Q. Hydro cross-referenced the response to IC-NLH-012 to the response to NP-NLH-145. NP-NLH-145 does not appear to be fully responsive to this question. Particularly:

IC-NLH-012 requested a specific reference, by asset account, as to which other utilities were relied upon, and which asset account for those other utilities. The response to NP-NLH-145 does not include any data showing the NLH accounts, nor any form of table of concordance or other cross reference showing which NLH accounts are considered to relate to which accounts for the other utilities. The accounts for the other utilities are often named and/or classified differently, and/or do not appear to contain comparable assets. It is important to understand what data Hydro was relying upon to arrive at its proposed depreciation rates.

Please provide a full response to IC-NLH-012, providing whatever data was relied upon by Hydro or its consultant to arrive at its proposed depreciation rates.

A. This response has been provided by Concentric Advisors (Concentric).

Due to the lack of a Uniform System of Accounts across Canada, it is very difficult to specifically relate Hydro's unit of property (UOP) accounts to the comparators listed in the response to Hydro's response to NP-NLH-145, Attachment 2. Canadian electric utility companies use different account structures with differing levels of componentization. As such, the response to Hydro's response to NP-NLH-145, Attachment 2 was used as one input for Concentric's life recommendations. Concentric's usual practice for comparators is to list all the applicable accounts used by each comparator utility. If the listed comparator accounts are not used by Hydro

then that comparator account is not used as an input to Concentric's recommendations. Comparators are used as a reasonability check to what other comparator utilities similar accounts have been approved at. If Concentric's recommendation is within the range of comparators' approved life then Concentric's recommendation is viewed as within the comparator range. If Concentric's recommendation is outside of the comparator range, then Concentric will attempt to understand why the reason or reasons for deviation. Concentric's usual practice is to place more weight on historical data indications than on comparator indications. However, if historical indications are insufficient, then Concentric will place more emphasis on Company views and on Concentric's experience. Section II of the Depreciation Study details this selection process of historical results, Hydro's views, and comparator results that was used by Concentric in its recommendations.

Please refer to IC-NLH-158, Attachment 1, which details the Net Salvage comparators that was used as input for Concentric's recommendations.

NEWFOUNDLAND AND LABRADOR HYDRO
SUMMARY OF NET SALVAGE ESTIMATES OF PEER CANADIAN ELECTRIC UTILITIES

	Client:	**NEWFOUNDLAND POWER INC.**	**NOVA SCOTIA POWER INC.**	**NORTHWEST TERRITORIES POWER CORPORATION ***	
	Study date:	**2014**	**2009**	**2015**	
DESCRIPTION				Recommended	Phased In
WIND TURBINES					
WIND TURBINES			-50%	-15%	-10%
RESIDUAL HEATING SYSTEMS					
HYDRO PRODUCTION			-20% - 445%		
		Investment Weighted Average	-69%		
LAND AND LAND RIGHTS		0%			
STRUCTURES AND IMPROVEMENTS		-10%		-30%	-5%
RESERVOIRS, DAMS, AND WATERWAYS		-25%		-30%	-5%
WATER WHEELS, TURBINES, AND GENERATORS		-25%		-15%	-5%
ACESSORY ELECTRICAL EQUIPMENT		-25%		-20%	-5%
ROADS, RAILROADS AND BRIDGES		-25%		-5%	
CANALS, PENSTOCKS, SURGE TANKS AND TAILRACES		-25%			
OTHER POWER PLANT EQUIPMENT		-25%		-10%	-8%
OTHER PRODUCTION					
STRUCTURES AND IMPROVEMENTS				-35%	-8%
DIESEL		-20%			
GAS TURBINE		-3%			
ELECTRICAL PLANT					
DIESEL	-20% to -65%				
GAS TURBINE		-3%			
PRIME MOVERS, GENERATORS AND AUXILIARIES					
DIESEL	-20% to -65%			-5% to -25%	-5% to -8%
GAS TURBINE	0% to -3%				
FUEL HOLDERS					
DIESEL	-20% to -65%			-75%	-10%
GAS TURBINE		-3%			
ACCESSORY ELECTRICAL EQUIPMENT				-10%	-5%
OTHER PRODUCTION PLANT		-20%		0%	0%
TRANSMISSION PLANT					
LAND AND LAND RIGHTS		0%	0%	0%	0%
SUBSTATION STRUCTURES AND IMPROVEMENTS		-15%		0%	0%
BUILDINGS					
SITE DEVELOPMENT					
SUBSTATION EQUIPMENT		-15%	-5%	-20%	-5%
TRANSFORMERS AND REGULATORS					
RELAYING AND PROTECTION EQUIPMENT					
MISCELLANEOUS					
TELECONTROL SYSTEM					
TELECONTROL LINKS					
SUPERVISORY EQUIPMENT					
FIBER OPTIC CABLE					
SYSTEM COMMUNICATION					
SCADA					
ROADS AND TRAILS			0%		
POLES, TOWERS AND FIXTURES		-35%			
WOOD					
STEEL					
INSULATORS		-35%			
TOWERS AND FIXTURES			-35%	-25%	-5%
POLES AND FIXTURES			-40%	-25%	-5%
OVERHEAD CONDUCTOR		-35%	-10%	-25%	-5%
POLES					
TOWERS					
UNDERGROUND CONDUIT			0%	0%	0%
MANHOLES					
UNDERGROUND CONDUCTOR		-25%	0%	0%	0%

Client:	NEWFOUNDLAND POWER INC.	NOVA SCOTIA POWER INC.	NORTHWEST TERRITORIES POWER CORPORATION *	
Study date:	2014	2009	2015	
DESCRIPTION			Recommended	Phased In
DISTRIBUTION PLANT				
LAND AND LAND RIGHTS		0%		
SUBSTATION STRUCTURES AND IMPROVEMENTS		-5%	0%	0%
BUILDINGS				
SITE DEVELOPMENT				
STORAGE BATTERY EQUIPMENT			0%	0%
POLES, TOWERS AND FIXTURES		-40%	-25%	-5%
WOOD POLES	-35%			
OVERHEAD TRANSFORMERS				
INSULATORS				
CONCRETE AND STEEL	-35%			
STEEL TOWERS	-35%			
OVERHEAD CONDUCTOR		-15%	-25%	-5%
PRIMARY CONDUCTOR				
SECONDARY CONDUCTOR				
FAULT INDICATORS				
SWITCHES				
BARE COPPER	-25%			
WEATHER-PROOF COPPER	-25%			
BARE ALUMINUM	-35%			
WEATHER-PROOF ALUMINUM	-35%			
AERIAL CABLE	-25%			
DUPLEX, TRIPLEX, AND QUADRUPLEX	-35%			
UNDERGROUND CONDUIT		0%	0%	0%
TRANSOFRMER PADS				
PULL BOXES				
MANHOLES	-10%			
UNDERGROUND CONDUCTOR	-10%		0%	0%
PRIMARY CABLE				
SECONDARY CABLE				
SWITCHES	-10%			
SPECIAL INSULATED COPPER CABLE	-25%			
SUBTATION EQUIPMENT				
LINE TRANSFORMERS	-2%			
TRANSFORMERS - OVERHEAD				
TRANSFORMERS - PADMOUNT				
TRANSFORMERS - MINIPAD				
TRANSFORMERS - SUBSTATIONS				
SWITCHGEAR				
STRUCTURES				
PROTECTION				
SCADA		0%		
AMR				
AMR - SKID INFRASTRUCTURE				
VOLTAGE REGULATORS	-2%			
CAPACITOR BANKS	-2%			
RECLOSERS	-2%			
CAPACITORS AND REGULATORS				
STREET LIGHTING AND SIGNAL SYSTEMS	-10%	-30%	-20%	-5%
SENTINEL LIGHTS				
TELECONTROL LINKS				
SUPERVISORY EQUIPMENT				
STREET LIGHT POLES				
SERVICES		-75%	-10%	-5%
OVERHEAD				
UNDERGROUND				
METERS		0%	0%	0%
AMI				
AMR				
WATT-HOUR	-5%			
DEMAND	-5%			
INSTRUMENT TRANSFORMERS	-5%			
METERING TANKS	-5%			
INSTALLATIONS ON CUSTOMER PREMISES			0%	0%

Client:	NEWFOUNDLAND POWER INC.	NOVA SCOTIA POWER INC.	NORTHWEST TERRITORIES POWER CORPORATION *	
Study date:	2014	2009	2015	
DESCRIPTION			Recommended	Phased In
GENERAL PLANT				
STRUCTURES AND IMPROVEMENTS		-5%		
LEASEHOLD IMPROVEMENTS				
HOUSES				
FRAME AND IRON				
MASONRY				
GENERAL				
SCADA				
BUILDINGS				
LARGE	0%		15%	15%
SMALL	-10%		5%	5%
OFFICE FURNITURE AND EQUIPMENT	0%	0%	10%	10%
COMPUTERS				
FURNITURE				
EQUIPMENT				
COMPUTER HARDWARE		0%		
TRANSPORTATION EQUIPMENT		10%	10%	5%
OTHER	15%			
CARS				
LIGHT TRUCKS	15%			
MEDIUM TRUCKS	5%			
HEAVY TRUCKS	5%			
TRAILERS				
HEAVY EQUIPMENT				
SNOWMOBILES AND ATV'S				
STORES EQUIPMENT	0%	0%	0%	0%
TOOLS AND WORK EQUIPMENT	0%	0%	0%	0%
METER READERS				
LABORATORY EQUIPMENT	0%	0%	0%	0%
HEAVY WORK EQUIPMENT				
POWER OPERATED EQUIPMENT			15%	15%
COMMUNICATION STRUCTURES AND EQUIPMENT		0%	10%	10%
RADIOS	0%			
MOBILE	0%			
BASE STATIONS				
RADIO SITES - ROADS	0%			
RADIO SITES - BUILDINGS	-5%			
COMMUNICATION CABLES	-5%			
SCADA	-1%	0%		
TELEPHONE	0%			
POWER LINE CARRIER				
TEST EQUIPMENT	0%			
COMPUTER SYSTEMS				
SOFTWARE	0%	0%	0%	0%
HARDWARE	0%		0%	0%
ENTERPRISE SOFTWARE				
INFORMATION SYSTEMS				
SAP				
MAJOR APPLICATIONS				
LOAD SETLLEMENT SOFTWARE				
MISCELLANEOUS EQUIPMENT	0%	0%	0%	0%
ENVIRONMENT				
ENGINEERING	0%			
OTHER TANGIBLE PLANT				

* Concentric Advisors Recommendations; however, a phased in Net Salvage has been utilized