Q. (a) Please refer to the response to CA-NLH-231 – Account W01, Water Regulating Structures. Explain the basis for Gannett Fleming's view that control structures, hoists, gates, and compensation structures experience a shorter life than Dams, Dykes or Intake Structures.

(b) Please refer to the response to CA-NLH-232 – Account W01, Water Regulating Structures. The request asked for support and justification for the previous study's 45-year life estimate. Hydro did not respond except to say that the assets in this account were studied as part of another account. Hydro's response, fully addressing the request for information, is requested.

(c) Please refer to the response to CA-NLH-234 - Account W01, Water Regulating Structures. The response indicates that the original investment placed in 1967 in this account should be expected to begin to retire in 2009. Considering it is now 2012, have retirements occurred? If so, how many in 2010 and 2011?

A. (a) The control structures, hoists, gates and compensation structures all include a significant amount of moving parts, which are subjected more wear and tear than the stationary dams, dykes and infrastructures. Additionally, much of the material used in the assets in this category are constructed of either wood or steel, both of which, when subjected to continuous exposure to water will experience decay through rot or corrosion. In contrast, most of the Dams, Dykes, and Intake Structures are constructed with earthen or concrete products, are not subjected to continuous movement and therefore will experience less of an impact of wear and tear. Lastly the concrete and earthen materials will not decay to the same extent as wood or steel. Giving consideration to these factors, Gannett Fleming believes that the assets in Account W0 - Water

Regulating Structures will have a shorter life expectation than will the assets in Account D01 – Dams, Dykes and Intake Structures.

(b) The response to CA-NLH-232 provided a reference to CA-NLH-8 Attachment 1 which was the depreciation study completed in 2007. The attachment included a complete narrative of the factors considered and also provided the retirement rate analysis that was completed. However, as noted in the response to CA-NLH-232 the assets related to the current Account W01 – Water Regulating Structures were studied as part of Account 805 in the 2007 Depreciation Study, with no analysis completed on these specific assets. In the 2007 study the following accounts were studied as one large group:

Account 805 - Water Regulating Structures
Account 807 - Water Supply System
Account 809 - Water Supply System – Other
Account 811 - Water Supply Systems - Pumps
Account 813 – Water Supply Systems – Wells
Account 815 – Water Treatment Systems
Account 819 – Water Treatment - Other

Subsequent to the 2007 depreciation study the composition of the accounts for depreciation study purposes was revised, resulting in the Water Regulating Structures being reviewed separately. As such, this is the first specific review of Water Regulating Structures.

(c) There have been no retirements to WO1 – Water Regulating Structures since 2009.