

1 **Q. At 4-26 NP [p]refers to demographics and long run cost recovery risk. Has this**
2 **been taken into account in its depreciation rate? If not, why not?**

3
4 A. No. Newfoundland Power's depreciation rates are based on asset service lives and net
5 salvage estimates.

6
7 For further information on the Company's depreciation rates, please refer to the Gannett
8 Fleming *2014 Depreciation Study* found in *Volume 3, Expert Evidence & Studies, Tab 2.*