IN THE MATTER OF the *Electrical Power Control Act*, RSNL, 1994, Chapter E-5.1 (the EPCA) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (the Act) as amended, and their subordinate regulations; and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro, pursuant to section 68 of the Act, for the approval of changes in depreciation methodology and asset service lives.

Requests for Information by The Consumer Advocate

CA-NLH-01 to CA-NLH-78

March 23, 2012

Exhibit 1 provides various life analyses and results. Exhibit 1 relies on various items of numerical input data, interpretation of various factors by Gannett Fleming, Inc., discussion with management, and comparisons with industry information among other things. To assess the results of the depreciation study additional information is required.

CA-NLH-01 Re: Data: Please provide the input data for each separate life and salvage analysis on electronic medium in Excel readable format. Further, clearly identify what each value represents.

CA-NLH-02 Re: Data: Please provide a copy of each testimony, including rebuttal, submitted by the Company's outside depreciation consultant on the topic of depreciation during the past 5 years. The copies should include all exhibits associated with each testimony including rebuttal testimonies.

CA-NLH-03 Re: Data: Please identify each historical value by account by year that the Company considered to be atypical or abnormal. Further, specifically state the treatment afforded such data in the determination of life or salvage parameters,

by account, along with the basis for the manner in which the data was treated. Finally, provide all support and justification for determining why each value was atypical or abnormal.

CA-NLH-04 Re: Data: Please identify each Company or outside personnel who had a meaningful or significant input into the establishment of depreciation parameters as reflected in the Company's depreciation request. For each such individual, provide the name, department, job title, information provided by account, timeframe at which such information was provided, and documents that support such individuals input.

CA-NLH-05 Re: Data: For each change in average service life, dispersion curve or net salvage value between the prior depreciation study and the current depreciation study, provide a detailed narrative explaining what changed between the two studies that resulted in modification to either the average service life, dispersion curve or net salvage. Finally, provide all workpapers, assumptions, considerations, and material reviewed and relied upon in sufficient detail to permit verification of the information provided.

CA-NLH-06 Re: Data: Please provide a detailed categorization of plant within each account or sub account as well as the corresponding dollar level of investment by category. The information should be provided on electronic medium in Excel readable format.

CA-NLH-07 Re: Data: Please provide a detailed categorization of plant retired by year for the past 10 years within each account or sub account as well as the corresponding dollar level of investment by category. The information should be provided on electronic medium in Excel readable format.

CA-NLH-08 Re: Data: Please provide a complete copy of the Company's prior depreciation study including all supporting workpapers.

CA-NLH-09 Re: Data: Please provide a copy of each of the Company's depreciation spreadsheets on electronic medium in Excel executable format.

CA-NLH-10 Re: Data: For each supplemental item of information obtained (e.g., general understanding of the function of the plant, reasons for past retirements, expected future causes of retirement, practices and plans of the Company, etc.) from operating or management personnel that had an impact on the establishment of depreciation parameters, please provide the following by account:

(a) A detailed narrative identification of each separate items of information;

(b) The individual from whom each such items of information was obtained;

(c) The depreciation background or expertise of each individual;

(d) The inquiry made to elicit the items of information;

(e) All underlying data, reports, documents, etc. that address or support each separate items of information; and

(f) The impact each separate items of information had in the development of each depreciation parameter.

CA-NLH-11 Re: Data: Please provide all additional bases, evidence, opinions, assumptions, documents, analyses, etc. that either describes, explains, supports, and/or justifies the specific life and net salvage parameters proposed for each separate account or subaccount that has not already been provided.

CA-NLH-12 Re: Data: Please provide a copy of all site-visit notes, interview notes, pictures, etc. obtained by the Company's depreciation witness, specifically identifying the date and times associated with the information.

CA-NLH-13 Re: Data: Please provide the following as it relates to the reliance on judgment and experience in determining the final selection of life or net salvage parameters:

(a) The specific role that judgment and experience played for each account where that was the main or significant reason for the selected values. Further, provide in sufficient detail so as to clearly identify the role played by judgment in establishment of the final value for each account;

(b) The specific role that judgment and experience played in all other accounts in sufficient detail to clearly identify the role played in establishment of the final value;

(c) A detailed narrative identifying and explaining each item of significant or meaningful judgment and experience relied on by account and/or sub-account in the establishment of life and net salvage values.

(d) All underlying documentation and support that verifies the reasonableness of the claimed role of judgment and experience as it influenced the final selection for each account (e.g., as shown on the attachments, utilities, x, y, and z have the same type of accounting procedures and composition of poles as does the Company. Each of these companies exhibited net salvage levels similar to those proposed for the Company. Therefore, the average net salvage level of the other companies was used for the Company. Attached are copies of depreciation surveys indicating amounts for 40 different companies with similar plant. The average of these companies was used).

CA-NLH-14 Re: Industry: Please provide a complete copy of the most recent surveys associated with depreciation statistics in the possession of the Company and/or its outside consultant who performed the depreciation study.

CA-NLH-15 Re: Industry: In any instance where the Company states it relied on values from other utilities, please provide the corresponding data relied on identifying the utility, the specific value associated with that utility and when each utility's regulator approved such a value by account corresponding to Newfoundland and Labrador Hydro's listing of accounts.

CA-NLH-16 Re: Life: Please identify each account where the historical experience was not indicative of the recommended life characteristics. Further, provide the complete basis for such conclusion including all workpapers, assumptions, considerations, and material reviewed and/or relied upon in sufficient detail to permit verification of the basis for each situation.

CA-NLH-17 Re: Life: Please provide both the graphical and numerical output of each observed life table for each account prepared in associated with the depreciation study whether such life table was relied upon. The observed life table should be provided both in hard copy and on electronic medium in Excel

readable format.

CA-NLH-18 Re: Life: Please provide a copy of all life related workpapers.

CA-NLH-19 Re: Life: Please provide a detailed narrative for each account, identifying what steps were undertaken to arrive at the proposed average service life and corresponding dispersion curve. The response should identify specifically what information was relied upon, what life analysis procedure was utilized, including clear identification of experience band, placement band, and intervals, if the best fitting curve and life combination were not chosen, what other information was specifically relied upon to make modifications in order to establish the actual proposed life parameters. Further, provide all workpapers, assumptions, considerations, and material reviewed and relied upon in sufficient detail to permit replication of the Company's proposed average service life and dispersion curve combination by account.

CA-NLH-20 Re: Life: Please provide all support and justification for each placement and experience band employed for actuarial analysis. If only one band was performed, provide all support and justification for such action.

CA-NLH-21 Re: Data: Please provide all workpapers that have not already been provided, related to depreciation expense.

CA-NLH-22 Re: Life: Please fully explain and justify why a 15-year experience band 1995-2009) was relied on for life analysis purposes versus longer periods.

CA-NLH-23 Re: Life: Please provide observed life tables, including age based exposures, retirements and percent surviving values, based on the same placement band as used in the depreciation study, but relying on 20, 30 and 50-year experience bands.

CA-NLH-24 Re: Life: Please identify by account each trend in life or net salvage obtained through the use of analytical techniques. Further, state how each such trend impacted the analysis and the final proposed mortality characteristic. Finally,

provide all supporting documentation.

CA-NLH-25 Re: Life: Please identify by account each interpretation of past trends in conjunction with consideration of future plans that was used to obtained mortality characteristics. Further, state how each such interpretation of past trend in conjunction with consideration of future plans impacted the analysis and the final proposed mortality characteristic. Finally, provide all supporting documentation.

Exhibit 1 does not specifically address net salvage. Additional information is required to assess the overall depreciation request.

CA-NLH-26 Re: Net Salvage: Please provide the gross salvage, cost of removal, and retirements by year for each account for the last ten-year period. The information should be provided both in hard copy and on electronic media in Excel readable format.

CA-NLH-27 Re: Net Salvage: Please identify the quantity of dollars retired by year by account for the past 10 years in which a replacement item of investment was not installed at the same time that the retirement was removed or retired in place.

CA-NLH-28 Re: Net Salvage: Please identify what percentage of retirements by account by year for the past 10 years on a dollar basis were abandoned in place, by account.

CA-NLH-29 Re: Net Salvage: Please identify by account and by year the dollar amount and percentage level of overtime pay reflected in the cost of removal reported in the Company's historical net salvage analysis

CA-NLH-30 Re: Net Salvage: Please identify by account and by year the dollar amount and percentage level of contractor pay reflected in the cost of removal reported in the Company's historical net salvage analysis. Further, indicate the cost relationship between what an equivalent position with a contractor pays versus an in-house employee, where both costs are fully loaded.

CA-NLH-31 Re: Net Salvage: Please provide the annual level of expense associated with emergency replacement situations by account reflected in the cost of removal amounts in the depreciation study for the past 10 years.

CA-NLH-32 Re: Net Salvage: Please provide copies of any internal memos, policies, studies, etc., identifying the appropriate allocation or treatment of costs between cost of removal and the installation of new investment when a retirement occurs and a replacement investment is installed at the same location.

CA-NLH-33 Re: Net Salvage: Please provide the average age of retired plant by year by account for the past ten years. Further, provide all underlying documentation associated with such calculations.

CA-NLH-34 Re: Net Salvage: Please state if the historical net salvage data (i.e., gross salvage, cost of removal, and retirements) are time synchronized. If not, please state the longest time frame between the reporting of one component versus another component of a retirement as well as the average time period for such situations by account.

CA-NLH-35 Re: Net Salvage: Please provide the Company's accounting and treatment for reuse material. Further, provide all underlying support and justification for the process employed. Finally, provide the level of plant, by account, retired and returned to stores during the past 10 years along with the corresponding accounting values for salvage, by year.

CA-NLH-36 Re: Net Salvage: If an item or a plant is retired with a replacement addition occurring and an outside party provides $1,000 associated with the replacement, how is the $1,000 accounted for (e.g., $1,000 gross salvage, $1,000 reduction to replacement addition cost, a 50/50 split of the $1,000, etc,) Further, please provide full justification for whatever methodology is employed. In addition, identify when the Company first implemented such policy.

CA-NLH-37 Re: Net Salvage: If an item of plant is retired and an outside part provides $1,000 associated with such retirement and no replacement activity occurs, how

is the $1,000 accounted for (e.g., added to gross salvage amount, reduction to the cost of removal, or other method). Further, please provide all justification for whatever policy is utilized by the Company. In addition, identify when the Company first implemented such policy.

CA-NLH-38 Re: Net Salvage: Does the Company receive any amount from government entities when it is requested to relocate plant due to street widening or other relocation requirements? To the extent the Company does receive any such funds, provide the specific accounting employed by the Company and the basis for such treatment (e.g., booked to the reserve, booked as a credit to plant, etc). Finally, provide the amount received, by year, for the past 10 years, segregated into plant accounts pertaining to the plant either added or retired in association with the relocation.

CA-NLH-39 Re: Net Salvage: Please provide the average per unit price obtained for scrap for each type of material sold, by account, by year for the past 10 years.

CA-NLH-40 Re: Net Salvage: Please provide a copy of each retirement work order associated with the retirement of 1 kilometer or more of distribution lines during the past 10 years.

CA-NLH-41 Re: Reimbursements: Please provide a copy of any contracts the Company equires an outside entity to sign when dealing with replacement of damaged or relocation of plant.

CA-NLH-42 Re: Reimbursements: Please identify how the Company treats reimbursed retirements. Reimbursed retirements represent situations where an outside entity damages or causes relocation of the Company's investment, and where the entity is requested to provide funds associated with the retirement or replacement of the asset. To the extent the Company books any portion of such amount received as a contribution in aid of construction in association with the replacement of the damaged or relocated investment, provide all underlying support and justification for such treatment, along with identification of the portion of the amount received from the outside entity that is assigned as a contribution

in aid of construction, by year, by account for the past 10 years. Further, provide the level of related retirements, by year, by account for the past 10 years.

CA-NLH-43 Re: Sale: For any sale of utility property since the Company's last fully litigated rate case, please state whether the gain or loss associated with such sale is contained in the accumulated provision for depreciation. If not, identify the amount by year and by plant account associated with the plant retired, and the account the gain or loss was booked in. Further, provide all support and justification for such actions and the underlying calculations of the gain or losses.

CA-NLH-44 Re: Production Net Salvage: Please identify each specific statutory requirement the Company must meet regarding the demolition of its power plants. Further, provide a copy of the specific portion referenced of each statute or regulation.

CA-NLH-45 Re: Production Net Salvage: Please state the Company's intention for the plant site (i.e., the land) if and when the Company retires a generating unit and demolishes the facility. In other words, does the Company plan on retaining it for future generating station, selling the land, or simply letting it sit idle. Further, provide all support and justification for the position taken in the Company's response.

CA-NLH-46 Re: Production Net Salvage: Please admit that the land at each of the Company's generating sites has appreciated in value. If the response is to deny, then supply all support and justification for such position.

CA-NLH-47 Re: Production Net Salvage: Does the Company own land currently not in use for which it plans on building future generating stations.

CA-NLH-48 Re: Production Net Salvage: Please identify the type and capacity of transmission facilities connected to each of the Company's existing generating facilities.

CA-NLH-49 Re: Production Net Salvage: Please identify each inquiry relating to the

interest to purchase any portion of the Company's generating investment during the past 10 years. For each inquiry, provide the following:

(a) The year in which the inquiry was initiated;

(b) A copy of the inquiry;

(c) A chronology of the major milestones of actions undertaken regarding each inquiry; and

(d) What action was ultimately taken and the reason such action was taken.

Exhibit 1 provides limited information relating to production plant life characteristics and associated matters. Additional information is necessary to assess the depreciation request.

CA-NLH-50 Re: Production Life: Please provide a copy of the Company's two most recent long-term generation resources plans or other planning documents that address retirements.

CA-NLH-51 Re: Production Life: Please provide a copy of any reports, memos, studies, etc. during the past 10 years that discussed, identified, etc. future potential retirement of any of the Company's generating facilities. If the reports, memos, studies, etc. are only based on a mW level of generation to be retired without any specific reference to a particular unit, then provide the information associated with the generic retirement of production capacity by year.

CA-NLH-52 Re: Production Life: Please provide a complete copy of all studies performed by the Company during the past 10 years associated with the economics of rehabilitating and continuing use or retirements of generating structures.

CA-NLH-53 Re: Holyrood: Please specifically list the Holyrood generation assets and their individual original cost as of 2009 that are included in the depreciation study. Further, fully explain and justify their synchronous condenser mode of operations. Finally, identify the mortality characteristics assigned to each and explain and fully justify how each was determined.

CA-NLH-54 Re: Production Life: For each of the Company's generating units, please

provide the following:

(a) The Mw capacity;

(b) That date of installation;

(c) The variable O&M cost excluding fuel, by year, for the past 10 years;

(d) The availability factor, by year, for the past 10 years;

(e) The capacity factor, by year, for the past 10 years;

(f) The primary fuel source;

(g) The temperature and pressure ratings;

(h) The annual heat rate for the past 10 years;

(i) A detailed narrative identifying all significant or major system improvements performed during the past 10 years;

(j) A detailed narrative identifying and explaining each of the anticipated significant or major capital improvements during the next 10 years;

(k) The number of cold starts per year for the past 10 years; and

(l) The outage rate per year for the past 10 years.

CA-NLH-55 Re: Production Life: Please provide the initial life expectation for each of the Company's generating units as originally reflected in depreciation rates, depreciation studies, etc. at the time each first went into service. Further, provide each subsequent change in life expectancy for each of the Company's generating facilities in subsequent depreciation studies, analyses, etc. Further, provide all underlying reasons for the change in the life span for each generating unit over time, including all underlying workpapers, assumptions, considerations, and material reviewed and/or relied upon in sufficient detail to permit verification of the basis for each change.

Exhibit 1 references or presents various procedures or calculations supporting the depreciation request. Additional information is necessary to assess the overall request.

CA-NLH-56 Re: Remaining Life: Please provide a detailed narrative along with a corresponding step-by-step example of how the Company calculates remaining life for: (a) mass property accounts where no remaining plant in service exceeds the life depicted by the end of the assumed life/curve combination chosen for life purposes; and (b) where many of the older vintages that are still in service

exceed the end of the life/curve combination chosen for life analysis purposes by the Company. Further, provide all support and justification for the Company's calculation procedures.

CA-NLH-57 Re: Reserve: Please provide the actual accumulated provision for depreciation by account or subaccount as of the end of the depreciation test period. If the amounts were allocated, then provide the entire analyses associated with the allocation along with a detailed narrative.

CA-NLH-58 Re: Reserve: Please provide the detailed theoretical reserve calculations for each account and/or sub-account. The information should be provided both in hard copy and on electronic media in Excel readable format.

CA-NLH-59 Re: Calculation Procedure: Please state all reasons the Company did not propose a change to the Equal Life Group calculation procedure. To the extent any analyses pertaining to this procedure were performed, provide all such analyses.

CA-NLH-60 Re: IFRS: Please identify, explain, rank and justify the benefits and detriments associated with sinking fund, ASL (and average life group if different than ASL), and ELG depreciation as each relate to compliance with IFRS. Further, provide a complete copy of each IAS of the IFRS referenced in the response (i.e., IAS 16, etc.).

CA-NLH-61 Re: Sinking Fund: Please identify which of the current listing of accounts use a sinking fund method of depreciation. To the extent a current account listing reflects a combination of sinking fund and other method, identify each method and the corresponding dollars applicable to each method by account. Finally, identify the impact by account due solely to the change from sinking fund to ASL depreciation.

CA-NLH-62 Re: Sinking Fund: Please identify each different decelerated, as referenced on page II-3 of Exhibit 1, and non-decelerated method of depreciation currently used in the industry. Further, explain and justify why each is decelerated or not.

CA-NLH-63 Re: Fully Accrued: Please provide the Company's policy regarding the continuation of recording depreciation expense to the accumulated provision for depreciation once an asset becomes fully accrued. Further state when such policy was implemented and all support for the Company's practice.

Exhibit 1 presents various life-curve combinations employed to develop individual depreciation rates and expense levels. Additional account specific information is necessary to understand and support various proposals.

CA-NLH-64 Re: Account B01: Please fully explain and justify the selection of a 15S3 life-curve combination for Account B01 – Battery & Power Systems. The response should specifically address the curve fit set forth on page IV-6 of Exhibit 1 and why a longer life is not appropriate. The response should also present the specific steps and corresponding information and documents relied on to arrive at the proposed life-curve combination.

CA-NLH-65 Re: Account B05 & B06: Please provide a list of the ten largest Building investments from a dollar standpoint. Further, provide a detailed description (not legal description) of the property. The description should include, but not be limited to, the type of construction, year of construction, the size, current use, current property tax appraisals, or other appraisals, whether owned or associated with a lease, and any plans for retirement of such structures in the future.

CA-NLH-66 Re: Account B05: Please provide a detailed explanation of the $7.7 million retirement at age 9.5 years for Account B05 – Buildings – Others as set forth on page IV-15 of Exhibit 1, including but not limited to a detailed description of what retired along with corresponding dollars, the events that resulted in the need for retirement at that age, documents supporting the transaction, etc. Further, fully justify why such event should be considered representative of future expectations for the remaining plant.

CA-NLH-67 Re: Account B06: Please provide a detailed explanation of the $802,479 retirement at age 13.5 years for Account B06 – Buildings – Metal as set forth on

page IV-17 of Exhibit 1, including but not limited to a detailed description of what retired along with corresponding dollars, the events that resulted in the need for retirement at that age, documents supporting the transaction, etc. Further, fully justify why such event should be considered representative of future expectations for the remaining plant.

CA-NLH-68 Re: Account B08: Please fully explain and justify the selection of a 40R3 life-curve combination for Account B08 – Buswork & Hardware. The response should specifically address the curve fit set forth on page IV-20 of Exhibit 1 and why a longer life is not appropriate. The response should also present the specific steps and corresponding information and documents relied on to arrive at the proposed life-curve combination.

CA-NLH-69 Re: Account C04: Please fully explain and justify the selection of a 50R3 life-curve combination for Account C04 Cables – Above Ground. The response should specifically address the curve fit set forth on page IV-28 of Exhibit 1 and why a longer life is not appropriate. The response should also present the specific steps and corresponding information and documents relied on to arrive at the proposed life-curve combination.

CA-NLH-70 Re: Account C04: Please provide a detailed explanation of the $217,830 retirement at age 10.5 years for Account C04 Cables – Above Ground as set forth on page IV-29 of Exhibit 1, including but not limited to a detailed description of what retired along with corresponding dollars, the events that resulted in the need for retirement at that age, documents supporting the transaction, etc. Further, fully justify why such event should be considered representative of future expectations for the remaining plant.

CA-NLH-71 Re: Account C09: Please provide a detailed explanation of the $249,244 retirement at age 7.5 years for Account C09 – Circuit Breakers as set forth on page IV-37 of Exhibit 1, including but not limited to a detailed description of what retired along with corresponding dollars, the events that resulted in the need for retirement at that age, documents supporting the transaction, etc. Further, fully

justify why such event should be considered representative of future expectations for the remaining plant.

CA-NLH-72 Re: Account C11: Please fully explain and justify the selection of a 5SQ life-curve combination for Account C11 - Computers. The response should specifically address the vintage surviving balance that exceed 5 years as set forth on page V-18 of Exhibit 1 and why a longer life is not appropriate give the number and magnitude of surviving vintages. The response should also present the specific steps and corresponding information and documents relied on to arrive at the proposed life-curve combination.

CA-NLH-73 Re: Account C13: Please provide a detailed explanation of the $578,547 retirement at age 9.5 years for Account C13- Conductor as set forth on page IV-41 of Exhibit 1, including but not limited to a detailed description of what retired along with corresponding dollars, the events that resulted in the need for retirement at that age, documents supporting the transaction, etc. Further, fully justify why such event should be considered representative of future expectations for the remaining plant.

CA-NLH-74 Re: Account C15: Please fully explain and justify the selection of a 30R1 life-curve combination for Account C015 – Control, Meter/Relaying. The response should specifically address the curve fit set forth on page IV-44 of Exhibit 1 and why a longer life is not appropriate. The response should also present the specific steps and corresponding information and documents relied on to arrive at the proposed life-curve combination.

CA-NLH-75 Re: Account D01: Please fully explain and justify the selection of a 100R4 life-curve combination for Account D01 – Dams & Dykes. The response should specifically address the curve fit set forth on page IV-52 of Exhibit 1 and why a longer life is not appropriate. The response should also present the specific steps and corresponding information and documents relied on to arrive at the proposed life-curve combination.

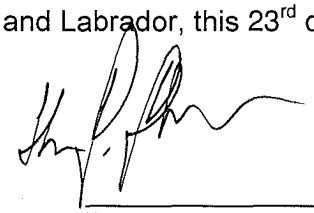
CA-NLH-76 Re: Account D02: Please provide a detailed explanation of the dollar level of

retirements at ages 3.5, 5.5, 12.5, and 15.5 years for Account D02 – Diesel Systems & Engines as set forth on page IV-54 of Exhibit 1, including but not limited to a detailed description of what retired along with corresponding dollars, the events that resulted in the need for retirement at that age, documents supporting the transaction, hours of operation by year, the speed of the diesel engines, the year installed, the model number and manufacture, etc. Further, fully justify why such event should be considered representative of future expectations for the remaining plant.

CA-NLH-77 Re: Account D03: Please provide a detailed explanation of the $165,724 retirement at age 22.5 years for Account D03 – Disconnect Switches as set forth on page IV-57 of Exhibit 1, including but not limited to a detailed description of what retired along with corresponding dollars, the events that resulted in the need for retirement at that age, documents supporting the transaction, etc. Further, fully justify why such event should be considered representative of future expectations for the remaining plant.

CA-NLH-78 Re: Account F01: Please fully explain and justify the selection of a 10L2 life-curve combination for Account F01 – Fall Arrest Equipment. The response should specifically address the curve fit set forth on page IV-66 of Exhibit 1 and why a longer life is not appropriate. The response should also present the specific steps and corresponding information and documents relied on to arrive at the proposed life-curve combination.

Dated at St. John's in the Province of Newfoundland and Labrador, this 23rd day of March, 2012.



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