

1 **Q. Evidence of Ms. McShane, business risk, Pages 12-18: Can Ms. McShane indicate**
2 **when she last looked at a depreciation study prepared for NP and the current useful**
3 **life and depreciation rate being used for NP's regulated assets?**
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5 A. Ms. McShane looked at the depreciation study filed in Newfoundland Power's 2008
6 General Rate Application. There has been no further depreciation study filed with the
7 PUB since that time. A new depreciation study is expected to be filed in the next General
8 Rate Application. Newfoundland Power's 2011 Annual Report shows that the composite
9 depreciation rate is 3.4% and the remaining average service life of the main categories of
10 fixed assets are 23 years for distribution, 26 years for transmission and substations and 32
11 years for generation.