

**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  
(Revised)**

**CA-NLH-151, 152, 161, 162, 173 and 235  
June 11, 2012**

1 CA-NLH-151 Revised [Account D01 – Dams & Dikes] – Page III-4 of the Gannett Fleming  
2 2009 depreciation study identifies a plant value of \$351 million for Account D01 –  
3 Dams & Dikes and a corresponding \$1,781,039 of booked depreciation reserve.  
4 The corresponding values set forth in the 2005 Gannett Fleming depreciation  
5 study identify a gross plant of \$172 million and \$916,833 of reserve. In addition,  
6 the Gannett Fleming 2005 Depreciation Study identifies (1) Canals with a gross  
7 plant level of \$115 million and a corresponding \$261,350 of reserve, (2) Tunnels  
8 with a gross plant of \$31 million and a corresponding \$1,139 of reserves, (3)  
9 Draft Tube Liner gross investment of \$400,000 and a corresponding \$53,242 of  
10 reserve, and (4) Tailrace Channel with a gross investment of \$29 million and a  
11 corresponding \$35,481 of reserve, each of which appear to have been added in  
12 to the category of Dams & Dikes in the 2009 study. At this time, please provide a  
13 continuity schedule from the 2005 gross plant and reserve levels by account that

1 are currently reflected in Account D01 – Dams & Dikes such that monthly  
2 transactions are identified by type of transaction (e.g. additions, retirements, cost  
3 of removal, gross salvage, transfers, adjustments, etc.). The information should  
4 be provided on electronic medium in Excel readable format.  
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6 CA-NLH-152 Revised [Account D01 – Dams & Dikes] – Please fully explain and justify why the  
7 \$1,781,039 reserve level for Account D01 – Dams & Dikes as set forth on page  
8 III-4 of the 2009 Gannett Fleming depreciation study represents an appropriate  
9 and realistic value. The response should clearly demonstrate and justify why  
10 such a limited value is appropriate, especially given Gannett Fleming's  
11 presentation on page IV-53 of its 2009 depreciation study that no retirement  
12 activity has been reported for the account and the prior reserve levels in Gannett  
13 Fleming's 2005 depreciation study. To the extent reserve values have been  
14 reduced due to retirements, transfers, or other transactions, specifically identify  
15 such transactions on an annual basis, clearly identifying where such values were  
16 transferred or adjusted to, and full justification supporting the adjustments.  
17 Finally, provide all historical transactions beginning with the values in the 2005  
18 depreciation study that result in the current presentation of only \$1,781,039 of  
19 reserve. The response should also identify the applicable depreciation rate  
20 applied to the specific gross plant balances by month during the period  
21 subsequent to the depreciation test year values presented in the 2005 Gannett  
22 Fleming study. The response should also provide all necessary underlying  
23 documentation to support the actions taken by the Company to arrive at the \$1.8  
24 million value. The information should be provided on electronic medium in Excel  
25 readable format.  
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27 CA-NLH-161 Revised [Account P03 - Penstock] – Please provide a continuity schedule by  
28 month for Account P03 – Penstock between the plant value and reserve value  
29 set forth in the 2005 Gannett Fleming study to the values set forth in the 2009  
30 Gannett Fleming study. The information should be provided on electronic  
31 medium in Excel readable format. Further, fully explain and justify the current  
32 reserve value in relation to the level reflected in the 2005 Gannett Fleming study.  
33 The response should also identify the applicable depreciation rate applied to the  
34 specific gross plant balances by month during the period subsequent to the

1 depreciation test year values presented in the 2005 Gannett Fleming study. The  
2 information should be provided on electronic medium in Excel readable format.

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4 CA-NLH-162 Revised [Account P03 – Penstock] – Please fully explain, justify and provide all  
5 underlying documents in support of the justification and explanation as to why the  
6 reserve for Account P03 – Penstock has increased from \$5.5 million in the 2005  
7 Gannett Fleming study to a level of \$8,625,533 in the Gannett Fleming 2009  
8 depreciation study. Specifically address the fact that the Company has identified  
9 a zero level of retirement activity for this account in its experience band of  
10 1967-2009 as set forth on page IV-139 of the 2009 depreciation study.

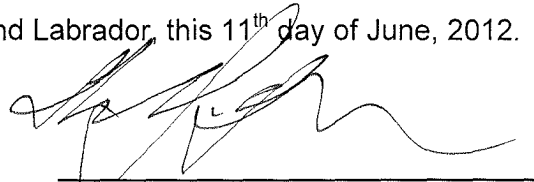
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12 CA-NLH-173 Revised [Account P10 – Powerhouse] – Please provide a detailed continuity  
13 schedule identifying all changes to original cost and reserve levels as reported by  
14 Gannett Fleming in its 2005 depreciation study for powerhouse investment  
15 compared to the values set forth for Account P10 – Powerhouse in Gannett  
16 Fleming’s 2009 depreciation study. Further, provide a specific narrative along  
17 with all support, justification and documentation corresponding to the reduction in  
18 the reserve level from approximately \$18 million as reflected in the 2005 Gannett  
19 Fleming depreciation study for powerhouses (including Accounts 547, 549 and  
20 551) compared to \$13 million being reported in the 2009 depreciation study. The  
21 response should also identify the applicable depreciation rate applied to the  
22 specific gross plant balances by month during the period subsequent to the  
23 depreciation test year values presented in the 2005 Gannett Fleming study. The  
24 information should be provided on electronic medium in Excel readable format.

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26 CA-NLH-235 Revised [Reserve] – Please provide a detailed continuity schedule identifying all  
27 changes to original cost and reserve levels as reported by Gannett Fleming in its  
28 2005 depreciation study for the accounts listed below compared to the values set  
29 forth for the same investment in Gannett Fleming’s 2009 depreciation study. The  
30 response should also identify the applicable depreciation rate applied to the  
31 specific gross plant balances by month during the period subsequent to the  
32 depreciation test year values presented in the 2005 Gannett Fleming study. The  
33 information should be provided on electronic medium in Excel readable format.  
34 Further, provide a specific narrative along with all support, justification and

1 documentation corresponding to the change in the reserve level values reflected  
2 in the 2005 Gannett Fleming depreciation study compared to the values being  
3 reported in the 2009 depreciation study:  
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- 5 a. Account C13 – Conductors,
- 6 b. Account C18 – Cranes,
- 7 c. Account G02 – Gates,
- 8 d. Account I03 – Insulators,
- 9 e. Account I04 – Intake Structures,
- 10 f. Account R12 – Right-of-Ways,
- 11 g. Account R13 – Roads,
- 12 h. Account R15 – Runners,
- 13 i. Account T09 – Turbines, and
- 14 j. Account W01 – Water Regulating Structures.

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18 Dated at St. John's in the Province of Newfoundland and Labrador, this 11<sup>th</sup> day of June, 2012.



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