Q. [Account 362.1 and 362.2 – Wood Poles & Fixtures] – As it relates to the rebuttal evidence set forth on pages 19 through 23 of Appendix B relating to Accounts 362.1 and 362.2 – Wood Poles & Fixtures, please provide all analyses performed to quantify the impact of the accounting records change between 2004 and 2009 as it directly impacts life analyses. The information should include all documentation and numerical values, with all numerical values on electronic medium in Excel readable format. Further, provide all workpapers, assumptions, considerations, and material reviewed and/or relied upon to arrive at the assumed impact the different accounting during this time period had on life estimations.

A. The 48-R1.5 survivor curve estimate in the depreciation study represents an increase in the service life for distribution poles. The assumptions and considerations used in assessing the service life of distribution poles are detailed below or have been provided in various responses to Requests for Information already filed, including the responses to Requests for Information CA-NP-014, CA-NP-034, CA-NP-057, CA-NP-079, CA-NP-084 and CA-NP-546.

As discussed in the response to Request for Information CA-NP-546, from an age perspective, the data available from 2004 to 2009 is less accurate than the data available prior to 2004. The age of each pole retired between 2004 and 2009 was estimated. The age of each pole retired prior to 2004 was based on actual pole specific data.[1] The original life tables provided in the response to Request for Information CA-NP-034 include bands with data prior to 2004 and bands with data from 2004-2009. The difference in experience for these periods of time can be seen in the presentation of these life tables.

The 1967 to 2003 data best represents normal pole retirement activity at Newfoundland Power. While there are other factors that have influenced the level and type of capital work since 2004, the data for this period is influenced by the change in available data for recording retirements. Determining precisely how much of the change in the 2004 to 2009 period is due to the lack of availability of pole specific data, as opposed to other factors, would be difficult if not impossible to do. Given these considerations, the more gradual increase in service life proposed in the Depreciation Study is most reasonable and is in line with documented future expectations.

[1] From 1989 to 1991 Newfoundland Power conducted a pole survey of all poles, both joint use and non-joint use. This pole database was maintained through 2001, at which time it was no longer updated. Engineering staff continued to use the pole database for gathering retirement information until the database was no longer supported by the Company's IT infrastructure in 2004. When joint use returned in 2010 a new pole survey was completed and the associated database is now used for additions and retirements.