

1 Q. Per Appendix C Schedule 1.1 and Appendix D Schedule 1.1 of the Application, Hydro  
2 now proposes to include a “Retired Assets Pool” in the calculation of Rate Base.  
3 Please provide a detailed description of what is included in the Retired Assets Pool,  
4 how these values are calculated, and provide all input data and calculations to  
5 arrive at the indicated values.

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8 A. The Retired Asset Pool includes assets that are being retired by Hydro in the current  
9 year. The values are calculated using the net book value at the time of retirement  
10 that would otherwise be booked as a loss on disposal. Please refer to IC-NLH-005,  
11 Attachment 1 for a detailed description of retiring assets by unit of property for the  
12 years 2018 and 2019. The total Retired Asset Pool amount will reconcile with  
13 Schedule 1.1, Page 2 of 2 of the cost of service study summaries provided in  
14 Appendix C and D of the Application.

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16 Please refer to IC-NLH-005, Attachment 2, which provides the cost of service  
17 allocation approach used for the Retired Asset Pool.

<b>Retired Asset Pool</b>		<b>2018</b>	<b>2019</b>
<b>Unit of Property</b>	<b>Description</b>	<b>(\$)</b>	<b>(\$)</b>
B01	Battery & Power Systems - B01	23,996	114,136
B05	Buildings - Other - B05	10,686	16,284
B06	Buildings - Metal - B06	257,975	7,755
B08	Buswork & Hardware - B08		12,149
C03	Cables - Under Ground - C03		142
C04	Cables - Above Ground - C04		3,119
C09	Circuit Breakers - C09	877,096	67,501
C10	Compressed Air Systems - C10	359,439	
C15	Control, Meter / Relaying - C15	276,904	96,145
C16	Cooling Systems - C16	29,106	895
D01	Dams, Dykes, Canals & Tunnels - D01		5,645
D02	Diesel Systems & Engines - D02	204,429	187,781
D03	Disconnect Switches - D03	46,267	110,028
F01	FALL ARREST EQUIPMENT - F01	875	
F03	Fire Fighting Equipment - F03	12,382	
F06	Fuel Systems - F06		131
G01	Gas Turbine Systems - G01		33,819
G02	Gates - G02		18,097
G03	Generators - G03	2,392,781	8,856
G07	Ground Wire System - G07		1,572
I03	Insulators - I03	459,342	1
I04	Intake Structures - I04		27,887
M10	Misc Units of Prop - M10	1,097,748	2,807,607
P05	Pole Structures - Wood - P05		3,376
P12	Protective Control & Relay Panels - P12		17,561
R02	Radios - Fixed Microwave Equipment - R02		38,359
R08	Reclosers - R08		2,517
R09	Regulators - R09	97,701	
R15	Runner - R15	605,995	
S10	Station Service - S10		50,719
S18	Surge Systems - S18	2,175	
S19	Station Switching - S19	9,149	
T03	Tools & Equipment - T03	17,805	
T05	Transformers - Other - T05	726,221	492,660
T06	Transformers - Pad Mount - T06	18,892	
V05	Vehicles - BOOMS/BODIES/CRANES/CAB & CHASSIS - V05	59,023	
<b>Total</b>		<b>7,585,988</b>	<b>4,124,741</b>

Allocation of Retired Assets Pool

	Total	Island Interconnected	Island Isolated	Labrador Isolated	L'Anse au Loup	Labrador Interconnected
2018						
Average Net Book Value (\$)	2,054,005,042	1,844,981,477	14,918,521	74,540,490	15,707,477	103,857,077
Allocation percentage <sup>1</sup>		89.82%	0.73%	3.63%	0.76%	5.06%
Retired Asset Pool (\$) <sup>2</sup>	7,585,989	6,814,009	55,098	275,298	58,012	383,572
2019						
Average Net Book Value (\$)	2,162,232,839	1,921,725,720	17,649,807	89,303,558	15,414,005	118,139,749
Allocation percentage <sup>1</sup>		88.88%	0.82%	4.13%	0.71%	5.46%
Retired Asset Pool (\$) <sup>2</sup>	11,710,730	10,408,135	95,592	483,671	83,483	639,849

<sup>1</sup> Allocation percentages reflect that portion of Average Net Book Value by system before assets retirements.

<sup>2</sup> The Retired Asset Pool total was calculated using Net Book Value rather than Average Net Book Value. Using Average Net Book Value the balances would have been \$3.8 million in 2018 and \$9.6 million in 2019. Hydro will appropriately correct this calculation during the compliance filing.

Note: 2019 Retired Assets reflects cumulative amounts for 2018 and 2019.