

1 **Q. [Net Salvage] – Please provide the Company’s accounting treatment for reuse**  
2 **material. Further, provide all underlying support and justification for the process**  
3 **employed. Finally, provide the level of plant, by account or subaccount, retired and**  
4 **returned to stores during the past 10 years along with the corresponding accounting**  
5 **values for salvage, by year.**

6  
7 A. Reuse of materials by Newfoundland Power is not common.

8  
9 Over the past 10 years, the reuse of materials that have been removed from service by  
10 Newfoundland Power has been limited to distribution transformers and revenue meters.  
11 Both items are capitalized on purchase and are not retired until they are scrapped. This is  
12 mainstream accounting practice.

13  
14 Refurbishment costs are typically maintenance-related, and are charged to the appropriate  
15 operating account.

16  
17 For the past 10 years, no units have been retired and returned to stores by Newfoundland  
18 Power.