

1 **Q. [Production Net Salvage] – Please admit that the land at each of the Company’s**
2 **generating sites has appreciated in value. If the response is to deny, then supply all**
3 **support and justification for such position.**
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5 A. Newfoundland Power is not in a position to admit that the land at each of the Company’s
6 generating sites has appreciated in value.
7

8 Newfoundland Power’s 25 generating sites include some locations that are within
9 municipal boundaries and others that are located in remote wilderness areas. To assess
10 whether each of these locations includes land that has appreciated in value over time
11 would require that a site-specific assessment or appraisal of the land be undertaken.
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13 Such an assessment would need to take into account such attributes as the location,
14 zoning, water rights, growth potential for the area, and the highest and best use of the
15 land in question. Newfoundland Power currently has no plan to sell any of its generating
16 sites. For that reason, such an assessment or appraisal of land value has not been
17 undertaken.
18

19 Newfoundland Power observes that most of its hydroelectric plants are located on
20 riverbeds or ocean shorelines. To the Company’s knowledge and understanding, there
21 are currently no other permitted uses for such land. This would tend to lower the value of
22 the land for purposes other than the current use.