

1 **Q. [ELG] – Regarding the statement made in footnote 20 to the Rebuttal Introduction**
2 **that the survey of Canadian utilities contradicts Mr. Pous’ claim that the ELG**
3 **procedure is utilized almost exclusively by the industry, please identify the number**
4 **of different gas and electric utilities that Gannett Fleming has submitted testimony**
5 **on behalf of regarding depreciation in the United States during the past 10 years**
6 **that utilized the ELG calculation procedure versus those that utilize the ALG**
7 **calculation procedure. For each energy utility in the United States that Gannett**
8 **Fleming claims utilizes the ELG procedure, specifically identify the name of the**
9 **utility, the docket number in which ELG was established, and all documentation**
10 **that demonstrates that ELG has been specifically accepted by the regulator.**

11
12 **A.** Gannett Fleming has performed several hundred depreciation studies over the past 10
13 years, and does not keep track of all of the information requested for each study
14 performed. In Mr. Wiedmayer’s testimony, he has already indicated that the majority of
15 U.S. utilities use ALG. Gannett Fleming estimates that in approximately 20% of
16 depreciation studies it has performed in the United States in the past 10 years the ELG
17 procedure was used. ELG has been accepted in Pennsylvania, Texas, Oregon, Arkansas,
18 Louisiana, Alaska, Kentucky and Indiana.

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20 Information regarding the name of each utility, the docket number in which ELG was
21 established, and all documentation that demonstrates that ELG has been specifically
22 accepted by the regulator is not necessary for a satisfactory understanding of the matters
23 to be considered in this Application.

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25 Exhibit R1, filed in the Company’s rebuttal evidence, presents the Canadian experience
26 for ELG and ALG. For the companies included in this exhibit, 17 use ELG, 14 use ALG
27 and 3 use a different procedure. The ELG procedure is also widely accepted in the
28 telecommunications industry in both the US and Canada.

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30 The Company’s evidence included in Exhibit R1 alone contradicts Mr. Pous’s claim that
31 ALG is used “almost exclusively” in the industry. Combined with its use in a number of
32 electric, gas and water utilities in the United States, as well as the widespread use in the
33 telecommunications industry, it should be clear that ALG is not used “almost
34 exclusively,” but that instead that both ELG and ALG are accepted procedures in North
35 America.