

1 Q. Page 6, footnote 1

2

3 Provide the detailed calculation for the reserve amortization reduction for the 7 mass  
4 property accounts where adjustments are recommended, clearly indicating how the  
5 adjustments calculated on an ALG basis were restated on an ELG basis.

6

7 A. See attachment NP-CA-36. During the process of responding to this Request for  
8 Information, it was noted that the value on page 6, line 15 of \$2,834,000 should have been  
9 \$2,778,000. In addition, the \$10,536,209 value on page 7, line 1 should now read  
10 \$10,466,614. A revised Schedule (JP-1) pages 1 and 2 of 13 are also attached which  
11 reflects all updates.

Newfoundland Power Inc.  
2013/2014 General Rate Application  
NP CA 36

Attachment 1

**CONSUMER ADVACATE'S CALCULATION OF DEPRECIATION EXPENSE ADJUSTMENT  
TO NEWFOUNDLAND POWER INC.'S REQUEST FOR  
PLANT AS OF DECEMBER 31, 2010**

| Account<br>No. | Description                     | Survivor<br>Curve<br>(a) | % Net<br>Salvage<br>(b) | Balance<br>12/31/2010<br>(c) | Theoretical<br>Reserve<br>(d) | Remaining<br>Depreciable<br>(e) | Remaining<br>Life<br>(f) | Annual<br>Accrual<br>(g)=(e)/(f) | Annual<br>Rate<br>(h)=(g)/(c) |
|----------------|---------------------------------|--------------------------|-------------------------|------------------------------|-------------------------------|---------------------------------|--------------------------|----------------------------------|-------------------------------|
| Transmission   |                                 |                          |                         |                              |                               |                                 |                          |                                  |                               |
| 355.1          | Poles                           | <b>51S0.5</b>            | -35%                    | \$32,354,167                 | \$12,658,159                  | \$31,019,966                    | 36.22                    | \$856,432                        | 2.65%                         |
| 355.2          | Pole Fixtures                   | <b>51S0.5</b>            | -35%                    | <u>\$23,125,858</u>          | <u>\$7,669,078</u>            | <u>\$23,550,830</u>             | 38.47                    | <u>\$612,187</u>                 | 2.65%                         |
|                | Subtotal Transmission           |                          |                         | \$55,520,568                 | \$20,327,237                  | \$54,570,797                    |                          | \$1,468,619                      |                               |
| Distirbution   |                                 |                          |                         |                              |                               |                                 |                          |                                  |                               |
| 361.12         | Bare Aluminum                   | <b>61R2</b>              | -30%                    | \$105,695,941                | \$31,841,307                  | \$105,563,416                   | 46.86                    | \$2,252,740                      | 2.13%                         |
| 361.2          | UG Cables                       | <b>57R2.5</b>            | -5%                     | \$20,889,633                 | \$6,298,771                   | \$15,635,344                    | 40.63                    | \$384,823                        | 1.84%                         |
| 362.1          | Poles <35 Feet                  | <b>57R1</b>              | -25%                    | \$63,894,788                 | \$18,543,138                  | \$61,325,347                    | 43.77                    | \$1,401,082                      | 2.19%                         |
| 362.2          | Poles > 30 Feet                 | <b>57R1</b>              | -25%                    | \$265,218,896                | \$63,113,587                  | \$268,410,033                   | 46.15                    | \$5,816,035                      | 2.19%                         |
| 365.1          | Services OH                     | <b>51R2</b>              | -40%                    | <u>\$76,514,238</u>          | <u>\$33,147,802</u>           | <u>\$73,972,131</u>             | 37.19                    | <u>\$1,989,033</u>               | 2.60%                         |
|                | Subtotal Distribution           |                          |                         | \$532,213,496                | \$152,944,605                 | \$524,906,271                   |                          | \$11,843,713                     |                               |
|                | Balance of Depreciable Accounts |                          |                         | \$719,114,615                | \$251,391,230                 |                                 |                          | \$24,934,728                     |                               |
|                | Nondepreciable Accounts         |                          |                         | \$9,594,385                  |                               |                                 |                          |                                  |                               |
|                | Total                           |                          |                         | \$1,306,848,679              | \$424,663,072                 |                                 |                          | \$38,247,060                     |                               |
|                | Company Request                 |                          |                         | <u>\$1,306,848,679</u>       | <u>\$563,047,272</u>          |                                 |                          | <u>\$44,641,534</u>              |                               |
|                | Adjustment Expense              |                          |                         | \$0                          | -\$138,384,200                |                                 |                          | -\$6,394,474                     |                               |
|                | Adjustment Reserve Variance     |                          |                         |                              |                               |                                 |                          | <u>-\$4,072,140</u>              |                               |
|                | Total Adjustment                |                          |                         |                              |                               |                                 |                          | <b>-\$10,466,614</b>             |                               |

**CONSUMER ADVACATE'S CALCULATION OF DEPRECIATION RESERVE ADJUSTMENT  
TO NEWFOUNDLAND POWER INC.'S REQUEST FOR  
PLANT AS OF DECEMBER 31, 2010**

| Account<br>No. | Description               | Theoretical<br>Reserve<br>(a) | Book<br>Reserve<br>(b) | Amount<br>(c)=(a)-(b) | Reserve Variance<br>Percent<br>(d)=(c)/(a) | > 5%<br>(e)          | Remaining<br>Life<br>(f) | Variance<br>Amortization<br>(g)=(e)/(f) |
|----------------|---------------------------|-------------------------------|------------------------|-----------------------|--|----------------------|--------------------------|---|
| Transmission   |                           |                               |                        |                       |  |                      |                          |   |
| 355.1          | Poles                     | \$12,658,159                  | \$14,768,395           | -\$2,110,236          | -16.7%                                     | -\$2,110,236         | 36.22                    | -\$58,262                               |
| 355.2          | Pole Fixtures             | <u>\$7,669,078</u>            | <u>\$12,595,164</u>    | <u>-\$4,926,086</u>   | -64.2%                                     | <u>-\$4,926,086</u>  | 38.47                    | <u>-\$128,050</u>                       |
|                | Subtotal Transmission     | \$20,327,237                  | \$27,363,559           | -\$7,036,322          |  | -\$7,036,322         |                          | -\$186,312                              |
| Distirbution   |                           |                               |                        |                       |  |                      |                          |   |
| 361.12         | Bare Aluminum             | \$31,841,307                  | \$45,707,706           | -\$13,866,399         | -43.5%                                     | -\$13,866,399        | 46.86                    | -\$295,911                              |
| 361.2          | UG Cables                 | \$6,298,771                   | \$9,792,239            | -\$3,493,468          | -55.5%                                     | -\$3,493,468         | 40.63                    | -\$85,982                               |
| 362.1          | Poles <35 Feet            | \$18,543,138                  | \$27,135,455           | -\$8,592,317          | -46.3%                                     | -\$8,592,317         | 43.77                    | -\$196,306                              |
| 362.2          | Poles > 30 Feet           | \$63,113,587                  | \$104,199,505          | -\$41,085,918         | -65.1%                                     | -\$41,085,918        | 46.15                    | -\$890,269                              |
| 365.1          | Services OH               | <u>\$33,147,802</u>           | <u>\$54,522,622</u>    | <u>-\$21,374,820</u>  | -64.5%                                     | <u>-\$21,374,820</u> | 37.19                    | <u>-\$574,746</u>                       |
|                | Subtotal Distribution     | \$152,944,605                 | \$241,357,527          | -\$88,412,922         |  | -\$88,412,922        |                          | -\$2,043,215                            |
|                | Other Depreciable Account | \$251,391,230                 | \$284,428,207          | -\$33,036,977         |  | -\$33,202,447        |                          | -\$1,753,532                            |
|                | Nondepreciable Accounts   |                               |                        |                       |  |                      |                          |   |
|                | Total                     | \$424,663,072                 | \$553,149,293          | -\$128,486,221        |  | -\$128,651,691       |                          | -\$3,983,059                            |
|                | Company Request           | <u>\$563,047,272</u>          | <u>\$553,149,293</u>   | <u>\$9,897,979</u>    |  | <u>\$2,641,905</u>   |                          | <u>\$89,081</u>                         |
|                | Adjustment                | -\$138,384,200                | \$0                    | -\$138,384,200        |  | -\$131,293,596       |                          | <b>-\$4,072,140</b>                     |