

1 **Q. [Account 361.12 – Bare Aluminum Cables] – As it relates to certain statements**  
2 **made in Mr. Wiedmayer’s rebuttal testimony on pages 6 through 14 of Appendix A**  
3 **as it relates to Account 361.12 – Bare Aluminum Cables, please provide a statement**  
4 **identifying where in the Company’s depreciation study or any of its responses to**  
5 **information requests it specifically referenced the “cod fishing moratorium” in the**  
6 **1990s as having any impact on the life analysis for this or any other account.**

7  
8 A. Specific reference to the impact of the “cod fishing moratorium” in the 1990s on the life  
9 analysis for any plant account will not be found in the 2010 Depreciation Study or in any  
10 of the responses to Requests for Information in the Application.

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12 The Government of Canada shut down the cod fishery in 1992. The outmigration that  
13 followed negatively impacted Newfoundland Power’s customer growth and capital  
14 expenditures. The Company’s response to the cod moratorium was a prominent feature  
15 of regulatory proceedings throughout the 1990s and early 2000s.<sup>1</sup>

16  
17 There was no specific reason for the Company’s depreciation evidence filed with the  
18 Application to address the impact of the cod moratorium, as it was not within the 2005 to  
19 2009 period of the depreciation study.

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21 At page 29 of the *Direct Testimony of Jacob Pous*, the 1990 to 2009 experience band was  
22 used to justify a longer service life for bare aluminum conductor than proposed by  
23 Newfoundland Power. In order to provide context for a proper interpretation of the 1990  
24 to 2009 experience band data, it became necessary in the Company’s Rebuttal Evidence  
25 to explain the impact of the cod moratorium on Newfoundland Power’s capital  
26 expenditures during the relevant period; in particular, the resulting impact on capital  
27 replacements and retirements during the period.

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<sup>1</sup> In Order No. P.U. 16 (1998-99), the cost of capital witnesses commented on the tempering effect of the fishing moratorium on the performance of Newfoundland Power. In Order No. P.U. 36 (2002-2003), the Board observed that the increase in the Company’s 1998 capital budget resulted from under investment during the period 1993 to 1997 due to the economic downturn associated with the cod moratorium.