

**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.

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**Requests for Information by  
Newfoundland Power Inc.**

**NP-NLH-1 to NP-NLH-5**

**March 8, 2012**

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## Requests for Information

### Depreciation Study Results

**Exhibit 1 Schedule 1, pg. III-4&5 provides details of the book depreciation reserve as at December 31, 2009. The total book depreciation reserve amount is \$529,577,511. To assess the adequacy of Newfoundland and Labrador Hydro's ("Hydro") book accumulated depreciation reserve amount, Gannett Fleming Inc., as part of the depreciation study submitted with the Application (the "Depreciation Study"), calculated the accrued depreciation amount for each asset category as at December 31, 2009.**

**NP-NLH-1** Please provide the total of the calculated accrued depreciation amounts from the information provided in Exhibit 1, Part V, column 3 and provide the difference between that total and the total book accumulated depreciation reserve amount of \$529,577,511. Please confirm that this difference corresponds to the Accumulated Depreciation Variance referred to in Hydro's depreciation study submitted to the Board on December 22, 2005, which showed a total Accumulated Depreciation Variance of \$174,236,975.79.

**NP-NLH-2** Please confirm that the difference between the book accumulated depreciation reserve and the calculated accrued depreciation reserve provided in response to NP-NLH-1 is proposed to be recovered over the remaining life of the assets through the proposed depreciation rates.

### Depreciation Methodology

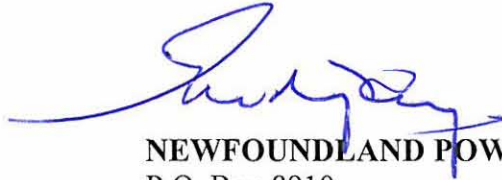
**In the Depreciation Methodology Evidence, Appendix A, page A-1, it is stated that the Holyrood thermal generation assets not required after the Labrador interconnection are not included in the study. It is further stated that those assets have service lives ending in 2020.**

**NP-NLH-3** Please describe how dismantling costs and salvage associated with retirements is accounted for within the Depreciation Study.

**NP-NLH-4** Please describe how dismantling costs and salvage associated with the retirement of the Holyrood thermal generation assets will be accounted for.

**NP-NLH-5** Hydro has identified in excess of \$90 million in capital expenditures for the Holyrood thermal plant over the period 2012 to 2016 (Hydro's 2012 Capital Budget Application, Capital Plan, pages A-6 and A-7). With the limited life of the Holyrood thermal plant under the Labrador infeed scenario, over what period of time will the generation asset component of the identified capital expenditures be depreciated?

**RESPECTFULLY SUBMITTED** at St. John's, Newfoundland and Labrador, this 8<sup>th</sup> day of March, 2012.



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