Q. 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.

A. a) Gannett Fleming reviewed four sources of information as follows:

- The historic retirement information through the use of a retirement rate analysis that reviewed the historic retirement transactions from 1995 through 2009. The retirement rate analysis is attached in Section IV to the Gannett Fleming Study, and the input data is included in Attachment 1 to CA-NLH-1.
- A peer review of comparable Canadian Electric Utilities was considered. The peer review is attached as Schedule 2 to the Gannett Fleming report;
- Discussions were held with a variety of Hydro operations, engineering and management staff. Notes summarizing the interviews are attached to the response to CA-NLH-12.

- Provisions and requirements relating to the International Financial Reporting Standards (in particular IAS #16 and 37) were specifically considered in the development of the account structure and recommendations regarding recording of gains and losses and net salvage provisions.

In addition to the above, Gannett Fleming has an extensive knowledge of Canadian electric systems as gained through the completion of many depreciation studies as outlined in the attachment to CA-NLH-02.

b) Please refer to CA-NLH-12 Attachment 1 and CA-NLH-19 Attachments 5 and 6 which contain the discussion notes.

c) The Gannett Fleming depreciation study was completed by Mr. Larry Kennedy of the firm's Calgary Alberta office. Mr. Kennedy is a Certified Depreciation Professional as awarded by the Society of Depreciation Professionals and has over 30 years of utility depreciation experience.

In addition to Mr. Kennedy, a number of Hydro operating and management staff had a direct involvement in the development of the Hydro company policy. Additionally, a number of Hydro staff were interviewed relating to the specific topics covered in the notes as attached to CA-NLH-12.

d) The interviews were held in person at the offices of Hydro. Please refer to CA-NLH-10 Attachment 1 for a copy of the agendas that were provided by Gannett Fleming to Hydro in advance of the in-person interviews.

e) Please refer to part (a) of this response.

f) Please refer to the response to CA-NLH-19.

NEWFOUNDLAND AND LABRADOR HYDRO

DEPRECIATION STUDY KICK OFF MEETINGS

APRIL 14 – 15, 2010

TENTATIVE AGENDA

WEDNESDAY APRIL 14

- Discussion of Depreciation Study logistics (1 hour)
  - Discuss goals/agenda for these two days of meetings
  - Scheduling of specific deliverable dates
  - Timing of submissions to Regulators
  - Segregation of costs related to the Churchill Falls study
  - Other project related discussion

- Discuss Depreciation policy as it relates to the study (3 hours)
  - Discontinuation of the Sinking Fund method
  - Average Service Life versus Equal Life Group
  - Conversance of depreciation study to IFRS
  - Approaches to phasing in impacts of depreciation rate increases
  - Use of a Life Span approach for generation plant
  - Accounting for Costs of removal/retirement

- Churchill Falls (2 hours)
  - Review of amount of regulatory oversight on the plant
  - End use/purpose of the deprecation study
  - Discuss the similarities and differences in operating conditions as compared to other NL Hydro generation plant
  - Economic life consideration of the Churchill Falls generation plant

- Review of Accounting Data (1 hour)
  - Discuss changes in data availability since last study
  - Discuss the merits of a complete new data load or adding to previous depreciation study data sets
  - Compare Gannett Fleming requirements to availability of data
  - Logistics of getting data to Gannett Fleming

THURSDAY APRIL 15
(NOTE: Meetings will need to be completed by 3:30 in order to allow time for a 5:30 flight)

- Discussion of upcoming projects with Engineering/Budgeting (1 hour)
  - Discuss and potential new capital projects

  - General indication of health of existing facilities from an engineering perspective
  - Discuss any potential large asset replacement/upgrade programs
  - Discuss potential economic life constraints on generation or substation plant

- Metering (1 hour)
  - Any plans/programs related to AMR/ AMI programs
    - Type of technology being implemented
    - Timing of program
    - Disposition of old analog meters
  - Recent changes to measurement Canada testing standards and its potential influence on analog metering
  - Review the accounting associated with meters in the meter shop and inventory

- Operations (Generation) (1.5 hours)
  - Review of the general health of the generation plants
  - Upcoming needs to capital replacement or overhauls
  - Review of any specific economic life span issues on the Hydro plants
  - Review of operational and maintenance (capital related) of generation plant
  - Discussion of general condition and future plans for the Holyrood Thermal Plant
    - Discuss any economic life or Life Span issues

- Operations (Transmission Plant) (1 hour)
  - General health and condition of the Transmission substations
  - Any capital maintenance programs on the transformers or other station plant
  - General life expectations of the transmission transformers and other station plant
  - General life expectations of poles, towers and conductors
    - Discuss unique operating environment on the life of transmission assets

- Operations (Distribution Plant) (1 hour)
  - General health and condition of the Distribution systems
  - Discuss the amount of underground conductor and any issues surrounding the underground plant
  - Causes of retirement on the distribution system
  - General life expectations of poles, towers and conductors
    - Discuss unique operating environment on the life of distribution assets

- Wrap up (1 hour)
  - Discussion of issues that may have surfaced during these meetings
  - Discussion of the timing of next Gannett Fleming trip
    - Should include a site tour of the Churchill Falls plant
    - May include site tours of NL Hydro facilities
    - Will include completion of operational interviews and second interviews (if required)