

1 Q. **Depreciation**

2 Exhibit 11, page 10 of 628. The statement “Other jurisdictions in Canada and the  
3 United States have also concluded that ELG (sic) procedure is the most appropriate  
4 depreciation procedure” references footnote 4. Footnote 4 cites that “In Canada,  
5 this includes most Utilities in Alberta and Saskatchewan, in addition to Gaz Metro,  
6 and Yukon Electrical Company Limited.”

7 (a) With reference to the following document:

8 [http://www.saskratereview.ca/docs/saskpower2012/saskpower-round-one-  
interrogatories.pdf](http://www.saskratereview.ca/docs/saskpower2012/saskpower-round-one-<br/>9 interrogatories.pdf) please confirm that at page 66 of the referenced

10 document the following is noted “SaskPower’s policy is to calculate  
11 depreciation on a straight-line basis over the estimated average service life  
12 (ASL) of the asset. Gannett Fleming refers to this as the Average Group Life –  
13 Whole Life procedure. As per Gannett Fleming, this is a widely used method  
14 for calculation of depreciation rates and has been accepted as a reasonable  
15 method in a number of regulatory jurisdictions throughout North America.”

16 (b) Please confirm that the the document referenced in part (a) of this RFI  
17 indicates that SaskPower does not use the ELG procedure being proposed by  
18 NLH.

19 (c) Please confirm that the firm Gannett Fleming as referred to in part (a) of this  
20 RFI has since been purchased by Concentric Advisors (the authors of Exhibit  
21 11), and that Mr. Larry Kennedy performed the noted SaskPower  
22 depreciation study.

23 (d) If part (c) of this RFI is confirmed, please indicate which utilities in  
24 Saskatchewan were referred to in the above-cited Footnote 4 reference to  
25 “...most Utilities...” if this does not include SaskPower.

- 1 A. This response has been provided by Concentric Advisors:
- 2 (a) Confirmed – SaskPower follows a form of unit depreciation – much in the
- 3 same manner as was proposed by Hydro in the 2012 depreciation
- 4 proceeding.
- 5 (b) Confirmed.
- 6 (c) Confirmed.
- 7 (d) Both SaskEnergy Inc. and TransGas Limited use the ELG procedure in the
- 8 depreciation rate calculations in Province of Saskatchewan.