

1 Q. Revised [Account P03 - Penstock] - Please provide a continuity schedule by month
2 for Account P03 - Penstock between the plant value and reserve value set forth in
3 the 2005 Gannett Fleming study to the values set forth in the 2009 Gannett Fleming
4 study. The information should be provided on electronic medium in Excel readable
5 format. Further, fully explain and justify the current reserve value in relation to the
6 level reflected in the 2005 Gannett Fleming study. The response should also identify
7 the applicable depreciation rate applied to the specific gross plant balances by
8 month during the period subsequent to the depreciation test year values presented
9 in the 2005 Gannett Fleming study. The information should be provided on
10 electronic medium in Excel readable format.

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13 A. Please see CA-NLH-161 Attachment 1 for a continuity schedule pertaining to
14 Account P03 – Penstock. Hydro has provided the monthly reserve values for 2005
15 to 2009 in CA-NLH-161 Attachment 2. CA-NLH-161 Attachment 3 lists the
16 applicable depreciation rate by asset number. Since the 2005 Depreciation Study
17 was not implemented, the rate has not changed so it would be the same for each
18 month.

Detailed Continuity Schedule for P03 - Penstock

Year	Asset Added	Asset Removed	Asset Description	Transaction Date	Service Life in Months	Net Depreciable Cost (\$)	Accumulated Depreciation (\$)	Comments ¹
2004						54,067,597	(5,470,901)	Account Balance
2005							(503,503)	Depreciation Expense
2005	60910		HLK - PENSTOCK	5/1/2005	600	11,030,668		Asset Transfer
2005	61488		USL - PENSTOCK	5/1/2005	600	12,972,403		Asset Transfer
2005	62835		PENSTOCK NO. 1 - BDE	5/1/2005	600	2,315,000		Asset Transfer
2005	62844		PENSTOCK NO. 2 - BDE	5/1/2005	600	2,315,000		Asset Transfer
2005	62854		PENSTOCK NO. 3 - BDE	5/1/2005	600	4,171,000		Asset Transfer
2005	62907		PENSTOCK NO. 4 - BDE	5/1/2005	600	9,426,173		Asset Transfer
2005	93180		BUILDING/GROUNDS/PROPERTY PENS	5/1/2005	600	0		Asset Transfer/Fully Contributed
2005		99004003	PENSTOCK - UPPER SALMON	5/1/2005		(12,972,403)		Asset Transfer
2005		99004299	PENSTOCK - HINDS LAKE DEV	5/1/2005		(11,030,668)		Asset Transfer
2005		99005618	PENSTOCK A - BAY D'ESPOIR - ST	5/1/2005		(2,315,000)		Asset Transfer
2005		99005619	PENSTOCK B - BAY D'ESPOIR - ST	5/1/2005		(2,315,000)		Asset Transfer
2005		99005620	PENSTOCK C - BAY D'ESPOIR - ST	5/1/2005		(4,171,000)		Asset Transfer
2005		99005621	PENSTOCK D - BAY D'ESPOIR - ST	5/1/2005		(9,426,173)		Asset Transfer
2005						54,067,597	(5,974,403)	
2006							(549,546)	Depreciation Expense
2006	304240		SNOOK'S ARM STEEL PENSTOCK	12/20/2006	600	2,018,889	(3,365)	Asset Addition
2006						56,086,485	(6,527,315)	
2007							(642,592)	Depreciation Expense
2007	304240		SNOOK'S ARM STEEL PENSTOCK	12/31/2007	600	128,580		Additional Cost Added
2007						56,215,065	(7,169,906)	
2008							(697,547)	Depreciation Expense
2008						56,215,065	(7,867,453)	
2009							(758,080)	Depreciation Expense
2009						56,215,065	(8,625,533)	

¹ Please note that previous to 2005, Hydro maintained two sets of plant records, one used by Operations and the other containing financial information. In 2005, there was a review of the fixed asset records resulting in the transfer of the financial information which resulted in Hydro having one set of records. These items are shown as "Asset Transfer". There was also a requirement for a further breakdown of assets which resulted in "Asset Split".

Monthly Depreciation for P03 - Penstock

Asset Number	Description	January 2005	February 2005	March 2005	April 2005	May 2005	June 2005	July 2005	August 2005	September 2005	October 2005	November 2005	December 2005	Total Depreciation Expense
60910	HLK - Penstock	0	0	0	0	632,419	6,223	6,280	6,337	6,396	6,454	6,513	6,573	677,195
61488	USL - Penstock	0	0	0	0	398,103	4,410	4,456	4,503	4,549	4,597	4,644	4,693	429,955
62835	Penstock No. 1 – BDE	0	0	0	0	1,178,939	5,956	5,982	6,008	6,034	6,061	6,087	6,114	1,221,179
62844	Penstock No. 2 – BDE	0	0	0	0	1,178,939	5,956	5,982	6,008	6,034	6,061	6,087	6,114	1,221,179
62854	Penstock No. 3 – BDE	0	0	0	0	1,249,573	8,857	8,916	8,976	9,036	9,096	9,157	9,218	1,312,829
62907	Penstock No. 4 – BDE	0	0	0	0	936,079	8,345	8,415	8,485	8,556	8,627	8,699	8,771	995,977
93180	Building/Grounds/Property Pens	0	0	0	0	0	0	0	0	0	0	0	0	0
99003773	Penstock In Power Tunnel At Pa	127	128	129	130	131	132	133	135	136	137	138	139	1,595
99003890	Penstock (Steel)	758	767	776	785	794	804	813	823	832	842	852	862	9,710
99004003	Penstock - Upper Salmon	4,188	4,232	4,276	4,320	(393,744)	0	0	0	0	0	0	0	(376,728)
99004299	Penstock - Hinds Lake Dev	5,945	6,000	6,055	6,110	(626,272)	0	0	0	0	0	0	0	(602,161)
99005618	Penstock A - Bay D'Espoir	5,826	5,852	5,877	5,903	(1,173,187)	0	0	0	0	0	0	0	(1,149,729)
99005619	Penstock B - Bay D'Espoir	5,826	5,852	5,877	5,903	(1,173,187)	0	0	0	0	0	0	0	(1,149,729)
99005620	Penstock C - Bay D'Espoir	8,568	8,625	8,682	8,740	(1,240,865)	0	0	0	0	0	0	0	(1,206,251)
99005621	Penstock D - Bay D'Espoir	8,006	8,073	8,140	8,208	(927,846)	0	0	0	0	0	0	0	(895,420)
99041928	Penstock	1,119	1,126	1,133	1,140	1,147	1,155	1,162	1,169	1,176	1,184	1,191	1,199	13,901
		40,364	40,653	40,946	41,240	41,024	41,838	42,139	42,443	42,749	43,058	43,368	43,682	503,503

Asset Number	Description	January 2006	February 2006	March 2006	April 2006	May 2006	June 2006	July 2006	August 2006	September 2006	October 2006	November 2006	December 2006	Total Depreciation Expense
60910	HLK - Penstock	6,633	6,694	6,755	6,817	6,880	6,943	7,007	7,071	7,136	7,201	7,267	7,334	83,738
61488	USL - Penstock	4,741	4,791	4,840	4,891	4,942	4,993	5,045	5,097	5,150	5,204	5,258	5,312	60,264
62835	Penstock No. 1 – BDE	6,140	6,167	6,194	6,221	6,249	6,276	6,303	6,331	6,359	6,386	6,414	6,443	75,484
62844	Penstock No. 2 – BDE	6,140	6,167	6,194	6,221	6,249	6,276	6,303	6,331	6,359	6,386	6,414	6,443	75,484
62854	Penstock No. 3 – BDE	9,279	9,341	9,403	9,466	9,529	9,593	9,656	9,721	9,786	9,851	9,917	9,983	115,524
62907	Penstock No. 4 – BDE	8,844	8,918	8,992	9,067	9,143	9,219	9,296	9,373	9,451	9,530	9,610	9,690	111,134
93180	Building/Grounds/Property Pens	0	0	0	0	0	0	0	0	0	0	0	0	0
304240	Snook's Arm Steel Penstock	0	0	0	0	0	0	0	0	0	0	0	3,365	3,365
99003773	Penstock In Power Tunnel At Pa	140	141	142	143	145	146	147	148	149	150	152	153	1,756
99003890	Penstock (Steel)	872	883	893	903	914	925	936	947	958	969	980	992	11,171
99041928	Penstock	1,206	1,214	1,222	1,229	1,237	1,245	1,253	1,261	1,269	1,277	1,285	1,293	14,991
		43,998	44,316	44,637	44,960	45,286	45,615	45,946	46,280	46,616	46,955	47,297	51,006	552,911

Asset Number	Description	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	Total Depreciation Expense
60910	HLK - Penstock	7,401	7,469	7,537	7,606	7,676	7,741	7,817	7,889	7,961	8,034	8,108	8,182	93,422
61488	USL - Penstock	5,368	5,423	5,480	5,537	5,594	5,650	5,711	5,770	5,830	5,891	5,952	6,014	68,221
62835	Penstock No. 1 – BDE	6,471	6,499	6,527	6,556	6,585	6,569	6,643	6,672	6,701	6,730	6,760	6,789	79,502
62844	Penstock No. 2 – BDE	6,471	6,499	6,527	6,556	6,585	6,569	6,643	6,672	6,701	6,730	6,760	6,789	79,502
62854	Penstock No. 3 – BDE	10,049	10,116	10,184	10,252	10,320	10,349	10,458	10,528	10,598	10,669	10,740	10,811	125,073
62907	Penstock No. 4 – BDE	9,770	9,852	9,934	10,017	10,100	10,172	10,269	10,355	10,441	10,528	10,616	10,704	122,759
93180	Building/Grounds/Property Pens	0	0	0	0	0	0	0	0	0	0	0	0	0
304240	Snook's Arm Steel Penstock	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	6,151	43,164
99003773	Penstock In Power Tunnel At Pa	154	155	157	158	159	160	162	163	164	166	167	168	1,932
99003890	Penstock (Steel)	1,004	1,015	1,027	1,039	1,052	1,064	1,076	1,089	1,102	1,115	1,128	1,141	12,852
99041928	Penstock	1,301	1,309	1,317	1,326	1,334	1,342	1,351	1,360	1,368	1,377	1,385	1,394	16,165
		51,353	51,703	52,056	52,411	52,769	52,980	53,495	53,862	54,232	54,605	54,980	58,145	642,592

Total

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Depreciation Methodology and Asset Service Lives

Asset Number	Description	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	Total Depreciation Expense
60910	HLK - Penstock	8,257	8,333	8,409	8,487	8,564	8,643	8,722	8,802	8,883	8,964	9,046	9,129	104,240
61488	USL - Penstock	6,077	6,140	6,204	6,268	6,333	6,399	6,465	6,533	6,601	6,669	6,738	6,808	77,234
62835	Penstock No. 1 – BDE	6,819	6,849	6,879	6,909	6,939	6,969	7,000	7,031	7,061	7,092	7,123	7,154	83,826
62844	Penstock No. 2 – BDE	6,819	6,849	6,879	6,909	6,939	6,969	7,000	7,031	7,061	7,092	7,123	7,154	83,826
62854	Penstock No. 3 – BDE	10,884	10,956	11,029	11,103	11,177	11,251	11,326	11,402	11,478	11,554	11,631	11,709	135,499
62907	Penstock No. 4 – BDE	10,794	10,884	10,974	11,066	11,158	11,251	11,345	11,439	11,535	11,631	11,728	11,825	135,628
93180	Building/Grounds/Property Pens	0	0	0	0	0	0	0	0	0	0	0	0	0
304240	Snook's Arm Steel Penstock	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	42,949
99003773	Penstock In Power Tunnel At Pa	170	171	172	174	175	176	178	179	181	182	184	185	2,126
99003890	Penstock (Steel)	1,155	1,168	1,182	1,196	1,210	1,224	1,238	1,253	1,268	1,283	1,298	1,313	14,786
99041928	Penstock	1,403	1,412	1,421	1,430	1,439	1,448	1,457	1,466	1,475	1,485	1,494	1,503	17,433
		55,955	56,340	56,728	57,119	57,513	57,910	58,310	58,714	59,121	59,531	59,944	60,361	697,547

Asset Number	Description	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	Total Depreciation Expense
60910	HLK - Penstock	9,213	9,297	9,383	9,469	9,555	9,643	9,731	9,821	9,911	10,001	10,093	10,186	116,302
61488	USL - Penstock	6,879	6,951	7,023	7,096	7,170	7,244	7,319	7,395	7,472	7,550	7,628	7,708	87,435
62835	Penstock No. 1 – BDE	7,186	7,217	7,249	7,280	7,312	7,344	7,376	7,409	7,441	7,474	7,506	7,539	88,334
62844	Penstock No. 2 – BDE	7,186	7,217	7,249	7,280	7,312	7,344	7,376	7,409	7,441	7,474	7,506	7,539	88,334
62854	Penstock No. 3 – BDE	11,787	11,865	11,945	12,024	12,104	12,185	12,266	12,348	12,430	12,513	12,597	12,681	146,745
62907	Penstock No. 4 – BDE	11,924	12,023	12,123	12,224	12,326	12,429	12,533	12,637	12,742	12,848	12,956	13,064	149,829
99003773	Penstock In Power Tunnel At Pa	187	188	190	191	193	194	196	197	199	200	202	204	2,340
93180	Building/Grounds/Property Pens	0	0	0	0	0	0	0	0	0	0	0	0	0
304240	Snook's Arm Steel Penstock	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	42,949
99003890	Penstock (Steel)	1,328	1,344	1,360	1,376	1,392	1,408	1,425	1,442	1,458	1,476	1,493	1,510	17,011
99041928	Penstock	1,513	1,523	1,532	1,542	1,552	1,561	1,571	1,581	1,591	1,601	1,611	1,621	18,799
		60,781	61,204	61,631	62,062	62,495	62,932	63,373	63,817	64,265	64,717	65,172	65,630	758,080

Depreciation Method, Rate and Life for P03 - Penstock

Asset Number	Description	Depreciation Start Date	Depreciation Method	Depreciation Percentage	Service Life in Months	Net Depreciable Cost (\$)	Accumulated Depreciation (\$)	2009 Depreciation Expense (\$)
60910	HLK - PENSTOCK	12/12/1980	Sinking Fund	11.000	600	11,030,668	(1,074,898)	116,302
61488	USL - PENSTOCK	1/21/1983	Sinking Fund	12.470	600	12,972,403	(723,109)	87,435
62835	PENSTOCK NO. 1 - BDE	1/1/1967	Sinking Fund	5.250	600	2,315,000	(1,548,325)	88,334
62844	PENSTOCK NO. 2 - BDE	1/1/1967	Sinking Fund	5.250	600	2,315,000	(1,548,325)	88,334
62854	PENSTOCK NO. 3 - BDE	1/1/1970	Sinking Fund	8.000	600	4,171,000	(1,835,670)	146,745
62907	PENSTOCK NO. 4 - BDE	1/1/1978	Sinking Fund	10.000	600	9,426,173	(1,515,327)	149,829
99003773	PENSTOCK IN POWER TUNNEL AT PA	3/9/1989	Sinking Fund	9.610	600	414,557	(22,143)	2,340
99003890	PENSTOCK (STEEL)	8/2/1985	Sinking Fund	14.100	600	4,690,571	(125,816)	17,011
99041928	PENSTOCK	7/1/2003	Sinking Fund	7.570	600	6,732,225	(99,492)	18,799
93180	BUILDING/GROUNDS/PROPERTY PENS	1/1/1982	Straight Line	0	600	0	0	0
304240	SNOOK'S ARM STEEL PENSTOCK	12/20/2006	Straight Line	0	600	<u>2,147,469</u>	<u>(132,427)</u>	<u>42,949</u>
						56,215,065	(8,625,533)	758,080