

1 Q. [Account S05 - Software] - Please provide the life expectancy for software
2 investment set forth in Gannett Fleming depreciation studies during the past 5
3 years other than those noted on pages III-6 through III-8 of the 2009 Gannett
4 Fleming depreciation study. To the extent Gannett Fleming proposed life
5 expectancies for software systems greater than 7 years in other depreciation
6 studies, provide all support and justification demonstrating that those longer lives
7 are not applicable to same or similar type software systems of Hydro. Further,
8 provide all support and documentation for any position that Hydro's software
9 systems cannot obtain 10 years of service.

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12 A. Please refer to CA-NLH-156 Attachments 1 and 2. Attachment 1 is a summary of
13 average service life parameters for U.S. based electric utilities where depreciation
14 studies were conducted by Gannett Fleming sorted by FERC account. Attachment
15 2 provides the same information for Canadian based electric utilities. For Canadian
16 based utilities, the account structure as used by the utility is listed. In providing
17 these attachments, Gannett Fleming is identifying the companies for which the
18 statistics were developed. However, as not all of the studies are in the public
19 domain, Gannett Fleming cannot identify the specific companies for which the
20 specific statistics apply. As such, the companies for which the studies have been
21 performed are listed separately from the actual identification of service life
22 estimates. Other than for the utilities as listed in Schedule 2 of the Gannett
23 Fleming report, Mr. Kennedy did not have any additional information regarding the
24 utilities at the time the Hydro study was completed. Furthermore, Mr. Kennedy
25 does not have any additional information regarding the utilities listed in CA-NLH-
26 156 Attachment 1. The depreciation studies completed on behalf of the U.S. based

1 utilities were completed in the firm's three American based offices by other
2 Gannett Fleming analysts.

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4 Please refer to the response to CA-NLH-210 and CA-NLH-126 for the explanation of
5 why the investment in software systems at Hydro will not achieve a 10 year life.