

1 Q. [Account T09 - Turbines] - In CA-NLH-145, the Company states that peer group
2 average service life estimates range between 25 and 60 years for investment
3 equivalent to Account T09 - Turbines. Please identify the specific utilities and
4 average service lives and on which line item on page III-6 of the 2009 Gannett
5 Fleming study such information can be found. Further, specifically state whether
6 the peer groups segregate turbines as does Hydro and, if not, why the peer group
7 information represents a reasonable basis for the proposed average service life.

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10 A. In the preparation of the response, it was noted that the range of peer lives should
11 have been between 25 and 50 years, rather than “between 25 and 60” as originally
12 indicated. The range of lives between 25 and 50 years is based on the following as
13 indicated in Schedule 2 of the original Gannett Fleming Report:

14 • Other Production - Prime Movers, Generators and Auxiliaries

15 ○ Newfoundland Power Inc. – 50-L1

16 ○ Northland Utilities – 25-R1.5

17 ○ Qulliq Energy - 25-R1.5

18 ○ Yukon Electrical – 27-R2.5

19 • Other Production – Generators

20 ○ NorthWest Territories Power Corporation – 30-R3

21 ○ Qulliq Energy – 27-R2.5

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23 The above utilities do not segment the turbines to the same extent as Hydro,
24 however, in the view and experience of Mr. Kennedy, the combination of turbines
25 and generating units would have a longer life than the turbines alone. As such, use
26 of the above comparables would indicate a life lengthening impact.