Q. **Reference: Vol. I, Ch. 5, secs. 5.4–5.5, Tables 5-9 to 5-11, pp. 5.13–5.15 (PDF pp. 156–158); Vol. II, Exhibit 7 (2023 Depreciation Study); Vol. I, Schedule F 2.5E (Labrador Interconnected, Functional Classification of Depreciation Expense) (PDF p. 294).**

Preamble:

Return and depreciation are components of the revenue requirement allocated to Labrador Industrial customers.

Provide the depreciation rates applied to Labrador transmission assets, any change since the last approved rates, and the effect of any change on the Labrador Industrial transmission demand rate.

A. Table 1 compares the principal Labrador transmission asset depreciation rates from the prior Depreciation Study (2015) to the current 2024 Technical Update.

Table 1: Labrador Transmission Assets Depreciation Rates – 2015 vs. 2024

Asset Class	Old Rate (%)	New Rate (%)	Change
Circuit Breakers	1.92	1.91	(0.01)
Conductor - Transmission	1.81	1.75	(0.06)
Control, Metering, Relaying	2.50	2.86	0.36
Footings and Foundations	1.54	1.54	--
Pole Structures - Wood	3.15	1.93	(1.22)
Towers	1.91	1.54	(0.37)
Transformers	2.32	2.10	(0.22)

The estimated average impact of the new depreciation rates is a reduction in depreciation of approximately $0.06 million allocated to Labrador Industrial Customers.