

ELECTRIC GENERAL RATE APPLICATION 2015

Manitoba Hydro Undertaking #32

Manitoba Hydro to provide retirement data in each category set out in the asset condition report under distribution.

Response:

Following a review of transcript pages 1683 – 1684, Manitoba Hydro has interpreted the undertaking to be a request for information relating to the quality of Manitoba Hydro's asset retirement data, rather than the data itself. The following response addresses the quality of Manitoba Hydro's asset retirement data.

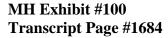
Manitoba Hydro has full and complete asset accounting data for 365 of 397 (94%) asset component groups. This includes original investment (plant additions) by installation year, and for all retirements, the year of retirement and the original year of installation or acquisition. This information is complete for all generation, transmission line, HVDC substation, communication, general buildings, motor vehicles, general equipment and IT systems, as well as some distribution asset components (ground line treatment, electronic equipment).

For the remaining 22 asset component groups (6%), Manitoba Hydro's asset accounting data contains full continuity of original investment by year of installation/acquisition and year of retirement. These component groups fall within the AC substation, distribution and easement categories. For retirement transactions the original year of installation has been estimated in one of two ways:

- For 12 of these asset component groups, Manitoba Hydro has been able to either determine the age distribution of the underlying population of equipment, or has been able to determine original installation year for a large enough sample to support Gannett Fleming's life analysis. For eight asset component groups, age information has been used to determine the original installation date of retired investment. For distribution meters and metering transformers, original installation year is known for assets retired since 2004. For distribution concrete duct line, the year of acquisition for retired assets is known as these assets were acquired from Winnipeg Hydro, or were constructed by Manitoba Hydro subsequent to the acquisition.
- For the remaining 10 asset component groups, IOWA curve based statistical processes have been used to determine the original installation year for retirement transactions.

As indicated on page 60 of Manitoba Hydro Exhibit #75, the financial asset accounting system records investment by asset component group rather than for individual pieces of

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equipment. As there is a many to one relationship between the asset categories identified in the Asset Condition Assessment Report versus the asset component groups used for depreciation purposes, it is not possible to identify the financial asset records applicable to each of the asset categories identified in the report.

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