

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

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9 A. A gain or loss associated with any sale of utility property is not contained in the
10 accumulated provision for depreciation. Refer to CA-NLH-43 Attachment 1 for the
11 amount by year, by account, associated with the plant retired since the last fully
12 litigated rate case which was 2006. Hydro records a gain or loss on the disposal of
13 the asset, calculated as the difference between the net disposal proceeds and the
14 carrying amount of the asset at the time of the disposal. This treatment is
15 consistent with IAS 16 – Property, Plant and Equipment, Paragraph 71 which states:

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17 *“The gain or loss arising from the derecognition of an item of*
18 *property, plant and equipment shall be determined as the*
19 *difference between the net disposal proceeds, if any, and the*
20 *carrying amount of the item.”*

Depreciation Methodology

**Total (Gains)/Losses by Unit of Property and by Year
as per Disposal Schedules from 2006 to 2009**

UOP	Description	2006 \$	2007 \$	2008 \$	2009 \$
A04	Auxiliary Power Systems				33,254
B01	Battery & Power Systems	65,785	62,088	43,014	76,857
B02	Boiler System	239,234			
B03	Booms - Timber				
B04	Bridges		2,489		
B05	Buildings - Other	23,125	279		61,403
B06	Buildings - Metal			28,259	
B08	Buswork & Hardware				49,699
C01	Cables - Telecontrol				
C02	Cable - Submarine				
C03	Cables - Under Ground				
C04	Cables - Above Ground			2,681	2,406
C06	Capacitors				
C08	Chlorination System				
C09	Circuit Breakers		45,367		39,998
C10	Compressed Air Systems	12,824	(150)	44,799	20,368
C11	Computers	778,403	7,226	47,918	18,807
C13	Conductor - Transmission				462
C14	Conductor - Distribution	5,660	1,816	4,061	3,153
C15	Control, Meter / Relaying		12,480		
C16	Cooling Systems	72,139	41,954		
C17	Counterpoise				
C18	Cranes			52,067	
D01	Dams & Dykes				
D02	Diesel Systems & Engines	307,041	66,141	448,061	256,352
D03	Disconnect Switches	1,047			56,547
D04	Dykes and Liners	18,265			
E02	EMS Equipment		5,064	4,460	
E03	Environmental Equipment				
F02	Fencing				4,752
F03	Fire Fighting Equipment			11,804	8,333
F04	Footings & Foundations	3,788			14,382
F06	Fuel Systems	87,540	22,815	22,152	
G01	Gas Turbine Systems				
G02	Gates				8,583
G03	Generators				
G06	Governors	236,312			236,950
G07	Ground Wire System				4,916
H01	Hardwired Suprvsry Equip	958			
I01	Information Delivery Sys - Ecc				
I02	Instrumentation			1,054,492	
I03	Insulators		268,081	46,300	358,580
I05	Inverters				
L02	Land Acquisitions			2,900	
L03	Land Improvements				495
L04	Lighting Systems				276
L05	Lightning Arrestors		1,665		13,300
L06	Line Coupling Equipment				

Total (Gains)/Losses by Unit of Property and by Year
as per Disposal Schedules from 2006 to 2009

UOP	Description	2006 \$	2007 \$	2008 \$	2009 \$
M01	Main Breakers				
M02	Marine Terminal				
M05	Metering Tanks			3,853	
M06	Meters - Digital			(3,621)	
M07	Meters - Analogue		(1,732)	(18,597)	
M08	Meters - Other				
M09	Microwave Dish				
M10	Misc Units of Prop	128,565	(274,487)	(77,540)	52,377
M11	Mobile - A.T.V.'s & Snowmobiles	(37,969)	(51,499)	(2,341)	(76,150)
M12	Mobile - Air Compressor, Attachment & Boat	(1,830)		(2,200)	40,254
M13	Mobile - Argo's				
M14	Mobile - Flex/Fork/Load/Grade/Musk/Trailer	(93,000)	(23,163)	(43,085)	(185,863)
M16	Multiplex Equipment				142,172
O01	Office Equipment	43,162	1,899	1,541	2,224
O02	Office Furniture				6,964
P04	Pole Cribbs & Pole Hardware	(34,882)	62,470	76,606	29,962
P05	Pole Structures - Wood	127,919	239,858	216,198	364,283
P06	Poles - Concrete		7,199		
P07	Poles - Wood	34,494	92,979	75,529	34,877
P08	Power Line Carrier				
P09	Power Systems			386	
P10	Powerhouse				
P11	Printers	1,476	170	293	5,688
P12	Protective Control & Relay Panels				
R01	Radio Towers (Wood or Steel)				
R02	Radios - Fixed Microwave Equipment				4,863
R03	Radios - Fixed UHF Equipment				87,588
R04	Radios - Fixed VHF Equipment		570		
R05	Radios - Mobile VHF Base Station		12,415	31,775	5,397
R08	Reclosers				
R09	Regulators	9,869	12,377		122,565
R10	Reservoir Power				
R11	Revenue Metering				57,621
R12	Right - of - Ways				
R14	Routers & Lan	30,670		2,731	
R15	Runner	813			
S01	Scada Equipment				
S02	Sectionalizers				
S03	Servers	661		5,800	59,348
S04	Sewage Disposal System				
S05	Software			53,911	
S07	Stacks		9,058		
S08	Static Excitation System				
S10	Station Service				
S11	Stop Logs				
S13	Storm & Yard Drainage				
S14	Street Lights	5,351	89,089	46,816	55,412
S15	Structural Supports (Wood or Steel)				

Depreciation Methodology

**Total (Gains)/Losses by Unit of Property and by Year
as per Disposal Schedules from 2006 to 2009**

UOP	Description	2006 \$	2007 \$	2008 \$	2009 \$
S16	Studies	1,014,591		30,831	
S17	Sump Systems				
S18	Surge Systems				
S19	Station Switching		39,471	11,759	5,856
T01	Telecontrol System		457	2,732	40,621
T02	Test Equipment			11,001	
T03	Tools & Equipment	2,119	5,053	613	3,912
T04	Towers				
T05	Transformers - Other		37,333		612
T06	Transformers - Pad Mount	30,955	62,818	13,356	55,377
T07	Transformers - Pole Mounted	552,971	52,238	99,342	(1,082)
T09	Turbines				
V02	Valves - Penstock	35,769		380,182	
V03	Vehicles - 1 ton				
V04	Vehicles - 3/4 ton and Under	(81,947)	(98,374)	(20,194)	(48,559)
V05	Vehicles - Booms/Bodies/Cranes/Cab & Chassis	(48,500)	(1,150)	(92,650)	(78,000)
V06	Vehicles - Cars, Wagons & Vans	(35,950)	(25,529)	(13,650)	(48,976)
W01	Water Regulating Structures				
W02	Water Supply System	1,772			
W03	Water Systems - Feed				
W04	Water Treatment				
Grand Total		3,539,197	786,834	2,604,346	2,009,216