

- 1 **Q. [Data] – As it relates to the statement on page I-3 of the Gannett Fleming study**
2 **relating to knowledge of service life and salvage estimates used by other electric**
3 **utilities, please provide the following:**
4
- 5 **a. an identification of each separate life and/or net salvage parameter for each**
6 **of the other electric properties, along with the identity of the source (*e.g.*, a**
7 **10-year life was observed for Utilities X and Y, and Utility Z had a 12-year**
8 **life, etc. using the actual name of the utility);**
9
- 10 **b. the accounts or subaccounts to which each item of comparative data applied;**
11
- 12 **c. the identity of the source of the information and a complete copy of the**
13 **corresponding source;**
14
- 15 **d. a detailed narrative setting forth why each life and/or salvage estimate from**
16 **each other electric property were applicable to the Company’s specific**
17 **account to which they were applied; and**
18
- 19 **e. the impact that each such individual item of knowledge had in the**
20 **development of each separate life and or salvage parameter.**
21

22 **Further, provide all underlying workpapers, assumptions, considerations, material**
23 **reviewed and relied upon corresponding to the response to any subpart above as it**
24 **pertains service life and salvage estimates used by other electric utilities.**
25

- 26 **A.** Attachments A and B of the response to Request for Information CA-NP-078 includes
27 listings of depreciation parameters used by other Canadian and US utilities. The response
28 to Request for Information CA-NP-084 provides a description of the determination of the
29 life and net salvage estimates for each account.
30

31 Gannett Fleming’s knowledge of service life and net salvage estimates used by electric
32 utilities comes from having performed well over a thousand depreciation studies since
33 1915. Their experts’ knowledge of service life and net salvage estimates used by other
34 electric utilities was used, in general, to establish a typical range of service lives and net
35 salvage estimates. Estimates used by other electric utilities were used to establish a high
36 level reasonableness check of the final estimates used for Newfoundland Power. Most of
37 the final estimates were primarily based on the Company’s historical service life and net
38 salvage analyses using Newfoundland Power’s data experienced over the past 35 or more
39 years, as explained in *Volume 3, Expert Evidence and Studies, Tab 3*, pages II-19 through
40 II-35. The service life and net salvage estimates used by other electric companies were
41 not used in the manner alluded to in the question.