

1 **Q. Page 35, line 22 to Page 38, line 2**

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3 **Please fully explain, with specific reference to Newfoundland Power, how treatment**
4 **of wood poles should result in a longer expected life for wood poles than is reflected**
5 **in the Depreciation Study.**

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7 **A.** The treatment of wood poles has been implemented by utilities and presumably
8 Newfoundland Power Company for the purpose of extending the life expectancy of poles
9 versus untreated poles. Given that the Company still has untreated poles on its system
10 implies that the historical actuarial analysis dating back to 1967 undoubtedly reflects
11 retirement activity associated with untreated poles. The retirement of untreated poles
12 reflected in the actuarial analysis would tend to lower the observed life table, thus resulting
13 in a shorter average service life in the curve-fitting process compared to a situation where
14 only treated poles were considered for actuarial purposes.