2012									
2013									
TOTAL	127,411	6,864	5	1,850	1	3,578	3	1,436-	1-



NEWFOUNDLAND POWER INC.

ACCOUNT 382.00 - RADIO SITES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
77-79	1,521		0		0		0		0
78-80									
79-81									
80-82									
81-83									
82-84	17,861		0		0		0		0
83-85	17,861		0		0		0		0
84-86	17,861	305	2		0		0	305-	2-
85-87		1,226				904		322-	
86-88		1,226				904		322-	
87-89	14,269	920	6		0	981	7	61	0
88-90	14,269		0		0	77	1	77	1
89-91	14,269		0		0	77	1	77	1
90-92		840		617				223-	
91-93		988		617		211		160-	
92-94		988		617		211		160-	
93-95	2,994	148	5		0	211	7	63	2
94-96	2,994		0		0		0		0
95-97	2,994		0		0		0		0
96-98									
97-99									
98-00		74						74-	
99-01	1,566	74	5		0		0	74-	5-
00-02	4,995	74	1		0		0	74-	1-
01-03	4,995		0		0		0		0
02-04	3,429		0		0		0		0
03-05									
04-06									
05-07									
06-08									
07-09									
08-10	831		0		0		0		0
09-11	831		0		0		0		0
10-12	831		0		0		0		0
11-13									

FIVE-YEAR AVERAGE

09-13	499		0		0		0		0
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NEWFOUNDLAND POWER INC.

ACCOUNT 384.00 - COMMUNICATION CABLES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1990	379		0		0		0		0
1991									
1992									
1993									
1994									
1995		629						629-	
1996		5,398		220				5,178-	
1997									
1998	95,974		0		0		0		0
1999	24,573	11,599	47		0		0	11,599-	47-
2000									
2001									
2002	398,614	42,493	11		0		0	42,493-	11-
2003	336,135		0		0		0		0
2004	13,313	184	1		0		0	184-	1-
2005	5,964		0		0		0		0
2006	201,741	8,790	4		0		0	8,790-	4-
2007	86,139	2,305	3		0		0	2,305-	3-
2008	29,559	9,632	33		0		0	9,632-	33-
2009	159,316	583	0		0		0	583-	0
2010	66,138	317	0		0		0	317-	0
2011	11,537	200	2		0		0	200-	2-
2012	66,213		0		0		0		0
2013	1		0		0		0		0
TOTAL	1,495,596	82,130	5	220	0		0	81,910-	5-

THREE-YEAR MOVING AVERAGES

90-92	126		0		0		0		0
91-93									
92-94									
93-95		210						210-	
94-96		2,009		73				1,936-	
95-97		2,009		73				1,936-	
96-98	31,991	1,799	6	73	0		0	1,726-	5-
97-99	40,182	3,866	10		0		0	3,866-	10-
98-00	40,182	3,866	10		0		0	3,866-	10-
99-01	8,191	3,866	47		0		0	3,866-	47-
00-02	132,871	14,164	11		0		0	14,164-	11-
01-03	244,916	14,164	6		0		0	14,164-	6-
02-04	249,354	14,226	6		0		0	14,226-	6-

NEWFOUNDLAND POWER INC.

ACCOUNT 384.00 - COMMUNICATION CABLES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR	COST OF		G R O S S S A L V A G E				NET	
	RETIREMENTS	REMOVAL		REUSE		FINAL		SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
03-05	118,471	61	0		0		0	61-	0
04-06	73,673	2,991	4		0		0	2,991-	4-
05-07	97,948	3,698	4		0		0	3,698-	4-
06-08	105,813	6,909	7		0		0	6,909-	7-
07-09	91,671	4,173	5		0		0	4,173-	5-
08-10	85,004	3,511	4		0		0	3,511-	4-
09-11	78,997	367	0		0		0	367-	0
10-12	47,963	172	0		0		0	172-	0
11-13	25,917	67	0		0		0	67-	0
FIVE-YEAR AVERAGE									
09-13	60,641	220	0		0		0	220-	0

NEWFOUNDLAND POWER INC.

ACCOUNT 386.00 - SCADA EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1994	168,116	5,156	3		0		0	5,156-	3-
1995	131,945		0		0		0		0
1996	624		0		0		0		0
1997	1,858,202		0		0		0		0
1998	41,691		0		0		0		0
1999	390,626	15,843	4		0		0	15,843-	4-
2000	3,852,189	35,852	1		0		0	35,852-	1-
2001		7,580						7,580-	
2002	693,798	403	0		0		0	403-	0
2003									
2004	53,493		0		0		0		0
2005	2,681		0		0		0		0
2006	413,312		0		0		0		0
2007	66,885		0		0		0		0
2008									
2009	40,368		0		0		0		0
2010	147,746	5,006	3		0		0	5,006-	3-
2011	49,896	3,314	7		0		0	3,314-	7-
2012	407,223	1,012	0		0		0	1,012-	0
2013									
TOTAL	8,318,795	74,166	1		0		0	74,166-	1-

THREE-YEAR MOVING AVERAGES

94-96	100,228	1,719	2		0		0	1,719-	2-
95-97	663,590		0		0		0		0
96-98	633,506		0		0		0		0
97-99	763,506	5,281	1		0		0	5,281-	1-
98-00	1,428,169	17,232	1		0		0	17,232-	1-
99-01	1,414,272	19,758	1		0		0	19,758-	1-
00-02	1,515,329	14,612	1		0		0	14,612-	1-
01-03	231,266	2,661	1		0		0	2,661-	1-
02-04	249,097	134	0		0		0	134-	0
03-05	18,725		0		0		0		0
04-06	156,495		0		0		0		0
05-07	160,959		0		0		0		0
06-08	160,066		0		0		0		0
07-09	35,751		0		0		0		0
08-10	62,705	1,669	3		0		0	1,669-	3-
09-11	79,337	2,773	3		0		0	2,773-	3-

NEWFOUNDLAND POWER INC.

ACCOUNT 386.00 - SCADA EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
10-12	201,622	3,111	2		0		0	3,111-	2-
11-13	152,373	1,442	1		0		0	1,442-	1-
FIVE-YEAR AVERAGE									
09-13	129,047	1,866	1		0		0	1,866-	1-

NEWFOUNDLAND POWER INC.

ACCOUNT 389.10 - TELEPHONE AND DATA COLLECTION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S R E U S E AMOUNT	PCT	S A L V A G E F I N A L AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1998	124,292	3,520	3		0		0	3,520-	3-
1999		137						137-	
2000	533,547	12,538	2		0	23,402	4	10,864	2
2001	12,511	138	1		0		0	138-	1-
2002	48,074		0		0		0		0
2003									
2004	593,526		0		0		0		0
2005	93,477	22,263	24		0		0	22,263-	24-
2006	303,110		0		0		0		0
2007									
2008									
2009									
2010									
2011									
2012	70,099		0		0		0		0
2013	1		0		0		0		0
TOTAL	1,778,637	38,596	2		0	23,402	1	15,194-	1-

THREE-YEAR MOVING AVERAGES

98-00	219,280	5,398	2		0	7,801	4	2,402	1
99-01	182,019	4,271	2		0	7,801	4	3,530	2
00-02	198,044	4,225	2		0	7,801	4	3,575	2
01-03	20,195	46	0		0		0	46-	0
02-04	213,867		0		0		0		0
03-05	229,001	7,421	3		0		0	7,421-	3-
04-06	330,038	7,421	2		0		0	7,421-	2-
05-07	132,196	7,421	6		0		0	7,421-	6-
06-08	101,037		0		0		0		0
07-09									
08-10									
09-11									
10-12	23,366		0		0		0		0
11-13	23,367		0		0		0		0

FIVE-YEAR AVERAGE

09-13	14,020		0		0		0		0
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NEWFOUNDLAND POWER INC.

ACCOUNT 391.00 - COMMUNICATIONS - TEST EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1995	8,355		0		0		0		0
1996	1,625		0		0		0		0
1997									
1998	36,301		0		0		0		0
1999									
2000									
2001									
2002	9,826		0		0		0		0
2003									
2004									
2005									
2006	84,890		0		0		0		0
2007									
2008									
2009									
2010									
2011	38,739		0		0		0		0
2012	73,689		0		0		0		0
2013									
TOTAL	253,425		0		0		0		0

THREE-YEAR MOVING AVERAGES

95-97	3,327		0		0		0		0
96-98	12,642		0		0		0		0
97-99	12,100		0		0		0		0
98-00	12,100		0		0		0		0
99-01									
00-02	3,275		0		0		0		0
01-03	3,275		0		0		0		0
02-04	3,275		0		0		0		0
03-05									
04-06	28,297		0		0		0		0
05-07	28,297		0		0		0		0
06-08	28,297		0		0		0		0
07-09									
08-10									
09-11	12,913		0		0		0		0

NEWFOUNDLAND POWER INC.

ACCOUNT 391.00 - COMMUNICATIONS - TEST EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR	COST OF		G R O S S S A L V A G E				NET	
	RETIREMENTS	REMOVAL		REUSE		FINAL		SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
10-12	37,476		0		0		0		0
11-13	37,476		0		0		0		0
FIVE-YEAR AVERAGE									
09-13	22,486		0		0		0		0

NET SALVAGE STATISTICS - ADJUSTED

NEWFOUNDLAND POWER INC.

SUBSTATIONS - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S R E U S E		S A L V A G E F I N A L		N E T S A L V A G E	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1976	209,702	4,114	2		0	6,253	3	2,139	1
1977	715,030	12,172	2		0	24,614	3	12,442	2
1978	324,510	21,609	7		0	84,012	26	62,403	19
1979	122,514	10,227	8		0	17,454	14	7,227	6
1980	108,065	2,436	2		0	45,517	42	43,081	40
1981	238,697	147,479	62		0	61,857	26	85,622-	36-
1982	129,423	3,099	2		0	7,165	6	4,066	3
1983	122,630	11,041	9		0	15,891	13	4,850	4
1984	175,717	13,590	8		0	13,396	8	194-	0
1985	406,932	18,807	5		0	8,078	2	10,729-	3-
1986	192,045	12,595	7		0	6,350	3	6,245-	3-
1987	321,499	27,183	8		0	7,263	2	19,920-	6-
1988	293,006	44,292	15		0	34,462	12	9,830-	3-
1989	171,633	51,567	30		0	7,769-	5-	59,336-	35-
1990	439,514	61,127	14		0	25,181	6	35,946-	8-
1991	256,468	39,146	15	23,514	9		0	15,632-	6-
1992	490,044	36,153	7	2,086	0		0	34,067-	7-
1993	124,896	37,515	30	3,426	3		0	34,089-	27-
1994	457,823	83,034	18		0	101,855	22	18,821	4
1995	220,360	47,975	22	101,135	46		0	53,160	24
1996	408,816	63,917	16	10,702	3		0	53,215-	13-
1997	462,017	73,776	16	18,898	4		0	54,878-	12-
1998	453,867	57,107	13		0	17,258	4	39,849-	9-
1999	1,100,914	253,110	23	13,300	1		0	239,810-	22-
2000	491,183	186,825	38	25,556	5		0	161,269-	33-
2001	626,831	110,079	18	754	0		0	109,325-	17-
2002	1,908,272	88,133	5		0	2,773	0	85,360-	4-
2003	526,793	113,166	21		0	515,590	98	402,424	76
2004	805,114	434,013	54		0		0	434,013-	54-
2005	1,188,785	360,286	30		0	1,270	0	359,016-	30-
2006	991,971	426,925	43		0	65,682	7	361,243-	36-
2007	435,242	697,365	160		0	44,634	10	652,731-	150-
2008	980,741	610,079	62		0	2,932	0	607,147-	62-
2009	1,335,355	865,770	65		0		0	865,770-	65-
2010	2,023,371	812,190	40		0		0	812,190-	40-
2011	1,817,358	1,034,788	57		0		0	1,034,788-	57-
2012	2,340,010	1,096,492	47		0		0	1,096,492-	47-
2013	2,613,572	1,342,356	51		0		0	1,342,356-	51-
TOTAL	26,030,722	9,311,538	36	199,371	1	1,101,718	4	8,010,449-	31-

*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

NEWFOUNDLAND POWER INC.

SUBSTATIONS - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	PCT	S A L V A G E FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	416,414	12,632	3		0	38,293	9	25,661	6
77-79	387,351	14,669	4		0	42,027	11	27,357	7
78-80	185,030	11,424	6		0	48,994	26	37,570	20
79-81	156,425	53,381	34		0	41,609	27	11,771-	8-
80-82	158,728	51,005	32		0	38,180	24	12,825-	8-
81-83	163,583	53,873	33		0	28,304	17	25,569-	16-
82-84	142,590	9,243	6		0	12,151	9	2,907	2
83-85	235,093	14,479	6		0	12,455	5	2,024-	1-
84-86	258,231	14,997	6		0	9,275	4	5,723-	2-
85-87	306,825	19,528	6		0	7,230	2	12,298-	4-
86-88	268,850	28,023	10		0	16,025	6	11,998-	4-
87-89	262,046	41,014	16		0	11,319	4	29,695-	11-
88-90	301,384	52,329	17		0	17,291	6	35,037-	12-
89-91	289,205	50,613	18	7,838	3	5,804	2	36,971-	13-
90-92	395,342	45,475	12	8,533	2	8,394	2	28,548-	7-
91-93	290,469	37,605	13	9,675	3		0	27,929-	10-
92-94	357,588	52,234	15	1,837	1	33,952	9	16,445-	5-
93-95	267,693	56,175	21	34,854	13	33,952	13	12,631	5
94-96	362,333	64,975	18	37,279	10	33,952	9	6,255	2
95-97	363,731	61,889	17	43,578	12		0	18,311-	5-
96-98	441,567	64,933	15	9,867	2	5,753	1	49,314-	11-
97-99	672,266	127,998	19	10,733	2	5,753	1	111,512-	17-
98-00	681,988	165,681	24	12,952	2	5,753	1	146,976-	22-
99-01	739,643	183,338	25	13,203	2		0	170,135-	23-
00-02	1,008,762	128,346	13	8,770	1	924	0	118,651-	12-
01-03	1,020,632	103,793	10	251	0	172,788	17	69,246	7
02-04	1,080,060	211,771	20		0	172,788	16	38,983-	4-
03-05	840,231	302,488	36		0	172,287	21	130,202-	15-
04-06	995,290	407,075	41		0	22,317	2	384,757-	39-
05-07	871,999	494,859	57		0	37,195	4	457,663-	52-
06-08	802,651	578,123	72		0	37,749	5	540,374-	67-
07-09	917,113	724,405	79		0	15,855	2	708,549-	77-
08-10	1,446,489	762,680	53		0	977	0	761,702-	53-
09-11	1,725,362	904,249	52		0		0	904,249-	52-
10-12	2,060,246	981,157	48		0		0	981,157-	48-
11-13	2,256,980	1,157,879	51		0		0	1,157,879-	51-

FIVE-YEAR AVERAGE

09-13	2,025,933	1,030,319	51		0		0	1,030,319-	51-
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*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

NEWFOUNDLAND POWER INC.

TRANSMISSION - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S R E U S E		S A L V A G E F I N A L		N E T S A L V A G E	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1976	74,518	27,005	36		0	22,953	31	4,052-	5-
1977	170,350	89,070	52		0	103,137	61	14,067	8
1978	166,933	20,255	12		0	26,050	16	5,795	3
1979	53,320	9,423	18		0	27,253	51	17,830	33
1980	192,641	14,937	8		0	29,762	15	14,825	8
1981	443,094	18,798	4		0	16,820	4	1,978-	0
1982	533,077	23,296	4		0	68,325	13	45,029	8
1983	26,333	8,388	32		0	8,175	31	213-	1-
1984	152,266	24,524	16		0	8,112	5	16,412-	11-
1985	780,922	16,683	2		0	15,442	2	1,241-	0
1986	68,915	19,596	28		0	19,343	28	253-	0
1987	393,705	43,333	11		0	18,684	5	24,649-	6-
1988	103,626	145,293	140		0	235,666	227	90,373	87
1989	215,507	112,599	52		0	48,771	23	63,828-	30-
1990	271,586	145,621	54		0	11,387	4	134,234-	49-
1991	340,676	103,835	30	16,558	5		0	87,277-	26-
1992	531,746	192,372	36	91,746	17		0	100,626-	19-
1993	245,646	77,899	32	51,560	21		0	26,339-	11-
1994	187,115	210,310	112	140,666	75		0	69,644-	37-
1995	243,439	126,204	52	72,160	30		0	54,044-	22-
1996	213,953	140,234	66	23,602	11		0	116,632-	55-
1997	189,030	152,957	81	4,219	2		0	148,738-	79-
1998	547,844	191,336	35	21,566	4		0	169,770-	31-
1999	316,943	163,447	52	16,998	5	107	0	146,342-	46-
2000	188,434	135,200	72	27,175	14		0	108,025-	57-
2001	340,710	361,072	106		0	2,224	1	358,848-	105-
2002	484,166	274,226	57		0	52,038	11	222,188-	46-
2003	1,658,925	286,028	17	94,658	6		0	191,370-	12-
2004	642,536	257,876	40		0		0	257,876-	40-
2005	500,799	289,917	58		0		0	289,917-	58-
2006	853,649	646,584	76		0	31,240	4	615,344-	72-
2007	990,546	548,664	55		0	35,423	4	513,241-	52-
2008	1,182,885	766,438	65		0	17,044	1	749,394-	63-
2009	678,845	747,788	110		0	300	0	747,488-	110-
2010	520,909	366,267	70		0		0	366,267-	70-
2011	1,690,825	758,646	45		0		0	758,646-	45-
2012	605,863	799,180	132		0		0	799,180-	132-
2013	1,164,450	933,171	80		0		0	933,171-	80-
TOTAL	17,966,726	9,248,472	51	560,908	3	798,256	4	7,889,308-	44-

*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

NEWFOUNDLAND POWER INC.

TRANSMISSION - ALL ACCOUNTS

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	PCT	S A L V A G E FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	137,267	45,443	33		0	50,713	37	5,270	4
77-79	130,201	39,583	30		0	52,147	40	12,564	10
78-80	137,631	14,872	11		0	27,688	20	12,817	9
79-81	229,685	14,386	6		0	24,612	11	10,226	4
80-82	389,604	19,010	5		0	38,302	10	19,292	5
81-83	334,168	16,827	5		0	31,107	9	14,279	4
82-84	237,225	18,736	8		0	28,204	12	9,468	4
83-85	319,840	16,532	5		0	10,576	3	5,955-	2-
84-86	334,034	20,268	6		0	14,299	4	5,969-	2-
85-87	414,514	26,537	6		0	17,823	4	8,714-	2-
86-88	188,749	69,407	37		0	91,231	48	21,824	12
87-89	237,613	100,408	42		0	101,040	43	632	0
88-90	196,906	134,504	68		0	98,608	50	35,896-	18-
89-91	275,923	120,685	44	5,519	2	20,053	7	95,113-	34-
90-92	381,336	147,276	39	36,101	9	3,796	1	107,379-	28-
91-93	372,689	124,702	33	53,288	14		0	71,414-	19-
92-94	321,502	160,194	50	94,657	29		0	65,536-	20-
93-95	225,400	138,138	61	88,129	39		0	50,009-	22-
94-96	214,836	158,916	74	78,809	37		0	80,107-	37-
95-97	215,474	139,798	65	33,327	15		0	106,471-	49-
96-98	316,943	161,509	51	16,462	5		0	145,047-	46-
97-99	351,273	169,247	48	14,261	4	36	0	154,950-	44-
98-00	351,074	163,328	47	21,913	6	36	0	141,379-	40-
99-01	282,029	219,906	78	14,724	5	777	0	204,405-	72-
00-02	337,770	256,833	76	9,058	3	18,087	5	229,687-	68-
01-03	827,934	307,109	37	31,553	4	18,087	2	257,469-	31-
02-04	928,542	272,710	29	31,553	3	17,346	2	223,811-	24-
03-05	934,087	277,940	30	31,553	3		0	246,388-	26-
04-06	665,661	398,126	60		0	10,413	2	387,712-	58-
05-07	781,665	495,055	63		0	22,221	3	472,834-	60-
06-08	1,009,027	653,896	65		0	27,902	3	625,993-	62-
07-09	950,759	687,630	72		0	17,589	2	670,041-	70-
08-10	794,213	626,831	79		0	5,781	1	621,050-	78-
09-11	963,526	624,234	65		0	100	0	624,134-	65-
10-12	939,199	641,364	68		0		0	641,364-	68-
11-13	1,153,713	830,332	72		0		0	830,332-	72-

FIVE-YEAR AVERAGE

09-13	932,178	721,010	77		0	60	0	720,950-	77-
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*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.12, 361.13 & 361.15 - OVERHEAD CONDUCTOR - ALUMINUM

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S R E U S E		S A L V A G E F I N A L		N E T S A L V A G E	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1976	114,352	32,493	28		0	10,057	9	22,436-	20-
1977	108,780	41,355	38		0	4,782	4	36,573-	34-
1978	140,791	33,261	24		0	37,806	27	4,545	3
1979	154,624	37,692	24		0	36,061	23	1,631-	1-
1980	164,657	34,710	21		0	42,215	26	7,505	5
1981	174,862	37,541	21		0	32,471	19	5,070-	3-
1982	218,786	112,179	51		0	56,834	26	55,345-	25-
1983	160,455	49,844	31		0	43,408	27	6,436-	4-
1984	153,914	66,712	43		0	35,513	23	31,199-	20-
1985	249,623	113,757	46		0	34,204	14	79,553-	32-
1986	186,915	108,955	58		0	24,317	13	84,638-	45-
1987	198,281	73,590	37		0	26,558	13	47,032-	24-
1988	217,376	139,050	64		0	32,336	15	106,714-	49-
1989	317,420	217,138	68		0	75,674	24	141,464-	45-
1990	332,374	103,431	31	1,217	0	33,020	10	69,194-	21-
1991	325,342	106,513	33	2,489	1	67,513	21	36,511-	11-
1992	232,436	104,733	45	2,467	1	66,917	29	35,349-	15-
1993	253,834	92,848	37	898	0	24,371	10	67,579-	27-
1994	254,897	28,014	11	1,230	0	33,360	13	6,576	3
1995	318,265	124,635	39	2,410	1	65,365	21	56,860-	18-
1996	186,416	73,900	40	1,072	1	29,601	16	43,227-	23-
1997	169,004	87,657	52	1,738	1	33,161	20	52,758-	31-
1998	197,011	77,707	39	2,765	1	26,431	13	48,511-	25-
1999	545,297	204,262	37	247	0	24,536	4	179,479-	33-
2000	799,899	195,815	24		0	95,580	12	100,235-	13-
2001	409,966	397,785	97	10,895	3	36,357	9	350,533-	86-
2002	1,612,240	334,441	21		0	57,755	4	276,686-	17-
2003	1,164,739	261,955	22		0	43,582	4	218,373-	19-
2004	973,070	530,818	55		0	24,888	3	505,930-	52-
2005	450,036	373,623	83		0	30,930	7	342,693-	76-
2006	385,721	557,828	145		0	41,339	11	516,489-	134-
2007	887,464	332,029	37		0	32,094	4	299,935-	34-
2008	381,307	458,138	120		0	24,787	7	433,351-	114-
2009	605,754	636,458	105		0	28,894	5	607,564-	100-
2010	622,967	436,879	70		0	26,212	4	410,667-	66-
2011	1,006,345	415,650	41		0	73,097	7	342,553-	34-
2012	601,982	858,691	143		0	22,555	4	836,136-	139-
2013	758,724	1,067,805	141		0	29,307	4	1,038,498-	137-
TOTAL	16,035,928	8,959,893	56	27,428	0	1,463,888	9	7,468,577-	47-

*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

NEWFOUNDLAND POWER INC.

ACCOUNTS 361.12, 361.13 & 361.15 - OVERHEAD CONDUCTOR - ALUMINUM

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET	
		AMOUNT	PCT	REUSE		FINAL		SALVAGE	
				AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	121,308	35,703	29		0	17,548	14	18,155-	15-
77-79	134,732	37,436	28		0	26,216	19	11,220-	8-
78-80	153,357	35,221	23		0	38,694	25	3,473	2
79-81	164,714	36,648	22		0	36,916	22	268	0
80-82	186,102	61,477	33		0	43,840	24	17,637-	9-
81-83	184,701	66,521	36		0	44,238	24	22,284-	12-
82-84	177,718	76,245	43		0	45,252	25	30,993-	17-
83-85	187,997	76,771	41		0	37,708	20	39,063-	21-
84-86	196,817	96,475	49		0	31,345	16	65,130-	33-
85-87	211,606	98,767	47		0	28,360	13	70,408-	33-
86-88	200,857	107,198	53		0	27,737	14	79,461-	40-
87-89	244,359	143,259	59		0	44,856	18	98,403-	40-
88-90	289,057	153,206	53	406	0	47,010	16	105,791-	37-
89-91	325,045	142,361	44	1,235	0	58,736	18	82,390-	25-
90-92	296,717	104,892	35	2,058	1	55,817	19	47,018-	16-
91-93	270,537	101,365	37	1,951	1	52,934	20	46,480-	17-
92-94	247,056	75,198	30	1,532	1	41,549	17	32,117-	13-
93-95	275,665	81,832	30	1,513	1	41,032	15	39,288-	14-
94-96	253,193	75,516	30	1,571	1	42,775	17	31,170-	12-
95-97	224,562	95,397	42	1,740	1	42,709	19	50,948-	23-
96-98	184,144	79,755	43	1,858	1	29,731	16	48,165-	26-
97-99	303,771	123,209	41	1,583	1	28,043	9	93,583-	31-
98-00	514,069	159,261	31	1,004	0	48,849	10	109,408-	21-
99-01	585,054	265,954	45	3,714	1	52,158	9	210,082-	36-
00-02	940,702	309,347	33	3,632	0	63,231	7	242,485-	26-
01-03	1,062,315	331,394	31	3,632	0	45,898	4	281,864-	27-
02-04	1,250,017	375,738	30		0	42,075	3	333,663-	27-
03-05	862,615	388,799	45		0	33,133	4	355,665-	41-
04-06	602,942	487,423	81		0	32,386	5	455,038-	75-
05-07	574,407	421,160	73		0	34,788	6	386,373-	67-
06-08	551,497	449,332	81		0	32,740	6	416,592-	76-
07-09	624,842	475,542	76		0	28,592	5	446,950-	72-
08-10	536,676	510,492	95		0	26,631	5	483,861-	90-
09-11	745,022	496,329	67		0	42,734	6	453,594-	61-
10-12	743,765	570,407	77		0	40,621	5	529,785-	71-
11-13	789,017	780,715	99		0	41,653	5	739,062-	94-

FIVE-YEAR AVERAGE

09-13	719,155	683,096	95		0	36,013	5	647,084-	90-
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*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

NEWFOUNDLAND POWER INC.

ACCOUNTS 362.10 & 362.20 - DISTRIBUTION - POLES AND FIXTURES - WOOD

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S R E U S E		S A L V A G E F I N A L		N E T S A L V A G E	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2000	1,527,165	587,498	38	90,426	6		0	497,072-	33-
2001	2,759,061	534,374	19	136,453	5		0	397,921-	14-
2002	2,048,803	727,652	36		0	55,979	3	671,673-	33-
2003	848,567	474,873	56		0	238	0	474,635-	56-
2004	837,695	479,745	57		0		0	479,745-	57-
2005	1,254,719	386,994	31		0	32,119	3	354,875-	28-
2006	1,401,597	565,256	40		0	5,042	0	560,214-	40-
2007	2,055,461	619,670	30		0		0	619,670-	30-
2008	1,578,668	769,431	49		0		0	769,431-	49-
2009	1,233,368	325,141	26		0		0	325,141-	26-
2010	1,760,816	499,029	28		0		0	499,029-	28-
2011	1,222,195	940,872	77		0		0	940,872-	77-
2012	654,824	457,979	70	3,881	1		0	454,098-	69-
2013	958,365	583,178	61		0		0	583,178-	61-
TOTAL	20,141,305	7,951,692	39	230,760	1	93,378	0	7,627,554-	38-

THREE-YEAR MOVING AVERAGES

00-02	2,111,677	616,508	29	75,626	4	18,660	1	522,222-	25-
01-03	1,885,477	578,966	31	45,484	2	18,739	1	514,743-	27-
02-04	1,245,022	560,757	45		0	18,739	2	542,018-	44-
03-05	980,327	447,204	46		0	10,786	1	436,418-	45-
04-06	1,164,671	477,332	41		0	12,387	1	464,945-	40-
05-07	1,570,592	523,973	33		0	12,387	1	511,586-	33-
06-08	1,678,575	651,452	39		0	1,681	0	649,771-	39-
07-09	1,622,499	571,414	35		0		0	571,414-	35-
08-10	1,524,284	531,200	35		0		0	531,200-	35-
09-11	1,405,460	588,347	42		0		0	588,347-	42-
10-12	1,212,611	632,627	52	1,294	0		0	631,333-	52-
11-13	945,128	660,676	70	1,294	0		0	659,383-	70-

FIVE-YEAR AVERAGE

09-13	1,165,914	561,240	48	776	0		0	560,464-	48-
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*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

NEWFOUNDLAND POWER INC.

ACCOUNT 364.00 - DISTRIBUTION - TRANSFORMERS

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E REUSE		FINAL		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1976	209,142		0		0	20,950	10	20,950	10
1977	301,115		0		0	11,869	4	11,869	4
1978	370,766		0		0	30,646	8	30,646	8
1979	324,223	277	0		0	22,112	7	21,835	7
1980	243,756	352	0		0	45,495	19	45,143	19
1981	343,984	2,209	1		0	9,958	3	7,749	2
1982	300,512		0		0	9,111	3	9,111	3
1983	345,070	203	0		0	30,557	9	30,354	9
1984	429,292	585	0		0	18,444	4	17,859	4
1985	202,997	294	0		0	5,596	3	5,302	3
1986	259,030	892	0		0	11,023	4	10,131	4
1987	235,686	601	0		0	6,422	3	5,821	2
1988	330,575	1,658	1		0	29,257	9	27,599	8
1989	371,252	5,113	1		0	14,079	4	8,966	2
1990	470,448	4,905	1		0	16,675	4	11,770	3
1991	339,804	4,659	1	26,611	8		0	21,952	6
1992	191,717	5,687	3	19,686	10		0	13,999	7
1993	230,692	7,268	3	28,350	12		0	21,082	9
1994	197,274	2,670	1	10,681	5		0	8,011	4
1995	227,683	211,488	93	30,731	13	27,410	12	153,347-	67-
1996	155,826	10,408	7	19,440	12	13,940	9	22,972	15
1997	845,887	4,487	1	640-	0	7,000	1	1,873	0
1998	1,789,961	88,001	5	269,189	15	95,274	5	276,462	15
1999	1,419,119	78,045	5	414,515	29	14,427	1	350,897	25
2000	1,226,597	80,581	7	325,960	27	13,712	1	259,091	21
2001	912,446	80,007	9	118,967	13	3,950	0	42,910	5
2002	1,483,059	36,016	2		0	2,340	0	33,676-	2-
2003	1,242,622	326,589	26		0	387,620	31	61,031	5
2004	752,442	85,395	11		0		0	85,395-	11-
2005	1,600,527	291,062	18		0	68,693	4	222,369-	14-
2006	5,837,714	220,804	4		0	161,989	3	58,815-	1-
2007	2,825,162	287,746	10		0	90,402	3	197,344-	7-
2008	1,089,869	314,263	29		0	90,343	8	223,920-	21-
2009	1,218,308	301,660	25		0	75,444	6	226,216-	19-
2010	615,001	240,602	39		0	56,965	9	183,637-	30-
2011	1,502,281	563,461	38		0	36,605	2	526,856-	35-
2012	1,261,387	712,170	56		0	42,023	3	670,147-	53-
2013	1,405,235	510,958	36		0	35,225	3	475,733-	34-
TOTAL	33,108,460	4,481,116	14	1,263,490	4	1,505,556	5	1,712,070-	5-

*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

NEWFOUNDLAND POWER INC.

ACCOUNT 364.00 - DISTRIBUTION - TRANSFORMERS

SUMMARY OF BOOK SALVAGE - ADJUSTED*

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	S A L V A G E PCT	FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	293,674		0		0	21,155	7	21,155	7
77-79	332,035	92	0		0	21,542	6	21,450	6
78-80	312,915	210	0		0	32,751	10	32,541	10
79-81	303,988	946	0		0	25,855	9	24,909	8
80-82	296,084	854	0		0	21,521	7	20,668	7
81-83	329,855	804	0		0	16,542	5	15,738	5
82-84	358,291	263	0		0	19,371	5	19,108	5
83-85	325,786	361	0		0	18,199	6	17,838	5
84-86	297,106	590	0		0	11,688	4	11,097	4
85-87	232,571	596	0		0	7,680	3	7,085	3
86-88	275,097	1,050	0		0	15,567	6	14,517	5
87-89	312,504	2,457	1		0	16,586	5	14,129	5
88-90	390,758	3,892	1		0	20,004	5	16,112	4
89-91	393,835	4,892	1	8,870	2	10,251	3	14,229	4
90-92	333,990	5,084	2	15,432	5	5,558	2	15,907	5
91-93	254,071	5,871	2	24,882	10		0	19,011	7
92-94	206,561	5,208	3	19,572	9		0	14,364	7
93-95	218,550	73,809	34	23,254	11	9,137	4	41,418-	19-
94-96	193,594	74,855	39	20,284	10	13,783	7	40,788-	21-
95-97	409,799	75,461	18	16,510	4	16,117	4	42,834-	10-
96-98	930,558	34,299	4	95,996	10	38,738	4	100,436	11
97-99	1,351,656	56,844	4	227,688	17	38,900	3	209,744	16
98-00	1,478,559	82,209	6	336,555	23	41,138	3	295,483	20
99-01	1,186,054	79,544	7	286,481	24	10,696	1	217,633	18
00-02	1,207,367	65,535	5	148,309	12	6,667	1	89,442	7
01-03	1,212,709	147,537	12	39,656	3	131,303	11	23,422	2
02-04	1,159,374	149,333	13		0	129,987	11	19,347-	2-
03-05	1,198,530	234,349	20		0	152,104	13	82,244-	7-
04-06	2,730,228	199,087	7		0	76,894	3	122,193-	4-
05-07	3,421,134	266,537	8		0	107,028	3	159,509-	5-
06-08	3,250,915	274,271	8		0	114,245	4	160,026-	5-
07-09	1,711,113	301,223	18		0	85,396	5	215,826-	13-
08-10	974,393	285,508	29		0	74,251	8	211,258-	22-
09-11	1,111,863	368,574	33		0	56,338	5	312,236-	28-
10-12	1,126,223	505,411	45		0	45,198	4	460,213-	41-
11-13	1,389,634	595,530	43		0	37,951	3	557,579-	40-

FIVE-YEAR AVERAGE

09-13	1,200,442	465,770	39		0	49,252	4	416,518-	35-
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*2005-2010 COR amounts were adjusted to be consistent with new 2011 company guidelines regarding the allocation of cost for capital projects.

APPENDIX C. DETAILED DEPRECIATION CALCULATIONS

NEWFOUNDLAND POWER INC.

ACCOUNT 320.00 - LAND AND LAND CLEARING

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 75-R2.5					
NET SALVAGE PERCENT.. 0					
1924	12,170.00	0.98	119.27	0.8869	10,794
1928	154.00	1.01	1.56	0.8736	135
1930	250.00	1.03	2.58	0.8704	218
1931	1,087.00	1.03	11.20	0.8600	935
1932	3,626.00	1.04	37.71	0.8580	3,111
1941	15,399.00	1.11	170.93	0.8158	12,563
1943	9,075.00	1.12	101.64	0.8008	7,267
1944	201.00	1.13	2.27	0.7966	160
1946	140.00	1.14	1.60	0.7809	109
1949	3,200.00	1.16	37.12	0.7598	2,431
1951	11,452.00	1.18	135.13	0.7493	8,581
1952	378.00	1.18	4.46	0.7375	279
1953	70.00	1.19	0.83	0.7318	51
1954	55,986.00	1.20	671.83	0.7260	40,646
1955	1,000.00	1.20	12.00	0.7140	714
1956	2,920.00	1.21	35.33	0.7078	2,067
1957	3,055.00	1.22	37.27	0.7015	2,143
1959	21,557.00	1.23	265.15	0.6826	14,715
1960	400.00	1.24	4.96	0.6758	270
1963	74,052.00	1.26	933.06	0.6489	48,052
1981	142.00	1.38	1.96	0.4623	66
1982	3,200.00	1.38	44.16	0.4485	1,435
1983	112,607.00	1.39	1,565.24	0.4378	49,299
1984	132,423.00	1.40	1,853.92	0.4270	56,545
1985	66,452.00	1.40	930.33	0.4130	27,445
1986	49,101.00	1.41	692.32	0.4018	19,729
1987	4,580.00	1.42	65.04	0.3905	1,788
1997	217,657.62	1.49	3,243.10	0.2608	56,765
1999	109,120.00	1.51	1,647.71	0.2340	25,534
2001	6,436.42	1.52	97.83	0.2052	1,321
2002	4,806.01	1.53	73.53	0.1912	919
2003	34,601.78	1.54	532.87	0.1771	6,128
2007	1,815.00	1.59	28.86	0.1192	216
2008	13,970.71	1.60	223.53	0.1040	1,453
2014	81,241.67	1.82	1,478.60	0.0091	739
	1,054,326.21		15,064.90		404,623

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.43

NEWFOUNDLAND POWER INC.

ACCOUNT 321.00 - ROADS, TRAILS, AND BRIDGES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 60-R3					
NET SALVAGE PERCENT.. -10					
1924	4,370.00	1.07	51.43	0.9684	4,655
1928	18,327.00	1.11	223.77	0.9602	19,357
1931	33,287.00	1.14	417.42	0.9519	34,854
1935	2,300.00	1.18	29.85	0.9381	2,373
1941	27,250.00	1.25	374.69	0.9188	27,541
1942	10,431.00	1.26	144.57	0.9135	10,482
1943	40,620.00	1.27	567.46	0.9080	40,571
1946	20,310.00	1.30	290.43	0.8905	19,895
1948	7,587.00	1.33	111.00	0.8844	7,381
1951	6,542.00	1.36	97.87	0.8636	6,215
1952	33,656.00	1.38	510.90	0.8625	31,931
1953	35,883.00	1.39	548.65	0.8548	33,740
1954	111,427.00	1.40	1,715.98	0.8470	103,817
1955	33,328.00	1.41	516.92	0.8390	30,758
1956	20,400.00	1.42	318.65	0.8307	18,641
1957	11,282.00	1.43	177.47	0.8222	10,204
1958	40,980.00	1.44	649.12	0.8136	36,675
1959	89,346.00	1.45	1,425.07	0.8048	79,096
1960	1,647.00	1.47	26.63	0.8012	1,452
1963	86,012.08	1.50	1,419.20	0.7725	73,089
1964	2,611.00	1.51	43.37	0.7626	2,190
1966	741.00	1.53	12.47	0.7420	605
1971	1,905.00	1.58	33.11	0.6873	1,440
1973	54,816.00	1.60	964.76	0.6640	40,038
1980	12,075.00	1.66	220.49	0.5727	7,607
1982	3,208.00	1.68	59.28	0.5460	1,927
1983	77,923.00	1.69	1,448.59	0.5324	45,635
1985	5,610.00	1.71	105.52	0.5044	3,113
1986	16,513.00	1.72	312.43	0.4902	8,904
1987	48,731.00	1.73	927.35	0.4758	25,505
1989	42,002.00	1.74	803.92	0.4437	20,500
1991	3,865.00	1.76	74.83	0.4136	1,758
1992	264,500.00	1.77	5,149.82	0.3982	115,856
1993	11,715.00	1.77	228.09	0.3806	4,905
1994	68,471.14	1.78	1,340.66	0.3649	27,484
1997	500,242.38	1.80	9,904.80	0.3150	173,334
1998	804,952.24	1.81	16,026.60	0.2986	264,395
2000	45,978.84	1.83	925.55	0.2654	13,423
2002	31,053.63	1.84	628.53	0.2300	7,857
2003	192,895.38	1.85	3,925.42	0.2128	45,153
2004	45,419.90	1.85	924.29	0.1942	9,703
2005	40,659.00	1.86	831.88	0.1767	7,903

NEWFOUNDLAND POWER INC.

ACCOUNT 321.00 - ROADS, TRAILS, AND BRIDGES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 60-R3					
NET SALVAGE PERCENT.. -10					
2007	103,836.68	1.88	2,147.34	0.1410	16,105
2008	51,685.55	1.88	1,068.86	0.1222	6,948
2009	327,892.04	1.89	6,816.88	0.1040	37,511
2010	185,948.19	1.90	3,886.32	0.0855	17,488
2011	139,038.04	1.91	2,921.19	0.0668	10,217
2012	110,997.55	1.92	2,344.27	0.0480	5,861
2013	205,973.58	1.94	4,395.48	0.0291	6,593
2014	275,592.36	1.97	5,972.09	0.0098	2,971
	4,311,836.58		84,061.27		1,525,656
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.95					

NEWFOUNDLAND POWER INC.

ACCOUNT 322.00 - BUILDINGS AND STRUCTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 75-R2.5					
NET SALVAGE PERCENT.. -25					
1904	15,500.00	0.85	164.69	0.9392	18,197
1917	17,450.00	0.93	202.86	0.9068	19,780
1921	6,011.00	0.96	72.13	0.8976	6,744
1923	44,920.00	0.97	544.66	0.8876	49,839
1924	186,313.00	0.98	2,282.33	0.8869	206,551
1929	16,500.00	1.02	210.38	0.8721	17,987
1931	77,422.00	1.03	996.81	0.8600	83,229
1932	14,220.00	1.04	184.86	0.8580	15,251
1937	666.00	1.08	8.99	0.8370	697
1941	177,462.00	1.11	2,462.29	0.8158	180,967
1942	9,750.00	1.11	135.28	0.8048	9,808
1943	11,700.00	1.12	163.80	0.8008	11,712
1945	414.00	1.13	5.85	0.7854	406
1946	58,310.00	1.14	830.92	0.7809	56,918
1951	99,332.00	1.18	1,465.15	0.7493	93,037
1954	302,232.00	1.20	4,533.48	0.7260	274,276
1956	89,200.00	1.21	1,349.15	0.7078	78,920
1957	144,023.00	1.22	2,196.35	0.7015	126,290
1958	86,373.00	1.22	1,317.19	0.6893	74,421
1959	468,594.98	1.23	7,204.65	0.6826	399,829
1960	2,430.00	1.24	37.66	0.6758	2,053
1961	432.00	1.24	6.70	0.6634	358
1962	1,420.79	1.25	22.20	0.6562	1,165
1963	112,727.25	1.26	1,775.45	0.6489	91,436
1964	59,451.00	1.26	936.35	0.6363	47,286
1965	2,841.00	1.27	45.10	0.6286	2,232
1966	125.00	1.28	2.00	0.6208	97
1968	591.00	1.29	9.53	0.5998	443
1970	895.00	1.30	14.54	0.5785	647
1972	3,248.00	1.32	53.59	0.5610	2,278
1974	3,529.00	1.33	58.67	0.5386	2,376
1975	7,490.00	1.34	125.46	0.5293	4,956
1976	2,591.00	1.34	43.40	0.5159	1,671
1977	24,475.00	1.35	413.02	0.5062	15,487
1978	35,786.00	1.36	608.36	0.4964	22,205
1979	31,324.00	1.36	532.51	0.4828	18,904
1980	245,704.45	1.37	4,207.69	0.4726	145,150
1981	76,614.82	1.38	1,321.61	0.4623	44,274
1982	24,102.00	1.38	415.76	0.4485	13,512
1983	698,015.00	1.39	12,128.01	0.4378	381,989
1984	234,186.42	1.40	4,098.26	0.4270	124,997
1985	48,285.00	1.40	844.99	0.4130	24,927

NEWFOUNDLAND POWER INC.

ACCOUNT 322.00 - BUILDINGS AND STRUCTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 75-R2.5					
NET SALVAGE PERCENT.. -25					
1986	58,401.00	1.41	1,029.32	0.4018	29,332
1987	35,305.82	1.42	626.68	0.3905	17,234
1988	374,461.80	1.42	6,646.70	0.3763	176,137
1989	16,476.00	1.43	294.51	0.3646	7,509
1990	28,900.00	1.44	520.20	0.3528	12,745
1991	21,447.60	1.44	386.06	0.3384	9,072
1992	77,307.00	1.45	1,401.19	0.3262	31,522
1993	6,224.00	1.46	113.59	0.3139	2,442
1994	36,766.00	1.47	675.58	0.3014	13,852
1995	43,836.00	1.47	805.49	0.2866	15,704
1996	77,128.00	1.48	1,426.87	0.2738	26,397
1998	1,725,266.83	1.50	32,348.75	0.2475	533,754
1999	74,193.00	1.51	1,400.39	0.2340	21,701
2000	386,966.90	1.51	7,304.00	0.2190	105,932
2001	153,269.13	1.52	2,912.11	0.2052	39,314
2002	179,495.26	1.53	3,432.85	0.1912	42,899
2003	285,670.79	1.54	5,499.16	0.1771	63,240
2004	127,953.41	1.55	2,479.10	0.1628	26,039
2005	87,073.46	1.56	1,697.93	0.1482	16,130
2006	245,216.48	1.57	4,812.37	0.1334	40,890
2007	399,351.19	1.59	7,937.10	0.1192	59,503
2008	333,115.04	1.60	6,662.30	0.1040	43,305
2009	252,541.65	1.61	5,082.40	0.0886	27,969
2010	515,583.96	1.63	10,505.02	0.0734	47,305
2011	219,534.94	1.65	4,527.91	0.0578	15,861
2012	503,642.60	1.68	10,576.49	0.0420	26,441
2013	217,972.63	1.72	4,686.41	0.0258	7,030
2014	109,583.86	1.82	2,493.03	0.0091	1,247
	10,035,341.06		182,316.19		4,133,808
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.82					

NEWFOUNDLAND POWER INC.

ACCOUNT 323.00 - CANALS, PENSTOCKS, SURGE TANKS AND TAILRACES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 60-L3					
NET SALVAGE PERCENT.. -25					
1913	33,500.00	0.91	381.06	0.9236	38,676
1917	29,076.00	0.94	341.64	0.9165	33,310
1920	2,400.00	0.96	28.80	0.9072	2,722
1924	60,525.00	0.99	749.00	0.8960	67,788
1930	6,922.00	1.04	89.99	0.8788	7,604
1931	89,020.00	1.05	1,168.39	0.8768	97,566
1932	6,504.00	1.06	86.18	0.8745	7,110
1933	1,270.00	1.06	16.83	0.8639	1,371
1934	8,434.00	1.07	112.80	0.8614	9,081
1937	384.00	1.10	5.28	0.8525	409
1941	102,386.50	1.14	1,459.01	0.8379	107,237
1942	89,090.00	1.15	1,280.67	0.8338	92,854
1943	285,318.00	1.17	4,172.78	0.8366	298,371
1948	182,823.00	1.23	2,810.90	0.8180	186,937
1950	13,840.00	1.25	216.25	0.8062	13,947
1951	440,882.00	1.27	6,999.00	0.8064	444,409
1952	55,977.00	1.28	895.63	0.8000	55,977
1953	50,499.00	1.30	820.61	0.7995	50,467
1954	858,366.00	1.31	14,055.74	0.7926	850,426
1956	375,851.00	1.35	6,342.49	0.7898	371,059
1957	6,861.00	1.36	116.64	0.7820	6,707
1958	143,625.00	1.38	2,477.53	0.7797	139,981
1959	883,873.00	1.40	15,467.78	0.7770	858,462
1960	907.00	1.41	15.99	0.7684	871
1961	500.00	1.43	8.94	0.7650	478
1963	500,390.00	1.47	9,194.67	0.7570	473,494
1964	3,977.00	1.49	74.07	0.7524	3,740
1965	685,769.00	1.50	12,858.17	0.7425	636,479
1970	942.00	1.59	18.72	0.7076	833
1978	9,317.00	1.71	199.15	0.6242	7,270
1979	518,042.00	1.72	11,137.90	0.6106	395,396
1980	107,100.00	1.73	2,316.04	0.5968	79,897
1981	2,302,405.15	1.74	50,077.31	0.5829	1,677,590
1983	885,250.99	1.76	19,475.52	0.5544	613,479
1984	576,127.00	1.77	12,746.81	0.5398	388,742
1985	1,989,658.00	1.78	44,269.89	0.5251	1,305,962
1986	93,462.00	1.79	2,091.21	0.5102	59,605
1987	934,890.00	1.80	21,035.02	0.4950	578,463
1989	1,841,429.00	1.81	41,662.33	0.4616	1,062,505
1990	3,109,126.00	1.82	70,732.62	0.4459	1,732,949
1991	636,862.00	1.83	14,568.22	0.4300	342,313
1992	410,297.00	1.83	9,385.54	0.4118	211,200

NEWFOUNDLAND POWER INC.

ACCOUNT 323.00 - CANALS, PENSTOCKS, SURGE TANKS AND TAILRACES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 60-L3					
NET SALVAGE PERCENT.. -25					
1993	286,917.86	1.84	6,599.11	0.3956	141,881
1995	60,173.00	1.85	1,391.50	0.3608	27,138
1996	202,472.62	1.85	4,682.18	0.3422	86,608
1997	14,872.21	1.86	345.78	0.3255	6,051
1998	3,242,951.60	1.86	75,398.62	0.3069	1,244,077
1999	4,610,997.73	1.87	107,782.07	0.2898	1,670,334
2000	3,395,024.39	1.87	79,358.70	0.2712	1,150,913
2001	1,652,328.79	1.87	38,623.19	0.2524	521,310
2002	2,598,135.75	1.88	61,056.19	0.2350	763,202
2003	1,534,989.18	1.88	36,072.25	0.2162	414,831
2004	2,463,678.09	1.88	57,896.44	0.1974	607,913
2005	83,330.91	1.88	1,958.28	0.1786	18,604
2006	844,772.79	1.88	19,852.16	0.1598	168,743
2007	13,629,599.00	1.88	320,295.58	0.1410	2,402,217
2008	168,461.46	1.89	3,979.90	0.1228	25,859
2009	3,398,598.68	1.89	80,291.89	0.1040	441,818
2010	652,388.18	1.89	15,412.67	0.0850	69,316
2011	86,968.11	1.89	2,054.62	0.0662	7,197
2012	811,063.81	1.89	19,161.38	0.0472	47,853
2013	71,119.13	1.89	1,680.19	0.0284	2,525
2014	4,283,770.00	1.89	101,204.07	0.0094	50,334
	62,426,490.93		1,417,059.89		23,182,461

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.27

NEWFOUNDLAND POWER INC.

ACCOUNT 324.00 - DAMS AND RESERVOIRS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 70-S0.5					
NET SALVAGE PERCENT.. -25					
1904	22,000.00	0.83	228.25	0.9172	25,223
1917	7,356.00	0.90	82.76	0.8775	8,069
1920	13,548.00	0.92	155.80	0.8694	14,723
1921	2,640.00	0.92	30.36	0.8602	2,839
1924	156,190.00	0.94	1,835.23	0.8507	166,089
1928	65,645.00	0.97	795.95	0.8390	68,845
1929	85,347.00	0.97	1,034.83	0.8294	88,484
1931	284,981.00	0.98	3,491.02	0.8183	291,500
1937	77,472.00	1.03	997.45	0.7982	77,298
1939	1,500.00	1.04	19.50	0.7852	1,472
1940	1,880.00	1.05	24.68	0.7822	1,838
1941	204,927.01	1.06	2,715.28	0.7791	199,573
1942	42,500.00	1.06	563.12	0.7685	40,827
1943	228,462.00	1.07	3,055.68	0.7650	218,467
1944	156,700.00	1.08	2,115.45	0.7614	149,139
1946	43,326.00	1.09	590.32	0.7466	40,434
1948	52,109.00	1.11	723.01	0.7382	48,084
1950	919.00	1.13	12.98	0.7288	837
1951	87,591.00	1.14	1,248.17	0.7239	79,259
1952	47,583.00	1.15	684.01	0.7188	42,753
1953	263,272.00	1.15	3,784.54	0.7072	232,732
1954	788,620.66	1.16	11,435.00	0.7018	691,817
1955	7,906.00	1.17	115.63	0.6962	6,880
1956	397,412.00	1.18	5,861.83	0.6903	342,917
1957	986,230.00	1.19	14,670.17	0.6842	843,473
1959	732,931.00	1.21	11,085.58	0.6716	615,296
1960	2,603.00	1.22	39.70	0.6649	2,163
1961	5,120.00	1.23	78.72	0.6580	4,211
1962	70,586.63	1.24	1,094.09	0.6510	57,440
1963	487,698.93	1.25	7,620.30	0.6438	392,476
1964	50,224.21	1.26	791.03	0.6363	39,947
1965	33,954.38	1.27	539.03	0.6286	26,680
1966	591.00	1.28	9.46	0.6208	459
1970	13.00	1.32	0.21	0.5874	10
1971	6,854.01	1.34	114.80	0.5829	4,994
1972	15,832.00	1.35	267.16	0.5738	11,356
1973	8,965.00	1.36	152.40	0.5644	6,325
1975	4,625.00	1.38	79.78	0.5451	3,151
1978	123,887.00	1.42	2,198.99	0.5183	80,263
1979	71,835.99	1.43	1,284.07	0.5076	45,580
1980	280,280.00	1.45	5,080.08	0.5002	175,245
1981	267,514.00	1.46	4,882.13	0.4891	163,551

NEWFOUNDLAND POWER INC.

ACCOUNT 324.00 - DAMS AND RESERVOIRS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 70-S0.5					
NET SALVAGE PERCENT.. -25					
1982	1,236,138.83	1.47	22,714.05	0.4778	738,284
1983	593,265.81	1.49	11,049.58	0.4694	348,099
1984	334,122.92	1.50	6,264.80	0.4575	191,077
1985	281,597.62	1.51	5,315.16	0.4454	156,779
1986	499,890.84	1.53	9,560.41	0.4360	272,441
1987	446,465.07	1.54	8,594.45	0.4235	236,347
1988	544,842.99	1.56	10,624.44	0.4134	281,548
1989	664,448.00	1.57	13,039.79	0.4004	332,556
1990	448,548.59	1.59	8,914.90	0.3896	218,443
1991	44,657.00	1.60	893.14	0.3760	20,989
1992	1,654,957.20	1.62	33,512.88	0.3645	754,040
1993	562,691.00	1.63	11,464.83	0.3504	246,459
1994	491,830.28	1.65	10,144.00	0.3382	207,921
1995	1,410,478.13	1.67	29,443.73	0.3256	574,065
1996	583,127.38	1.68	12,245.67	0.3108	226,545
1997	332,675.00	1.70	7,069.34	0.2975	123,714
1998	4,537,056.77	1.72	97,546.72	0.2838	1,609,521
1999	1,436,740.00	1.73	31,069.50	0.2682	481,667
2000	585,182.39	1.75	12,800.86	0.2538	185,649
2001	417,754.00	1.77	9,242.81	0.2390	124,804
2002	122,280.50	1.79	2,736.03	0.2238	34,208
2003	514,611.26	1.81	11,643.08	0.2082	133,928
2004	278,038.14	1.83	6,360.12	0.1922	66,799
2005	778,233.45	1.85	17,996.65	0.1758	171,017
2006	1,070,117.11	1.87	25,013.99	0.1590	212,686
2007	446,548.82	1.89	10,549.72	0.1418	79,151
2008	1,299,786.71	1.91	31,032.41	0.1242	201,792
2009	1,385,818.25	1.93	33,432.87	0.1062	183,967
2010	1,150,355.24	1.96	28,183.70	0.0882	126,827
2011	4,755,665.23	1.98	117,702.71	0.0693	411,960
2012	3,490,533.57	2.01	87,699.66	0.0502	219,031
2013	904,442.75	2.04	23,063.29	0.0306	34,595
2014	2,053,993.54	2.08	53,403.83	0.0104	26,702

41,546,526.21

891,917.67

14,546,330

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.15

NEWFOUNDLAND POWER INC.

ACCOUNT 325.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 65-R2.5					
NET SALVAGE PERCENT.. -25					
1907	11,910.00	0.90	133.99	0.9675	14,404
1910	61,482.00	0.92	707.04	0.9614	73,886
1913	25,518.00	0.94	299.84	0.9541	30,433
1917	53,930.00	0.97	653.90	0.9458	63,759
1924	151,518.00	1.03	1,950.79	0.9322	176,556
1931	87,781.00	1.09	1,196.02	0.9102	99,873
1939	32,032.00	1.16	464.46	0.8758	35,067
1941	276,035.00	1.18	4,071.52	0.8673	299,256
1942	42,090.00	1.19	626.09	0.8628	45,394
1951	276,887.00	1.28	4,430.19	0.8128	281,317
1952	193.00	1.29	3.11	0.8062	194
1954	387,276.86	1.31	6,341.66	0.7926	383,695
1956	45,410.00	1.32	749.26	0.7722	43,832
1957	103,051.50	1.33	1,713.23	0.7648	98,517
1958	88,685.00	1.34	1,485.47	0.7571	83,929
1959	805,124.20	1.35	13,586.47	0.7492	753,999
1960	8,277.06	1.36	140.71	0.7412	7,669
1961	3,145.00	1.37	53.86	0.7330	2,882
1962	100,421.98	1.38	1,732.28	0.7245	90,945
1963	395,619.63	1.39	6,873.89	0.7158	353,981
1964	1,376.00	1.40	24.08	0.7070	1,216
1965	8,057.47	1.41	142.01	0.6980	7,030
1966	74.00	1.42	1.31	0.6887	64
1967	29,136.98	1.42	517.18	0.6745	24,566
1968	118.00	1.43	2.11	0.6650	98
1969	20,454.00	1.44	368.17	0.6552	16,752
1970	110,233.00	1.45	1,997.97	0.6452	88,903
1971	8,764.00	1.46	159.94	0.6351	6,958
1972	20,215.00	1.47	371.45	0.6248	15,788
1977	30,071.00	1.51	567.59	0.5662	21,283
1978	4,856.00	1.52	92.26	0.5548	3,368
1979	77,067.48	1.53	1,473.92	0.5432	52,329
1980	237,963.56	1.54	4,580.80	0.5313	158,038
1982	96,016.00	1.56	1,872.31	0.5070	60,850
1983	2,596,469.00	1.57	50,955.70	0.4946	1,605,267
1984	1,162,211.18	1.57	22,808.39	0.4788	695,583
1985	482,637.20	1.58	9,532.08	0.4661	281,196
1986	2,067,136.00	1.59	41,084.33	0.4532	1,171,033
1987	319,239.92	1.60	6,384.80	0.4400	175,582
1988	160,077.00	1.61	3,221.55	0.4266	85,361
1989	11,575.60	1.62	234.41	0.4131	5,977
1990	842,107.00	1.63	17,157.93	0.3994	420,422

NEWFOUNDLAND POWER INC.

ACCOUNT 325.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 65-R2.5					
NET SALVAGE PERCENT.. -25					
1991	170,619.00	1.64	3,497.69	0.3854	82,196
1992	195,803.00	1.65	4,038.44	0.3712	90,853
1993	127,699.00	1.66	2,649.75	0.3569	56,970
1994	719,710.00	1.67	15,023.95	0.3424	308,036
1995	179,089.00	1.68	3,760.87	0.3276	73,337
1996	832,900.78	1.69	17,595.03	0.3126	325,456
1997	887,032.04	1.70	18,849.43	0.2975	329,865
1998	3,210,009.23	1.71	68,613.95	0.2822	1,132,331
1999	918,287.04	1.72	19,743.17	0.2666	306,019
2000	427,045.46	1.73	9,234.86	0.2508	133,879
2001	995,467.55	1.74	21,651.42	0.2349	292,294
2002	884,488.32	1.75	19,348.18	0.2188	241,908
2003	1,522,855.82	1.76	33,502.83	0.2024	385,283
2004	1,686,826.17	1.77	37,321.03	0.1858	391,765
2005	903,155.74	1.78	20,095.22	0.1691	190,905
2006	797,669.29	1.80	17,947.56	0.1530	152,554
2007	2,140,568.60	1.81	48,430.36	0.1358	363,362
2008	1,236,232.09	1.83	28,278.81	0.1190	183,890
2009	2,548,005.46	1.85	58,922.63	0.1018	324,234
2010	1,489,257.40	1.87	34,811.39	0.0842	156,744
2011	1,211,198.83	1.89	28,614.57	0.0662	100,227
2012	2,265,933.42	1.93	54,665.64	0.0482	136,522
2013	2,431,791.69	1.97	59,882.87	0.0296	89,976
2014	1,164,309.90	2.09	30,417.60	0.0104	15,136
40,188,197.45		867,661.32		13,700,994	

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.16

NEWFOUNDLAND POWER INC.

ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 35-S0					
NET SALVAGE PERCENT.. -25					
1931	1,107.00			1.0000	1,384
1941	331.00			1.0000	414
1942	1,200.00			1.0000	1,500
1950	116.00	1.50	2.18	0.9675	140
1951	29,776.00	1.52	565.74	0.9652	35,925
1953	211.00	1.55	4.09	0.9532	251
1954	49,904.63	1.56	973.14	0.9438	58,875
1957	26,079.84	1.61	524.86	0.9258	30,181
1958	723.00	1.63	14.73	0.9210	832
1959	14,341.85	1.65	295.80	0.9158	16,418
1963	3,333.25	1.72	71.66	0.8858	3,691
1964	2,939.89	1.74	63.94	0.8787	3,229
1965	15,937.00	1.76	350.61	0.8712	17,355
1966	385.00	1.78	8.57	0.8633	415
1970	920.55	1.87	21.52	0.8322	958
1972	118,761.00	1.91	2,835.42	0.8118	120,513
1973	537.56	1.94	13.04	0.8051	541
1977	194,640.14	2.04	4,963.32	0.7650	186,125
1978	135,834.00	2.07	3,514.70	0.7556	128,295
1979	9,343.00	2.10	245.25	0.7455	8,707
1980	5,334.74	2.13	142.04	0.7348	4,900
1982	4,596.93	2.19	125.84	0.7118	4,090
1983	310,806.36	2.22	8,624.88	0.6993	271,684
1984	251,724.44	2.26	7,111.22	0.6893	216,892
1985	28,657.69	2.29	820.33	0.6756	24,201
1986	47,993.65	2.33	1,397.82	0.6640	39,835
1987	190,512.82	2.36	5,620.13	0.6490	154,554
1988	4,631.64	2.40	138.95	0.6360	3,682
1989	243,763.27	2.44	7,434.78	0.6222	189,587
1991	201,608.78	2.53	6,375.88	0.5946	149,846
1992	217,215.68	2.57	6,978.05	0.5782	156,993
1993	27,435.65	2.62	898.52	0.5633	19,318
1994	55,999.27	2.66	1,861.98	0.5453	38,171
1995	99,437.00	2.71	3,368.43	0.5284	65,678
1996	25,664.10	2.77	888.62	0.5124	16,438
1997	59,571.00	2.82	2,099.88	0.4935	36,748
1998	30,568.15	2.88	1,100.45	0.4752	18,157
1999	218,026.35	2.94	8,012.47	0.4557	124,193
2000	90,311.35	3.00	3,386.68	0.4350	49,107
2001	159,595.09	3.07	6,124.46	0.4144	82,670
2002	470,887.34	3.14	18,482.33	0.3925	231,029
2003	619,583.95	3.21	24,860.81	0.3692	285,938

NEWFOUNDLAND POWER INC.

ACCOUNT 326.00 - SWITCHING, METERING AND CONTROL EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 35-S0					
NET SALVAGE PERCENT.. -25					
2004	1,846,705.95	3.29	75,945.78	0.3454	797,315
2005	642,766.41	3.38	27,156.88	0.3211	257,990
2006	2,365,234.59	3.46	102,296.40	0.2941	869,519
2007	1,904,999.72	3.56	84,772.49	0.2670	635,794
2008	688,519.47	3.66	31,499.77	0.2379	204,748
2009	1,203,692.42	3.77	56,724.01	0.2074	312,057
2010	1,605,038.92	3.90	78,245.65	0.1755	352,105
2011	1,719,739.21	4.03	86,631.86	0.1410	303,104
2012	1,561,044.14	4.18	81,564.56	0.1045	203,911
2013	828,921.39	4.36	45,176.22	0.0654	67,764
2014	1,125,215.71	4.59	64,559.25	0.0230	32,350
	19,462,224.89		864,895.99		6,836,117
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.44					

NEWFOUNDLAND POWER INC.

ACCOUNT 327.00 - MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 50-R2.5					
NET SALVAGE PERCENT.. -25					
1924	200.00	1.10	2.75	0.9955	249
1946	1,040.00	1.35	17.55	0.9248	1,202
1948	9,689.00	1.38	167.14	0.9177	11,114
1950	896.00	1.41	15.79	0.9094	1,019
1953	514.00	1.45	9.32	0.8918	573
1954	21,250.14	1.47	390.47	0.8894	23,625
1955	736.60	1.49	13.72	0.8866	816
1957	1,766.47	1.52	33.56	0.8740	1,930
1958	2,350.00	1.54	45.24	0.8701	2,556
1959	27,624.00	1.55	535.22	0.8602	29,703
1960	3,035.00	1.57	59.56	0.8556	3,246
1961	299.05	1.58	5.91	0.8453	316
1962	2,687.00	1.60	53.74	0.8400	2,821
1963	9,913.08	1.62	200.74	0.8343	10,338
1964	476.00	1.63	9.70	0.8232	490
1965	962.28	1.65	19.85	0.8168	982
1969	2,039.00	1.71	43.58	0.7780	1,983
1970	1,245.00	1.73	26.92	0.7698	1,198
1971	1,938.00	1.75	42.39	0.7612	1,844
1972	2,427.00	1.76	53.39	0.7480	2,269
1974	11,456.00	1.79	256.33	0.7250	10,382
1976	5,518.00	1.82	125.53	0.7007	4,833
1977	15,741.00	1.84	362.04	0.6900	13,577
1978	707.00	1.85	16.35	0.6752	597
1979	12,047.00	1.87	281.60	0.6638	9,996
1980	37,868.46	1.88	889.91	0.6486	30,702
1981	47,984.00	1.90	1,139.62	0.6365	38,177
1983	94,404.76	1.93	2,277.51	0.6080	71,748
1985	12,197.00	1.96	298.83	0.5782	8,815
1986	7,431.77	1.97	183.01	0.5614	5,215
1987	24,481.00	1.99	608.96	0.5472	16,745
1988	4,307.00	2.00	107.68	0.5300	2,853
1990	5,655.00	2.03	143.50	0.4974	3,516
1998	10,853.00	2.15	291.67	0.3548	4,813
1999	12,897.23	2.17	349.84	0.3364	5,423
2000	9,677.46	2.19	264.92	0.3176	3,842
2001	19,565.00	2.20	538.04	0.2970	7,264
2003	158,350.00	2.24	4,433.80	0.2576	50,989
2004	16,727.75	2.26	472.56	0.2373	4,962
2006	723.00	2.29	20.70	0.1946	176
2007	318,998.00	2.32	9,250.94	0.1740	69,382
2008	1,925.09	2.34	56.31	0.1521	366

NEWFOUNDLAND POWER INC.

ACCOUNT 327.00 - MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 50-R2.5					
NET SALVAGE PERCENT.. -25					
2009	133,612.71	2.36	3,941.57	0.1298	21,679
2010	429.38	2.39	12.83	0.1076	58
2012	90,678.42	2.47	2,799.70	0.0618	7,005
2013	60,934.98	2.54	1,934.69	0.0381	2,902
2014	168,077.81	2.69	5,651.62	0.0134	2,815
	1,374,335.44		38,456.60		497,106
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.80					

NEWFOUNDLAND POWER INC.

ACCOUNT 331.00 - BUILDINGS AND STRUCTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
PORT AUX BASQUES DIESEL					
INTERIM SURVIVOR CURVE.. IOWA 60-S0					
PROBABLE RETIREMENT YEAR.. 6-2020					
NET SALVAGE PERCENT.. -20					
1945	35,700.00	1.34	574.06	0.9313	39,897
1946	1,470.00	1.36	23.99	0.9316	1,643
1954	26,520.00	1.52	483.72	0.9196	29,265
1964	990.00	1.80	21.38	0.9090	1,080
1968	2,842.00	1.93	65.82	0.8974	3,060
1969	16,044.00	1.97	379.28	0.8964	17,258
1982	766.15	2.65	24.36	0.8612	792
1983	12,428.00	2.72	405.65	0.8568	12,778
1984	1,175.00	2.79	39.34	0.8510	1,200
1986	4,549.00	2.96	161.58	0.8436	4,605
1988	18,412.00	3.14	693.76	0.8321	18,385
1994	24,685.00	3.87	1,146.37	0.7934	23,502
1995	43,929.00	4.02	2,119.13	0.7839	41,323
2001	61,667.95	5.30	3,922.08	0.7155	52,948
2002	1,476.00	5.59	99.01	0.6988	1,238
2004	7,393.15	6.29	558.03	0.6604	5,859
2009	47,898.68	9.16	5,265.02	0.5038	28,958
2013	105,449.87	14.43	18,259.70	0.2164	27,383
	413,395.80		34,242.28		311,174

GREEN HILL GAS TURBINE
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 6-2021
NET SALVAGE PERCENT.. -3

1975	183,252.38	2.19	4,133.62	0.8650	163,269
1983	17,719.00	2.65	483.64	0.8348	15,236
1998	56,659.00	4.39	2,561.95	0.7244	42,275
1999	14,223.00	4.59	672.42	0.7114	10,422
2000	6,275.00	4.80	310.24	0.6960	4,498
2002	52,728.00	5.31	2,883.85	0.6638	36,051
2004	4,770.15	5.94	291.85	0.6237	3,064
2007	15,387.36	7.22	1,144.30	0.5415	8,582
2009	18,597.26	8.43	1,614.78	0.4636	8,880
2010	103,008.43	9.20	9,761.08	0.4140	43,925
2014	11,917.47	14.51	1,781.10	0.0726	891
	484,537.05		25,638.83		337,093

NEWFOUNDLAND POWER INC.

ACCOUNT 331.00 - BUILDINGS AND STRUCTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
WESLEYVILLE					
INTERIM SURVIVOR CURVE.. IOWA 60-S0					
PROBABLE RETIREMENT YEAR.. 6-2024					
NET SALVAGE PERCENT.. -3					
1994	66,463.00	3.39	2,320.69	0.6950	47,578
2000	3,292.00	4.24	143.77	0.6148	2,085
2004	3,970.00	5.10	208.54	0.5355	2,190
2011	20,930.68	7.89	1,700.97	0.2762	5,954
2014	43,658.13	10.32	4,640.68	0.0516	2,320
	138,313.81		9,014.65		60,127
	1,036,246.66		68,895.76		708,394
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 6.65					

NEWFOUNDLAND POWER INC.

ACCOUNT 332.00 - ELECTRICAL PLANT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
PORT UNION DIESEL					
INTERIM SURVIVOR CURVE.. IOWA 70-L0					
PROBABLE RETIREMENT YEAR.. 12-2010					
NET SALVAGE PERCENT.. -65					
1962	5,019.00			1.0000	8,281
1966	160.00			1.0000	264
	5,179.00				8,545

PORT AUX BASQUES DIESEL
INTERIM SURVIVOR CURVE.. IOWA 70-L0
PROBABLE RETIREMENT YEAR.. 6-2020
NET SALVAGE PERCENT.. -20

1946	9,670.00	1.36	157.81	0.9316	10,810
1947	1,700.00	1.37	27.95	0.9248	1,887
1954	2,595.00	1.52	47.33	0.9196	2,864
1959	13,800.00	1.65	273.24	0.9158	15,166
1964	4,240.00	1.79	91.08	0.9040	4,600
1965	1,920.00	1.83	42.16	0.9058	2,087
1966	1,547.00	1.86	34.53	0.9021	1,675
1969	18,954.00	1.97	448.07	0.8964	20,388
1971	1,067.00	2.05	26.25	0.8918	1,142
1973	248.00	2.14	6.37	0.8881	264
1982	3,929.00	2.65	124.94	0.8612	4,060
1992	23,555.00	3.59	1,014.75	0.8078	22,833
2011	5,649.93	11.28	764.77	0.3948	2,677
2012	1,420.13	12.72	216.77	0.3180	542
2013	15,830.90	14.59	2,771.67	0.2188	4,157
	106,125.96		6,047.69		95,152

GREEN HILL GAS TURBINE
INTERIM SURVIVOR CURVE.. IOWA 70-L0
PROBABLE RETIREMENT YEAR.. 6-2021
NET SALVAGE PERCENT.. -3

1975	25,560.00	2.19	576.56	0.8650	22,773
1986	4,977.00	2.88	147.64	0.8208	4,208
1987	6,870.00	2.96	209.45	0.8140	5,760
1992	65,629.00	3.48	2,352.41	0.7830	52,929
1997	31,835.00	4.21	1,380.46	0.7368	24,160
2001	281,644.00	5.06	14,678.72	0.6831	198,163

NEWFOUNDLAND POWER INC.

ACCOUNT 332.00 - ELECTRICAL PLANT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
GREEN HILL GAS TURBINE					
INTERIM SURVIVOR CURVE.. IOWA 70-L0					
PROBABLE RETIREMENT YEAR.. 6-2021					
NET SALVAGE PERCENT.. -3					
2002	32,632.00	5.32	1,788.10	0.6650	22,351
2003	158,676.00	5.62	9,185.12	0.6463	105,629
2004	4,158.00	5.96	255.25	0.6258	2,680
2009	37,809.47	8.48	3,302.43	0.4664	18,163
2014	8,118.99	14.87	1,243.51	0.0744	622
	657,909.46		35,119.65		457,438
WESLEYVILLE					
INTERIM SURVIVOR CURVE.. IOWA 70-L0					
PROBABLE RETIREMENT YEAR.. 6-2024					
NET SALVAGE PERCENT.. -3					
1993	29,602.00	3.28	1,000.07	0.7052	21,502
1998	8,010.00	3.93	324.24	0.6484	5,349
1999	2,461.00	4.09	103.67	0.6340	1,607
2001	48,225.00	4.45	2,210.39	0.6008	29,843
2004	105,665.50	5.13	5,583.26	0.5386	58,619
2012	24,797.63	8.72	2,227.22	0.2180	5,568
2013	13,096.59	9.58	1,292.29	0.1437	1,938
2014	21,787.65	10.74	2,410.19	0.0537	1,205
	253,645.37		15,151.33		125,631
MOBILE DIESEL #3					
INTERIM SURVIVOR CURVE.. IOWA 70-L0					
PROBABLE RETIREMENT YEAR.. 6-2036					
NET SALVAGE PERCENT.. 0					
2004	1,349,488.17	3.48	46,962.19	0.3654	493,103
2009	11,001.61	4.24	466.47	0.2332	2,566
2010	2,676.74	4.44	118.85	0.1998	535
2013	1,924.02	5.24	100.82	0.0786	151
	1,365,090.54		47,648.33		496,355
	2,387,950.33		103,967.00		1,183,121
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.35					

NEWFOUNDLAND POWER INC.

ACCOUNT 333.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
PORT UNION DIESEL					
INTERIM SURVIVOR CURVE.. IOWA 55-L1					
PROBABLE RETIREMENT YEAR.. 12-2010					
NET SALVAGE PERCENT.. -65					
1962	49,910.00			1.0000	82,352
1966	700.00			1.0000	1,155
1998	1,984.00			1.0000	3,274
	52,594.00				86,781
PORT AUX BASQUES DIESEL					
INTERIM SURVIVOR CURVE.. IOWA 55-L1					
PROBABLE RETIREMENT YEAR.. 6-2020					
NET SALVAGE PERCENT.. -20					
1969	295,188.00	1.97	6,978.24	0.8964	317,528
2000	64,192.00	5.04	3,882.33	0.7308	56,294
2001	32,651.05	5.30	2,076.61	0.7155	28,034
2004	2,276.00	6.30	172.07	0.6615	1,807
2013	8,696.71	14.42	1,504.88	0.2163	2,257
2014	218,373.35	16.91	44,312.32	0.0846	22,169
	621,377.11		58,926.45		428,089
PORTABLE GAS TURBINE					
INTERIM SURVIVOR CURVE.. IOWA 55-L1					
PROBABLE RETIREMENT YEAR.. 6-2020					
NET SALVAGE PERCENT.. 0					
1974	54,662.00	2.19	1,197.10	0.8870	48,485
1986	89,421.78	2.97	2,655.83	0.8464	75,687
1990	182,301.84	3.36	6,125.34	0.8232	150,071
1994	23,650.00	3.88	917.62	0.7954	18,811
1995	40,004.00	4.03	1,612.16	0.7858	31,435
1998	2,279.00	4.58	104.38	0.7557	1,722
1999	383.00	4.80	18.38	0.7440	285
2000	88,772.00	5.04	4,474.11	0.7308	64,875
2001	28,300.00	5.30	1,499.90	0.7155	20,249
2002	32,823.00	5.60	1,838.09	0.7000	22,976
2003	1,496,428.19	5.93	88,738.19	0.6820	1,020,564
2004	254,602.30	6.30	16,039.94	0.6615	168,419
2007	16,143.00	7.75	1,251.08	0.5812	9,382
2008	10,340.63	8.39	867.58	0.5454	5,640

NEWFOUNDLAND POWER INC.

ACCOUNT 333.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
PORTABLE GAS TURBINE					
INTERIM SURVIVOR CURVE.. IOWA 55-L1					
PROBABLE RETIREMENT YEAR.. 6-2020					
NET SALVAGE PERCENT.. 0					
2009	27,024.77	9.16	2,475.47	0.5038	13,615
2010	83,732.35	10.07	8,431.85	0.4532	37,948
2012	9,027.19	12.60	1,137.43	0.3150	2,844
2013	6,268.02	14.42	903.85	0.2163	1,356
2014	25,448.68	16.91	4,303.37	0.0846	2,153
	2,471,611.75		144,591.67		1,696,517

GREEN HILL GAS TURBINE
INTERIM SURVIVOR CURVE.. IOWA 55-L1
PROBABLE RETIREMENT YEAR.. 6-2021
NET SALVAGE PERCENT.. -3

1975	2,651,268.00	2.20	60,077.73	0.8690	2,373,070
1983	1,832.00	2.66	50.19	0.8379	1,581
1984	4,087.00	2.73	114.92	0.8326	3,505
1988	83,490.00	3.07	2,640.04	0.8136	69,965
1990	2,192.00	3.26	73.60	0.7987	1,803
1992	670,037.00	3.49	24,085.82	0.7852	541,896
1994	56,775.00	3.75	2,192.93	0.7688	44,958
1995	21,882.00	3.89	876.75	0.7586	17,098
1996	943,936.00	4.05	39,376.29	0.7492	728,413
1997	59,496.00	4.21	2,579.93	0.7368	45,152
1999	215,943.00	4.60	10,231.38	0.7130	158,586
2000	14,117.00	4.81	699.40	0.6974	10,141
2001	267,129.00	5.05	13,894.71	0.6818	187,592
2002	360,414.00	5.32	19,749.25	0.6650	246,866
2003	458,780.27	5.61	26,509.70	0.6452	304,885
2005	35,481.00	6.31	2,306.02	0.5994	21,905
2006	10,215.00	6.73	708.09	0.5720	6,018
2008	1,446.87	7.77	115.79	0.5050	753
2009	23,723.26	8.42	2,057.42	0.4631	11,316
2011	9,730.86	10.10	1,012.30	0.3535	3,543
2012	104,048.45	11.23	12,035.18	0.2808	30,093
2014	137,876.56	14.56	20,677.07	0.0728	10,339
	6,133,900.27		242,064.51		4,819,478

NEWFOUNDLAND POWER INC.

ACCOUNT 333.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
WESLEYVILLE					
INTERIM SURVIVOR CURVE.. IOWA 55-L1					
PROBABLE RETIREMENT YEAR.. 6-2024					
NET SALVAGE PERCENT.. -3					
1969	350,896.00	1.86	6,722.47	0.8463	305,872
1970	1,443.00	1.89	28.09	0.8410	1,250
1982	65,612.00	2.44	1,648.96	0.7930	53,591
1994	582,752.70	3.41	20,468.02	0.6990	419,564
1997	39,940.00	3.79	1,559.14	0.6632	27,283
1998	39,594.28	3.94	1,606.82	0.6501	26,512
1999	16,392.00	4.09	690.55	0.6340	10,704
2002	1,241,553.00	4.65	59,464.18	0.5812	743,238
2003	2,591,284.68	4.87	129,981.43	0.5600	1,494,653
2004	594,443.67	5.11	31,287.35	0.5366	328,548
2005	1,732,347.00	5.38	95,996.28	0.5111	911,965
2006	70,619.69	5.67	4,124.26	0.4820	35,060
2008	297,676.84	6.38	19,561.54	0.4147	127,150
2009	128,079.04	6.81	8,983.85	0.3746	49,418
2011	136,252.52	7.86	11,030.73	0.2751	38,608
2013	7,925.58	9.32	760.82	0.1398	1,141
2014	1,328,955.32	10.35	141,673.28	0.0518	70,905
	9,225,767.32		535,587.77		4,645,462

MOBILE DIESEL #3
INTERIM SURVIVOR CURVE.. IOWA 55-L1
PROBABLE RETIREMENT YEAR.. 6-2036
NET SALVAGE PERCENT.. 0

1997	5,000.00	2.86	143.00	0.5005	2,502
1998	6,500.00	2.94	191.10	0.4851	3,153
2004	597,294.87	3.48	20,785.86	0.3654	218,252
2005	36,721.05	3.59	1,318.29	0.3410	12,522
2006	13,311.31	3.70	492.52	0.3145	4,186
2007	2,332.64	3.83	89.34	0.2872	670
2010	6,806.27	4.27	290.63	0.1922	1,308
2011	69,325.47	4.44	3,078.05	0.1554	10,773

NEWFOUNDLAND POWER INC.

ACCOUNT 333.00 - PRIME MOVERS, GENERATORS AND AUXILIARIES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
MOBILE DIESEL #3					
INTERIM SURVIVOR CURVE.. IOWA 55-L1					
PROBABLE RETIREMENT YEAR.. 6-2036					
NET SALVAGE PERCENT.. 0					
2012	19,607.81	4.63	907.84	0.1158	2,271
2013	5,435.84	4.86	264.18	0.0729	396
2014	77,576.53	5.19	4,026.22	0.0260	2,017
	839,911.79		31,587.03		258,050
	19,345,162.24		1,012,757.43		11,934,377
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 5.24					

NEWFOUNDLAND POWER INC.

ACCOUNT 334.00 - FUEL HOLDERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
PORT UNION DIESEL					
INTERIM SURVIVOR CURVE.. SQUARE					
PROBABLE RETIREMENT YEAR.. 12-2010					
NET SALVAGE PERCENT.. -65					
1993	17,545.00			1.0000	28,949
	17,545.00				28,949
PORT AUX BASQUES DIESEL					
INTERIM SURVIVOR CURVE.. SQUARE					
PROBABLE RETIREMENT YEAR.. 6-2020					
NET SALVAGE PERCENT.. -20					
2000	1,211.00	5.00	72.66	0.7250	1,054
2006	94,145.79	7.14	8,066.41	0.6071	68,592
	95,356.79		8,139.07		69,646
GREEN HILL GAS TURBINE					
INTERIM SURVIVOR CURVE.. SQUARE					
PROBABLE RETIREMENT YEAR.. 6-2021					
NET SALVAGE PERCENT.. -3					
1975	36,755.00	2.17	821.51	0.8587	32,508
1994	85,285.00	3.70	3,250.21	0.7593	66,696
1998	8,444.00	4.35	378.33	0.7174	6,239
1999	47,951.00	4.55	2,247.22	0.7046	34,797
2000	65,210.00	4.76	3,197.12	0.6905	46,377
2002	198,000.00	5.26	10,727.24	0.6579	134,170
2006	66,769.21	6.67	4,587.11	0.5667	38,971
2007	9,454.64	7.14	695.31	0.5357	5,217
2009	12,856.79	8.33	1,103.10	0.4583	6,069
2010	8,659.53	9.09	810.77	0.4091	3,649
2011	3,275.99	10.00	337.43	0.3500	1,181
2014	250,226.86	14.29	36,830.14	0.0714	18,410
	792,888.02		64,985.49		394,284

NEWFOUNDLAND POWER INC.

ACCOUNT 334.00 - FUEL HOLDERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
WESLEYVILLE					
INTERIM SURVIVOR CURVE.. SQUARE					
PROBABLE RETIREMENT YEAR.. 6-2024					
NET SALVAGE PERCENT.. -3					
1986	19,774.00	2.63	535.66	0.7500	15,275
2000	143,088.00	4.17	6,145.77	0.6042	89,043
2004	38,548.00	5.00	1,985.22	0.5250	20,845
	201,410.00		8,666.65		125,163
	1,107,199.81		81,791.21		618,042
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 7.39					

NEWFOUNDLAND POWER INC.

ACCOUNT 335.00 - MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
PORT AUX BASQUES DIESEL					
INTERIM SURVIVOR CURVE.. SQUARE					
PROBABLE RETIREMENT YEAR.. 6-2020					
NET SALVAGE PERCENT.. -20					
1946	1,570.00	1.35	25.43	0.9257	1,744
1952	495.00	1.47	8.73	0.9191	546
1955	1,910.00	1.54	35.30	0.9154	2,098
1956	910.00	1.56	17.04	0.9141	998
1958	280.00	1.61	5.41	0.9113	306
1962	410.00	1.72	8.46	0.9052	445
1965	130.00	1.82	2.84	0.9000	140
1974	1,193.00	2.17	31.07	0.8804	1,260
	6,898.00		134.28		7,537

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.95

NEWFOUNDLAND POWER INC.

ACCOUNT 341.00 - SUBSTATION - BUILDINGS AND STRUCTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 50-R2.5					
NET SALVAGE PERCENT.. -15					
1928	49,749.00	1.14	652.21	0.9861	56,416
1931	7,500.00	1.16	100.05	0.9686	8,354
1942	24,410.00	1.29	362.12	0.9352	26,252
1944	883.00	1.32	13.40	0.9306	945
1950	3,061.00	1.41	49.63	0.9094	3,201
1951	1,100.00	1.42	17.96	0.9017	1,141
1952	1,464.00	1.44	24.24	0.9000	1,515
1954	15,615.47	1.47	263.98	0.8894	15,972
1956	1,371.00	1.50	23.65	0.8775	1,384
1958	51,194.00	1.54	906.65	0.8701	51,225
1959	32,806.67	1.55	584.78	0.8602	32,453
1960	21,151.53	1.57	381.89	0.8556	20,812
1961	26,158.00	1.58	475.29	0.8453	25,428
1962	10,345.00	1.60	190.35	0.8400	9,993
1963	31,548.02	1.62	587.74	0.8343	30,269
1964	26,518.34	1.63	497.09	0.8232	25,104
1965	10,244.00	1.65	194.38	0.8168	9,622
1966	41,084.00	1.67	789.02	0.8100	38,270
1967	51,562.44	1.68	996.19	0.7980	47,319
1968	37,973.29	1.70	742.38	0.7905	34,521
1969	72,216.29	1.71	1,420.13	0.7780	64,612
1970	7,720.78	1.73	153.60	0.7698	6,835
1971	28,208.63	1.75	567.70	0.7612	24,693
1972	140,803.00	1.76	2,849.85	0.7480	121,119
1973	50,216.93	1.78	1,027.94	0.7387	42,660
1974	19,402.50	1.79	399.40	0.7250	16,177
1975	203,877.61	1.81	4,243.71	0.7150	167,638
1976	281,061.51	1.82	5,882.62	0.7007	226,481
1977	137,662.49	1.84	2,912.94	0.6900	109,235
1978	108,868.26	1.85	2,316.17	0.6752	84,534
1979	107,797.28	1.87	2,318.18	0.6638	82,289
1980	53,027.00	1.88	1,146.44	0.6486	39,552
1981	68,264.29	1.90	1,491.57	0.6365	49,968
1982	149,336.00	1.91	3,280.17	0.6208	106,614
1983	130,200.36	1.93	2,889.80	0.6080	91,036
1984	56,469.99	1.94	1,259.85	0.5917	38,425
1985	90,106.35	1.96	2,031.00	0.5782	59,914
1986	38,293.33	1.97	867.54	0.5614	24,723
1987	68,331.00	1.99	1,563.75	0.5472	42,999
1988	306,269.00	2.00	7,044.19	0.5300	186,671
1989	157,928.00	2.02	3,668.67	0.5151	93,551
1990	152,448.07	2.03	3,558.90	0.4974	87,202

NEWFOUNDLAND POWER INC.

ACCOUNT 341.00 - SUBSTATION - BUILDINGS AND STRUCTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 50-R2.5					
NET SALVAGE PERCENT.. -15					
1991	29,354.00	2.05	692.02	0.4818	16,264
1992	48,819.00	2.06	1,156.52	0.4635	26,022
1993	7,014.00	2.08	167.77	0.4472	3,607
1994	194,686.36	2.09	4,679.29	0.4284	95,914
1995	122,420.00	2.11	2,970.52	0.4114	57,918
1996	67,930.81	2.12	1,656.15	0.3922	30,639
1997	94,655.00	2.14	2,329.46	0.3745	40,766
1998	172,384.00	2.15	4,262.19	0.3548	70,336
1999	50,611.00	2.17	1,263.00	0.3364	19,579
2000	586,309.75	2.19	14,766.21	0.3176	214,144
2001	195,498.13	2.20	4,946.10	0.2970	66,772
2002	95,042.07	2.22	2,426.42	0.2775	30,330
2003	275,085.86	2.24	7,086.21	0.2576	81,491
2004	254,022.02	2.26	6,602.03	0.2373	69,321
2005	445,645.08	2.27	11,633.56	0.2156	110,493
2006	214,565.00	2.29	5,650.57	0.1946	48,018
2007	459,461.74	2.32	12,258.44	0.1740	91,938
2008	443,427.17	2.34	11,932.63	0.1521	77,562
2009	1,199,964.11	2.36	32,567.03	0.1298	179,119
2010	636,650.87	2.39	17,498.35	0.1076	78,779
2011	1,243,645.38	2.43	34,753.67	0.0850	121,566
2012	393,538.36	2.47	11,178.46	0.0618	27,969
2013	553,206.85	2.54	16,159.17	0.0381	24,239
2014	728,759.82	2.69	22,544.19	0.0134	11,230
11,386,943.81		291,927.08		3,801,140	

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.56

NEWFOUNDLAND POWER INC.

ACCOUNT 342.00 - SUBSTATION - EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 50-R1					
NET SALVAGE PERCENT.. -15					
1942	7,240.00	1.23	102.41	0.8918	7,425
1943	9,165.00	1.24	130.69	0.8866	9,345
1946	495.00	1.28	7.29	0.8768	499
1949	423.00	1.31	6.37	0.8580	417
1951	38,686.73	1.33	591.71	0.8446	37,576
1954	142,595.86	1.37	2,246.60	0.8288	135,911
1956	133,411.65	1.39	2,132.59	0.8132	124,764
1958	126,484.65	1.42	2,065.49	0.8023	116,700
1959	245,660.62	1.43	4,039.89	0.7936	224,200
1960	96,423.86	1.44	1,596.78	0.7848	87,024
1961	243,628.96	1.46	4,090.53	0.7811	218,843
1962	219,577.11	1.47	3,711.95	0.7718	194,890
1963	347,806.01	1.48	5,919.66	0.7622	304,862
1964	27,581.47	1.50	475.78	0.7575	24,027
1965	101,003.29	1.51	1,753.92	0.7474	86,813
1966	619,012.44	1.53	10,891.52	0.7420	528,203
1967	513,750.58	1.54	9,098.52	0.7315	432,180
1968	505,255.95	1.55	9,006.19	0.7208	418,817
1969	805,505.36	1.57	14,543.40	0.7144	661,771
1970	363,031.40	1.58	6,596.28	0.7031	293,534
1971	917,866.34	1.60	16,888.74	0.6960	734,660
1972	1,086,305.12	1.61	20,112.94	0.6842	854,737
1973	1,062,499.54	1.63	19,916.55	0.6764	826,476
1974	1,400,522.72	1.65	26,574.92	0.6682	1,076,204
1975	3,734,995.79	1.66	71,301.07	0.6557	2,816,392
1976	8,321,406.36	1.68	160,769.57	0.6468	6,189,628
1977	4,318,576.41	1.69	83,931.53	0.6338	3,147,681
1978	1,857,544.52	1.71	36,528.61	0.6242	1,333,401
1979	1,285,522.05	1.73	25,575.46	0.6142	908,003
1980	889,827.56	1.75	17,907.78	0.6038	617,870
1981	1,424,270.41	1.76	28,827.23	0.5896	965,712
1982	2,276,682.93	1.78	46,603.70	0.5785	1,514,620
1983	2,212,415.16	1.80	45,796.99	0.5670	1,442,605
1984	1,072,544.58	1.82	22,448.36	0.5551	684,675
1985	1,274,135.37	1.84	26,960.70	0.5428	795,341
1986	811,937.63	1.86	17,367.35	0.5301	494,969
1987	1,616,242.35	1.88	34,943.16	0.5170	960,937
1988	2,289,117.38	1.90	50,017.21	0.5035	1,325,456
1989	2,490,017.97	1.92	54,979.60	0.4896	1,401,980
1990	7,457,368.68	1.94	166,373.90	0.4753	4,076,160
1991	3,882,049.36	1.97	87,947.83	0.4630	2,066,997
1992	3,387,183.29	1.99	77,515.69	0.4478	1,744,298

NEWFOUNDLAND POWER INC.

ACCOUNT 342.00 - SUBSTATION - EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 50-R1					
NET SALVAGE PERCENT.. -15					
1993	2,708,315.96	2.02	62,914.18	0.4343	1,352,655
1994	809,324.62	2.04	18,986.76	0.4182	389,228
1995	1,346,055.27	2.07	32,042.85	0.4036	624,758
1996	1,487,608.22	2.10	35,925.74	0.3885	664,626
1997	1,955,424.30	2.13	47,898.12	0.3728	838,330
1998	2,358,220.22	2.16	58,578.19	0.3564	966,540
1999	3,159,855.66	2.19	79,580.96	0.3394	1,233,323
2000	3,589,130.96	2.23	92,043.26	0.3234	1,334,834
2001	4,189,953.14	2.27	109,378.73	0.3064	1,476,372
2002	4,688,856.48	2.31	124,559.47	0.2888	1,557,263
2003	7,483,260.90	2.35	202,235.13	0.2702	2,325,274
2004	5,253,362.94	2.40	144,992.82	0.2520	1,522,425
2005	3,278,038.44	2.45	92,358.73	0.2328	877,596
2006	3,833,872.65	2.51	110,664.73	0.2134	940,871
2007	4,365,102.33	2.58	129,512.59	0.1935	971,344
2008	5,743,463.69	2.65	175,032.06	0.1722	1,137,378
2009	7,826,003.60	2.74	246,597.37	0.1507	1,356,286
2010	9,363,189.67	2.84	305,801.77	0.1278	1,376,108
2011	10,466,821.71	2.97	357,494.30	0.1040	1,251,832
2012	12,085,592.08	3.15	437,800.57	0.0788	1,095,196
2013	13,947,474.95	3.42	548,554.19	0.0513	822,831
2014	22,554,835.39	4.11	1,066,054.29	0.0206	534,324
	192,109,533.64		5,697,303.27		64,535,997

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.97

NEWFOUNDLAND POWER INC.

ACCOUNT 350.01 - TRANSMISSION - ROW - CLEARING AND EASEMENT SURVEY

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 65-R4					
NET SALVAGE PERCENT.. 0					
1952	3,790.58	1.38	52.31	0.8625	3,269
1954	4,681.02	1.40	65.53	0.8470	3,965
1955	40.00	1.41	0.56	0.8390	34
1956	11,977.84	1.41	168.89	0.8248	9,879
1958	30.00	1.43	0.43	0.8080	24
1959	82,399.35	1.44	1,186.55	0.7992	65,854
1960	5,182.05	1.45	75.14	0.7902	4,095
1961	30,786.00	1.45	446.40	0.7758	23,884
1962	2,007.00	1.46	29.30	0.7665	1,538
1963	48,873.48	1.47	718.44	0.7570	36,997
1965	175,715.76	1.49	2,618.16	0.7376	129,608
1966	87,759.05	1.49	1,307.61	0.7226	63,415
1967	4,064.61	1.50	60.97	0.7125	2,896
1968	81,030.65	1.51	1,223.56	0.7022	56,900
1969	94,118.29	1.51	1,421.19	0.6870	64,659
1970	35,008.00	1.52	532.12	0.6764	23,679
1971	55,936.80	1.53	855.83	0.6656	37,232
1972	135,685.66	1.53	2,075.99	0.6502	88,223
1973	69,787.02	1.54	1,074.72	0.6391	44,601
1974	189,230.78	1.54	2,914.15	0.6237	118,023
1975	398,422.88	1.55	6,175.55	0.6122	243,914
1976	800,971.20	1.56	12,495.15	0.6006	481,063
1977	176,516.16	1.56	2,753.65	0.5850	103,262
1978	204,648.37	1.57	3,212.98	0.5730	117,264
1979	147,122.65	1.57	2,309.83	0.5574	82,006
1980	223,325.60	1.58	3,528.54	0.5451	121,735
1981	610,069.61	1.58	9,639.10	0.5293	322,910
1982	625,731.48	1.58	9,886.56	0.5135	321,313
1983	433,112.94	1.59	6,886.50	0.5008	216,903
1984	110,984.76	1.59	1,764.66	0.4850	53,828
1985	205,935.34	1.59	3,274.37	0.4690	96,584
1986	107,440.83	1.60	1,719.05	0.4560	48,993
1987	53,401.43	1.60	854.42	0.4400	23,497
1988	81,736.16	1.60	1,307.78	0.4240	34,656
1989	64,425.92	1.61	1,037.26	0.4106	26,453
1990	63,138.82	1.61	1,016.54	0.3944	24,902
1991	96,817.89	1.61	1,558.77	0.3784	36,636
1992	59,244.49	1.61	953.84	0.3622	21,458
1993	7,839.03	1.62	126.99	0.3483	2,730
1994	8,027.36	1.62	130.04	0.3321	2,666
1995	31,379.62	1.62	508.35	0.3159	9,913
1996	3,732.46	1.62	60.47	0.2997	1,119

NEWFOUNDLAND POWER INC.

ACCOUNT 350.01 - TRANSMISSION - ROW - CLEARING AND EASEMENT SURVEY

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 65-R4					
NET SALVAGE PERCENT.. 0					
1997	161,489.36	1.62	2,616.13	0.2835	45,782
1999	10,727.12	1.62	173.78	0.2511	2,694
2001	28,836.50	1.63	470.03	0.2200	6,344
2002	170,496.09	1.63	2,779.09	0.2038	34,747
2003	220,877.79	1.63	3,600.31	0.1874	41,392
2004	87,200.45	1.63	1,421.37	0.1712	14,929
2006	209,183.94	1.63	3,409.70	0.1386	28,993
2007	215,195.19	1.63	3,507.68	0.1222	26,297
2008	122,872.82	1.63	2,002.83	0.1060	13,025
2009	185,545.67	1.63	3,024.39	0.0896	16,625
2010	87,875.98	1.63	1,432.38	0.0734	6,450
2011	284,712.05	1.63	4,640.81	0.0570	16,229
2012	356,753.73	1.64	5,850.76	0.0410	14,627
2013	317,533.14	1.64	5,207.54	0.0246	7,811
2014	199,923.12	1.64	3,278.74	0.0082	1,639
	8,291,351.89		131,443.79		3,450,164

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.59

NEWFOUNDLAND POWER INC.

ACCOUNT 350.02 - TRANSMISSION - ROW - ROADS, TRAILS AND BRIDGES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 65-R4					
NET SALVAGE PERCENT.. 0					
1931	544.87	1.15	6.27	0.9602	523
1959	700.60	1.44	10.09	0.7992	560
1962	3,050.41	1.46	44.54	0.7665	2,338
1963	1,937.34	1.47	28.48	0.7570	1,467
1982	44,901.44	1.58	709.44	0.5135	23,057
1985	4,858.24	1.59	77.25	0.4690	2,279
1993	7,643.80	1.62	123.83	0.3483	2,662
2004	12,563.42	1.63	204.78	0.1712	2,151
2011	2,065.87	1.63	33.67	0.0570	118
	78,265.99		1,238.35		35,155
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.58					

NEWFOUNDLAND POWER INC.

ACCOUNT 353.10 - TRANSMISSION - OVERHEAD CONDUCTORS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 57-R3					
NET SALVAGE PERCENT.. -35					
1953	26.38	1.42	0.51	0.8733	31
1954	16.55	1.43	0.32	0.8652	19
1956	10,781.58	1.46	212.50	0.8541	12,432
1957	21,954.00	1.47	435.68	0.8452	25,050
1958	68,681.16	1.48	1,372.25	0.8362	77,532
1959	136,417.65	1.50	2,762.46	0.8325	153,316
1960	7,478.41	1.51	152.45	0.8230	8,309
1961	39,999.59	1.52	820.79	0.8132	43,912
1962	4,220.01	1.53	87.16	0.8032	4,576
1963	194,603.66	1.55	4,072.08	0.7982	209,699
1964	1,870.69	1.56	39.40	0.7878	1,990
1965	555,224.44	1.57	11,767.98	0.7772	582,553
1966	66,904.67	1.58	1,427.08	0.7663	69,213
1967	107,292.80	1.59	2,303.04	0.7552	109,387
1968	350,551.78	1.61	7,619.24	0.7486	354,271
1969	78,048.13	1.62	1,706.91	0.7371	77,665
1970	55,292.38	1.63	1,216.71	0.7254	54,147
1971	227,228.56	1.64	5,030.84	0.7134	218,842
1972	245,929.30	1.65	5,478.08	0.7012	232,802
1973	276,938.42	1.66	6,206.19	0.6889	257,557
1974	378,880.09	1.67	8,541.85	0.6764	345,971
1975	833,280.35	1.68	18,898.80	0.6636	746,503
1976	1,934,811.44	1.69	44,142.72	0.6506	1,699,364
1977	741,040.13	1.70	17,006.87	0.6375	637,758
1978	567,697.15	1.71	13,105.29	0.6242	478,381
1979	8,248.00	1.72	191.52	0.6106	6,799
1980	318,343.00	1.73	7,434.90	0.5968	256,483
1981	1,541,205.00	1.74	36,202.91	0.5829	1,212,797
1982	715,442.20	1.75	16,902.32	0.5688	549,374
1983	591,203.51	1.76	14,047.00	0.5544	442,480
1984	280,806.00	1.77	6,709.86	0.5398	204,632
1985	426,232.00	1.78	10,242.35	0.5251	302,149
1986	372,919.04	1.79	9,011.59	0.5102	256,855
1987	69,916.55	1.80	1,698.97	0.4950	46,722
1988	233,573.00	1.81	5,707.36	0.4796	151,229
1989	388,051.34	1.82	9,534.42	0.4641	243,128
1990	506,883.11	1.83	12,522.55	0.4484	306,837
1991	418,333.21	1.84	10,391.40	0.4324	244,198
1992	610,915.31	1.85	15,257.61	0.4162	343,255
1993	403,340.00	1.86	10,127.87	0.3999	217,749
1994	305,962.32	1.87	7,724.02	0.3834	158,363
1995	440,389.00	1.87	11,117.62	0.3646	216,764

NEWFOUNDLAND POWER INC.

ACCOUNT 353.10 - TRANSMISSION - OVERHEAD CONDUCTORS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 57-R3					
NET SALVAGE PERCENT.. -35					
1996	245,094.30	1.88	6,220.49	0.3478	115,079
1997	361,131.00	1.89	9,214.26	0.3308	161,274
1998	271,367.69	1.90	6,960.58	0.3135	114,850
1999	158,974.21	1.91	4,099.15	0.2960	63,526
2000	155,999.88	1.92	4,043.52	0.2784	58,631
2001	518,507.12	1.92	13,439.70	0.2592	181,436
2002	510,786.00	1.93	13,308.53	0.2412	166,322
2003	1,057,374.00	1.94	27,692.63	0.2231	318,465
2004	369,376.60	1.95	9,723.84	0.2048	102,125
2005	596,400.58	1.95	15,700.25	0.1852	149,112
2006	847,001.00	1.96	22,411.65	0.1666	190,499
2007	1,127,191.00	1.97	29,977.64	0.1478	224,908
2008	1,167,438.59	1.98	31,205.63	0.1287	202,837
2009	901,381.29	1.99	24,215.61	0.1094	133,125
2010	1,169,621.77	2.00	31,579.79	0.0900	142,109
2011	1,112,544.66	2.01	30,188.90	0.0704	105,736
2012	1,051,861.49	2.02	28,684.26	0.0505	71,711
2013	881,831.51	2.04	24,285.64	0.0306	36,428
2014	603,828.73	2.08	16,955.51	0.0104	8,478
	27,644,643.33		689,139.05		14,107,745
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.49					

NEWFOUNDLAND POWER INC.

ACCOUNT 353.20 - TRANSMISSION - UNDERGROUND CABLES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 50-R4					
NET SALVAGE PERCENT.. -25					
1967	168,788.00	1.80	3,797.73	0.8550	180,392
1979	1,676.00	1.96	41.06	0.6958	1,458
1980	776,120.00	1.97	19,111.96	0.6796	659,314
1984	18,099.00	2.01	454.74	0.6130	13,868
1997	6,161.00	2.10	161.73	0.3675	2,830
2009	63,799.53	2.12	1,690.69	0.1166	9,299
2011	409,899.68	2.12	10,862.34	0.0742	38,018
2012	67,427.14	2.13	1,795.25	0.0532	4,484
2013	133,984.47	2.13	3,567.34	0.0320	5,359
	1,645,954.82		41,482.84		915,022
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.52					

NEWFOUNDLAND POWER INC.

ACCOUNT 355.10 - TRANSMISSION - POLES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 52-S0.5					
NET SALVAGE PERCENT.. -35					
1931	320.47	1.11	4.80	0.9268	401
1952	121.73	1.32	2.17	0.8250	136
1953	1,083.24	1.33	19.45	0.8180	1,196
1955	4,559.66	1.36	83.72	0.8092	4,981
1956	5,888.94	1.37	108.92	0.8014	6,371
1957	14,483.19	1.38	269.82	0.7935	15,515
1958	72,354.28	1.40	1,367.50	0.7910	77,264
1959	119,818.26	1.41	2,280.74	0.7826	126,589
1960	4,091.48	1.42	78.43	0.7739	4,275
1961	39,274.63	1.44	763.50	0.7704	40,847
1962	12,561.00	1.45	245.88	0.7612	12,908
1963	272,311.62	1.47	5,404.02	0.7570	278,289
1964	3,034.40	1.48	60.63	0.7474	3,062
1965	338,021.19	1.49	6,799.30	0.7376	336,588
1966	58,565.17	1.51	1,193.85	0.7324	57,906
1967	73,407.20	1.53	1,516.23	0.7268	72,026
1968	463,258.32	1.54	9,631.14	0.7161	447,848
1969	123,268.86	1.56	2,596.04	0.7098	118,120
1970	85,257.27	1.57	1,807.03	0.6986	80,407
1971	154,676.95	1.59	3,320.14	0.6916	144,416
1972	312,983.59	1.61	6,802.70	0.6842	289,094
1973	267,141.73	1.62	5,842.39	0.6723	242,459
1974	486,442.47	1.64	10,769.84	0.6642	436,178
1975	1,137,789.66	1.66	25,497.87	0.6557	1,007,166
1976	2,204,615.53	1.68	50,000.68	0.6468	1,925,026
1977	416,697.87	1.70	9,563.22	0.6375	358,621
1978	418,380.18	1.71	9,658.31	0.6242	352,556
1979	85,775.80	1.73	2,003.29	0.6142	71,123
1980	362,456.21	1.75	8,563.03	0.6038	295,449
1981	1,654,017.59	1.77	39,522.75	0.5930	1,324,124
1982	901,003.93	1.79	21,772.76	0.5818	707,676
1983	1,197,558.83	1.82	29,424.02	0.5733	926,857
1984	255,753.29	1.84	6,352.91	0.5612	193,764
1985	650,856.98	1.86	16,343.02	0.5487	482,119
1986	367,193.16	1.88	9,319.36	0.5358	265,602
1987	252,377.78	1.90	6,473.49	0.5225	178,021
1988	374,987.17	1.93	9,770.29	0.5114	258,887
1989	520,776.32	1.95	13,709.44	0.4972	349,555
1990	703,229.53	1.97	18,702.39	0.4826	458,161
1991	526,491.57	2.00	14,215.27	0.4700	334,059
1992	536,353.27	2.02	14,626.35	0.4545	329,093
1993	463,905.21	2.05	12,838.58	0.4408	276,061

NEWFOUNDLAND POWER INC.

ACCOUNT 355.10 - TRANSMISSION - POLES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 52-S0.5					
NET SALVAGE PERCENT.. -35					
1994	378,225.15	2.07	10,569.50	0.4244	216,700
1995	501,790.42	2.10	14,225.76	0.4095	277,402
1996	314,825.55	2.13	9,052.81	0.3940	167,456
1997	554,179.64	2.16	16,159.88	0.3780	282,798
1998	451,844.96	2.18	13,297.80	0.3597	219,414
1999	456,007.04	2.21	13,604.97	0.3426	210,908
2000	216,260.83	2.24	6,539.73	0.3248	94,826
2001	540,288.55	2.27	16,557.14	0.3064	223,485
2002	999,338.06	2.30	31,029.45	0.2875	387,868
2003	1,143,666.41	2.34	36,128.42	0.2691	415,477
2004	445,350.68	2.37	14,249.00	0.2488	149,584
2005	862,316.13	2.40	27,939.04	0.2280	265,421
2006	1,341,853.33	2.44	44,200.65	0.2074	375,706
2007	1,294,293.71	2.47	43,158.22	0.1852	323,599
2008	1,555,664.02	2.51	52,713.68	0.1632	342,744
2009	1,489,244.38	2.55	51,267.24	0.1402	281,869
2010	1,664,013.91	2.59	58,182.25	0.1166	261,932
2011	1,828,796.99	2.63	64,931.44	0.0920	227,137
2012	1,359,897.44	2.67	49,017.50	0.0668	122,636
2013	2,048,692.21	2.72	75,227.98	0.0408	112,842
2014	1,649,076.52	2.78	61,889.84	0.0139	30,945
	37,038,771.46		1,089,267.57		17,881,545
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.94					

NEWFOUNDLAND POWER INC.

ACCOUNT 355.20 - TRANSMISSION - POLE FIXTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 52-S0.5					
NET SALVAGE PERCENT.. -35					
1931	34.36	1.11	0.51	0.9268	43
1949	301.00	1.29	5.24	0.8450	343
1952	1,798.20	1.32	32.04	0.8250	2,003
1953	33.11	1.33	0.59	0.8180	37
1956	1,561.03	1.37	28.87	0.8014	1,689
1958	2,229.20	1.40	42.13	0.7910	2,380
1959	18,359.03	1.41	349.46	0.7826	19,396
1960	6,070.99	1.42	116.38	0.7739	6,343
1961	4,162.90	1.44	80.93	0.7704	4,330
1962	3,252.83	1.45	63.67	0.7612	3,343
1963	72,064.71	1.47	1,430.12	0.7570	73,647
1964	1,041.77	1.48	20.81	0.7474	1,051
1965	139,715.97	1.49	2,810.39	0.7376	139,124
1966	10,195.28	1.51	207.83	0.7324	10,080
1967	23,038.85	1.53	475.87	0.7268	22,605
1968	127,167.27	1.54	2,643.81	0.7161	122,937
1969	37,260.86	1.56	784.71	0.7098	35,704
1970	26,411.17	1.57	559.78	0.6986	24,909
1971	74,937.32	1.59	1,608.53	0.6916	69,966
1972	110,033.61	1.61	2,391.58	0.6842	101,635
1973	152,287.84	1.62	3,330.54	0.6723	138,217
1974	201,044.14	1.64	4,451.12	0.6642	180,270
1975	522,710.33	1.66	11,713.94	0.6557	462,701
1976	1,089,557.02	1.68	24,711.15	0.6468	951,379
1977	385,196.72	1.70	8,840.26	0.6375	331,510
1978	271,042.46	1.71	6,257.02	0.6242	228,399
1979	24,057.02	1.73	561.85	0.6142	19,947
1980	297,537.50	1.75	7,029.32	0.6038	242,532
1981	979,820.71	1.77	23,412.82	0.5930	784,395
1982	632,930.16	1.79	15,294.76	0.5818	497,122
1983	606,649.27	1.82	14,905.37	0.5733	469,519
1984	196,917.07	1.84	4,891.42	0.5612	149,188
1985	326,370.40	1.86	8,195.16	0.5487	241,757
1986	227,144.31	1.88	5,764.92	0.5358	164,300
1987	585,589.20	1.90	15,020.36	0.5225	413,060
1988	320,295.66	1.93	8,345.30	0.5114	221,129
1989	344,595.93	1.95	9,071.49	0.4972	231,300
1990	689,198.22	1.97	18,329.23	0.4826	449,020
1991	422,281.60	2.00	11,401.60	0.4700	267,938
1992	586,410.00	2.02	15,991.40	0.4545	359,807
1993	341,747.82	2.05	9,457.87	0.4408	203,367
1994	448,675.02	2.07	12,538.22	0.4244	257,064

NEWFOUNDLAND POWER INC.

ACCOUNT 355.20 - TRANSMISSION - POLE FIXTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL RATE	ACCRUAL-- AMOUNT	--ACCRUED FACTOR	DEPREC.-- AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 52-S0.5					
NET SALVAGE PERCENT.. -35					
1995	358,454.81	2.10	10,162.19	0.4095	198,163
1996	283,355.64	2.13	8,147.89	0.3940	150,717
1997	335,852.84	2.16	9,793.47	0.3780	171,386
1998	375,324.62	2.18	11,045.80	0.3597	182,256
1999	609,177.39	2.21	18,174.81	0.3426	281,751
2000	228,123.46	2.24	6,898.45	0.3248	100,028
2001	675,139.14	2.27	20,689.64	0.3064	279,265
2002	555,425.53	2.30	17,245.96	0.2875	215,575
2003	808,026.96	2.34	25,525.57	0.2691	293,544
2004	517,327.05	2.37	16,551.88	0.2488	173,760
2005	693,932.55	2.40	22,483.41	0.2280	213,592
2006	957,759.10	2.44	31,548.58	0.2074	268,163
2007	1,069,448.63	2.47	35,660.76	0.1852	267,384
2008	1,550,187.79	2.51	52,528.11	0.1632	341,537
2009	1,097,351.50	2.55	37,776.33	0.1402	207,696
2010	2,054,664.73	2.59	71,841.35	0.1166	323,425
2011	1,645,111.79	2.63	58,409.69	0.0920	204,323
2012	1,357,133.41	2.67	48,917.87	0.0668	122,386
2013	1,517,723.67	2.72	55,730.81	0.0408	83,596
2014	1,766,432.57	2.78	66,294.21	0.0139	33,147
	28,767,681.04		878,595.15		12,017,180

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.05

NEWFOUNDLAND POWER INC.

ACCOUNT 355.30 - TRANSMISSION - INSULATORS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 31-S1					
NET SALVAGE PERCENT.. -35					
1956	253.05	1.68	5.74	0.9828	336
1958	2,281.81	1.73	53.29	0.9774	3,011
1959	2,127.54	1.75	50.26	0.9712	2,789
1961	214.32	1.79	5.18	0.9576	277
1963	31,651.87	1.84	786.23	0.9476	40,491
1964	210.31	1.87	5.31	0.9444	268
1965	16,856.27	1.89	430.09	0.9356	21,290
1966	2,718.97	1.92	70.48	0.9312	3,418
1967	8,409.51	1.95	221.38	0.9262	10,515
1968	27,647.58	1.97	735.29	0.9160	34,189
1969	1,981.46	2.00	53.50	0.9100	2,434
1970	610.16	2.03	16.72	0.9034	744
1971	1,596.09	2.06	44.39	0.8961	1,931
1972	2,140.71	2.09	60.40	0.8882	2,567
1973	869.12	2.12	24.87	0.8798	1,032
1974	8,843.66	2.15	256.69	0.8708	10,396
1975	4,608.05	2.19	136.24	0.8650	5,381
1976	51,360.94	2.22	1,539.29	0.8547	59,263
1977	49,519.19	2.26	1,510.83	0.8475	56,656
1978	14,488.68	2.29	447.92	0.8358	16,348
1979	2,648.13	2.33	83.30	0.8272	2,957
1980	52,920.07	2.37	1,693.18	0.8176	58,411
1981	89,469.54	2.40	2,898.81	0.8040	97,110
1982	53,099.09	2.44	1,749.08	0.7930	56,845
1983	78,163.71	2.49	2,627.47	0.7844	82,771
1984	44,843.65	2.53	1,531.63	0.7716	46,712
1985	222,283.32	2.57	7,712.12	0.7582	227,523
1986	155,385.93	2.62	5,496.00	0.7467	156,636
1987	166,201.65	2.66	5,968.30	0.7315	164,128
1988	134,984.35	2.71	4,938.40	0.7182	130,877
1989	647,504.11	2.76	24,126.00	0.7038	615,213
1990	1,293,858.20	2.81	49,082.51	0.6884	1,202,434
1991	783,400.28	2.86	30,247.08	0.6721	710,806
1992	583,798.66	2.91	22,934.53	0.6548	516,066
1993	420,315.61	2.96	16,795.81	0.6364	361,110
1994	569,444.84	3.02	23,216.27	0.6191	475,933
1995	856,921.88	3.07	35,515.13	0.5986	692,487
1996	851,601.99	3.13	35,984.44	0.5790	665,655
1997	1,198,829.01	3.19	51,627.57	0.5582	903,402
1998	801,792.27	3.25	35,178.64	0.5362	580,393
1999	847,479.43	3.31	37,869.62	0.5130	586,922
2000	484,335.90	3.37	22,034.86	0.4886	319,473

NEWFOUNDLAND POWER INC.

ACCOUNT 355.30 - TRANSMISSION - INSULATORS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 31-S1					
NET SALVAGE PERCENT.. -35					
2001	842,330.96	3.43	39,004.14	0.4630	526,499
2002	991,925.77	3.50	46,868.49	0.4375	585,856
2003	832,682.91	3.56	40,018.74	0.4094	460,216
2004	643,892.26	3.62	31,467.01	0.3801	330,404
2005	520,286.62	3.69	25,918.08	0.3506	246,257
2006	1,096,932.25	3.75	55,532.20	0.3188	472,098
2007	766,971.90	3.81	39,449.20	0.2858	295,921
2008	1,043,115.51	3.87	54,497.57	0.2516	354,305
2009	837,550.92	3.92	44,323.19	0.2156	243,778
2010	890,967.87	3.97	47,751.42	0.1786	214,821
2011	689,333.96	4.02	37,410.15	0.1407	130,936
2012	1,511,364.67	4.06	82,837.90	0.1015	207,095
2013	832,751.62	4.09	45,980.38	0.0614	69,027
2014	796,725.08	4.11	44,206.29	0.0206	22,157
	22,864,503.21		1,061,029.61		13,086,570
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.64					

NEWFOUNDLAND POWER INC.

ACCOUNT 361.10 - OVERHEAD CONDUCTORS - BARE COPPER

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 53-R1.5					
NET SALVAGE PERCENT.. -25					
1964	2,766.86	1.50	51.88	0.7575	2,620
1965	137,417.00	1.51	2,593.75	0.7474	128,382
1966	84,498.00	1.52	1,605.46	0.7372	77,865
1967	92,696.74	1.54	1,784.41	0.7315	84,760
1968	62,195.75	1.55	1,205.04	0.7208	56,038
1969	11,406.75	1.57	223.86	0.7144	10,186
1970	4,985.33	1.58	98.46	0.7031	4,381
1971	10,421.56	1.59	207.13	0.6916	9,009
1975	47,815.71	1.65	986.20	0.6518	38,958
1976	37,424.42	1.67	781.23	0.6430	30,080
1983	1,671.61	1.77	36.98	0.5576	1,165
1984	1,002.97	1.79	22.44	0.5460	685
	494,302.70		9,596.84		444,129
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.94					

NEWFOUNDLAND POWER INC.

ACCOUNT 361.11 - OVERHEAD CONDUCTORS - WEATHER-PROOF COPPER

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 49-R2					
NET SALVAGE PERCENT.. -25					
1959	85,058.82	1.53	1,626.75	0.8492	90,290
1960	181,362.00	1.54	3,491.22	0.8393	190,271
1961	101,492.00	1.56	1,979.09	0.8346	105,882
1962	214,459.00	1.58	4,235.57	0.8295	222,367
1963	122,599.00	1.59	2,436.66	0.8188	125,480
1964	157,907.00	1.61	3,177.88	0.8130	160,473
1965	232,729.00	1.62	4,712.76	0.8019	233,282
1966	109,964.00	1.64	2,254.26	0.7954	109,332
1967	115,148.51	1.65	2,374.94	0.7838	112,817
1968	82,677.87	1.67	1,725.90	0.7766	80,260
1969	28,449.95	1.69	601.01	0.7690	27,348
1971	33,857.80	1.72	727.94	0.7482	31,666
1972	12,118.09	1.73	262.05	0.7352	11,137
1973	33,194.12	1.75	726.12	0.7262	30,132
1974	6,914.78	1.77	152.99	0.7168	6,196
1975	34,401.79	1.78	765.44	0.7031	30,235
1976	19,008.41	1.80	427.69	0.6930	16,466
1978	35,891.98	1.83	821.03	0.6680	29,970
1981	0.65	1.88	0.02	0.6298	1
	1,607,234.77		32,499.32		1,613,605
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.02					

NEWFOUNDLAND POWER INC.

ACCOUNT 361.12 - OVERHEAD CONDUCTORS - BARE ALUMINUM

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 57-R2.5					
NET SALVAGE PERCENT.. -35					
1963	40,995.09	1.51	835.68	0.7776	43,035
1964	130,957.72	1.52	2,687.25	0.7676	135,706
1965	890,676.36	1.53	18,396.92	0.7574	910,708
1966	629,099.84	1.54	13,078.99	0.7469	634,331
1967	149,199.28	1.56	3,142.14	0.7410	149,251
1968	111,491.89	1.57	2,363.07	0.7300	109,875
1969	331,656.06	1.58	7,074.22	0.7189	321,877
1970	189,222.62	1.59	4,061.66	0.7076	180,757
1971	471,799.51	1.60	10,190.87	0.6960	443,303
1972	462,749.63	1.61	10,057.86	0.6842	427,428
1973	738,740.09	1.63	16,255.98	0.6764	674,573
1974	942,776.29	1.64	20,873.07	0.6642	845,359
1975	1,598,170.65	1.65	35,599.25	0.6518	1,406,278
1976	1,448,491.84	1.66	32,460.70	0.6391	1,249,737
1977	1,952,549.10	1.67	44,020.22	0.6262	1,650,626
1978	1,719,466.40	1.68	38,997.50	0.6132	1,423,409
1979	1,686,223.42	1.70	38,698.83	0.6035	1,373,808
1980	2,649,788.36	1.71	61,170.36	0.5900	2,110,556
1981	2,279,660.81	1.72	52,933.72	0.5762	1,773,280
1982	2,142,019.52	1.73	50,026.87	0.5622	1,625,729
1983	2,023,717.34	1.74	47,537.12	0.5481	1,497,419
1984	2,534,131.37	1.75	59,868.85	0.5338	1,826,171
1985	2,050,487.33	1.76	48,719.58	0.5192	1,437,228
1986	2,107,015.23	1.78	50,631.58	0.5073	1,443,000
1987	2,347,318.99	1.79	56,722.96	0.4922	1,559,723
1988	2,636,422.20	1.80	64,065.06	0.4770	1,697,724
1989	2,926,092.88	1.81	71,499.08	0.4616	1,823,424
1990	3,643,938.86	1.82	89,531.58	0.4459	2,193,524
1991	2,976,339.65	1.83	73,530.47	0.4300	1,727,765
1992	3,301,454.66	1.85	82,453.83	0.4162	1,854,988
1993	2,668,486.54	1.86	67,005.70	0.3999	1,440,622
1994	2,428,524.47	1.87	61,308.10	0.3834	1,256,980
1995	1,894,109.54	1.88	48,072.50	0.3666	937,414
1996	1,680,734.02	1.89	42,883.93	0.3496	793,239
1997	2,059,450.33	1.91	53,102.93	0.3342	929,162
1998	2,079,197.01	1.92	53,892.79	0.3168	889,231
1999	3,066,517.88	1.93	79,898.12	0.2992	1,238,628
2000	2,849,151.60	1.94	74,619.28	0.2813	1,081,980
2001	3,236,106.76	1.96	85,627.38	0.2646	1,155,970
2002	2,381,358.27	1.97	63,332.22	0.2462	791,492
2003	3,745,096.52	1.99	100,612.02	0.2288	1,156,785
2004	3,541,221.46	2.00	95,612.98	0.2100	1,003,936

NEWFOUNDLAND POWER INC.

ACCOUNT 361.12 - OVERHEAD CONDUCTORS - BARE ALUMINUM

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 57-R2.5					
NET SALVAGE PERCENT.. -35					
2005	3,622,974.46	2.02	98,798.51	0.1919	938,586
2006	4,973,321.02	2.03	136,293.86	0.1726	1,158,834
2007	3,177,726.50	2.05	87,943.58	0.1538	659,791
2008	4,569,230.75	2.07	127,687.15	0.1346	830,275
2009	3,626,737.15	2.09	102,328.39	0.1150	563,051
2010	5,253,323.34	2.12	150,350.11	0.0954	676,576
2011	4,526,899.58	2.14	130,782.13	0.0749	457,737
2012	6,785,084.40	2.18	199,685.03	0.0545	499,213
2013	6,764,093.78	2.24	204,546.20	0.0336	306,819
2014	7,611,262.26	2.37	243,522.34	0.0118	121,247
	129,653,260.63		3,415,390.52		53,438,160

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.63

NEWFOUNDLAND POWER INC.

ACCOUNT 361.13 - OVERHEAD CONDUCTORS - WATER-PROOF ALUMINUM

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 36-R1.5					
NET SALVAGE PERCENT.. -35					
1976	1.15	2.09	0.03	0.8046	1
1977	544,508.39	2.11	15,510.32	0.7912	581,600
1978	638,408.06	2.14	18,443.61	0.7811	673,192
1979	930,864.10	2.17	27,269.66	0.7704	968,136
1980	801,507.74	2.20	23,804.78	0.7590	821,265
1981	966,459.96	2.23	29,095.28	0.7470	974,627
1982	589,931.43	2.26	17,998.81	0.7345	584,961
1983	517,436.44	2.29	15,996.55	0.7214	503,926
1984	491,675.49	2.32	15,399.28	0.7076	469,678
1985	484,848.21	2.35	15,381.81	0.6932	453,731
1986	476,801.45	2.38	15,319.63	0.6783	436,609
1987	423,691.44	2.41	13,784.80	0.6628	379,111
1988	572,125.22	2.44	18,845.80	0.6466	499,414
1989	761,179.94	2.47	25,381.55	0.6298	647,178
1990	1,032,952.73	2.51	35,001.60	0.6150	857,609
1991	765,699.88	2.54	26,255.85	0.5969	617,012
1992	1,039,678.34	2.57	36,071.64	0.5782	811,542
1993	867,907.10	2.61	30,580.71	0.5612	657,544
1994	796,221.43	2.64	28,377.33	0.5412	581,735
1995	600,809.41	2.68	21,737.28	0.5226	423,877
1996	587,908.48	2.72	21,588.00	0.5032	399,378
1997	525,280.08	2.75	19,501.02	0.4812	341,232
1998	562,738.01	2.79	21,195.53	0.4604	349,764
1999	524,949.43	2.83	20,055.69	0.4386	310,828
2000	339,065.82	2.88	13,182.88	0.4176	191,152
2001	600,422.00	2.92	23,668.64	0.3942	319,527
2002	604,688.36	2.97	24,244.98	0.3712	303,021
2003	871,007.01	3.02	35,510.96	0.3473	408,376
2004	938,059.36	3.08	39,004.51	0.3234	409,547
2005	1,009,949.58	3.14	42,811.76	0.2983	406,712
2006	1,239,471.43	3.20	53,545.17	0.2720	455,134
2007	1,545,699.31	3.27	68,234.90	0.2452	511,657
2008	1,628,018.73	3.35	73,627.15	0.2178	478,686
2009	1,565,205.75	3.44	72,688.16	0.1892	399,785
2010	1,714,643.21	3.55	82,174.28	0.1598	369,900
2011	1,649,169.08	3.68	81,930.72	0.1288	286,758

NEWFOUNDLAND POWER INC.

ACCOUNT 361.13 - OVERHEAD CONDUCTORS - WATER-PROOF ALUMINUM

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 36-R1.5					
NET SALVAGE PERCENT.. -35					
2012	2,039,150.85	3.86	106,260.15	0.0965	265,650
2013	1,763,921.67	4.13	98,347.45	0.0620	147,640
2014	2,202,137.49	4.78	142,103.93	0.0239	71,052
	35,214,193.56		1,469,932.20		18,368,547

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.17

NEWFOUNDLAND POWER INC.

ACCOUNT 361.14 - OVERHEAD CONDUCTORS - AERIAL CABLE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 29-R1					
NET SALVAGE PERCENT.. -25					
1977	5,437.00	2.28	154.95	0.8550	5,811
1978	7,905.21	2.31	228.26	0.8432	8,332
1979	194.18	2.35	5.70	0.8342	202
1981	13,075.60	2.42	395.54	0.8107	13,250
1982	6,588.95	2.46	202.61	0.7995	6,585
1983	52,102.06	2.50	1,628.19	0.7875	51,288
1985	3,993.39	2.57	128.29	0.7582	3,785
1987	173,738.98	2.66	5,776.82	0.7315	158,863
1988	2,482.19	2.70	83.77	0.7155	2,220
1989	116,522.97	2.75	4,005.48	0.7012	102,132
1991	21,244.74	2.84	754.19	0.6674	17,723
1995	59,959.40	3.04	2,278.46	0.5928	44,430
1998	5,382.75	3.21	215.98	0.5296	3,563
1999	80,695.04	3.27	3,298.41	0.5068	51,120
2000	54,347.43	3.33	2,262.21	0.4828	32,799
2006	11,806.00	3.83	565.21	0.3256	4,805
2013	425,701.56	5.42	28,841.28	0.0813	43,262
2014	35,080.18	6.60	2,894.11	0.0330	1,447
	1,076,257.63		53,719.46		551,617

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.99

NEWFOUNDLAND POWER INC.

ACCOUNT 361.15 - OVERHEAD CONDUCTORS - DUPLEX

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 49-R2					
NET SALVAGE PERCENT.. -35					
1966	17,576.08	1.64	389.13	0.7954	18,873
1967	14,083.02	1.65	313.70	0.7838	14,902
1968	18,429.76	1.67	415.50	0.7766	19,322
1969	15,229.53	1.69	347.46	0.7690	15,811
1970	18,473.17	1.70	423.96	0.7565	18,866
1971	14,205.11	1.72	329.84	0.7482	14,348
1972	25,998.10	1.73	607.19	0.7352	25,804
1973	25,738.02	1.75	608.06	0.7262	25,233
1974	21,682.81	1.77	518.11	0.7168	20,982
1975	29,620.13	1.78	711.77	0.7031	28,115
1976	28,298.39	1.80	687.65	0.6930	26,475
1977	25,978.64	1.82	638.30	0.6825	23,936
1978	42,256.86	1.83	1,043.96	0.6680	38,107
1979	45,213.53	1.85	1,129.21	0.6568	40,090
1980	39,360.46	1.87	993.65	0.6452	34,284
1981	51,999.75	1.88	1,319.75	0.6298	44,212
1982	58,676.85	1.90	1,505.06	0.6175	48,914
1983	64,109.65	1.92	1,661.72	0.6048	52,344
1984	78,336.67	1.94	2,051.64	0.5917	62,575
1985	58,260.09	1.95	1,533.70	0.5752	45,240
1986	97,163.19	1.97	2,584.06	0.5614	73,639
1987	101,093.21	1.99	2,715.87	0.5472	74,680
1988	73,446.65	2.01	1,992.97	0.5326	52,809
1989	87,034.83	2.02	2,373.44	0.5151	60,523
1990	67,024.62	2.04	1,845.86	0.4998	45,224
1991	79,619.14	2.06	2,214.21	0.4841	52,034
1992	67,265.23	2.08	1,888.81	0.4680	42,498
1993	92,424.68	2.10	2,620.24	0.4515	56,335
1994	63,907.59	2.12	1,829.04	0.4346	37,495
1995	68,334.71	2.14	1,974.19	0.4173	38,497
1996	30,593.10	2.16	892.09	0.3996	16,504
1997	63,354.90	2.18	1,864.53	0.3815	32,629
1998	57,758.74	2.20	1,715.43	0.3630	28,305
1999	90,238.97	2.22	2,704.46	0.3441	41,919
2000	130,691.51	2.25	3,969.75	0.3262	57,553
2001	156,655.07	2.27	4,800.69	0.3064	64,799
2002	181,682.74	2.29	5,616.72	0.2862	70,197
2003	149,233.70	2.32	4,674.00	0.2668	53,751
2004	167,316.31	2.35	5,308.11	0.2468	55,746
2005	210,825.74	2.38	6,773.83	0.2261	64,351
2006	260,637.56	2.41	8,479.84	0.2048	72,061
2007	224,852.24	2.44	7,406.63	0.1830	55,550

NEWFOUNDLAND POWER INC.

ACCOUNT 361.15 - OVERHEAD CONDUCTORS - DUPLEX

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 49-R2					
NET SALVAGE PERCENT.. -35					
2008	325,298.42	2.48	10,890.99	0.1612	70,791
2009	504,278.04	2.52	17,155.54	0.1386	94,355
2010	586,142.43	2.56	20,257.08	0.1152	91,157
2011	290,417.98	2.62	10,272.08	0.0917	35,952
2012	315,979.56	2.70	11,517.45	0.0675	28,794
2013	290,747.34	2.81	11,029.50	0.0422	16,564
2014	234,766.89	3.07	9,729.91	0.0154	4,881
	5,762,311.71		184,326.68		2,108,026
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.20					

NEWFOUNDLAND POWER INC.

ACCOUNT 361.20 - DISTRIBUTION - UNDERGROUND CABLE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 47-R4					
NET SALVAGE PERCENT.. -10					
1967	81,441.17	1.86	1,666.29	0.8835	79,149
1968	52,923.33	1.88	1,094.45	0.8742	50,892
1969	21,252.03	1.90	444.17	0.8645	20,210
1970	90,323.14	1.92	1,907.62	0.8544	84,889
1971	51,442.26	1.93	1,092.12	0.8396	47,510
1972	80,322.34	1.95	1,722.91	0.8288	73,228
1973	58,735.36	1.97	1,272.80	0.8176	52,824
1974	131,375.92	1.98	2,861.37	0.8019	115,885
1975	118,043.40	2.00	2,596.95	0.7900	102,580
1976	144,359.08	2.01	3,191.78	0.7738	122,876
1977	218,045.84	2.03	4,868.96	0.7612	182,574
1978	456,824.08	2.04	10,251.13	0.7446	374,166
1979	95,379.09	2.06	2,161.29	0.7313	76,726
1980	619,779.34	2.07	14,112.38	0.7142	486,911
1981	432,220.57	2.09	9,936.75	0.7002	332,905
1982	305,061.46	2.10	7,046.92	0.6825	229,025
1983	308,268.23	2.11	7,154.91	0.6646	225,363
1984	415,577.38	2.12	9,691.26	0.6466	295,584
1985	389,299.40	2.13	9,121.28	0.6284	269,099
1986	1,264,602.74	2.15	29,907.85	0.6128	852,443
1987	698,280.16	2.16	16,591.14	0.5940	456,256
1988	814,635.90	2.16	19,355.75	0.5724	512,927
1989	1,161,651.09	2.17	27,728.61	0.5534	707,143
1990	741,893.10	2.18	17,790.60	0.5341	435,870
1991	1,052,181.00	2.19	25,347.04	0.5146	595,598
1992	852,907.28	2.20	20,640.36	0.4950	464,408
1993	609,181.00	2.20	14,742.18	0.4730	316,957
1994	410,062.00	2.21	9,968.61	0.4530	204,334
1995	489,128.00	2.22	11,944.51	0.4329	232,918
1996	307,501.00	2.22	7,509.17	0.4107	138,920
1997	291,813.00	2.23	7,158.17	0.3902	125,252
1998	261,543.00	2.23	6,415.65	0.3680	105,873
1999	233,208.00	2.23	5,720.59	0.3456	88,656
2000	242,855.00	2.24	5,983.95	0.3248	86,767
2001	344,594.00	2.24	8,490.80	0.3024	114,626
2002	481,256.00	2.24	11,858.15	0.2800	148,227
2003	624,851.00	2.25	15,465.06	0.2588	177,883
2004	607,036.26	2.25	15,024.15	0.2362	157,720
2005	667,352.00	2.25	16,516.96	0.2138	156,948
2006	404,149.00	2.25	10,002.69	0.1912	85,001
2007	466,960.00	2.25	11,557.26	0.1688	86,705
2008	387,589.07	2.26	9,635.46	0.1469	62,631

NEWFOUNDLAND POWER INC.

ACCOUNT 361.20 - DISTRIBUTION - UNDERGROUND CABLE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 47-R4					
NET SALVAGE PERCENT.. -10					
2009	1,098,064.16	2.26	27,297.88	0.1243	150,138
2010	985,388.95	2.26	24,496.77	0.1017	110,235
2011	740,515.49	2.26	18,409.22	0.0791	64,432
2012	2,315,337.11	2.26	57,559.28	0.0565	143,898
2013	2,072,394.47	2.26	51,519.73	0.0339	77,280
2014	1,457,964.57	2.27	36,405.38	0.0114	18,283
	26,155,567.77		633,238.31		10,100,725
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.42					

NEWFOUNDLAND POWER INC.

ACCOUNT 361.30 - DISTRIBUTION - SPECIAL INSULATED COPPER CABLE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 29-R1					
NET SALVAGE PERCENT.. -25					
1977	11,698.00	2.28	333.39	0.8550	12,502
1978	9,008.00	2.31	260.11	0.8432	9,494
1982	44,266.00	2.46	1,361.18	0.7995	44,238
1983	36,950.00	2.50	1,154.69	0.7875	36,373
1984	154.00	2.53	4.87	0.7716	149
	102,076.00		3,114.24		102,756
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.05					

NEWFOUNDLAND POWER INC.

ACCOUNT 361.40 - DISTRIBUTION - SUBMARINE CABLE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 40-R3					
NET SALVAGE PERCENT.. -5					
1965	2,240.00	1.86	43.75	0.9207	2,165
1988	1,913,965.77	2.42	48,633.87	0.6413	1,288,798
1990	1,441,350.58	2.47	37,381.43	0.6052	915,921
2005	83,769.33	2.74	2,410.04	0.2603	22,895
2008	75,849.14	2.79	2,222.00	0.1814	14,447
2012	932,177.04	2.86	27,993.28	0.0715	69,983
2013	24,970.92	2.89	757.74	0.0434	1,138
2014	13,952,448.16	2.95	432,177.08	0.0148	216,821
	18,426,770.94		551,619.19		2,532,168
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.99					

NEWFOUNDLAND POWER INC.

ACCOUNT 362.10 - DISTRIBUTION - POLES (UNDER 35'')

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 53-R1					
NET SALVAGE PERCENT.. -35					
1962	293,977.00	1.43	5,675.23	0.7508	297,969
1963	345,556.67	1.44	6,717.62	0.7416	345,958
1964	354,600.33	1.45	6,941.30	0.7322	350,512
1965	634,031.40	1.46	12,496.76	0.7227	618,590
1966	314,006.31	1.48	6,273.85	0.7178	304,282
1967	176,617.27	1.49	3,552.66	0.7078	168,763
1968	114,564.85	1.50	2,319.94	0.6975	107,877
1969	271,713.01	1.52	5,575.55	0.6916	253,688
1970	205,746.92	1.53	4,249.70	0.6808	189,098
1971	414,796.50	1.54	8,623.62	0.6699	375,127
1972	335,867.72	1.56	7,073.37	0.6630	300,618
1973	562,464.00	1.57	11,921.42	0.6516	494,777
1974	653,805.62	1.59	14,033.94	0.6440	568,419
1975	780,926.14	1.60	16,868.00	0.6320	666,286
1976	1,699,600.07	1.62	37,170.25	0.6237	1,431,055
1977	923,354.71	1.63	20,318.42	0.6112	761,878
1978	864,905.90	1.65	19,265.78	0.6022	703,143
1979	1,116,866.59	1.66	25,028.98	0.5893	888,529
1980	828,583.61	1.68	18,792.28	0.5796	648,334
1981	1,660,853.12	1.70	38,116.58	0.5695	1,276,905
1982	1,135,516.31	1.71	26,213.39	0.5558	852,012
1983	1,357,588.84	1.73	31,706.49	0.5450	998,846
1984	1,552,461.43	1.75	36,676.90	0.5338	1,118,750
1985	1,379,875.13	1.77	32,972.12	0.5222	972,771
1986	1,579,354.46	1.78	37,951.89	0.5073	1,081,629
1987	1,682,965.08	1.80	40,896.05	0.4950	1,124,641
1988	1,758,524.06	1.82	43,206.94	0.4823	1,144,984
1989	1,912,272.89	1.84	47,500.86	0.4692	1,211,272
1990	2,357,604.35	1.86	59,199.45	0.4557	1,450,386
1991	2,082,030.78	1.89	53,123.02	0.4442	1,248,531
1992	2,457,462.20	1.91	63,365.66	0.4298	1,425,893
1993	2,725,158.16	1.93	71,004.00	0.4150	1,526,770
1994	1,834,231.17	1.96	48,533.76	0.4018	994,942
1995	2,613,906.41	1.98	69,869.72	0.3861	1,362,460
1996	1,961,735.14	2.01	53,231.68	0.3718	984,654
1997	1,222,342.31	2.04	33,663.31	0.3570	589,108
1998	1,195,201.77	2.07	33,399.91	0.3416	551,179
1999	1,697,542.71	2.10	48,125.34	0.3255	745,943
2000	1,649,486.93	2.13	47,431.00	0.3088	687,638
2001	1,871,294.28	2.17	54,819.57	0.2930	740,190
2002	1,371,383.54	2.21	40,915.23	0.2762	511,348
2003	1,743,107.44	2.25	52,946.89	0.2588	609,007

NEWFOUNDLAND POWER INC.

ACCOUNT 362.10 - DISTRIBUTION - POLES (UNDER 35'')

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 53-R1					
NET SALVAGE PERCENT.. -35					
2004	2,031,918.48	2.29	62,816.76	0.2404	659,439
2005	1,482,602.38	2.34	46,835.41	0.2223	444,936
2006	2,027,937.97	2.40	65,705.19	0.2040	558,494
2007	1,564,972.60	2.46	51,972.74	0.1845	389,796
2008	1,490,183.55	2.53	50,897.22	0.1644	330,731
2009	2,311,269.86	2.61	81,437.59	0.1436	448,063
2010	387,111.03	2.71	14,162.46	0.1220	63,757
2011	2,574,560.54	2.83	98,361.09	0.0990	344,090
2012	2,680,468.92	3.00	108,558.99	0.0750	271,397
2013	3,338,977.58	3.26	146,948.40	0.0489	220,423
2014	2,669,441.88	3.90	140,546.11	0.0195	70,273
	74,253,327.92		2,166,010.39		36,486,161
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.92					

NEWFOUNDLAND POWER INC.

ACCOUNT 362.20 - DISTRIBUTION - POLES (35'' & OVER)

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 53-R1					
NET SALVAGE PERCENT.. -35					
1964	268,596.65	1.45	5,257.78	0.7322	265,500
1965	1,574,389.20	1.46	31,031.21	0.7227	1,536,045
1966	1,255,944.98	1.48	25,093.78	0.7178	1,217,048
1967	440,386.44	1.49	8,858.37	0.7078	420,802
1968	354,763.72	1.50	7,183.97	0.6975	334,054
1969	852,001.56	1.52	17,483.07	0.6916	795,480
1970	583,053.64	1.53	12,042.97	0.6808	535,873
1971	1,011,749.27	1.54	21,034.27	0.6699	914,991
1972	878,198.16	1.56	18,494.85	0.6630	786,031
1973	1,156,952.65	1.57	24,521.61	0.6516	1,017,725
1974	1,676,547.02	1.59	35,987.08	0.6440	1,457,590
1975	2,901,784.41	1.60	62,678.54	0.6320	2,475,802
1976	1,753,152.23	1.62	38,341.44	0.6237	1,476,145
1977	2,883,123.38	1.63	63,443.13	0.6112	2,378,923
1978	3,068,052.98	1.65	68,340.88	0.6022	2,494,235
1979	3,194,839.05	1.66	71,596.34	0.5893	2,541,670
1980	4,671,036.26	1.68	105,939.10	0.5796	3,654,899
1981	3,515,129.99	1.70	80,672.23	0.5695	2,702,520
1982	4,034,576.90	1.71	93,138.21	0.5558	3,027,264
1983	4,069,961.33	1.73	95,053.95	0.5450	2,994,474
1984	5,790,569.66	1.75	136,802.21	0.5338	4,172,858
1985	5,078,979.01	1.77	121,362.20	0.5222	3,580,528
1986	5,672,483.49	1.78	136,309.78	0.5073	3,884,829
1987	6,678,450.96	1.80	162,286.36	0.4950	4,462,875
1988	6,535,746.82	1.82	160,583.30	0.4823	4,255,457
1989	7,644,191.51	1.84	189,881.72	0.4692	4,841,984
1990	10,147,313.37	1.86	254,799.04	0.4557	6,242,576
1991	8,948,718.35	1.89	228,326.55	0.4442	5,366,278
1992	8,972,862.15	1.91	231,365.25	0.4298	5,206,324
1993	8,272,942.79	1.93	215,551.52	0.4150	4,634,916
1994	8,448,805.61	1.96	223,555.40	0.4018	4,582,886
1995	7,915,275.34	1.98	211,575.31	0.3861	4,125,719
1996	7,250,290.42	2.01	196,736.63	0.3718	3,639,138
1997	5,663,834.62	2.04	155,982.01	0.3570	2,729,685
1998	6,705,857.90	2.07	187,395.20	0.3416	3,092,473
1999	6,122,092.54	2.10	173,561.32	0.3255	2,690,201
2000	8,201,827.49	2.13	235,843.55	0.3088	3,419,178
2001	8,133,142.95	2.17	238,260.42	0.2930	3,217,065
2002	7,696,789.15	2.21	229,633.70	0.2762	2,869,902
2003	7,656,181.90	2.25	232,556.53	0.2588	2,674,917
2004	8,388,013.90	2.29	259,315.45	0.2404	2,722,246
2005	8,980,938.24	2.34	283,707.84	0.2223	2,695,224

NEWFOUNDLAND POWER INC.

ACCOUNT 362.20 - DISTRIBUTION - POLES (35'' & OVER)

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 53-R1					
NET SALVAGE PERCENT.. -35					
2006	11,718,288.85	2.40	379,672.56	0.2040	3,227,217
2007	9,818,113.29	2.46	326,059.54	0.1845	2,445,447
2008	10,743,532.42	2.53	366,945.35	0.1644	2,384,420
2009	11,247,968.80	2.61	396,322.18	0.1436	2,180,531
2010	15,014,974.52	2.71	549,322.84	0.1220	2,472,966
2011	12,335,431.99	2.83	471,275.18	0.0990	1,648,630
2012	11,773,055.97	3.00	476,808.77	0.0750	1,192,022
2013	14,645,118.18	3.26	644,531.65	0.0489	966,797
2014	17,055,719.28	3.90	897,983.62	0.0195	448,992
	319,401,751.29		9,860,505.76		135,101,352
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.09					

NEWFOUNDLAND POWER INC.

ACCOUNT 362.30 - DISTRIBUTION - POLES - CONCRETE & STEEL

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 44-R2.5					
NET SALVAGE PERCENT.. -35					
1966	11,799.00	1.77	281.94	0.8584	13,673
1971	1,273.08	1.88	32.31	0.8178	1,406
1972	52,863.41	1.90	1,355.95	0.8075	57,628
1973	53,448.80	1.92	1,385.39	0.7968	57,494
1974	57,464.37	1.94	1,504.99	0.7857	60,952
1975	132,506.70	1.96	3,506.13	0.7742	138,492
1976	104,122.44	1.98	2,783.19	0.7623	107,153
1977	79,729.07	2.00	2,152.68	0.7500	80,726
1978	76,124.00	2.02	2,075.90	0.7373	75,770
1979	62,875.83	2.04	1,731.60	0.7242	61,472
1980	144,424.43	2.06	4,016.44	0.7107	138,567
1981	222,808.07	2.08	6,256.45	0.6968	209,591
1982	123,437.00	2.10	3,499.44	0.6825	113,732
1983	19,227.00	2.12	550.28	0.6678	17,334
1984	156,657.36	2.14	4,525.83	0.6527	138,038
1985	135,317.44	2.16	3,945.86	0.6372	116,403
1986	315,519.80	2.18	9,285.75	0.6213	264,644
1987	206,777.00	2.19	6,113.36	0.6022	168,103
1988	254,251.00	2.21	7,585.58	0.5856	201,001
1989	332,270.00	2.23	10,002.99	0.5686	255,054
1990	224,937.00	2.25	6,832.46	0.5512	167,380
1991	211,928.34	2.27	6,494.54	0.5334	152,607
1992	267,332.32	2.29	8,264.58	0.5152	185,935
1993	315,850.41	2.31	9,849.80	0.4966	211,749
1994	230,822.18	2.33	7,260.51	0.4776	148,825
1995	181,535.84	2.35	5,759.22	0.4582	112,293
1996	206,899.70	2.37	6,619.76	0.4384	122,452
1997	151,047.79	2.39	4,873.56	0.4182	85,277
1998	111,497.00	2.41	3,627.55	0.3976	59,847
1999	87,304.80	2.43	2,864.03	0.3766	44,387
2000	90,967.00	2.45	3,008.73	0.3552	43,620
2001	67,047.49	2.47	2,235.70	0.3334	30,177
2002	132,302.00	2.49	4,447.33	0.3112	55,583
2003	133,167.02	2.51	4,512.36	0.2886	51,883
2004	229,257.63	2.53	7,830.29	0.2656	82,203
2005	247,506.38	2.56	8,553.82	0.2432	81,261
2006	160,846.01	2.58	5,602.27	0.2193	47,619
2007	220,366.65	2.61	7,764.62	0.1958	58,250
2008	304,905.56	2.63	10,825.67	0.1710	70,387
2009	339,051.46	2.67	12,221.11	0.1468	67,193
2010	235,850.69	2.70	8,596.76	0.1215	38,685
2011	478,617.01	2.74	17,704.04	0.0959	61,964

NEWFOUNDLAND POWER INC.

ACCOUNT 362.30 - DISTRIBUTION - POLES - CONCRETE & STEEL

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 44-R2.5					
NET SALVAGE PERCENT.. -35					
2012	214,118.81	2.79	8,064.78	0.0698	20,176
2013	366,934.15	2.86	14,167.33	0.0429	21,251
2014	413,635.99	3.04	16,975.62	0.0152	8,488
	8,166,625.03		267,548.50		4,306,725

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.28

NEWFOUNDLAND POWER INC.

ACCOUNT 362.40 - DISTRIBUTION - STEEL TOWERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 50-R3					
NET SALVAGE PERCENT.. -35					
1980	184,774.00	1.92	4,789.34	0.6624	165,232
2011	10,563.17	2.28	325.13	0.0798	1,138
	195,337.17		5,114.47		166,370
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.62					

NEWFOUNDLAND POWER INC.

ACCOUNT 363.00 - DISTRIBUTION - STREET LIGHTS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 20-R0.5					
NET SALVAGE PERCENT.. -10					
1981	424,373.64	2.75	12,837.30	0.9212	430,026
1982	69,648.09	2.80	2,145.16	0.9100	69,718
1983	19,487.59	2.85	610.94	0.8978	19,246
1984	79,633.90	2.91	2,549.08	0.8876	77,751
1985	464,696.86	2.96	15,130.53	0.8732	446,351
1986	631,910.25	3.02	20,992.06	0.8607	598,274
1987	418,543.52	3.08	14,180.25	0.8470	389,957
1988	247,457.20	3.14	8,547.17	0.8321	226,500
1989	307,636.74	3.21	10,862.65	0.8186	277,015
1990	368,362.84	3.28	13,290.53	0.8036	325,618
1991	512,622.85	3.35	18,890.15	0.7872	443,890
1992	576,824.42	3.42	21,700.13	0.7695	488,253
1993	592,369.99	3.50	22,806.24	0.7525	490,334
1994	340,339.84	3.58	13,402.58	0.7339	274,753
1995	184,547.42	3.66	7,429.88	0.7137	144,883
1996	908,170.43	3.75	37,462.03	0.6938	693,098
1997	559,666.29	3.84	23,640.30	0.6720	413,705
1998	164,148.52	3.94	7,114.20	0.6501	117,384
1999	65,908.55	4.04	2,928.98	0.6262	45,399
2000	181,997.15	4.14	8,288.15	0.6003	120,178
2001	258,192.63	4.26	12,098.91	0.5751	163,335
2002	289,670.10	4.38	13,956.31	0.5475	174,454
2003	400,454.28	4.51	19,866.54	0.5186	228,443
2004	445,642.54	4.66	22,843.64	0.4893	239,858
2005	611,467.55	4.81	32,352.75	0.4570	307,385
2006	701,014.00	4.99	38,478.66	0.4242	327,107
2007	975,796.18	5.19	55,708.20	0.3892	417,758
2008	949,253.83	5.42	56,594.51	0.3523	367,864
2009	1,642,326.05	5.70	102,973.84	0.3135	566,356
2010	1,808,031.76	6.04	120,125.63	0.2718	540,565
2011	1,905,324.26	6.47	135,601.93	0.2264	474,502
2012	1,169,623.20	7.06	90,832.94	0.1765	227,082
2013	993,169.41	8.00	87,398.91	0.1200	131,098
2014	922,820.08	10.43	105,875.15	0.0522	52,988
20,191,131.96		1,159,516.23		10,311,128	

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 5.74

NEWFOUNDLAND POWER INC.

ACCOUNT 364.10 - DISTRIBUTION - TRANSFORMERS (UPTO 15 KVA)

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-S1					
NET SALVAGE PERCENT.. -2					
1965	19,377.15	1.72	339.95	0.8514	16,828
1967	11,294.74	1.77	203.92	0.8408	9,687
1968	22,612.61	1.79	412.86	0.8324	19,199
1969	37,693.85	1.81	695.90	0.8236	31,666
1971	20,285.27	1.86	384.85	0.8091	16,741
1972	42,917.12	1.88	822.98	0.7990	34,977
1973	42,807.00	1.90	829.60	0.7885	34,428
1974	48,278.96	1.93	950.42	0.7816	38,490
1975	144,906.35	1.96	2,896.97	0.7742	114,430
1976	126,117.69	1.98	2,547.07	0.7623	98,062
1977	79,168.61	2.01	1,623.11	0.7538	60,871
1984	105,705.71	2.21	2,382.82	0.6740	72,671
1985	585.10	2.24	13.37	0.6608	394
1986	205,274.77	2.27	4,752.93	0.6470	135,469
1987	160,814.58	2.30	3,772.71	0.6325	103,750
1988	3,604.30	2.34	86.03	0.6201	2,280
1989	94,162.36	2.37	2,276.28	0.6044	58,050
1990	80,536.86	2.40	1,971.54	0.5880	48,303
1992	186,675.80	2.47	4,703.11	0.5558	105,829
1993	89,170.24	2.51	2,282.94	0.5396	49,079
1994	35,866.16	2.55	932.88	0.5228	19,126
1995	80,359.69	2.58	2,114.75	0.5031	41,238
1996	135,938.72	2.62	3,632.83	0.4847	67,207
1997	174,892.27	2.66	4,745.18	0.4655	83,041
1998	459,835.86	2.70	12,663.88	0.4455	208,954
1999	422,560.09	2.73	11,766.61	0.4232	182,404
2000	743,680.20	2.77	21,011.94	0.4016	304,635
2001	532,414.45	2.81	15,260.06	0.3794	206,038
2002	576,314.62	2.85	16,753.47	0.3562	209,389
2003	563,242.57	2.88	16,545.81	0.3312	190,277
2004	468,065.09	2.92	13,940.85	0.3066	146,379
2005	403,856.00	2.96	12,193.22	0.2812	115,836
2006	443,437.64	2.99	13,523.96	0.2542	114,976
2007	619,517.01	3.03	19,146.79	0.2272	143,569
2008	594,849.12	3.06	18,566.43	0.1989	120,682
2009	226,576.24	3.09	7,141.23	0.1700	39,288
2010	330,095.51	3.11	10,471.29	0.1400	47,138
2011	253,031.02	3.14	8,104.08	0.1099	28,364

NEWFOUNDLAND POWER INC.

ACCOUNT 364.10 - DISTRIBUTION - TRANSFORMERS (UPTO 15 KVA)

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 40-S1					
NET SALVAGE PERCENT.. -2					
2012	205,824.61	3.16	6,634.14	0.0790	16,585
2013	331,060.51	3.17	10,704.51	0.0476	16,074
2014	169,587.92	3.18	5,500.75	0.0159	2,750
	9,292,994.37		265,304.02		3,355,154

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.85

NEWFOUNDLAND POWER INC.

ACCOUNT 364.11 - DISTRIBUTION - TRANSFORMERS (OVER 15 KVA)

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 40-S1					
NET SALVAGE PERCENT.. -2					
1965	43,110.51	1.72	756.33	0.8514	37,438
1967	40,274.83	1.77	727.12	0.8408	34,540
1968	53,840.50	1.79	983.02	0.8324	45,713
1969	33,792.25	1.81	623.87	0.8236	28,388
1970	8,243.90	1.83	153.88	0.8144	6,848
1971	24,355.11	1.86	462.07	0.8091	20,100
1972	60,127.79	1.88	1,153.01	0.7990	49,003
1973	115,700.38	1.90	2,242.27	0.7885	93,054
1974	151,221.63	1.93	2,976.95	0.7816	120,559
1975	516,238.60	1.96	10,320.64	0.7742	407,665
1976	877,713.41	1.98	17,726.30	0.7623	682,463
1977	329,529.35	2.01	6,756.01	0.7538	253,367
1978	277,141.50	2.03	5,738.49	0.7410	209,469
1979	98,048.36	2.06	2,060.19	0.7313	73,137
1980	406,264.52	2.09	8,660.75	0.7210	298,775
1981	664,086.39	2.12	14,360.20	0.7102	481,067
1982	965,914.50	2.15	21,182.50	0.6988	688,481
1983	462,299.23	2.18	10,279.69	0.6867	323,810
1984	861,976.44	2.21	19,430.67	0.6740	592,592
1985	317,525.23	2.24	7,254.82	0.6608	214,017
1986	1,530,488.95	2.27	35,436.94	0.6470	1,010,031
1987	1,445,334.06	2.30	33,907.54	0.6325	932,457
1988	1,571,488.08	2.34	37,508.28	0.6201	993,969
1989	2,176,937.53	2.37	52,625.29	0.6044	1,342,056
1990	3,025,386.69	2.40	74,061.47	0.5880	1,814,506
1991	2,233,469.50	2.44	55,586.59	0.5734	1,306,285
1992	1,071,446.32	2.47	26,994.02	0.5558	607,420
1993	1,030,868.82	2.51	26,392.30	0.5396	567,382
1994	991,023.18	2.55	25,776.51	0.5228	528,469
1995	1,241,789.31	2.58	32,678.93	0.5031	637,239
1996	1,220,417.84	2.62	32,614.45	0.4847	603,367
1997	1,517,204.06	2.66	41,164.78	0.4655	720,384
1998	2,979,960.49	2.70	82,068.11	0.4455	1,354,124
1999	3,000,893.35	2.73	83,562.88	0.4232	1,295,378
2000	4,121,555.53	2.77	116,450.43	0.4016	1,688,321
2001	4,251,321.49	2.81	121,851.38	0.3794	1,645,210
2002	4,883,626.81	2.85	141,967.03	0.3562	1,774,339
2003	5,351,941.22	2.88	157,218.63	0.3312	1,808,014
2004	5,297,280.17	2.92	157,774.19	0.3066	1,656,629
2005	4,860,433.40	2.96	146,746.21	0.2812	1,394,089
2006	5,460,865.06	2.99	166,545.46	0.2542	1,415,915
2007	6,677,889.66	3.03	206,386.86	0.2272	1,547,561

NEWFOUNDLAND POWER INC.

ACCOUNT 364.11 - DISTRIBUTION - TRANSFORMERS (OVER 15 KVA)

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 40-S1					
NET SALVAGE PERCENT.. -2					
2008	8,321,989.32	3.06	259,745.93	0.1989	1,688,349
2009	7,005,816.17	3.09	220,809.31	0.1700	1,214,809
2010	6,726,497.31	3.11	213,377.95	0.1400	960,544
2011	7,339,860.76	3.14	235,081.06	0.1099	822,784
2012	6,896,905.41	3.16	222,301.06	0.0790	555,753
2013	6,820,011.24	3.17	220,518.24	0.0476	331,125
2014	7,271,856.31	3.18	235,869.93	0.0159	117,935
	122,631,962.47		3,596,870.54		36,994,930
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.93					

NEWFOUNDLAND POWER INC.

ACCOUNT 364.20 - DISTRIBUTION - VOLTAGE REGULATORS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-S1					
NET SALVAGE PERCENT.. -2					
1968	4,174.52	1.79	76.22	0.8324	3,544
1969	35,722.57	1.81	659.51	0.8236	30,010
1970	45,677.35	1.83	852.61	0.8144	37,944
1971	45,307.55	1.86	859.57	0.8091	37,392
1972	35,277.88	1.88	676.49	0.7990	28,751
1973	27,694.98	1.90	536.73	0.7885	22,274
1974	79,099.97	1.93	1,557.16	0.7816	63,061
1975	66,403.16	1.96	1,327.53	0.7742	52,438
1976	26,145.14	1.98	528.03	0.7623	20,329
1977	7,910.67	2.01	162.18	0.7538	6,082
1978	19,107.54	2.03	395.64	0.7410	14,442
1979	152.00	2.06	3.19	0.7313	113
1980	92,040.18	2.09	1,962.11	0.7210	67,688
1981	61,940.33	2.12	1,339.40	0.7102	44,870
1982	19,408.32	2.15	425.62	0.6988	13,834
1983	13,832.33	2.18	307.58	0.6867	9,689
1984	17,404.05	2.21	392.32	0.6740	11,965
1985	103,883.54	2.24	2,373.53	0.6608	70,019
1986	27,539.78	2.27	637.66	0.6470	18,175
1987	163,723.49	2.30	3,840.95	0.6325	105,626
1988	40,347.23	2.34	963.01	0.6201	25,520
1989	146,095.24	2.37	3,531.71	0.6044	90,066
1990	120,210.80	2.40	2,942.76	0.5880	72,098
1991	166,090.56	2.44	4,133.66	0.5734	97,141
1992	37,815.58	2.47	952.73	0.5558	21,438
1994	189,772.34	2.55	4,935.98	0.5228	101,197
1997	38,883.18	2.66	1,054.98	0.4655	18,462
1998	126,011.39	2.70	3,470.35	0.4455	57,261
1999	30,312.00	2.73	844.07	0.4232	13,085
2000	31,957.81	2.77	902.94	0.4016	13,091
2001	21,968.00	2.81	629.65	0.3794	8,501
2002	88,436.46	2.85	2,570.85	0.3562	32,131
2003	69,496.40	2.88	2,041.53	0.3312	23,478
2004	316,871.46	2.92	9,437.70	0.3066	99,096
2005	563,707.80	2.96	17,019.47	0.2812	161,685
2006	259,679.71	2.99	7,919.71	0.2542	67,331
2007	277,400.81	3.03	8,573.35	0.2272	64,286
2008	71,064.02	3.06	2,218.05	0.1989	14,417
2009	38,419.10	3.09	1,210.89	0.1700	6,662
2010	475,727.63	3.11	15,091.03	0.1400	67,934
2011	557,153.78	3.14	17,844.52	0.1099	62,456

NEWFOUNDLAND POWER INC.

ACCOUNT 364.20 - DISTRIBUTION - VOLTAGE REGULATORS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 40-S1					
NET SALVAGE PERCENT.. -2					
2012	362,276.23	3.16	11,676.89	0.0790	29,192
2013	170,693.10	3.17	5,519.19	0.0476	8,287
2014	403,401.94	3.18	13,084.75	0.0159	6,542
	5,496,237.92		157,483.80		1,819,603

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.87

NEWFOUNDLAND POWER INC.

ACCOUNT 364.30 - DISTRIBUTION - CAPACITOR BANKS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 40-S1					
NET SALVAGE PERCENT.. -2					
1990	3,406.00	2.40	83.38	0.5880	2,043
1991	2,680.00	2.44	66.70	0.5734	1,567
1993	19,978.00	2.51	511.48	0.5396	10,996
1995	4,786.00	2.58	125.95	0.5031	2,456
1997	14,492.00	2.66	393.20	0.4655	6,881
1998	38,064.00	2.70	1,048.28	0.4455	17,297
1999	77,432.00	2.73	2,156.17	0.4232	33,425
2000	20,434.00	2.77	577.34	0.4016	8,370
2008	5,656.85	3.06	176.56	0.1989	1,148
2009	90,993.49	3.09	2,867.93	0.1700	15,778
2011	53,215.97	3.14	1,704.40	0.1099	5,965
	331,138.31		9,711.39		105,926
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.93					

NEWFOUNDLAND POWER INC.

ACCOUNT 364.40 - DISTRIBUTION - RECLOSERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 40-S1					
NET SALVAGE PERCENT.. -2					
1974	1,781.00	1.93	35.06	0.7816	1,420
1976	10,029.00	1.98	202.55	0.7623	7,798
1982	16,164.54	2.15	354.49	0.6988	11,522
1985	3,866.00	2.24	88.33	0.6608	2,606
1986	28,178.00	2.27	652.43	0.6470	18,596
1989	50,722.00	2.37	1,226.15	0.6044	31,270
1990	28,048.00	2.40	686.62	0.5880	16,822
1991	16,016.00	2.44	398.61	0.5734	9,367
2000	159,836.00	2.77	4,516.01	0.4016	65,474
2001	255,465.69	2.81	7,322.16	0.3794	98,862
2008	34,942.14	3.06	1,090.61	0.1989	7,089
2011	25,181.78	3.14	806.52	0.1099	2,823
2012	42,176.72	3.16	1,359.44	0.0790	3,399
2014	484,908.15	3.18	15,728.48	0.0159	7,864
	1,157,315.02		34,467.46		284,912
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.98					

NEWFOUNDLAND POWER INC.

ACCOUNT 365.10 - DISTRIBUTION - SERVICES OVERHEAD

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 49-R2					
NET SALVAGE PERCENT.. -60					
1968	533.29	1.67	14.25	0.7766	663
1969	161,170.19	1.69	4,358.04	0.7690	198,304
1970	122,954.32	1.70	3,344.36	0.7565	148,824
1971	295,410.61	1.72	8,129.70	0.7482	353,642
1972	336,658.99	1.73	9,318.72	0.7352	396,019
1973	481,236.88	1.75	13,474.63	0.7262	559,159
1974	640,919.23	1.77	18,150.83	0.7168	735,057
1975	812,674.91	1.78	23,144.98	0.7031	914,227
1976	868,116.54	1.80	25,001.76	0.6930	962,568
1977	912,002.16	1.82	26,557.50	0.6825	995,906
1978	997,740.11	1.83	29,213.83	0.6680	1,066,385
1979	1,209,838.04	1.85	35,811.21	0.6568	1,271,395
1980	1,313,473.19	1.87	39,299.12	0.6452	1,355,925
1981	1,540,305.61	1.88	46,332.39	0.6298	1,552,135
1982	1,492,369.05	1.90	45,368.02	0.6175	1,474,461
1983	1,824,274.72	1.92	56,041.72	0.6048	1,765,314
1984	2,329,496.80	1.94	72,307.58	0.5917	2,205,381
1985	2,072,181.19	1.95	64,652.05	0.5752	1,907,070
1986	2,168,615.06	1.97	68,354.75	0.5614	1,947,937
1987	2,277,889.40	1.99	72,528.00	0.5472	1,994,338
1988	2,557,347.57	2.01	82,244.30	0.5326	2,179,269
1989	2,858,438.87	2.02	92,384.74	0.5151	2,355,811
1990	2,750,629.60	2.04	89,780.55	0.4998	2,199,623
1991	2,913,290.67	2.06	96,022.06	0.4841	2,256,518
1992	2,851,690.91	2.08	94,904.27	0.4680	2,135,346
1993	2,738,192.16	2.10	92,003.26	0.4515	1,978,070
1994	2,271,631.75	2.12	77,053.75	0.4346	1,579,602
1995	1,858,389.51	2.14	63,631.26	0.4173	1,240,810
1996	1,648,970.93	2.16	56,988.44	0.3996	1,054,286
1997	1,439,992.07	2.18	50,226.92	0.3815	878,971
1998	1,387,601.79	2.20	48,843.58	0.3630	805,919
1999	1,431,632.49	2.22	50,851.59	0.3441	788,200
2000	1,422,312.31	2.25	51,203.24	0.3262	742,333
2001	1,776,335.94	2.27	64,516.52	0.3064	870,831
2002	1,764,160.00	2.29	64,638.82	0.2862	807,844
2003	1,651,310.78	2.32	61,296.66	0.2668	704,912
2004	1,889,256.90	2.35	71,036.06	0.2468	746,030
2005	2,136,098.03	2.38	81,342.61	0.2261	772,755
2006	2,183,267.83	2.41	84,186.81	0.2048	715,413
2007	2,356,259.97	2.44	91,988.39	0.1830	689,913
2008	3,113,134.26	2.48	123,529.17	0.1612	802,940
2009	3,710,141.98	2.52	149,592.92	0.1386	822,761

NEWFOUNDLAND POWER INC.

ACCOUNT 365.10 - DISTRIBUTION - SERVICES OVERHEAD

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 49-R2					
NET SALVAGE PERCENT.. -60					
2010	4,440,938.28	2.56	181,900.83	0.1152	818,554
2011	3,878,877.37	2.62	162,602.54	0.0917	569,109
2012	3,875,717.35	2.70	167,430.99	0.0675	418,577
2013	2,518,009.27	2.81	113,209.70	0.0422	170,016
2014	3,216,146.80	3.07	157,977.13	0.0154	79,246
	88,497,635.68		3,182,790.55		50,988,369
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.60					

NEWFOUNDLAND POWER INC.

ACCOUNT 365.20 - DISTRIBUTION - SERVICES UNDERGROUND

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 45-R4					
NET SALVAGE PERCENT.. -10					
1967	16,007.46	1.90	334.56	0.9025	15,891
1968	17,433.64	1.92	368.20	0.8928	17,121
1969	12,057.41	1.94	257.31	0.8827	11,707
1970	12,301.18	1.96	265.21	0.8722	11,802
1974	53,207.20	2.04	1,193.97	0.8262	48,356
1975	201,962.11	2.06	4,576.46	0.8137	180,770
1976	84,535.90	2.08	1,934.18	0.8008	74,466
1977	77,798.18	2.09	1,788.58	0.7838	67,076
1978	30,580.89	2.11	709.78	0.7702	25,909
1979	47,300.23	2.13	1,108.24	0.7562	39,345
1980	118,760.98	2.14	2,795.63	0.7383	96,449
1981	74,052.93	2.16	1,759.50	0.7236	58,943
1982	158,659.57	2.17	3,787.20	0.7052	123,075
1983	61,393.12	2.19	1,478.96	0.6898	46,584
1984	119,392.03	2.20	2,889.29	0.6710	88,123
1985	123,948.45	2.21	3,013.19	0.6520	88,896
1986	56,905.12	2.23	1,395.88	0.6356	39,786
1987	110,518.54	2.24	2,723.18	0.6160	74,887
1988	196,294.47	2.25	4,858.29	0.5962	128,734
1989	264,243.04	2.26	6,569.08	0.5763	167,512
1990	252,573.09	2.27	6,306.75	0.5562	154,529
1991	167,294.00	2.28	4,195.73	0.5358	98,600
1992	159,624.00	2.29	4,020.93	0.5152	90,462
1993	216,632.00	2.30	5,480.79	0.4945	117,837
1994	241,688.00	2.30	6,114.71	0.4715	125,351
1995	262,203.00	2.31	6,662.58	0.4504	129,906
1996	376,219.00	2.32	9,601.11	0.4292	177,621
1997	269,613.00	2.32	6,880.52	0.4060	120,409
1998	14,149.00	2.33	362.64	0.3844	5,983
2000	175,064.00	2.34	4,506.15	0.3393	65,339
2001	72,659.00	2.34	1,870.24	0.3159	25,248
2002	150,357.00	2.34	3,870.19	0.2925	48,377
2003	318,679.00	2.35	8,237.85	0.2702	94,718
2004	251,568.71	2.35	6,503.05	0.2468	68,296
2005	180,630.00	2.35	4,669.29	0.2232	44,348
2006	152,657.00	2.35	3,946.18	0.1998	33,551
2007	344,664.00	2.35	8,909.56	0.1762	66,803
2008	365,769.84	2.36	9,495.39	0.1534	61,720
2009	334,997.11	2.36	8,696.52	0.1298	47,831
2010	307,644.03	2.36	7,986.44	0.1062	35,939
2011	403,151.38	2.36	10,465.81	0.0826	36,630

NEWFOUNDLAND POWER INC.

ACCOUNT 365.20 - DISTRIBUTION - SERVICES UNDERGROUND

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 45-R4					
NET SALVAGE PERCENT.. -10					
2012	480,961.05	2.36	12,485.75	0.0590	31,214
2013	1,840,757.83	2.36	47,786.07	0.0354	71,679
2014	827,824.08	2.37	21,581.37	0.0118	10,745
	10,004,731.57		254,442.31		3,168,568

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.54

NEWFOUNDLAND POWER INC.

ACCOUNT 366.10 - DISTRIBUTION - WATT-HOUR METERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 18-S1					
NET SALVAGE PERCENT.. -5					
1973	314.82			1.0000	331
1974	171.18			1.0000	180
1975	356.21			1.0000	374
1976	834.14			1.0000	876
1977	42,132.22			1.0000	44,239
1978	5,035.04			1.0000	5,287
1979	16,855.55			1.0000	17,698
1980	30,378.26	2.88	918.64	0.9936	31,693
1981	220,900.50	2.94	6,819.20	0.9849	228,443
1982	9,158.05	3.00	288.48	0.9750	9,376
1983	213,382.26	3.06	6,855.97	0.9639	215,963
1984	142,698.89	3.13	4,689.80	0.9546	143,031
1985	172,694.74	3.20	5,802.54	0.9440	171,175
1986	137,984.29	3.28	4,752.18	0.9348	135,437
1987	27,473.71	3.36	969.27	0.9240	26,655
1988	182,930.00	3.44	6,607.43	0.9116	175,097
1989	91,436.52	3.53	3,389.09	0.9002	86,427
1990	182,971.63	3.62	6,954.75	0.8869	170,391
1991	114,409.26	3.71	4,456.81	0.8718	104,729
1992	6,422.03	3.81	256.91	0.8572	5,780
1993	8,168.41	3.91	335.35	0.8406	7,210
1995	63,017.17	4.14	2,739.36	0.8073	53,417
1996	5,107.26	4.26	228.45	0.7881	4,226
1997	12,283.85	4.38	564.93	0.7665	9,886
1998	146,660.62	4.51	6,945.11	0.7442	114,602
1999	298,652.67	4.65	14,581.72	0.7208	226,032
2000	263,913.79	4.79	13,273.54	0.6946	192,480
2001	161,977.18	4.94	8,401.76	0.6669	113,424
2002	235,810.41	5.10	12,627.65	0.6375	157,846
2003	277,749.50	5.26	15,340.10	0.6049	176,411
2004	588,198.05	5.43	33,536.11	0.5702	352,160
2005	621,293.86	5.61	36,597.31	0.5330	347,707
2006	711,329.57	5.79	43,245.28	0.4922	367,622
2007	453,050.27	5.98	28,447.03	0.4485	213,353
2008	939,633.03	6.16	60,775.46	0.4004	395,041
2009	1,313,819.31	6.35	87,598.90	0.3492	481,725
2010	1,135,273.46	6.53	77,840.02	0.2938	350,221
2011	1,217,345.37	6.70	85,640.25	0.2345	299,741

NEWFOUNDLAND POWER INC.

ACCOUNT 366.10 - DISTRIBUTION - WATT-HOUR METERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 18-S1					
NET SALVAGE PERCENT.. -5					
2012	1,495,004.85	6.86	107,685.20	0.1715	269,213
2013	1,806,532.95	6.98	132,400.80	0.1047	198,601
2014	2,003,395.02	7.07	148,722.03	0.0354	74,466
	15,356,755.90		970,287.43		5,978,566

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 6.32

NEWFOUNDLAND POWER INC.

ACCOUNT 366.20 - DISTRIBUTION - DEMAND METERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 18-S1					
NET SALVAGE PERCENT.. -5					
1986	1.20	3.28	0.04	0.9348	1
1987	36,085.87	3.36	1,273.11	0.9240	35,011
1992	1,768.66	3.81	70.76	0.8572	1,592
1993	6,097.94	3.91	250.35	0.8406	5,382
1994	8,468.06	4.02	357.44	0.8241	7,327
1995	14,015.09	4.14	609.24	0.8073	11,880
1996	16,663.75	4.26	745.37	0.7881	13,789
1997	1,664.68	4.38	76.56	0.7665	1,340
1999	34,210.77	4.65	1,670.34	0.7208	25,892
2000	8,617.68	4.79	433.43	0.6946	6,285
2002	31,658.05	5.10	1,695.29	0.6375	21,191
2003	38,837.84	5.26	2,145.01	0.6049	24,668
2004	20,879.42	5.43	1,190.44	0.5702	12,501
2005	218,557.00	5.61	12,874.10	0.5330	122,315
2006	229,106.97	5.79	13,928.56	0.4922	118,405
2007	383,332.53	5.98	24,069.45	0.4485	180,521
2008	150,551.65	6.16	9,737.68	0.4004	63,295
2009	345,228.98	6.35	23,018.14	0.3492	126,582
2010	768,615.80	6.53	52,700.14	0.2938	237,110
2011	981,878.31	6.70	69,075.14	0.2345	241,763
2012	1,550,488.46	6.86	111,681.68	0.1715	279,204
2013	1,603,833.98	6.98	117,544.99	0.1047	176,317
2014	1,085,359.75	7.07	80,571.68	0.0354	40,343
	7,535,922.44		525,718.94		1,752,714

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 6.98

NEWFOUNDLAND POWER INC.

ACCOUNT 366.30 - DISTRIBUTION - INSTRUMENT TRANSFORMERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 36-R2.5					
NET SALVAGE PERCENT.. -5					
1959	5,669.95	1.72	102.40	0.9546	5,683
1960	4,979.41	1.74	90.97	0.9483	4,958
1961	2,061.70	1.76	38.10	0.9416	2,038
1962	5,464.91	1.79	102.71	0.9398	5,393
1963	10,015.39	1.81	190.34	0.9322	9,803
1964	4,797.83	1.84	92.69	0.9292	4,681
1965	7,430.68	1.87	145.90	0.9256	7,222
1966	13,029.18	1.90	259.93	0.9215	12,607
1967	12,573.35	1.92	253.48	0.9120	12,040
1968	12,694.45	1.95	259.92	0.9068	12,087
1969	9,093.96	1.98	189.06	0.9009	8,602
1970	7,801.59	2.01	164.65	0.8944	7,327
1971	11,812.01	2.04	253.01	0.8874	11,006
1972	6,535.97	2.08	142.75	0.8840	6,067
1973	25,090.62	2.11	555.88	0.8756	23,068
1974	27,385.36	2.14	615.35	0.8667	24,922
1975	40,913.60	2.17	932.22	0.8572	36,825
1976	39,971.32	2.20	923.34	0.8470	35,548
1977	39,478.95	2.23	924.40	0.8362	34,663
1978	33,117.24	2.26	785.87	0.8249	28,684
1979	48,945.60	2.30	1,182.04	0.8165	41,962
1980	58,183.85	2.33	1,423.47	0.8038	49,107
1981	50,639.62	2.36	1,254.85	0.7906	42,037
1982	10,306.08	2.39	258.63	0.7768	8,406
1983	43,424.84	2.42	1,103.43	0.7623	34,758
1984	94,607.98	2.45	2,433.79	0.7472	74,226
1985	68,739.66	2.48	1,789.98	0.7316	52,804
1986	73,501.55	2.51	1,937.13	0.7154	55,212
1987	90,552.13	2.54	2,415.03	0.6985	66,413
1988	65,384.21	2.57	1,764.39	0.6810	46,753
1989	79,138.44	2.60	2,160.48	0.6630	55,092
1990	93,077.74	2.62	2,560.57	0.6419	62,734
1991	74,412.83	2.65	2,070.54	0.6228	48,662
1992	42,375.86	2.68	1,192.46	0.6030	26,830
1993	2,193.00	2.71	62.40	0.5826	1,342
1994	21,363.06	2.74	614.62	0.5617	12,600
1995	26,376.55	2.77	767.16	0.5402	14,961
1996	31,303.08	2.80	920.31	0.5180	17,026
1997	18,083.96	2.83	537.36	0.4952	9,403
1998	22,191.39	2.85	664.08	0.4702	10,956
1999	20,692.87	2.88	625.75	0.4464	9,699
2000	30,427.05	2.91	929.70	0.4220	13,482

NEWFOUNDLAND POWER INC.

ACCOUNT 366.30 - DISTRIBUTION - INSTRUMENT TRANSFORMERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 36-R2.5					
NET SALVAGE PERCENT.. -5					
2001	58,568.00	2.94	1,807.99	0.3969	24,408
2002	69,924.13	2.97	2,180.58	0.3712	27,254
2003	47,980.57	3.00	1,511.39	0.3450	17,381
2004	62,623.91	3.03	1,992.38	0.3182	20,923
2005	86,191.23	3.07	2,778.37	0.2916	26,390
2006	57,781.67	3.10	1,880.79	0.2635	15,987
2007	85,860.02	3.14	2,830.80	0.2355	21,231
2008	79,713.53	3.17	2,653.26	0.2060	17,242
2009	91,752.42	3.21	3,092.52	0.1766	17,014
2010	82,124.37	3.26	2,811.12	0.1467	12,650
2011	252,115.37	3.31	8,762.27	0.1158	30,655
2012	198,894.10	3.37	7,037.87	0.0842	17,584
2013	197,706.18	3.47	7,203.42	0.0520	10,795
2014	194,079.89	3.68	7,499.25	0.0184	3,750
	2,951,154.21		89,733.15		1,310,953
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.04					

NEWFOUNDLAND POWER INC.

ACCOUNT 366.40 - DISTRIBUTION - METERING TANKS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 36-R2.5					
NET SALVAGE PERCENT.. -5					
1964	5,694.00	1.84	110.01	0.9292	5,555
1965	6,127.00	1.87	120.30	0.9256	5,955
1966	19,841.00	1.90	395.83	0.9215	19,198
1968	6,844.86	1.95	140.15	0.9068	6,517
1969	1,082.00	1.98	22.49	0.9009	1,024
1970	24,168.89	2.01	510.08	0.8944	22,697
1971	4,110.68	2.04	88.05	0.8874	3,830
1972	34,228.09	2.08	747.54	0.8840	31,771
1973	3,208.21	2.11	71.08	0.8756	2,950
1974	2,238.11	2.14	50.29	0.8667	2,037
1975	86,786.76	2.17	1,977.44	0.8572	78,113
1976	51,417.00	2.20	1,187.73	0.8470	45,728
1977	70,178.43	2.23	1,643.23	0.8362	61,617
1978	41,856.00	2.26	993.24	0.8249	36,253
1979	79,845.30	2.30	1,928.26	0.8165	68,453
1980	14,961.22	2.33	366.03	0.8038	12,627
1981	22,803.00	2.36	565.06	0.7906	18,929
1982	13,215.00	2.39	331.63	0.7768	10,779
1983	23,672.00	2.42	601.51	0.7623	18,947
1984	43,692.06	2.45	1,123.98	0.7472	34,279
1988	54,481.00	2.57	1,470.17	0.6810	38,957
1989	21,181.00	2.60	578.24	0.6630	14,745
1990	87,647.00	2.62	2,411.17	0.6419	59,074
1992	158,551.00	2.68	4,461.63	0.6030	100,387
1994	50,424.00	2.74	1,450.70	0.5617	29,739
2001	11,458.00	2.94	353.71	0.3969	4,775
2002	14,228.00	2.97	443.70	0.3712	5,546
2003	13,124.00	3.00	413.41	0.3450	4,754
2004	16,315.01	3.03	519.06	0.3182	5,451
2005	20,336.00	3.07	655.53	0.2916	6,226
2006	10,357.00	3.10	337.12	0.2635	2,866
2007	9,428.00	3.14	310.84	0.2355	2,331
2008	20,936.30	3.17	696.86	0.2060	4,529
2013	105,375.17	3.47	3,839.34	0.0520	5,753
2014	63,224.22	3.68	2,442.98	0.0184	1,221
	1,213,035.31		33,358.39		773,613

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.75

NEWFOUNDLAND POWER INC.

ACCOUNT 367.10 - DISTRIBUTION - UNDERGROUND DUCT AND MANHOLES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 65-R4					
NET SALVAGE PERCENT.. -10					
1959	4,108.46	1.44	65.08	0.7992	3,612
1965	30,319.00	1.49	496.93	0.7376	24,600
1966	260,618.00	1.49	4,271.53	0.7226	207,155
1967	84,812.00	1.50	1,399.40	0.7125	66,471
1970	3,592.00	1.52	60.06	0.6764	2,673
1971	7,951.00	1.53	133.82	0.6656	5,821
1972	4,329.00	1.53	72.86	0.6502	3,096
1973	849.00	1.54	14.38	0.6391	597
1974	259,185.00	1.54	4,390.59	0.6237	177,819
1975	109,104.00	1.55	1,860.22	0.6122	73,473
1976	145,315.00	1.56	2,493.61	0.6006	96,004
1977	425,400.00	1.56	7,299.86	0.5850	273,745
1978	43,145.00	1.57	745.11	0.5730	27,194
1979	87,494.00	1.57	1,511.02	0.5574	53,646
1980	720,706.00	1.58	12,525.87	0.5451	432,143
1981	237,784.00	1.58	4,132.69	0.5293	138,445
1982	85,112.00	1.58	1,479.25	0.5135	48,076
1983	40,095.00	1.59	701.26	0.5008	22,088
1984	11,987.00	1.59	209.65	0.4850	6,395
1985	35,115.00	1.59	614.16	0.4690	18,116
1986	432,264.00	1.60	7,607.85	0.4560	216,824
1987	54,460.00	1.60	958.50	0.4400	26,359
1989	31,569.00	1.61	559.09	0.4106	14,258
1990	43,291.00	1.61	766.68	0.3944	18,781
1991	601,034.00	1.61	10,644.31	0.3784	250,174
1992	261,001.00	1.61	4,622.33	0.3622	103,988
1993	34,895.00	1.62	621.83	0.3483	13,369
1994	17,571.00	1.62	313.12	0.3321	6,419
1996	24,634.00	1.62	438.98	0.2997	8,121
2000	83,314.00	1.63	1,493.82	0.2364	21,665
2001	47,167.00	1.63	845.70	0.2200	11,414
2002	193,816.00	1.63	3,475.12	0.2038	43,450
2003	179,777.00	1.63	3,223.40	0.1874	37,059
2004	62,954.10	1.63	1,128.77	0.1712	11,856
2005	70,347.00	1.63	1,261.32	0.1548	11,979
2006	48,085.00	1.63	862.16	0.1386	7,331
2007	25,821.00	1.63	462.97	0.1222	3,471
2008	98,587.57	1.63	1,767.68	0.1060	11,495
2009	109,063.27	1.63	1,955.50	0.0896	10,749
2010	6,824.42	1.63	122.36	0.0734	551
2011	178,711.78	1.63	3,204.30	0.0570	11,205

NEWFOUNDLAND POWER INC.

ACCOUNT 367.10 - DISTRIBUTION - UNDERGROUND DUCT AND MANHOLES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 65-R4					
NET SALVAGE PERCENT.. -10					
2012	3,080,698.87	1.64	55,575.81	0.0410	138,940
2013	781,439.90	1.64	14,097.18	0.0246	21,146
2014	1,225,714.93	1.64	22,111.90	0.0082	11,056
	10,290,061.30		182,598.03		2,692,829

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 1.77

NEWFOUNDLAND POWER INC.

ACCOUNT 367.20 - DISTRIBUTION - UNDERGROUND SWITCHES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 47-R4					
NET SALVAGE PERCENT.. -10					
1960	1,528.40	1.71	28.75	0.9320	1,567
1973	5,059.73	1.97	109.64	0.8176	4,551
1975	15,509.00	2.00	341.20	0.7900	13,477
1986	47,961.00	2.15	1,134.28	0.6128	32,330
1991	141,500.00	2.19	3,408.74	0.5146	80,097
1992	87,047.00	2.20	2,106.54	0.4950	47,397
1998	51,766.78	2.23	1,269.84	0.3680	20,955
1999	103,587.00	2.23	2,540.99	0.3456	39,380
2000	221,146.00	2.24	5,449.04	0.3248	79,011
2001	262,514.00	2.24	6,468.34	0.3024	87,323
2002	134,280.00	2.24	3,308.66	0.2800	41,358
2003	355,740.00	2.25	8,804.56	0.2588	101,272
2004	141,267.74	2.25	3,496.38	0.2362	36,704
2010	147,588.70	2.26	3,669.06	0.1017	16,511
2012	502,784.39	2.26	12,499.22	0.0565	31,248
2013	249,760.92	2.26	6,209.06	0.0339	9,314
2014	465,538.11	2.27	11,624.49	0.0114	5,838
	2,934,578.77		72,468.79		648,333

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.47

NEWFOUNDLAND POWER INC.

ACCOUNT 371.10 - BUILDINGS AND STRUCTURES - SMALL

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 37-S0					
NET SALVAGE PERCENT.. -10					
1958	2,329.00	1.59	40.73	0.8984	2,302
1959	35,765.00	1.61	633.40	0.8936	35,156
1961	8,951.00	1.64	161.48	0.8774	8,639
1962	2,829.00	1.66	51.66	0.8715	2,712
1963	94,127.02	1.68	1,739.47	0.8652	89,583
1964	68,703.00	1.70	1,284.75	0.8585	64,880
1965	1,805.00	1.72	34.15	0.8514	1,690
1966	15,829.00	1.74	302.97	0.8439	14,694
1967	9,589.00	1.76	185.64	0.8360	8,818
1968	21,228.00	1.78	415.64	0.8277	19,327
1969	22,588.00	1.80	447.24	0.8190	20,350
1970	51,174.00	1.82	1,024.50	0.8099	45,590
1971	19,623.00	1.84	397.17	0.8004	17,277
1972	39,627.00	1.86	810.77	0.7905	34,458
1973	28,754.00	1.89	597.80	0.7844	24,810
1974	84,769.00	1.91	1,781.00	0.7736	72,135
1975	3,581.47	1.93	76.03	0.7624	3,004
1976	36,762.08	1.96	792.59	0.7546	30,515
1977	48,235.00	1.98	1,050.56	0.7425	39,396
1978	60,702.00	2.01	1,342.12	0.7336	48,984
1979	18,697.13	2.04	419.56	0.7242	14,895
1980	4,262.00	2.07	97.05	0.7142	3,348
1981	16,539.00	2.10	382.05	0.7035	12,799
1982	48,886.00	2.13	1,145.40	0.6922	37,223
1983	149,691.00	2.16	3,556.66	0.6804	112,035
1984	69,952.36	2.19	1,685.15	0.6680	51,401
1985	186,493.00	2.22	4,554.16	0.6549	134,348
1986	56,126.00	2.25	1,389.12	0.6412	39,587
1987	59,677.00	2.29	1,503.26	0.6298	41,343
1988	97,616.00	2.33	2,501.90	0.6174	66,295
1989	23,483.00	2.36	609.62	0.6018	15,545
1990	41,655.00	2.40	1,099.69	0.5880	26,942
1991	73,633.00	2.44	1,976.31	0.5734	46,443
1993	2,017.00	2.53	56.13	0.5440	1,207
1994	10,970.00	2.57	310.12	0.5268	6,357
1996	5,864.28	2.67	172.23	0.4940	3,187
1997	41,577.00	2.72	1,243.98	0.4760	21,770
1998	28,304.00	2.77	862.42	0.4570	14,228
1999	36,168.00	2.83	1,125.91	0.4386	17,450
2000	39,637.40	2.89	1,260.07	0.4190	18,269
2001	21,876.64	2.95	709.90	0.3982	9,582
2002	12,779.59	3.02	424.54	0.3775	5,307

NEWFOUNDLAND POWER INC.

ACCOUNT 371.10 - BUILDINGS AND STRUCTURES - SMALL

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 37-S0					
NET SALVAGE PERCENT.. -10					
2005	897.00	3.24	31.97	0.3078	304
2006	19,426.09	3.32	709.44	0.2822	6,030
2007	1,168.00	3.41	43.81	0.2558	329
2008	48,180.15	3.50	1,854.94	0.2275	12,057
2009	6,028.36	3.60	238.72	0.1980	1,313
2010	102,937.05	3.72	4,212.18	0.1674	18,955
2011	13,474.31	3.84	569.15	0.1344	1,992
2012	32,707.35	3.98	1,431.93	0.0995	3,580
2013	24,668.64	4.14	1,123.41	0.0621	1,685
2014	4,623.62	4.35	221.24	0.0218	111
	1,956,985.54		50,691.69		1,330,237

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.59

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
TOPSAIL ROAD - TRANSFORMER STORAGE					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2033					
NET SALVAGE PERCENT.. 0					
1957	28,575.00	1.37	391.48	0.7878	22,511
1962	3,343.00	1.46	48.81	0.7665	2,562
1963	10,791.00	1.48	159.71	0.7622	8,225
1966	104,408.00	1.55	1,618.32	0.7518	78,494
1967	647.00	1.57	10.16	0.7458	483
1968	5,519.00	1.60	88.30	0.7440	4,106
1969	264.00	1.62	4.28	0.7371	195
1971	2,609.00	1.67	43.57	0.7264	1,895
1972	8,229.00	1.70	139.89	0.7225	5,945
1973	16,864.00	1.73	291.75	0.7180	12,108
1974	8,878.00	1.76	156.25	0.7128	6,328
1975	13,639.00	1.79	244.14	0.7070	9,643
1977	14,677.00	1.85	271.52	0.6938	10,183
1978	1,665.00	1.88	31.30	0.6862	1,143
1979	19,955.00	1.92	383.14	0.6816	13,601
1980	72,779.00	1.95	1,419.19	0.6728	48,966
1981	58,897.01	1.99	1,172.05	0.6666	39,261
1982	103,528.86	2.03	2,101.64	0.6598	68,308
1984	2,953.00	2.11	62.31	0.6436	1,901
1986	20,475.00	2.21	452.50	0.6298	12,895
1987	17,994.00	2.25	404.86	0.6188	11,135
1988	17,919.00	2.30	412.14	0.6095	10,922
1991	11,926.00	2.47	294.57	0.5804	6,922
1992	20,026.00	2.53	506.66	0.5692	11,399
1993	58,970.00	2.60	1,533.22	0.5590	32,964
1994	32,428.00	2.67	865.83	0.5474	17,751
1996	8,605.00	2.82	242.66	0.5217	4,489
1997	14,741.00	2.90	427.49	0.5075	7,481
1998	2,534.00	2.98	75.51	0.4917	1,246
1999	6,144.00	3.08	189.24	0.4774	2,933
2000	75,242.00	3.17	2,385.17	0.4596	34,581
2001	67,068.00	3.28	2,199.83	0.4428	29,698
2002	139,445.74	3.39	4,727.21	0.4238	59,097
2003	29,366.88	3.51	1,030.78	0.4036	11,852
2004	17,426.99	3.64	634.34	0.3822	6,661
2005	55,375.00	3.78	2,093.18	0.3591	19,885
2006	25,789.00	3.93	1,013.51	0.3340	8,614
2007	3,251.00	4.10	133.29	0.3075	1,000
2008	5,511.13	4.28	235.88	0.2782	1,533

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
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TOPSAIL ROAD - TRANSFORMER STORAGE
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2033
NET SALVAGE PERCENT.. 0

2009	15,812.24	4.48	708.39	0.2464	3,896
2013	581,610.17	5.69	33,093.62	0.0854	49,670
2014	5,259.43	6.41	337.13	0.0320	168
	1,711,140.45		62,634.82		682,650

TOPSAIL ROAD - SYSTEM CONTROL CENTER
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2054
NET SALVAGE PERCENT.. 0

1991	3,785.00	1.84	69.64	0.4324	1,637
1999	988,399.00	2.15	21,250.58	0.3332	329,335
2000	19,634.00	2.20	431.95	0.3190	6,263
2001	69,701.00	2.25	1,568.27	0.3038	21,175
2002	33,052.00	2.30	760.20	0.2875	9,502
2003	10,181.00	2.36	240.27	0.2714	2,763
2004	8,220.63	2.42	198.94	0.2541	2,089
2005	12,409.00	2.48	307.74	0.2356	2,924
2006	10,978.00	2.55	279.94	0.2168	2,380
2007	52,055.00	2.63	1,369.05	0.1972	10,265
2008	5,654.92	2.72	153.81	0.1768	1,000
2009	1,429.76	2.81	40.18	0.1546	221
2010	193,982.95	2.92	5,664.30	0.1314	25,489
2012	225,910.44	3.22	7,274.32	0.0805	18,186
2013	26,822.51	3.46	928.06	0.0519	1,392
2014	10,134.54	3.99	404.37	0.0200	203
	1,672,349.75		40,941.62		434,824

KENMOUNT ROAD
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2049
NET SALVAGE PERCENT.. 0

1969	612,810.19	1.41	8,640.62	0.6416	393,179
1970	6,082.07	1.42	86.37	0.6319	3,843
1971	404.25	1.44	5.82	0.6264	253
1973	1,864.85	1.48	27.60	0.6142	1,145

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
KENMOUNT ROAD					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2049					
NET SALVAGE PERCENT.. 0					
1975	4,613.00	1.52	70.12	0.6004	2,770
1978	4,063.00	1.58	64.20	0.5767	2,343
1980	2,180,254.19	1.62	35,320.12	0.5589	1,218,544
1981	4,388.71	1.65	72.41	0.5528	2,426
1982	24,033.00	1.67	401.35	0.5428	13,045
1983	17,415.00	1.70	296.06	0.5355	9,326
1985	2,553.00	1.75	44.68	0.5162	1,318
1986	65,850.58	1.78	1,172.14	0.5073	33,406
1987	671,418.87	1.81	12,152.68	0.4978	334,232
1988	90,374.00	1.84	1,662.88	0.4876	44,066
1990	23,228.00	1.91	443.65	0.4680	10,871
1991	83,719.82	1.94	1,624.16	0.4559	38,168
1992	398,785.74	1.98	7,895.96	0.4455	177,659
1993	97,637.88	2.01	1,962.52	0.4322	42,199
1995	12,591.48	2.10	264.42	0.4095	5,156
1997	12,721.80	2.19	278.61	0.3832	4,875
1998	233,301.82	2.23	5,202.63	0.3680	85,855
1999	80,134.00	2.28	1,827.06	0.3534	28,319
2000	52,480.66	2.34	1,228.05	0.3393	17,807
2003	70,436.00	2.52	1,774.99	0.2898	20,412
2004	19,019.45	2.59	492.60	0.2720	5,173
2005	131,966.45	2.66	3,510.31	0.2527	33,348
2006	8,923.00	2.74	244.49	0.2329	2,078
2007	32,174.00	2.83	910.52	0.2122	6,827
2008	659,283.38	2.93	19,317.00	0.1904	125,528
2009	56,933.14	3.03	1,725.07	0.1666	9,485
2010	589,218.21	3.15	18,560.37	0.1418	83,551
2011	667,623.67	3.30	22,031.58	0.1155	77,111
2012	778,590.06	3.48	27,094.93	0.0870	67,737
2013	697,066.88	3.73	26,000.59	0.0560	39,036
2014	57,985.17	4.28	2,481.77	0.0214	1,241
	8,449,945.32		204,888.33		2,942,332

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
DUFFY PLACE					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2065					
NET SALVAGE PERCENT.. 0					
1990	9,448,330.00	1.68	158,731.94	0.4116	3,888,933
1991	94,221.00	1.70	1,601.76	0.3995	37,641
1992	3,706.00	1.73	64.11	0.3892	1,442
1993	6,936.00	1.75	121.38	0.3762	2,609
1994	44,508.00	1.78	792.24	0.3649	16,241
1995	20,084.00	1.81	363.52	0.3530	7,090
1996	23,539.00	1.84	433.12	0.3404	8,013
1997	47,264.00	1.87	883.84	0.3272	15,465
1998	75,022.00	1.91	1,432.92	0.3152	23,647
1999	173,897.00	1.94	3,373.60	0.3007	52,291
2000	463,475.28	1.98	9,176.81	0.2871	133,064
2001	151,471.00	2.02	3,059.71	0.2727	41,306
2002	113,750.00	2.07	2,354.62	0.2588	29,438
2003	83,426.00	2.11	1,760.29	0.2426	20,239
2004	125,043.72	2.16	2,700.94	0.2268	28,360
2005	158,906.30	2.22	3,527.72	0.2109	33,513
2006	611,257.00	2.28	13,936.66	0.1938	118,462
2007	107,939.37	2.34	2,525.78	0.1755	18,943
2008	105,744.02	2.41	2,548.43	0.1566	16,560
2009	90,801.33	2.49	2,260.95	0.1370	12,440
2010	18,711.33	2.59	484.62	0.1166	2,182
2011	299,663.80	2.70	8,090.92	0.0945	28,318
2012	130,571.94	2.85	3,721.30	0.0712	9,297
2013	150,983.15	3.07	4,635.18	0.0460	6,945
2014	530,623.59	3.58	18,996.32	0.0179	9,498
	13,079,874.83		247,578.68		4,561,937

CARBONEAR - OFFICE/WAREHOUSE
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2052
NET SALVAGE PERCENT.. 0

1970	1,526.00	1.40	21.36	0.6230	951
1974	2,314.00	1.47	34.02	0.5954	1,378
1977	320,115.58	1.52	4,865.76	0.5700	182,466
1978	9,176.30	1.54	141.32	0.5621	5,158
1979	7,010.12	1.56	109.36	0.5538	3,882
1980	5,329.00	1.59	84.73	0.5486	2,923
1981	30,407.59	1.61	489.56	0.5394	16,402

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
CARBONEAR - OFFICE/WAREHOUSE					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2052					
NET SALVAGE PERCENT.. 0					
1985	8,460.00	1.71	144.67	0.5044	4,267
1987	220,891.32	1.76	3,887.69	0.4840	106,911
1988	27,605.16	1.79	494.13	0.4744	13,096
1989	423,305.56	1.82	7,704.16	0.4641	196,456
1990	206,746.27	1.85	3,824.81	0.4532	93,697
1991	8,171.00	1.88	153.61	0.4418	3,610
1992	3,672.00	1.91	70.14	0.4298	1,578
1993	26,190.00	1.95	510.70	0.4192	10,979
1996	42,867.09	2.06	883.06	0.3811	16,337
1997	8,410.00	2.11	177.45	0.3692	3,105
1998	102,256.74	2.15	2,198.52	0.3548	36,281
2006	6,882.34	2.62	180.32	0.2227	1,533
2007	5,802.00	2.70	156.65	0.2025	1,175
2008	5,301.98	2.79	147.93	0.1814	962
2009	3,184.16	2.89	92.02	0.1590	506
2010	40,370.26	3.01	1,215.14	0.1354	5,466
2011	5,752.30	3.14	180.62	0.1099	632
2012	9,567.44	3.31	316.68	0.0828	792
2013	295,581.44	3.56	10,522.70	0.0534	15,784
2014	746,175.20	4.09	30,518.57	0.0204	15,222
	2,573,070.85		69,125.68		741,549

WHITBOURNE
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2023
NET SALVAGE PERCENT.. 0

1973	6,000.00	2.02	121.20	0.8383	5,030
1977	2,351.00	2.19	51.49	0.8212	1,931
1978	224,535.10	2.24	5,029.59	0.8176	183,580
1979	49,742.00	2.29	1,139.09	0.8130	40,440
1980	1,056.00	2.34	24.71	0.8073	853
1982	5,746.00	2.46	141.35	0.7995	4,594
1983	2,890.00	2.52	72.83	0.7938	2,294
1984	8,632.00	2.58	222.71	0.7869	6,793
1985	32.00	2.65	0.85	0.7818	25
1987	16,120.54	2.80	451.38	0.7700	12,413
1988	131,804.00	2.88	3,795.96	0.7632	100,593
1989	8,222.00	2.97	244.19	0.7574	6,227

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
WHITBOURNE					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2023					
NET SALVAGE PERCENT.. 0					
1990	9,920.00	3.06	303.55	0.7497	7,437
1991	25,854.00	3.15	814.40	0.7402	19,137
1992	3,575.00	3.25	116.19	0.7312	2,614
1996	4,379.00	3.74	163.77	0.6919	3,030
1997	7,050.00	3.88	273.54	0.6790	4,787
1998	72,716.00	4.04	2,937.73	0.6666	48,472
2007	1,977.00	6.35	125.54	0.4762	941
2008	3,262.76	6.79	221.54	0.4414	1,440
2012	4,670.40	9.38	438.08	0.2345	1,095
2013	111,674.48	10.43	11,647.65	0.1564	17,466
2014	12,930.45	11.95	1,545.19	0.0598	773
	715,139.73		29,882.53		471,965

SALT POND
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2023
NET SALVAGE PERCENT.. 0

1968	746.00	1.83	13.65	0.8510	635
1969	47,127.00	1.87	881.27	0.8508	40,096
1970	820.00	1.90	15.58	0.8455	693
1972	2,700.15	1.98	53.46	0.8415	2,272
1974	166,663.00	2.06	3,433.26	0.8343	139,047
1976	8,022.00	2.14	171.67	0.8239	6,609
1977	896.00	2.19	19.62	0.8212	736
1978	30,690.00	2.24	687.46	0.8176	25,092
1982	6,795.00	2.46	167.16	0.7995	5,433
1984	1,652.00	2.58	42.62	0.7869	1,300
1985	811.00	2.65	21.49	0.7818	634
1986	28,547.00	2.72	776.48	0.7752	22,130
1987	149,734.72	2.80	4,192.57	0.7700	115,296
1988	2,114.00	2.88	60.88	0.7632	1,613
1989	1,322.00	2.97	39.26	0.7574	1,001
1990	22,374.00	3.06	684.64	0.7497	16,774
1993	41,492.23	3.36	1,394.14	0.7224	29,974
1995	79,070.00	3.61	2,854.43	0.7040	55,665
2002	41,411.65	4.82	1,996.04	0.6025	24,951
2003	4,277.87	5.06	216.46	0.5819	2,489
2004	41,384.08	5.33	2,205.77	0.5596	23,159

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SALT POND					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2023					
NET SALVAGE PERCENT.. 0					
2005	10,069.91	5.63	566.94	0.5348	5,385
2007	4,070.00	6.35	258.44	0.4762	1,938
2008	163,006.35	6.79	11,068.13	0.4414	71,951
2009	3,083.87	7.29	224.81	0.4010	1,237
2012	3,317.50	9.38	311.18	0.2345	778
2013	16,993.07	10.43	1,772.38	0.1564	2,658
2014	30,609.52	11.95	3,657.84	0.0598	1,830
	909,799.92		37,787.63		601,376

CLARENVILLE REGIONAL BUILDING
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2050
NET SALVAGE PERCENT.. 0

1990	1,651,044.00	1.89	31,204.73	0.4630	764,433
1991	139,476.00	1.92	2,677.94	0.4512	62,932
1992	8,811.00	1.95	171.81	0.4388	3,866
1993	6,094.00	1.99	121.27	0.4278	2,607
1995	18,780.00	2.07	388.75	0.4036	7,580
1999	19,303.00	2.25	434.32	0.3488	6,733
2000	21,716.00	2.31	501.64	0.3350	7,275
2005	5,317.00	2.62	139.31	0.2489	1,323
2006	124,297.00	2.70	3,356.02	0.2295	28,526
2007	13,473.00	2.78	374.55	0.2085	2,809
2008	4,867.89	2.88	140.20	0.1872	911
2010	32,584.44	3.10	1,010.12	0.1395	4,546
2012	7,009.12	3.42	239.71	0.0855	599
2013	11,951.73	3.67	438.63	0.0550	657
	2,064,724.18		41,199.00		894,797

GANDER
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2037
NET SALVAGE PERCENT.. 0

1963	2,039.00	1.43	29.16	0.7364	1,502
1968	1,096.00	1.53	16.77	0.7114	780

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
GANDER					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2037					
NET SALVAGE PERCENT.. 0					
1975	231,781.00	1.70	3,940.28	0.6715	155,641
1976	24,084.00	1.73	416.65	0.6660	16,040
1977	8,245.00	1.75	144.29	0.6562	5,410
1978	14,751.00	1.78	262.57	0.6497	9,584
1979	2,688.00	1.81	48.65	0.6426	1,727
1981	1,109.00	1.88	20.85	0.6298	698
1983	40,197.00	1.95	783.84	0.6142	24,689
1984	30,568.00	1.99	608.30	0.6070	18,555
1985	17,867.00	2.03	362.70	0.5988	10,699
1986	187,655.00	2.07	3,884.46	0.5900	110,716
1987	71,157.00	2.11	1,501.41	0.5802	41,285
1988	1,273.00	2.15	27.37	0.5698	725
1989	8,645.00	2.20	190.19	0.5610	4,850
1990	1,197.00	2.24	26.81	0.5488	657
1997	613,545.00	2.66	16,320.30	0.4655	285,605
1998	21,825.00	2.73	595.82	0.4504	9,830
1999	385.00	2.80	10.78	0.4340	167
2001	47,190.00	2.97	1,401.54	0.4010	18,923
2003	22,015.00	3.16	695.67	0.3634	8,000
2004	53,349.91	3.27	1,744.54	0.3434	18,320
2005	9,965.00	3.38	336.82	0.3211	3,200
2007	8,630.00	3.64	314.13	0.2730	2,356
2009	3,773.81	3.95	149.07	0.2172	820
2011	8,128.52	4.34	352.78	0.1519	1,235
2012	17,095.18	4.60	786.38	0.1150	1,966
2013	23,609.97	4.93	1,163.97	0.0740	1,747
2014	233,690.35	5.57	13,016.55	0.0278	6,497
	1,707,554.74		49,152.65		762,224

GRAND FALLS SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2056
NET SALVAGE PERCENT.. 0

1958	35,695.00	1.22	435.48	0.6893	24,605
1959	2,047.00	1.23	25.18	0.6826	1,397
1960	1,036.00	1.24	12.85	0.6758	700
1961	500.00	1.25	6.25	0.6688	334
1965	88.00	1.30	1.14	0.6435	57

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
GRAND FALLS SERVICE BUILDING					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2056					
NET SALVAGE PERCENT.. 0					
1967	1,147.00	1.33	15.26	0.6318	725
1970	1,369.00	1.37	18.76	0.6096	835
1972	3,706.00	1.40	51.88	0.5950	2,205
1973	2,735.00	1.42	38.84	0.5893	1,612
1974	2,961.00	1.43	42.34	0.5792	1,715
1975	13,026.00	1.45	188.88	0.5728	7,461
1977	2,666.00	1.49	39.72	0.5588	1,490
1979	30,724.00	1.52	467.00	0.5396	16,579
1980	1,113.00	1.54	17.14	0.5313	591
1981	17,128.00	1.56	267.20	0.5226	8,951
1982	18,645.00	1.58	294.59	0.5135	9,574
1987	3,918.00	1.70	66.61	0.4675	1,832
1988	322,421.00	1.73	5,577.88	0.4584	147,798
1989	11,220.00	1.75	196.35	0.4462	5,006
1994	18,827.00	1.91	359.60	0.3916	7,373
1999	10,552.00	2.10	221.59	0.3255	3,435
2001	6,518.00	2.20	143.40	0.2970	1,936
2006	682,964.00	2.49	17,005.80	0.2116	144,515
2007	198,434.00	2.56	5,079.91	0.1920	38,099
2008	32,102.46	2.65	850.72	0.1722	5,528
2009	17,044.93	2.74	467.03	0.1507	2,569
2011	2,923.54	2.97	86.83	0.1040	304
2013	49,260.94	3.37	1,660.09	0.0506	2,493
2014	12,435.52	3.89	483.74	0.0194	241
	1,503,207.39		34,122.06		439,960

CORNER BROOK - MAPLE VALLEY SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2057
NET SALVAGE PERCENT.. 0

1979	352,375.00	1.51	5,320.86	0.5360	188,873
1981	1,806.00	1.55	27.99	0.5192	938
1986	4,895.29	1.66	81.26	0.4731	2,316
1988	2,379.00	1.71	40.68	0.4532	1,078
1989	81,883.00	1.74	1,424.76	0.4437	36,331
1994	35,269.00	1.89	666.58	0.3874	13,663
2000	2,080.00	2.13	44.30	0.3088	642
2001	96,882.00	2.17	2,102.34	0.2930	28,386

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
CORNER BROOK - MAPLE VALLEY SERVICE BUILDING					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2057					
NET SALVAGE PERCENT.. 0					
2003	37,979.00	2.28	865.92	0.2622	9,958
2004	2,517.81	2.33	58.66	0.2446	616
2007	905,647.00	2.53	22,912.87	0.1898	171,892
2008	3,556.88	2.62	93.19	0.1703	606
2009	38,002.37	2.71	1,029.86	0.1490	5,662
2011	17,599.64	2.94	517.43	0.1029	1,811
2012	1,082.44	3.10	33.56	0.0775	84
2013	31,869.55	3.33	1,061.26	0.0500	1,593
2014	3,017.82	3.85	116.19	0.0192	58
	1,618,841.80		36,397.71		464,507

STEPHENVILLE OFFICE AND SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2028
NET SALVAGE PERCENT.. 0

1958	142,910.00	1.46	2,086.49	0.8249	117,886
1976	27,384.00	1.96	536.73	0.7546	20,664
1977	669.00	2.00	13.38	0.7500	502
1978	828.00	2.04	16.89	0.7446	617
1982	9,461.00	2.22	210.03	0.7215	6,826
1983	945.00	2.27	21.45	0.7150	676
1987	2,438.00	2.49	60.71	0.6848	1,670
1988	483,868.88	2.55	12,338.66	0.6758	326,999
1989	148,708.00	2.62	3,896.15	0.6681	99,352
1990	28,279.00	2.69	760.71	0.6590	18,636
1992	17,045.00	2.84	484.08	0.6390	10,892
1994	32,158.00	3.01	967.96	0.6170	19,841
1997	22,245.00	3.30	734.08	0.5775	12,846
1999	2,135.00	3.54	75.58	0.5487	1,171
2000	21,859.00	3.67	802.23	0.5322	11,633
2003	22,917.00	4.12	944.18	0.4738	10,858
2004	61,952.10	4.30	2,663.94	0.4515	27,971
2007	42,103.00	4.94	2,079.89	0.3705	15,599
2008	2,701.27	5.20	140.47	0.3380	913
2009	8,951.58	5.50	492.34	0.3025	2,708
2010	1,884.81	5.83	109.88	0.2624	495

NEWFOUNDLAND POWER INC.

ACCOUNT 371.20 - BUILDINGS AND STRUCTURES - LARGE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
STEPHENVILLE OFFICE AND SERVICE BUILDING					
INTERIM SURVIVOR CURVE.. IOWA 70-R1					
PROBABLE RETIREMENT YEAR.. 6-2028					
NET SALVAGE PERCENT.. 0					
2011	6,992.84	6.22	434.95	0.2177	1,522
2012	8,783.18	6.67	585.84	0.1668	1,465
2014	7,732.46	8.16	630.97	0.0408	315
	1,104,951.12		31,087.59		712,057

PORT AUX BASQUES
INTERIM SURVIVOR CURVE.. IOWA 70-R1
PROBABLE RETIREMENT YEAR.. 6-2035
NET SALVAGE PERCENT.. 0

1953	2,100.00	1.28	26.88	0.7872	1,653
1966	5,552.00	1.52	84.39	0.7372	4,093
1982	143,108.00	1.97	2,819.23	0.6402	91,618
1983	22,703.00	2.01	456.33	0.6332	14,376
1985	1,545.00	2.09	32.29	0.6166	953
1987	7,518.00	2.18	163.89	0.5995	4,507
1988	40,396.00	2.22	896.79	0.5883	23,765
1989	6,142.00	2.27	139.42	0.5788	3,555
1990	20,209.00	2.32	468.85	0.5684	11,487
1997	610.00	2.77	16.90	0.4848	296
2000	7,150.00	3.02	215.93	0.4379	3,131
2010	1,767.71	4.40	77.78	0.1980	350
2011	23,166.81	4.63	1,072.62	0.1620	3,753
2012	10,021.44	4.91	492.05	0.1228	1,231
2013	22,108.92	5.28	1,167.35	0.0792	1,751
	314,097.88		8,130.70		166,519
	37,424,697.96		892,929.00		13,876,697

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.39

NEWFOUNDLAND POWER INC.

ACCOUNT 372.00 - GENERAL - OFFICE EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 25-SQUARE					
NET SALVAGE PERCENT.. 0					
1989	423,921.00			1.0000	423,921
1990	742,516.00	4.00	29,700.64	0.9800	727,666
1991	270,246.00	4.00	10,809.84	0.9400	254,031
1992	357,631.00	4.00	14,305.24	0.9000	321,868
1993	127,487.00	4.00	5,099.48	0.8600	109,639
1994	716,551.00	4.00	28,662.04	0.8200	587,572
1995	198,331.00	4.00	7,933.24	0.7800	154,698
1996	105,582.00	4.00	4,223.28	0.7400	78,131
1997	433,487.00	4.00	17,339.48	0.7000	303,441
1998	258,621.00	4.00	10,344.84	0.6600	170,690
1999	146,317.00	4.00	5,852.68	0.6200	90,717
2000	414,211.77	4.00	16,568.47	0.5800	240,243
2001	360,559.00	4.00	14,422.36	0.5400	194,702
2002	148,751.61	4.00	5,950.06	0.5000	74,376
2003	329,744.13	4.00	13,189.77	0.4600	151,682
2004	123,705.97	4.00	4,948.24	0.4200	51,957
2005	71,535.00	4.00	2,861.40	0.3800	27,183
2006	93,438.00	4.00	3,737.52	0.3400	31,769
2007	48,757.00	4.00	1,950.28	0.3000	14,627
2008	94,246.50	4.00	3,769.86	0.2600	24,504
2009	113,536.76	4.00	4,541.47	0.2200	24,978
2010	122,002.10	4.00	4,880.08	0.1800	21,960
2011	460,118.67	4.00	18,404.75	0.1400	64,417
2012	77,739.79	4.00	3,109.59	0.1000	7,774
2013	111,309.74	4.00	4,452.39	0.0600	6,679
2014	165,420.14	4.00	6,616.81	0.0200	3,308
	6,515,766.18		243,673.81		4,162,533
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.74					

NEWFOUNDLAND POWER INC.

ACCOUNT 373.00 - GENERAL - STORES EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 25-SQUARE					
NET SALVAGE PERCENT.. 0					
1989	113,142.00			1.0000	113,142
1990	90,012.00	4.00	3,600.48	0.9800	88,212
1991	23,515.00	4.00	940.60	0.9400	22,104
1992	22,969.00	4.00	918.76	0.9000	20,672
1993	4,556.00	4.00	182.24	0.8600	3,918
1994	58,688.00	4.00	2,347.52	0.8200	48,124
1995	94,538.00	4.00	3,781.52	0.7800	73,740
1996	38,389.00	4.00	1,535.56	0.7400	28,408
1997	27,661.00	4.00	1,106.44	0.7000	19,363
2000	16,786.00	4.00	671.44	0.5800	9,736
2001	8,787.00	4.00	351.48	0.5400	4,745
2003	4,302.00	4.00	172.08	0.4600	1,979
2004	8,902.53	4.00	356.10	0.4200	3,739
2005	28,110.00	4.00	1,124.40	0.3800	10,682
2006	5,824.00	4.00	232.96	0.3400	1,980
2007	4,126.00	4.00	165.04	0.3000	1,238
2014	6,935.01	4.00	277.40	0.0200	139
	557,242.54		17,764.02		451,921

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.19

NEWFOUNDLAND POWER INC.

ACCOUNT 374.00 - GENERAL - SHOP EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 25-SQUARE					
NET SALVAGE PERCENT.. 0					
1989	44,822.00			1.0000	44,822
1990	70,910.00	4.00	2,836.40	0.9800	69,492
1991	81,854.00	4.00	3,274.16	0.9400	76,943
1992	46,628.00	4.00	1,865.12	0.9000	41,965
1993	18,953.00	4.00	758.12	0.8600	16,300
1994	29,504.00	4.00	1,180.16	0.8200	24,193
1995	22,264.00	4.00	890.56	0.7800	17,366
1996	38,385.00	4.00	1,535.40	0.7400	28,405
1997	4,964.00	4.00	198.56	0.7000	3,475
1998	38,347.00	4.00	1,533.88	0.6600	25,309
1999	99,654.00	4.00	3,986.16	0.6200	61,785
2000	32,361.00	4.00	1,294.44	0.5800	18,769
2001	57,908.00	4.00	2,316.32	0.5400	31,270
2003	1,457.61	4.00	58.30	0.4600	671
2004	3,278.33	4.00	131.13	0.4200	1,377
2005	3,599.00	4.00	143.96	0.3800	1,368
2006	1,602.00	4.00	64.08	0.3400	545
2008	31,577.12	4.00	1,263.08	0.2600	8,210
2009	1,688.05	4.00	67.52	0.2200	371
2010	11,024.91	4.00	441.00	0.1800	1,984
2012	23,719.55	4.00	948.78	0.1000	2,372
2014	10,010.84	4.00	400.43	0.0200	200
	674,511.41		25,187.56		477,192

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.73

NEWFOUNDLAND POWER INC.

ACCOUNT 375.00 - GENERAL - LABORATORY AND TESTING EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 25-SQUARE NET SALVAGE PERCENT.. 0					
1989	168,124.00			1.0000	168,124
1990	359,251.00	4.00	14,370.04	0.9800	352,066
1991	87,473.00	4.00	3,498.92	0.9400	82,225
1992	692,594.00	4.00	27,703.76	0.9000	623,335
1993	258,557.00	4.00	10,342.28	0.8600	222,359
1994	187,890.00	4.00	7,515.60	0.8200	154,070
1995	91,335.00	4.00	3,653.40	0.7800	71,241
1996	265,873.00	4.00	10,634.92	0.7400	196,746
1997	204,056.00	4.00	8,162.24	0.7000	142,839
1998	433,249.00	4.00	17,329.96	0.6600	285,944
1999	367,649.00	4.00	14,705.96	0.6200	227,942
2000	57,184.00	4.00	2,287.36	0.5800	33,167
2001	52,376.00	4.00	2,095.04	0.5400	28,283
2002	222,014.00	4.00	8,880.56	0.5000	111,007
2003	139,900.56	4.00	5,596.02	0.4600	64,354
2004	251,504.35	4.00	10,060.17	0.4200	105,632
2005	360,052.00	4.00	14,402.08	0.3800	136,820
2006	338,028.00	4.00	13,521.12	0.3400	114,930
2007	217,379.00	4.00	8,695.16	0.3000	65,214
2008	300,125.44	4.00	12,005.02	0.2600	78,033
2009	139,558.51	4.00	5,582.34	0.2200	30,703
2010	131,840.44	4.00	5,273.62	0.1800	23,731
2011	133,219.75	4.00	5,328.79	0.1400	18,651
2012	218,046.16	4.00	8,721.85	0.1000	21,805
2013	117,757.80	4.00	4,710.31	0.0600	7,065
2014	53,430.03	4.00	2,137.20	0.0200	1,069

5,848,467.04

227,213.72

3,367,355

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.89

NEWFOUNDLAND POWER INC.

ACCOUNT 376.00 - GENERAL - MISCELLANEOUS EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. 15-SQUARE					
NET SALVAGE PERCENT.. 0					
1999	96,730.00			1.0000	96,730
2000	108,765.00	6.67	7,254.63	0.9667	105,140
2001	79,001.00	6.67	5,269.37	0.9000	71,101
2002	65,622.05	6.67	4,376.99	0.8333	54,685
2003	431,737.83	6.67	28,796.91	0.7667	331,000
2004	224,366.94	6.67	14,965.27	0.7000	157,057
2005	262,457.00	6.67	17,505.88	0.6333	166,222
2006	269,899.00	6.67	18,002.26	0.5667	152,944
2007	191,883.00	6.67	12,798.60	0.5000	95,942
2008	258,748.52	6.67	17,258.53	0.4333	112,123
2009	146,446.92	6.67	9,768.01	0.3667	53,698
2010	135,833.66	6.67	9,060.11	0.3000	40,750
2011	192,958.34	6.67	12,870.32	0.2333	45,023
2012	152,998.38	6.67	10,204.99	0.1667	25,500
2013	170,256.75	6.67	11,356.13	0.1000	17,026
2014	222,254.03	6.67	14,824.34	0.0333	7,408
	3,009,958.42		194,312.34		1,532,349

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 6.46

NEWFOUNDLAND POWER INC.

ACCOUNT 377.00 - GENERAL - ENGINEERING EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 25-SQUARE					
NET SALVAGE PERCENT.. 0					
1989	8,642.00			1.0000	8,642
1990	10,841.00	4.00	433.64	0.9800	10,624
1991	9,859.00	4.00	394.36	0.9400	9,267
1992	1,980.00	4.00	79.20	0.9000	1,782
1993	3,932.00	4.00	157.28	0.8600	3,382
1995	707.00	4.00	28.28	0.7800	551
1996	2,540.00	4.00	101.60	0.7400	1,880
1998	6,983.00	4.00	279.32	0.6600	4,609
1999	24,076.00	4.00	963.04	0.6200	14,927
2008	21,708.70	4.00	868.35	0.2600	5,644
2009	2,534.00	4.00	101.36	0.2200	557
2013	68,360.28	4.00	2,734.41	0.0600	4,102
	162,162.98		6,140.84		65,967
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.79					

NEWFOUNDLAND POWER INC.

ACCOUNT 378.20 - TRANSPORTATION - PICK-UP TRUCKS AND VANS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 6-R4					
NET SALVAGE PERCENT.. +15					
2005	48,407.09			1.0000	41,146
2006	234,832.78			0.9996	199,528
2007	191,351.13	12.97	21,095.51	0.9728	158,224
2008	812,853.28	14.14	97,696.84	0.9191	635,029
2009	924,663.07	15.20	119,466.47	0.8360	657,066
2010	525,994.47	16.14	72,161.18	0.7263	324,725
2011	565,192.17	16.87	81,045.73	0.5904	283,636
2012	708,524.27	17.36	104,549.84	0.4340	261,375
2013	1,472,987.59	17.63	220,734.56	0.2644	331,039
2014	612,896.37	17.75	92,470.74	0.0888	46,261
	6,097,702.22		809,220.87		2,938,029

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 13.27

NEWFOUNDLAND POWER INC.

ACCOUNT 378.30 - TRANSPORTATION - LARGE TRUCKS WITH HYDRAULIC DERRICKS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 11-R3					
NET SALVAGE PERCENT.. +5					
1998	108,128.03	5.93	6,091.39	0.9784	100,503
1999	119,325.84	6.20	7,028.29	0.9610	108,939
2000	47,211.47	6.49	2,910.82	0.9410	42,205
2001	533,019.01	6.81	34,483.66	0.9194	465,555
2002	245,388.68	7.15	16,668.03	0.8938	208,362
2003	2,368,415.79	7.49	168,524.63	0.8614	1,938,146
2004	1,640,577.27	7.83	122,034.34	0.8222	1,281,438
2005	493,866.34	8.15	38,237.60	0.7742	363,234
2006	1,561,410.00	8.46	125,490.52	0.7191	1,066,669
2007	449,419.00	8.75	37,357.95	0.6562	280,163
2008	658,405.86	9.03	56,481.35	0.5870	367,160
2009	963,747.31	9.29	85,055.52	0.5110	467,851
2010	1,548,112.41	9.54	140,305.43	0.4293	631,374
2011	1,473,841.33	9.77	136,794.58	0.3420	478,851
2012	889,316.12	9.99	84,400.55	0.2498	211,044
2013	1,299,659.87	10.21	126,060.51	0.1532	189,152
2014	1,327,086.37	10.51	132,502.94	0.0526	66,315
	15,726,930.70		1,320,428.11		8,266,961

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 8.40

NEWFOUNDLAND POWER INC.

ACCOUNT 378.40 - TRANSPORTATION - LARGE TRUCKS WITH LINE AND STAKE BODIES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 11-R3					
NET SALVAGE PERCENT.. +5					
2003	170,131.78	7.49	12,105.73	0.8614	139,224
2005	125,743.03	8.15	9,735.65	0.7742	92,483
2006	157,249.88	8.46	12,638.17	0.7191	107,424
2007	864,238.00	8.75	71,839.78	0.6562	538,757
2008	177,227.78	9.03	15,203.49	0.5870	98,831
2010	264,842.35	9.54	24,002.66	0.4293	108,012
2011	176,267.84	9.77	16,360.30	0.3420	57,269
2012	946,930.91	9.99	89,868.48	0.2498	224,716
2013	1,110,986.47	10.21	107,760.13	0.1532	161,693
2014	194,374.04	10.51	19,407.28	0.0526	9,713
	4,187,992.08		378,921.67		1,538,122

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 9.05

NEWFOUNDLAND POWER INC.

ACCOUNT 378.50 - TRANSPORTATION - MISCELLANEOUS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 15-L1.5					
NET SALVAGE PERCENT.. +15					
1975	17,325.31	2.45	360.80	0.9678	14,252
1979	9,245.20	2.68	210.61	0.9514	7,477
1988	3,337.04	3.35	95.02	0.8878	2,518
1989	2,393.77	3.45	70.20	0.8798	1,790
1990	2,066.00	3.55	62.34	0.8698	1,527
1992	4,239.00	3.77	135.84	0.8482	3,056
1993	6,082.11	3.88	200.59	0.8342	4,313
1994	50,777.35	4.01	1,730.75	0.8220	35,478
1997	0.66	4.45	0.02	0.7788	
2000	7,813.16	5.00	332.06	0.7250	4,815
2001	17,079.23	5.22	757.81	0.7047	10,230
2003	3,954.52	5.72	192.27	0.6578	2,211
2004	132,638.65	6.00	6,764.57	0.6300	71,028
2005	88,966.34	6.30	4,764.15	0.5985	45,259
2006	109,984.73	6.61	6,179.49	0.5618	52,521
2007	7,335.00	6.93	432.07	0.5198	3,241
2008	247,864.78	7.26	15,295.74	0.4719	99,422
2009	120,436.55	7.58	7,759.73	0.4169	42,678
2012	103,569.73	8.55	7,526.93	0.2138	18,822
2013	172,737.42	8.89	13,052.90	0.1334	19,587
2014	149,805.51	9.33	11,880.33	0.0466	5,934
	1,257,652.06		77,804.22		446,159

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 6.19

NEWFOUNDLAND POWER INC.

ACCOUNT 379.10 - COMPUTERS - HARDWARE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 5-SQUARE					
NET SALVAGE PERCENT.. 0					
2009	1,528,748.00			1.0000	1,528,748
2010	1,567,202.14	20.00	313,440.43	0.9000	1,410,482
2011	1,749,920.15	20.00	349,984.03	0.7000	1,224,944
2012	1,662,283.00	20.00	332,456.60	0.5000	831,142
2013	1,657,187.00	20.00	331,437.40	0.3000	497,156
2014	1,698,194.66	20.00	339,638.93	0.1000	169,819
	9,863,534.95		1,666,957.39		5,662,291
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 16.90					

NEWFOUNDLAND POWER INC.

ACCOUNT 379.20 - COMPUTERS - SOFTWARE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. 10-SQUARE					
NET SALVAGE PERCENT.. 0					
2004	2,550,912.00			1.0000	2,550,912
2005	2,170,524.00	10.00	217,052.40	0.9500	2,061,998
2006	2,761,636.00	10.00	276,163.60	0.8500	2,347,391
2007	2,327,922.00	10.00	232,792.20	0.7500	1,745,942
2008	2,251,084.00	10.00	225,108.40	0.6500	1,463,205
2009	2,105,206.00	10.00	210,520.60	0.5500	1,157,863
2010	1,989,763.53	10.00	198,976.35	0.4500	895,394
2011	2,327,289.96	10.00	232,729.00	0.3500	814,551
2012	2,514,504.82	10.00	251,450.48	0.2500	628,626
2013	3,055,976.20	10.00	305,597.62	0.1500	458,396
2014	2,823,049.66	10.00	282,304.97	0.0500	141,152
	26,877,868.17		2,432,695.62		14,265,430
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 9.05					

NEWFOUNDLAND POWER INC.

ACCOUNT 381.10 - MOBILE RADIOS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. 15-SQUARE					
NET SALVAGE PERCENT.. 0					
2000	31,928.27	6.67	2,129.62	0.9667	30,864
2001	26,431.00	6.67	1,762.95	0.9000	23,788
2002	31,615.00	6.67	2,108.72	0.8333	26,346
2003	26,481.00	6.67	1,766.28	0.7667	20,302
2004	15,437.92	6.67	1,029.71	0.7000	10,807
2005	21,838.00	6.67	1,456.59	0.6333	13,831
2006	24,721.00	6.67	1,648.89	0.5667	14,009
2010	16,966.60	6.67	1,131.67	0.3000	5,090
	195,418.79		13,034.43		145,037
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 6.67					

NEWFOUNDLAND POWER INC.

ACCOUNT 381.20 - MOBILE RADIOS - PORTABLE RADIOS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 15-SQUARE					
NET SALVAGE PERCENT.. 0					
1999	19,565.00			1.0000	19,565
2001	13,654.00	6.67	910.72	0.9000	12,289
2002	22,354.00	6.67	1,491.01	0.8333	18,628
2005	4,891.00	6.67	326.23	0.6333	3,098
2007	1,001.00	6.67	66.77	0.5000	500
2008	14,448.47	6.67	963.71	0.4333	6,261
	75,913.47		3,758.44		60,341
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.95					

NEWFOUNDLAND POWER INC.

ACCOUNT 382.10 - RADIO SITES - ROADS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 30-R4					
NET SALVAGE PERCENT.. 0					
1966	3,097.00			1.0000	3,097
1967	1,469.05			1.0000	1,469
1975	6,136.00	2.45	150.33	0.9678	5,938
1977	5,545.00	2.54	140.84	0.9525	5,282
1982	3,700.00	2.80	103.60	0.9100	3,367
1983	2,729.00	2.85	77.78	0.8978	2,450
1984	5,083.00	2.90	147.41	0.8845	4,496
1985	40,119.00	2.95	1,183.51	0.8702	34,912
1986	38,398.00	3.00	1,151.94	0.8550	32,830
1992	965.00	3.23	31.17	0.7268	701
2010	34,559.75	3.53	1,219.96	0.1588	5,488
	141,800.80		4,206.54		100,030
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.97					

NEWFOUNDLAND POWER INC.

ACCOUNT 382.20 - RADIO SITES - BUILDINGS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 30-R4					
NET SALVAGE PERCENT.. -5					
1977	42,386.00	2.54	1,130.43	0.9525	42,391
1983	116,762.00	2.85	3,494.10	0.8978	110,070
1984	55,719.00	2.90	1,696.64	0.8845	51,748
1985	100,065.00	2.95	3,099.51	0.8702	91,430
1986	33,061.00	3.00	1,041.42	0.8550	29,681
1988	17,664.00	3.08	571.25	0.8162	15,138
2000	16,120.00	3.44	582.25	0.4988	8,443
2001	1,869.00	3.46	67.90	0.4671	917
2004	1,512.00	3.50	55.57	0.3675	583
2011	2,576.31	3.54	95.76	0.1239	335
2013	3,680.60	3.54	136.81	0.0531	205
	391,414.91		11,971.64		350,941
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.06					

NEWFOUNDLAND POWER INC.

ACCOUNT 383.00 - RADIO EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 15-SQUARE					
NET SALVAGE PERCENT.. 0					
2000	61,961.98	6.67	4,132.86	0.9667	59,897
2001	100,392.00	6.67	6,696.15	0.9000	90,353
2002	37,617.00	6.67	2,509.05	0.8333	31,347
2004	160,211.91	6.67	10,686.13	0.7000	112,148
2005	1,737.00	6.67	115.86	0.6333	1,100
2007	5,048.00	6.67	336.70	0.5000	2,524
2008	51,251.16	6.67	3,418.45	0.4333	22,209
2009	109,270.85	6.67	7,288.37	0.3667	40,066
2010	11,869.94	6.67	791.72	0.3000	3,561
2011	28,896.78	6.67	1,927.42	0.2333	6,742
2012	51,588.65	6.67	3,440.96	0.1667	8,598
2014	901,943.01	6.67	60,159.60	0.0333	30,062
	1,521,788.28		101,503.27		408,607
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 6.67					

NEWFOUNDLAND POWER INC.

ACCOUNT 384.00 - COMMUNICATIONS - CABLES AND PROTECTION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 25-R3					
NET SALVAGE PERCENT.. -5					
1985	9,928.45	3.07	320.04	0.9056	9,441
1988	4,523.00	3.27	155.30	0.8666	4,116
1990	218,933.86	3.40	7,815.94	0.8330	191,491
1991	492,621.55	3.47	17,948.67	0.8154	421,768
1998	204,122.39	3.88	8,315.95	0.6402	137,213
1999	24,228.62	3.94	1,002.34	0.6107	15,536
2000	163,755.08	3.99	6,860.52	0.5786	99,486
2001	232,622.86	4.04	9,867.86	0.5454	133,216
2002	139,979.00	4.09	6,011.40	0.5112	75,135
2003	221,175.00	4.14	9,614.48	0.4761	110,566
2004	1,461.32	4.19	64.29	0.4400	675
2005	68,476.00	4.23	3,041.36	0.4018	28,889
2006	111,589.66	4.28	5,014.84	0.3638	42,626
2007	23,731.00	4.32	1,076.44	0.3240	8,073
2008	147,283.73	4.36	6,742.65	0.2834	43,827
2009	329,105.10	4.40	15,204.66	0.2420	83,626
2010	171,004.66	4.44	7,972.24	0.1998	35,875
2011	42,894.06	4.48	2,017.74	0.1568	7,062
2012	42,641.54	4.53	2,028.24	0.1132	5,068
2014	70,364.73	4.68	3,457.72	0.0234	1,729
	2,720,441.61		114,532.68		1,455,418
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.21					

NEWFOUNDLAND POWER INC.

ACCOUNT 386.00 - COMMUNICATIONS - SCADA EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 15-L2					
NET SALVAGE PERCENT.. -1					
1980	5,618.00	2.79	158.31	0.9626	5,462
1983	171,773.36	2.99	5,187.38	0.9418	163,394
1984	199,589.00	3.07	6,188.66	0.9364	188,764
1985	28,476.00	3.15	905.96	0.9292	26,724
1986	124,883.00	3.23	4,074.06	0.9206	116,117
1987	67,570.62	3.32	2,265.78	0.9130	62,309
1988	66,520.27	3.41	2,291.02	0.9036	60,709
1989	372,873.55	3.51	13,218.74	0.8950	337,059
1990	9,448.00	3.61	344.48	0.8844	8,439
1991	158,334.19	3.72	5,948.93	0.8742	139,800
1992	48,554.46	3.83	1,878.23	0.8618	42,263
1993	33,038.68	3.95	1,318.08	0.8492	28,337
1994	3,395.94	4.08	139.94	0.8364	2,869
1996	31,656.00	4.37	1,397.20	0.8084	25,847
1997	158.56	4.53	7.25	0.7928	127
1999	148,554.05	4.91	7,366.94	0.7610	114,180
2000	1,100,192.19	5.13	57,004.26	0.7438	826,506
2001	489,373.59	5.36	26,492.73	0.7236	357,652
2002	310,079.00	5.62	17,600.70	0.7025	220,009
2004	27,355.85	6.19	1,710.26	0.6500	17,959
2005	6,282.92	6.49	411.84	0.6166	3,913
2006	13,323.70	6.79	913.73	0.5772	7,767
2007	85,438.00	7.08	6,109.50	0.5310	45,821
2008	36,961.56	7.34	2,740.11	0.4771	17,811
2011	33,421.44	7.99	2,697.08	0.2796	9,438
2012	81,890.75	8.18	6,765.65	0.2045	16,914
2013	86,877.70	8.33	7,309.28	0.1250	10,968
	3,741,640.38		182,446.10		2,857,158

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.88

NEWFOUNDLAND POWER INC.

ACCOUNT 389.10 - TELEPHONE EQUIPMENT - TELEPHONE AND DATA COLLECTION
EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 10-L2.5					
NET SALVAGE PERCENT.. 0					
1994	4,740.64	4.61	218.54	0.9450	4,480
1996	121,982.28	5.00	6,099.11	0.9250	112,834
1997	17,434.91	5.22	910.10	0.9135	15,927
1998	624,349.41	5.45	34,027.04	0.8992	561,415
2000	23,423.00	5.98	1,400.70	0.8671	20,310
2005	4,678.00	8.03	375.64	0.7628	3,568
2006	12,729.00	8.62	1,097.24	0.7327	9,327
2008	29,309.05	9.84	2,884.01	0.6396	18,746
2009	2,258.89	10.38	234.47	0.5709	1,290
	840,905.18		47,246.85		747,897

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 5.62

NEWFOUNDLAND POWER INC.

ACCOUNT 391.00 - COMMUNICATIONS - TEST EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
RELATED TO ORIGINAL COST AT DECEMBER 31, 2014

YEAR	ORIGINAL COST	--ANNUAL ACCRUAL-- RATE	AMOUNT	--ACCRUED DEPREC.-- FACTOR	AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. IOWA 15-R3					
NET SALVAGE PERCENT.. 0					
1985	25,849.17			1.0000	25,849
1986	53,903.00			1.0000	53,903
1987	31,238.50			1.0000	31,238
1988	41,326.48			1.0000	41,326
1989	122,101.00			1.0000	122,101
1990	95,083.00	4.08	3,879.39	0.9996	95,045
1991	30,442.00	4.20	1,278.56	0.9870	30,046
1992	43,810.00	4.34	1,901.35	0.9765	42,780
1993	26,087.00	4.48	1,168.70	0.9632	25,127
1995	22,544.00	4.80	1,082.11	0.9360	21,101
1996	9,667.47	4.97	480.47	0.9194	8,888
1998	11,561.83	5.34	617.40	0.8811	10,187
1999	10,612.00	5.53	586.84	0.8572	9,097
	524,225.45		10,994.82		516,688
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.10					