

1 Q. With the reference to the March 22, 2018 filing Revised Deferral Account Scenario
2 Appendix B and C, Schedule 1.1, Page 2 of 2 of 2018 COS and 2019 COS, please
3 explain why average net book value numbers changed compared to the numbers
4 provided in Revision 4 of the GRA filing.

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7 A. The Average Net Book Value shown in Appendices B and C of Schedule 1.1, page 2
8 of 2, is reduced by approximately \$1.1 million from that filed in Revision 4 of the
9 GRA filing. During Hydro’s review of its assets for the Industrial Customer
10 Specifically Assigned Asset Review,¹ it was identified that the following costs should
11 be deducted from rate base.

- 12 • Transformers and bushings at the Come by Chance Terminal Station –
13 approximately \$200,000;
- 14 • Breakers and disconnects at the Western Avalon Terminal Station –
15 approximately \$300,000; and,
- 16 • Transformer and bushings at the Corner Brook Terminal Station – approximately
17 \$600,000.

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19 The impact of the Functionalization Asset Review is reflected in both the Deferral
20 Account and Expected Supply Scenarios.

¹ Filed with the Board December 21, 2017.