

1 Q. [Account D03 - Diesel Systems & Engines] - In CA-NLH-19, a statement is made that  
2 the peer group for Account D03 - Diesel Systems and Engines ranges from 18-30  
3 years with an average of 25 years. At this time, please identify the utilities and line  
4 items under the heading of other production on pages III-6 of the 2009 Gannett  
5 Fleming study referenced and relied upon for such statement. Further, provide all  
6 support, justification, and documentation in support of the position that the 18-  
7 year average service life is consistent with the life indication expected for Hydro's  
8 generating units, specifically addressing that the 18-year value corresponds to a  
9 heading of Prime Movers rather than Generators.

10

11

12 A It appears that the CA is asking a question related to Account D02 – Diesel Systems  
13 and Engines, rather than to the referenced Account D03- Disconnect Switches. The  
14 following utilities and groupings were used in the peer analysis related to Account  
15 D02:

16 • Prime Movers, Generators and Auxiliaries

17 ○ Northland Utilities – 25-R1.5

18 ○ Qulliq Energy – 25-R1.5

19 ○ Yukon Electrical – 27-R2.5

20 • Prime Movers

21 ○ Northwest Territories – 18-R2.5

22 • Generators

23 ○ Northwest Territories – 30-R3

24 ○ Qulliq Energy – 27-R2.5

25 Utilities across Canada do not follow a uniform system of accounts, making peer  
26 analysis difficult. During the peer analysis, Gannett Fleming attempted to ensure  
27 that as many related peer assets as possible were included in the analysis. In the

- 1 circumstance of the assets within this account, the engine is included in the
- 2 account; therefore the inclusion of the peer comparables to the prime movers is
- 3 appropriate.