

Q. **Reference: Response to CA-NLH-090, parts a and b**

Further to CA-NLH-090, part a (Table 1) and part b (Table 2), please show separately where the \$7.3 million reduction from the depreciation study changes is included in the components of the \$31.9 million net increase in depreciation and accretion between the 2019 and 2027 Test Years. Reconcile the revised breakdown to the \$31.9 million total without double counting.

A. Please refer to Table 1 for a breakdown of the \$7.3 million reduction from the depreciation study changes. The \$1.0 million reduction related to software was previously included in 'Impact of Software Asset Transfers and Additions' and the \$6.3 million reduction related to all other assets was previously included in the 'Asset Base Growth and Disposals.'

Table 1: Depreciation Breakdown 2019TY versus 2027TY (\$ Millions)¹

	2019TY	2027TY	Variance
Total Test Year Depreciation	85.8	117.7	(31.9)
<u>Breakdown of Balance</u>			
Holyrood Accelerated Depreciation Additions Impact	16.9	29.2	(12.3)
Regulatory Adjustments			
GEC, ² Muskrat Falls/LTA ³ Sustaining Capital, Cloud Costs, AFUDC ⁴	(0.6)	1.3	(1.8)
Removal Depreciation	5.1	6.3	(1.1)
Impact of Software Asset Transfers and Additions	2.0	7.4	(5.4)
Software Depreciation Study Change	0.0	(1.0)	1.0
Asset Depreciation Study Changes	0.0	(6.3)	6.3
Accretion of Asset Retirement Obligation	0.4	1.1	(0.7)
Asset Base Growth and Disposals	61.9	79.8	(17.9)
Total	85.8	117.7	(31.9)

¹ Numbers may not add due to rounding.

² General Expenses Capitalized ("GEC").

³ Labrador Transmission Assets ("LTA").

⁴ Allowance for Funds Used During Construction ("AFUDC").