

1 Q. **Finance**

2 Page 4.15, line 15 to page 4.16, line 6 – Provide the impact on the 2018 and 2019
3 revenue requirements for each proposed change in the depreciation calculation.

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6 A. Please refer to **the revised** PUB-NLH-070 Attachment 1.

2015 Depreciation Study Impact Summary
(\$000's)

	Depreciation Study			2018 Test Year		2019 Test Year	
	Expense	Change		Expense	Change	Expense	Change
Existing	60,624			88,728		93,953	
Per Life Change	57,187	(3,436) Note 1		82,207	(6,522) Note 3	86,301	(7,652) Note 3
Net Salvage	62,008	4,821 Note 1	Note 2	88,739	6,533	94,006	7,705
ELG	63,499	1,490		90,235	1,496 Note 3	95,499	1,493 Note 3
Loss on Disposal		(4,399) Note 1		86,248	(3,987)	91,514	(3,985)
		(1,524) Note 2			(2,480)		(2,439)

Note 1: In the 2015 Depreciation Study (Volume II: Exhibit 11, page 7 of 628), the line is 'Losses on Retirement' which includes Loss on Disposal, Removal and Disposal Proceeds. To be consistent with Hydro's 2018 and 2019 Test Year presentation, Hydro has reclassified the removal costs of \$1.0M to 'Net Salvage' and (\$0.4M) to Per Life Change.

Note 2: As note in Hydro's response to IC-NLH-027 Rev 1, Hydro's 2018 and 2019 Test Year excludes net salvage depreciation expense relation to Holyrood accelerated assets. Hydro has eliminated the depreciation amount of \$2.3 million in this response for comparative purposes.

Note 3: Balances were updated to correct a misclassification.