

- 1 **Q. [ELG] – Regarding the presentation in Appendix A under the heading Time**
2 **Sensitivity of ELG and ALG Procedures as set forth on pages 14 through 16, please**
3 **provide a comparable calculation to Table 1 on page 14 that relies on actual**
4 **historical data for Account 361.2 beginning in 1978 when the Company first**
5 **implemented ELG depreciation, utilizing actual plant additions and retirements for**
6 **that account through 2009. The example should further recognize that depreciation**
7 **rates changed only after depreciation studies which are generally separated by five**
8 **years. In other words, the actual ELG and ALG rates should not change except for**
9 **when the Company performed updated depreciation studies with the**
10 **implementation of such rates in the year corresponding to the corresponding rate**
11 **case. The revised example should include all input and output on electronic medium**
12 **in Excel readable format with all formulas intact, as well as a detailed narrative**
13 **identifying each and every assumption and analytical step performed in sufficient**
14 **detail to permit replication, including the separate listing of the reserve variance**
15 **and the true-up required in each subsequent depreciation studies.**
16
17 **A.** This calculation was not performed for the Expert Rebuttal Evidence. However, the data
18 required to perform these calculations has been provided to the Consumer Advocate.
19
20 Attachment A to the response to Request for Information CA-NP-016 provides actual
21 historical data, including actual plant additions and retirements for this account.
22
23 Attachments A through G2 to the response to Request for Information CA-NP-017
24 provide all applicable depreciation studies since 1977.
25
26 The *Company Rebuttal Evidence: Depreciation*, page 4, line 2 through page 7, line 8,
27 provides references to all Board orders which approved Newfoundland Power
28 depreciation rates.
29
30 It should also be noted that the presentation in Table 1 on page 14 of Appendix A was not
31 intended to replicate historical conditions. The annual calculations were performed
32 solely to illustrate the comparative “time sensitivity” of ELG and ALG depreciation rates.