



2024 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES
APPLICABLE TO ELECTRIC TRANSMISSION PLANT IN SERVICE

Prepared for Énergie NB Power
September 2025

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September 15, 2025

Énergie NB Power Corporation
515 King Street
PO Box 2000, STN A
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Attention: Janice Hicks -Gesner
Director, Financial Reporting

Dear Ms. Hicks-Gesner;

Pursuant to your request, we have conducted a depreciation study related to the electric transmission system of NB Power as of March 31, 2024. Our report presents a description of the methods used in the estimation of service life, the statistical analysis of service life and the summary and detailed tabulations of annual and accrued depreciation.

We gratefully acknowledge the assistance of Énergie NB Power Corporation personnel in the completion of the review.

Should you have any questions or concerns, please do not hesitate to contact me directly at 587.997.6488.

Yours truly,

Concentric Advisors, ULC

A handwritten signature in blue ink, appearing to be "LK", written over a light blue grid background.

Larry Kennedy
Senior Vice President

A handwritten signature in blue ink, appearing to be "CB", written over a light blue grid background.

Colin Burns
Senior Project Manager

Project: 100414



TABLE OF CONTENTS

1	STUDY HIGHLIGHTS	1-1
2	BASIS OF THE STUDY	2-1
2.1	Scope	2-1
2.2	Plan of Study	2-2
2.3	Depreciation.....	2-2
2.4	Information Provided by NB Power.....	2-3
2.5	Data Reconciliation	2-3
3	DEVELOPMENT OF THE REQUIRED DEPRECIATION RATES	3-1
3.1	Depreciation.....	3-1
3.1.1	Study Depreciation Methods and Procedures	3-2
3.1.2	Truncation Cuts.....	3-4
3.2	Estimation of Survivor Curves.....	3-4
3.2.1	Survivor Curves	3-4
3.2.2	Survivor Curve Judgments.....	3-5
4	CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION	4-1
4.1	Group Depreciation Procedures	4-1
4.2	Calculation of Annual and Accrued Amortization.....	4-3
4.3	Monitoring of Book Accumulated Depreciation	4-3
5	RESULTS OF THE STUDY	5-1
5.1	Qualification of Results.....	5-1
5.2	Description of Detailed Tabulations	5-1



SECTION 1

1 STUDY HIGHLIGHTS

Pursuant to Énergie NB Power Corporation Inc.'s ("NB Power" or the "Company") request, Concentric Advisors, ULC ("Concentric") conducted a depreciation study related to the electric transmission, substation & terminals, and general property accounts, as of March 31, 2024. The purpose of the study is to determine the annual depreciation accrual rates and amounts applicable to the original cost of electric utility plant, as of March 31, 2024.

The depreciation rates are based on the Straight-Line method using the Equal Life Group ("ELG") procedure and were applied on a Remaining Life basis. The calculations were based on attained ages and estimated average service life characteristics for each group of assets studied. Variances between the calculated accrued depreciation and the book

accumulated depreciation, as at March 31, 2024, are amortized over the composite remaining life of the assets

Concentric recommends the calculated annual depreciation accrual rates set forth herein apply specifically to electric plant in service, as of March 31, 2024, summarized in Tables 1 in Section 5 of this report by account detail. Supporting data and calculations are provided as well.

Finally, this study results in an annual depreciation expense accrual related to the recovery of original cost of \$38.8 million, when applied to depreciable and amortized plant study balances, as of March 31, 2024, of \$1.6 billion. The study results are summarized at an aggregate functional group level as follows:

SUMMARY OF ORIGINAL COST AND DEPRECIATION EXPENSE

Plant Group / Accounts	Original Cost	Annual Accrual Amount
Transmission Plant	\$676,482,928	\$11,100,749
Substations and Terminals	\$768,908,294	\$14,891,053
General Property	\$203,502,702	\$12,879,241
TOTAL PLANT BALANCE	\$1,648,893,924	\$38,871,043



SECTION 2

2 BASIS OF THE STUDY

2.1 Scope

Concentric has been retained by NB Power to develop reasonable and appropriate depreciation amounts based on plant in service as of March 31, 2024, and applied specifically to plant in service as of March 31, 2024, as summarized by Tables 1, 2, and 3. This report also describes the concepts, methods and judgments that underlie the recommended annual depreciation accrual rates. The rates and amounts are based on the Straight-Line method of depreciation, incorporating the ELG procedure applied on a Remaining Life basis.

The Straight-Line method, ELG procedure, as described in Section 3.1, is a commonly used depreciation calculation procedure that has been widely accepted in jurisdictions throughout North America and has been approved for use by NB Power by the New Brunswick Energy & Utilities Board. Concentric recommends its continued use.

Amortization accounting is used for certain accounts because of the disproportionate plant accounting effort required to process retirements in these accounts. Many regulated utilities in North America have received approval to adopt amortization accounting for these types of accounts.



2.2 Plan of Study

This study is presented in the following order:

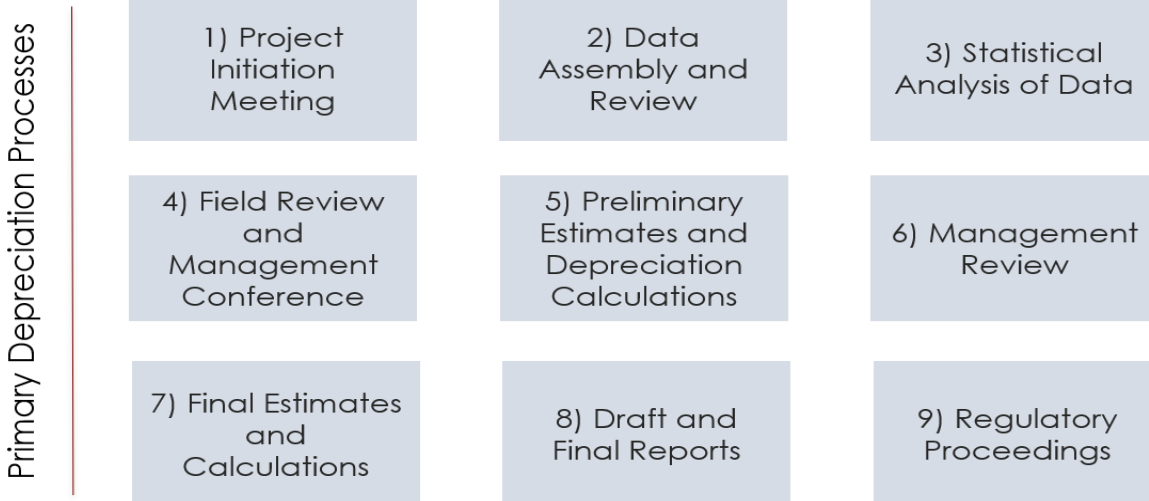
Section 1:	Study Highlights, presents a brief summary of the depreciation study and results
Section 2:	Contains statements with respect to the plan and the Basis of the Study
Section 3:	Development of the Required Depreciation Rates, presents descriptions of the methods used and factors considered in the service life study
Section 4:	Calculation of Annual and Accrued Depreciation, presents the methods and procedures used in the calculation of depreciation
Section 5:	Results of Study, presents summaries by depreciable group of annual and accrued depreciation in Tables 1, 2, and 3.
Section 6:	Presents the results of the Retirement Rate Statistics
Section 7:	Presents the results of the Detailed Depreciation Calculations
Section 8:	Estimation of Survivor Curves, is an overview of Iowa curves and the Retirement Rate Analysis

2.3 Depreciation

A full and comprehensive depreciation study includes the following components:

1. supported recommendations regarding Average Service Life estimates for each account;
2. supported recommendations regarding estimated Net Salvage requirements for each account (if applicable);
3. selection of an appropriate grouping procedure;
4. detailed calculation of the depreciation rate utilizing the estimated Average Service Life and Net Salvage (if applicable) requirements; and
5. a report explaining the procedures followed and justifying the results in a format suitable for submission to senior management and regulatory authorities.

A diagram of nine primary processes followed by Concentric in the development of the depreciation study is provided below. Each of the steps is undertaken by Concentric using proprietary software



2.4 Information Provided by NB Power

NB Power has provided Concentric with the required information, as of March 31, 2024. This information has been compiled from the plant accounting records and includes the following:

- Current balances by vintage year for each account (aged balances) through March 31, 2024. The balances provide the amount of investment sorted by installation year. This file is only inclusive of plant in service and does not include any retirement information and;
- retirement transactions for all accounts through March 31, 2024. The transactions include information regarding the transaction year of the retirement, the installation year of the asset being retired, and the original cost of the asset being retired.
- Accumulated Depreciation balances as of March 31m 2024 for accounts studied.

2.5 Data Reconciliation

The above data was reviewed and reconciled to Company control schedules to ensure accuracy and reasonableness in use of the calculations developed in this study. These checks include:

- that the surviving investment by account equals (or can be reconciled to) the Company's gross plant in service and accumulated depreciation ledger balances;
- that the surviving investment in each vintage is not negative. In other words, this check confirms that the sum of retirements from any given vintage have not exceeded the amount of plant additions to the vintage; and
- that any adjusting transactions are properly accounted for within the databases.



SECTION 3

3 DEVELOPMENT OF THE REQUIRED DEPRECIATION RATES

3.1 Depreciation

The development of the depreciation calculations requires the input of an average service life, a retirement dispersion curve (i.e., Iowa curve) and net salvage recommendations (if applicable) (i.e., collectively, the depreciation parameters). Additionally, to complete the depreciation calculations, the calculation methods must be established. Specifically, the selection of the depreciation method must establish three types of additional input:

1. the choice of a depreciation method;
2. a basis upon which to apply the method; and
3. in the case of group assets, a procedure to use in grouping the assets.

In this study, the depreciation rates for NB Power have been calculated in accordance with the Straight-Line method, the ELG procedure and applied using the Remaining Life technique with any accumulated depreciation variances trued-up over the composite remaining life of each account.

Depreciation, as applied to depreciable plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art and changes in demand and requirements of public authorities.¹

When considering the action of the elements, the average service life calculations have considered large catastrophic events that have occurred and impacted the life estimates of utilities across North America. The average service life of utilities has been influenced by events including:

- forest fires;
- earthquakes;
- tornadoes;
- ice storms;
- wind-storms;
- large scale flooding;
- fires;
- lightning;
- hoar frost; and
- other natural forces of nature.
- intentional actions of third parties;

¹ The National Association of Railroad and Utilities Commissioners, Uniform System of Accounts for Class A and B Electric Utilities. The Definition used by the Federal Energy Regulatory Commission and the Alberta Utilities Commission for Electric Utilities is essentially the same.



Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing electric distribution utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service - that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the Straight-Line method of depreciation.

The calculation of annual and accrued depreciation based on the Straight-Line method requires the estimation of survivor curves and is described in the following sections of this report. The development of the proposed depreciation rates also requires the selection of group depreciation procedures, as discussed below.

3.1.1 Study Depreciation Methods and Procedures

When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives but have lives that are dispersed over a range of time. There are two primary group procedures, namely, the Average Life Group ("ALG") and ELG procedures.

In the ALG Procedure, the rate of annual depreciation is based on the average service life of the group. This rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to the average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

In the ELG Procedure, also known as the Unit Summation Procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life unit.

For most accounts, the annual and accrued depreciation were calculated by the Straight-Line Method using the ELG Procedure with an ALG procedure remaining life true-up. For certain General plant accounts, the annual and accrued depreciation are based on amortization accounting. Both types of calculations were based on original cost, attained ages and an estimate of service lives.

The ELG Procedure provides an enhanced matching of depreciation expense to the consumption of service value, and is a commonly used depreciation calculation that has been widely accepted in jurisdictions throughout North America including NB Power in prior studies. Concentric recommends its continued use.

Amortization accounting is used for certain general plant accounts because of the disproportionate plant accounting effort required in these accounts. Many regulated utilities in North America have received approval to adopt amortization accounting for these accounts.



Continued monitoring and maintenance of the accumulated depreciation reserve at the account level is recommended.

The depreciation rates calculated in this study were calculated in the same manner as used in the prior full depreciation study (i.e., using the straight-line method, the ELG Procedure applied on a Remaining life basis. The vintaged remaining life approach weighs the calculations of remaining life on an allocation of the actual book accumulated depreciation account by the Calculated Accumulated Depreciation (“CAD”) factor determined for each vintage of plant in service. This method is described as a CAD weighted calculation in the Depreciation Systems textbook by Frank K. Wolf and W. Chester Fitch, published by the Iowa State University in 1994 under the title “Adjustments” within the Broad Group Model.

When depreciation rates are calculated utilizing a remaining life technique, the depreciation rate is established by dividing the undepreciated value of each group of assets by the composite remaining life of the group of assets. This calculation is made for each vintage surviving investment as of the date of the study (March 31, 2024), and then composited into a calculation for the account or group as a whole. This calculation requires two estimates:

1. The allocation of actual booked accumulated depreciation for each vintage within each account.

NB Power does not track the booked accumulated depreciation reserve by vintage within each account. Rather, the depreciation expense is calculated at an account level and booked to accumulated depreciation at the same account level. Concentric notes that this is the practice employed by virtually all regulated utilities. As such, the accumulated depreciation by account is allocated within the account to each vintage, on the basis of the calculated accumulated depreciation by vintage. The calculated accumulated depreciation is a function of the estimated survivor curve, the average service life estimate, and the achieved age of each vintage.

2. The remaining life of each vintage with each account.

The estimated remaining life of each vintage is a direct function of the achieved age of each vintage, the estimated survivor curve and the average service life estimate.

Once the above two estimates are determined (the allocated booked reserve by vintage and the average remaining life of each vintage), an annual accrual requirement for each vintage is determined by dividing the net book value for each vintage by the average remaining life of the vintage. The annual requirement for each vintage is summed at the account level and divided into the sum of the accounts original cost surviving as of March 31, 2024.

This process results in each vintage’s calculated net book value to be depreciated over an appropriate remaining life. This vintage weighting on CAD approach to the remaining life calculations is widely considered to be the most accurate. Concentric agrees and views this methodology as the correct and most appropriate calculation.



3.1.2 Truncation Cuts

It is commonly accepted within depreciation texts that some data points, particularly towards the end of the Iowa curve, may be less reliable due to the lower amount of exposures that the retirements are calculated on. It is widespread practice to place lesser weighting on these data points through the use of a Truncation Cut (or “T-Cut”). This practice is described in detail in the text “Public Utility Depreciation Practices” compiled and edited by the Staff Subcommittee on Depreciation of the Finance and Technology Committee of the National Association of Regulatory Utility Commissioners on page 122 where it is stated:

A T-cut is used to mathematically perform a function that is automatic in visual fitting (i.e., setting a point beyond which the observed data are considered irrelevant or unreliable and are, therefore, ignored).

Careful selection of a T-cut can greatly enhance the reliability of the resulting analysis. Conversely, since the use of a T-cut involves truncating the observed data, careless selection can impair the reliability of subsequent work.

Concentric has utilized T-cuts throughout the Iowa curve selection where necessary. Where a T-cut has been utilized, Concentric has indicated such in Section 3.2.2 below.

3.2 Estimation of Survivor Curves

3.2.1 Survivor Curves

The use of an average service life or a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve plotting the number of units which survive at successive ages using the retirement rate method of analysis.

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. The Iowa curves “...were sorted into three groups according to whether the mode was to the left, approximately coincident with, or to the right of the average-life ordinate. The curves in each of these three groups were then sub-classified in accordance with the height of the mode, taking also into consideration the distance of the mode to the left or right of the average life.”² The Iowa curves are described as L-type (i.e., left-moded), R-type (i.e., right-moded), and S-type (i.e., symmetrical). Further development resulted in the introduction of O-type (i.e., origin-moded curves) where the greatest frequency of retirement occurs at the origin, or immediately after age zero. Individual type curves are further depicted with numerical subscripts which represent the relative heights of the modes of the frequency curves within each family.

The program that is used by Concentric for statistical smooth curve fitting utilizes an internal “goodness-of-fit” criterion known as the Residual Measure. This Residual Measure is based on a least

² Robley Winfrey, Statistical Analyses of Industrial Property Retirements, Bulletin 125 revised (Engineering Research Institute, Iowa State University, 1935) 65



squares solution of the differences between the stub curve (or original data points) and smooth survivor curve which also requires a balancing of the differences above and below the stub curve.

The criterion of goodness-of-fit is the mean square of the differences between the points on the stub and fitted smooth survivor curves. The Residual Measure, or standard error of estimate, shown in the output format is the square root of this mean square. As such, the lower the Residual Measure the better the statistical fit between the analyzed Iowa curve and the observed data points. Concentric follows the widely used practice of fitting Iowa curves up to one percent of the maximum exposures. This standard practice is utilized to minimize the influence of typically small retirements applied to similarly small exposures which may unduly affect the Iowa curve fitting process. However, Concentric will recognize the observed data points beyond the one percent of maximum exposures if it is determined that the additional data is a valid consideration for life recommendation.

A discussion of the general concept of survivor curves and retirement rate method is presented in Section 8.

3.2.2 Survivor Curve Judgments

The service life estimates used in the depreciation and amortization calculations were based on informed professional judgment, which incorporated a review of management's plans, policies and outlook, as obtained through a series of interviews with operations and management staff, a general knowledge of the electric utility industry, and comparisons of the service life estimates from Concentric's studies of other electric utilities. A detailed peer review is compiled to establish a range of reasonableness for the Iowa curve estimate for each account. While the peer review is considered an appropriate test of the estimates, it should never be viewed as definitive. Differences in characteristics such as the account structure, climate conditions, regulatory environment, and area of service must always be considered when reviewing a peer study.

The following utilities with similar characteristics to NB Power were considered in the peer review:

- ATCO Electric Transmission ("ATCO") – Selected for peer review as ATCO has extensive transmission systems located in both rural and urban areas and is subject to similar forces of retirement. Additionally, the most recent depreciation study was completed by Concentric.
- BC Hydro – Selected for peer review as BC Hydro has an extensive transmission system located throughout the province of British Columbia and is subject to similar forces of retirement. Additionally, the most recent depreciation study was done by Concentric.
- ENMAX Power Corporation ("ENMAX") – Selected for peer review as ENMAX has extensive transmission infrastructure throughout the metro area of the city of Calgary and is subject to similar forces of retirement. Additionally, the most recent depreciation study was completed by Concentric.
- FortisBC Electric ("FortisBC") – Selected for peer review as FortisBC has a transmission network located in both urban and rural areas of British Columbia and is subject to similar forces of retirement. Additionally, the most recent depreciation study was done by Concentric.



- Manitoba Hydro – Selected for peer review as Manitoba Hydro has a transmission network located throughout the province of Manitoba and is subject to similar forces of retirement. Additionally, the most recent depreciation study was done by Concentric.
- Newfoundland and Labrador Hydro (“NL Hydro”) – Selected for peer review as NL Hydro has a substantial transmission network located in primarily rural areas of Newfoundland and is subject to similar forces of retirement. Additionally, the most recent depreciation study was conducted and completed by Concentric.
- Northwest Territories Power Corp. (“NTPC”) – Selected for peer review as NTPC has an extensive transmission network in the Northwest Territories and is subject to similar forces of retirement. Additionally, the most recent depreciation study was done by Concentric.

The use of survivor curves, to reflect the expected dispersion of retirement, provides a consistent method of estimating depreciation for electric plant. Iowa type survivor curves were used to depict the estimated survivor curves for the plant accounts not subject to amortization accounting.

The procedure for estimating service lives consisted of compiling historical data for the plant accounts or depreciable groups, analyzing this history through the use of widely accepted techniques, and forecasting the survivor characteristics for each depreciable group on the basis of interpretations of the historical data and the probable future.

The forecasting of the probable future included operations and management staff interviews. The combination of the historical experience and the probable future yielded estimated survivor curves from which the average service lives were derived. The recommended depreciation rates are summarized in the applicable tables of this study (Section 5).

The depreciation rates should be reviewed periodically to reflect the changes that result from plant and reserve account activity. A depreciation reserve deficiency or surplus will develop if future retirement patterns vary significantly from those anticipated in this study.

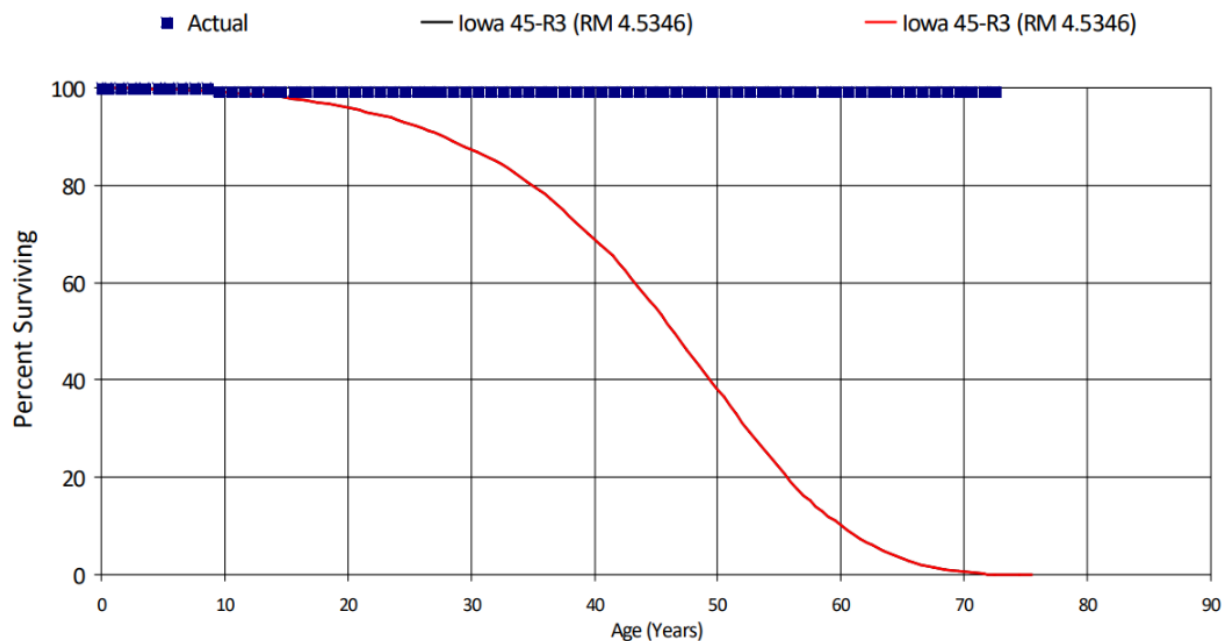
The following discussion, dealing with all major accounts, presents an overview of the factors considered by Concentric in the determination of the average service life estimates. The survivor curve estimates for the remainder of the accounts not discussed in the following sections were based on similar considerations.



ACCOUNT 101.00 – TRANSMISSION – LINE SURVEYS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$19,588,358	2.90%	45-R3	45-R3

The investment in Line Surveys is approximately \$19.6 million, representing 2.90 percent of the total depreciated and amortized plant studied. The investment in this account consists of costs incurred related to surveys for determining line location, right-of-way boundaries, and staking for structure placement. The retirements, additions, and other plant transactions for the period 1951 through 2024 were analyzed by the retirement rate method. Retirements that occurred between 2000 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include a T-Cut and retirements of \$132,899 were recorded for this period.



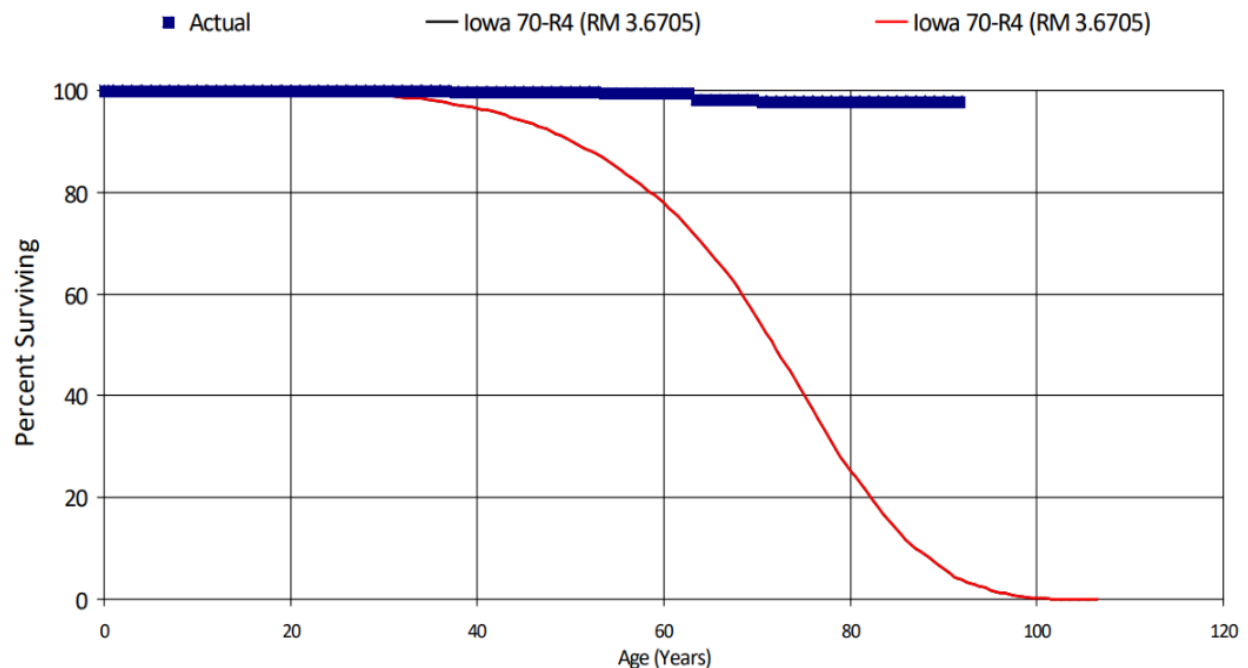
The currently approved and recommended Iowa 45-R3 produced a fit with a related Residual Measure of 4.5346, as depicted above and on page 6-2. Conversations with NB Power operations and management staff indicated that the recommended 45-year life for this account continues to be a good representation of the historical life and future expectations. A review of peer Canadian electric transmission utilities generated one comparator with a life of 40-years. Based on the above discussion and consideration and on Concentric's professional experience, an Iowa 45-R3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 45-R3 to represent the future expectations for the investment in this account.



ACCOUNT 117.00 – TRANSMISSION – RIGHTS OF WAYS AND EASEMENTS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$24,746,552	3.66%	70-R4	70-R4

The investment in Rights of Ways and Easements is approximately \$24.7 million, representing 3.66 percent of the total depreciated and amortized plant studied. This account includes the costs associated with the land rights. The retirements, additions, and other plant transactions, for the period 1932 through 2021, were analyzed by the retirement rate method. This account did not utilize a T-Cut and retirements of \$113,275 were recorded for the period 2000 through 2024.



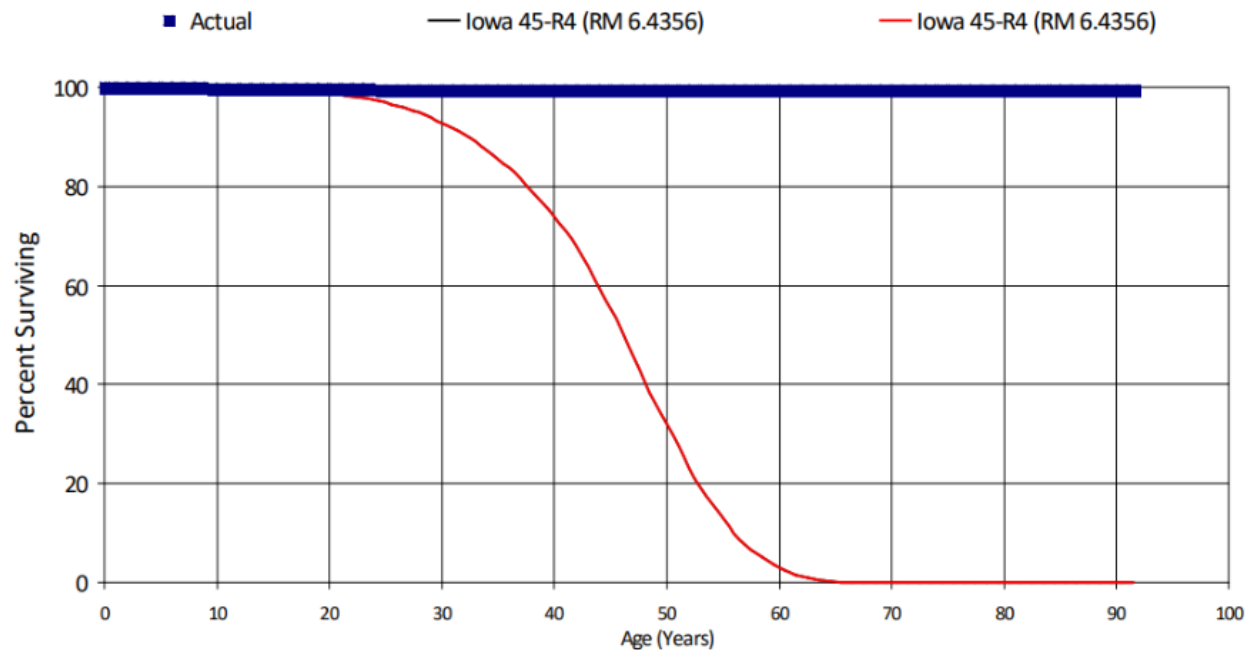
The currently approved and recommended Iowa 70-R4 produces a Residual Measure 3.6705 as depicted above and on page 6-6. With the additional retirement activity since the previous study in 2019, Concentric still finds the average service life of 70-years to be probable for this account. A review of peer Canadian electric transmission utilities generated a range between 65 and 75-years, with an average service life recommendation of 71-years placing this account well within its peers. Furthermore, conversations with NB Power management and staff have indicated that the 70-year average service life recommendation is still a good representation of the future expectations of this account. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 70-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 70-R4 to represent the future expectations for the investment in this account.



ACCOUNT 121.00 – TRANSMISSION – SITE PREPARATION, CLEARING & GRADING

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$25,364,253	3.75%	45-R4	45-R4

The investment in Site Preparation, Clearing & Grading is approximately 25.4 million representing 3.75% of the total depreciated and amortized plant studied. The investment in this account relates to the costs incurred for site preparation. The retirements, additions, and other plant transactions, for the period 1932 through 2021, were analyzed by the retirement rate method. Retirements that occurred between 2000 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not utilize a T-Cut and retirements of \$100,421 were recorded for this period.



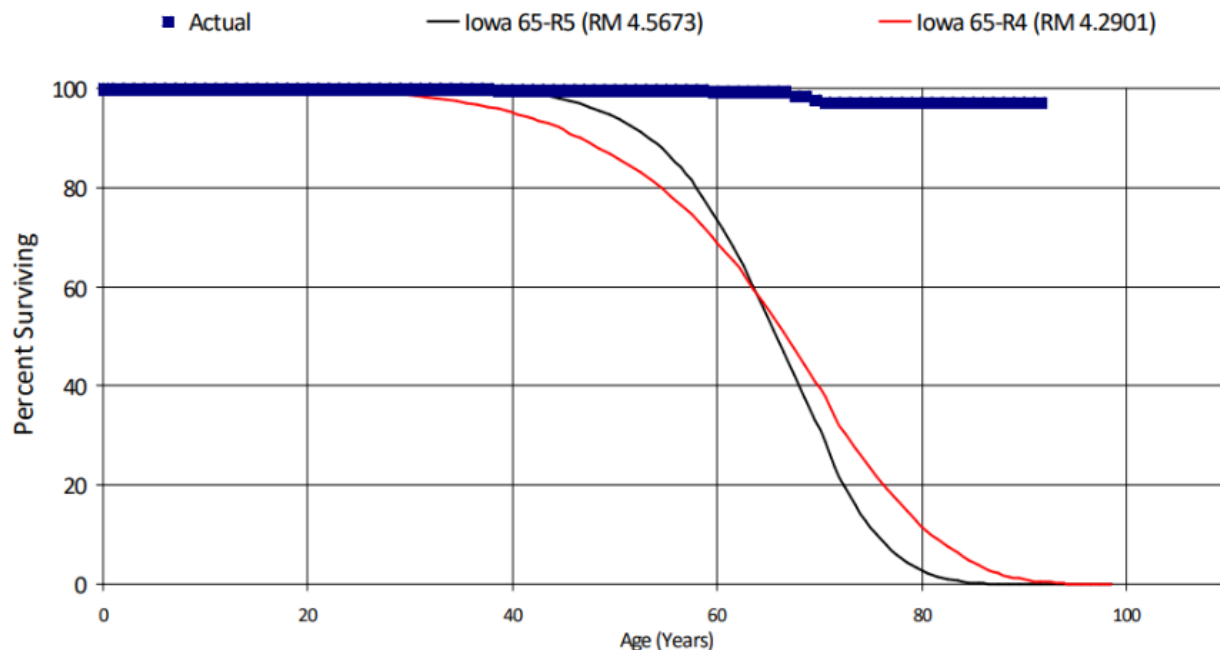
The currently approved and recommended Iowa 45-R4 produces a Residual Measure of 6.4356, as seen above and on page 6-11. Due to the additional retirement activity since the previous study, Concentric continues to find the previously approved average recommended life of 45-years to be probable for this account. A review of peer Canadian electric transmission utilities provided one comparator with an average service life recommendation of 50-years. Discussions with NB Power management and operational staff have indicated that there is no need to change the average service life recommendation at this time. Based on the above discussion and considerations, and on Concentric's experience, the continued use of an Iowa 45-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 45-R4 to represent the future expectations for the investment in this account.



ACCOUNT 251.00 – TRANSMISSION – STEEL STRUCTURES, CROSSARMS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$136,493,582	20.18%	65-R5	65-R4

The investment in Transmission – Steel Structures, Crossarms is approximately \$136.5 million, representing 20.18 percent of the total depreciated and amortized plant studied. The investment in this account contains all steel structures and crossarms throughout NB Power's system. The retirements, additions, and other plant transactions, for the period 1932 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1999 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not utilize a T-Cut. As such, retirements of \$165,929 were recorded for this period.



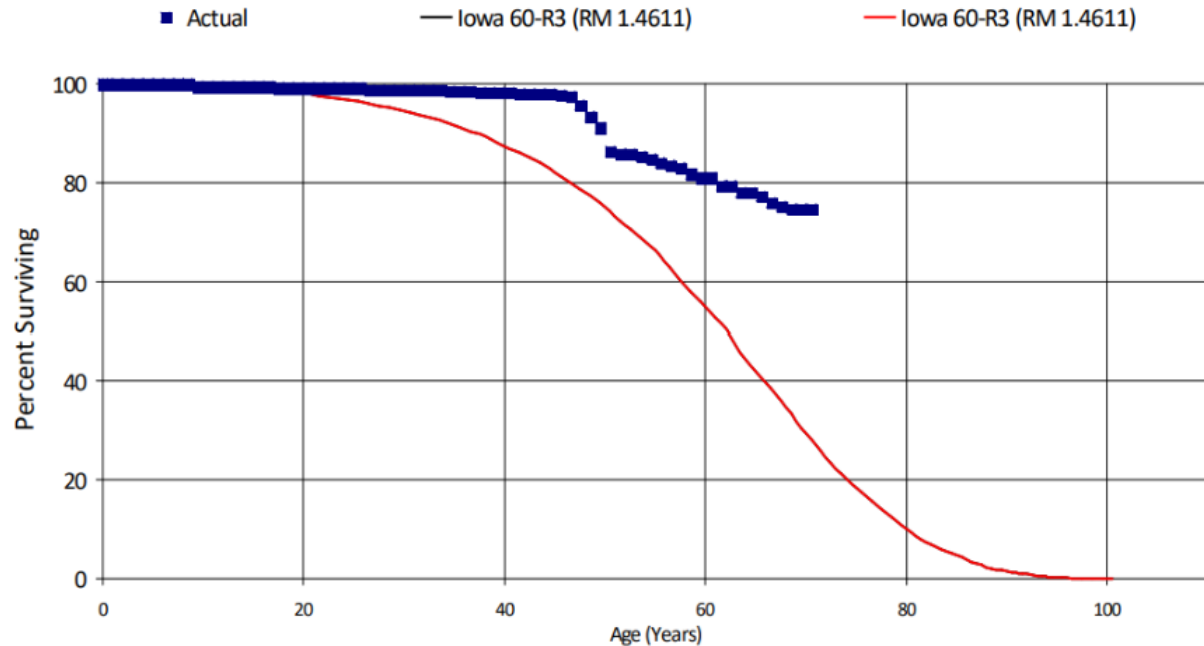
The currently approved Iowa 65-R5 produced a fit with a related Residual Measure of 4.5673. An Iowa 65-R4 produced a better Mathematical fit with a related Residual Measure of 4.2901, as depicted above and on page 6-22. Discussions with NB Power operations and management staff indicated that the currently approved average service life recommendation of 65 is still a good representation for this account, however a slight change to the mode of the curve is more suitable for this account going forward. A review of peer Canadian electric transmission utilities produced a range from 55 to 70-years, placing this account well within its peers. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 65-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 65-R4 to represent the future expectations for the investment in this account.



ACCOUNT 251.07 – TRANSMISSION – WOOD POLE STRUCTURES

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$160,783,708	23.77%	60-R3	60-R3

The investment in Transmission – Wood Pole Structures is approximately \$160.8 million, representing 23.77 percent of the total depreciated and amortized plant studied. The assets in this account contain all wooden pole structures throughout the NB Power system. The retirements, additions, and other plant transactions, for the period 1932 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1998 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account included the use of a T-Cut at 71. As such, retirements of \$3,232,445 were recorded for this period.



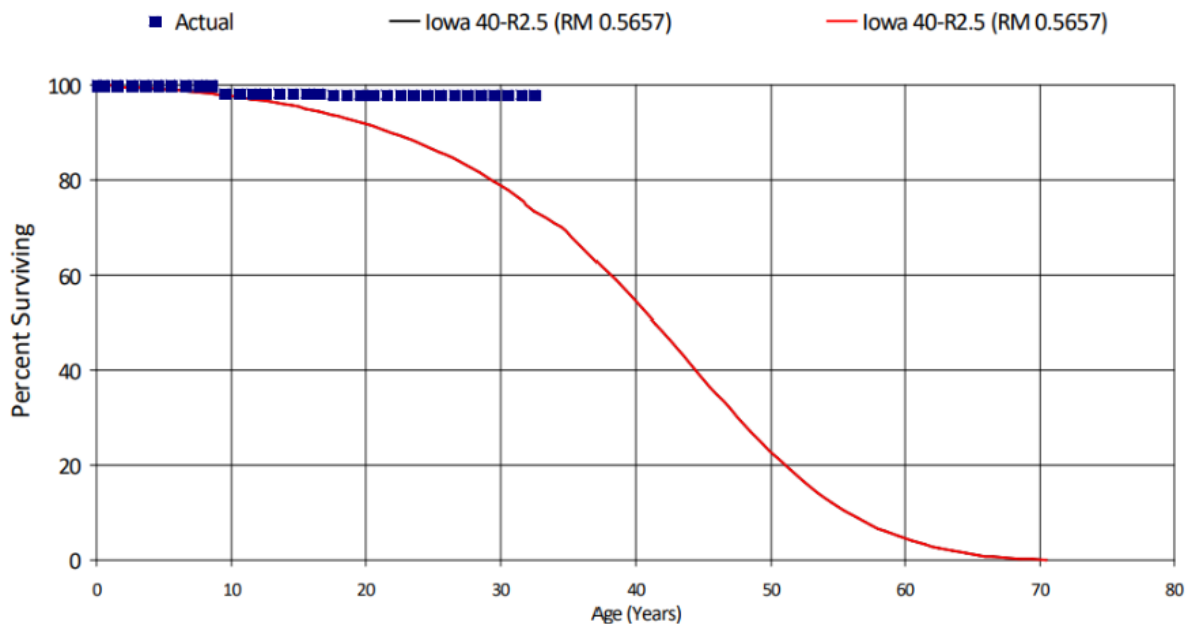
The currently approved and recommended life parameter for this account is an Iowa 60-R3 producing a Residual Measure of 1.4611, as depicted above and page 6-33. Discussions with NB Power operations and management staff have indicated the currently approved 60-year average service life recommendation is still a good representation of the historical life and future expectations in this account. Furthermore, a review of peer Canadian electric transmission utilities generated a range between 40 to 60-years, placing this account on the higher end but still within its peers. Based on the above discussions and considerations, and on Concentric's experience, an Iowa 60-R3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 60-R3 to represent the future expectations for the investment in this account.



ACCOUNT 251.08 – TRANSMISSION – CROSSARMS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$20,075,340	2.97%	40-R2.5	40-R2.5

The investment in Transmission – Crossarms is approximately 20.1 million, representing 2.97 percent of the total depreciated and amortized plant studied. The assets in this account relate to all crossarms throughout NB Power’s system. The retirements, additions, and other plant transactions, for the period 1991 through 2023, were analyzed by the retirement rate method. Retirements that occurred between 2000 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut and retirements of \$152,425 were recorded for this period.



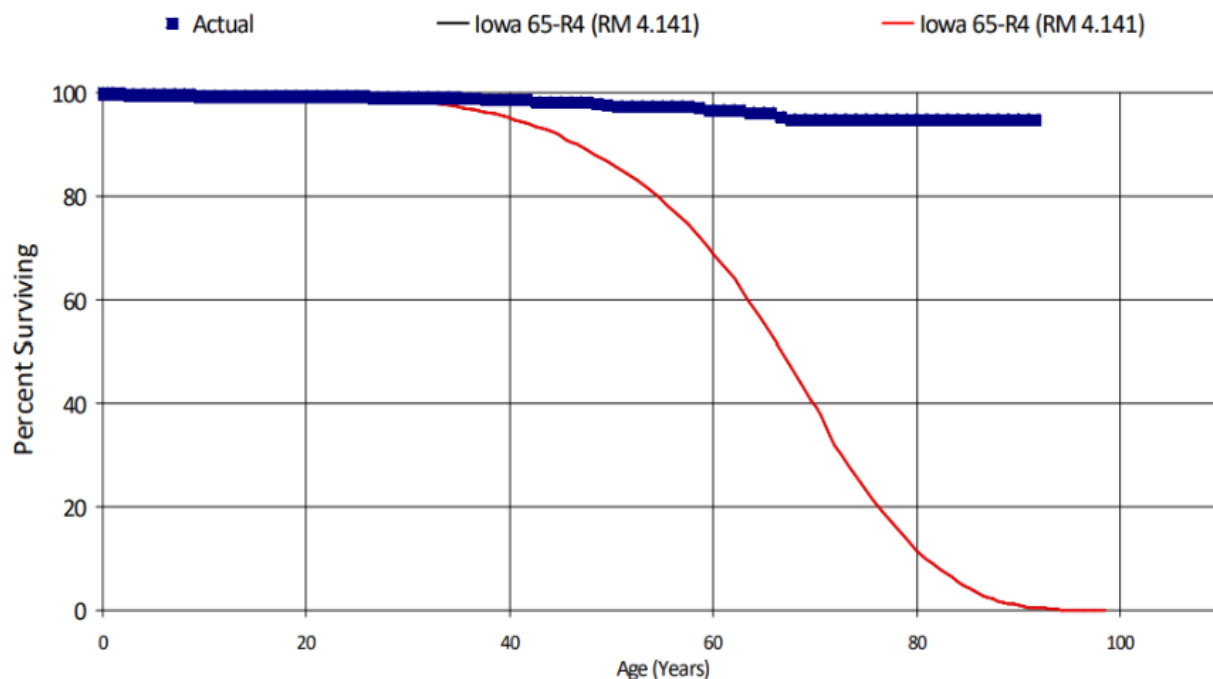
The currently approved and recommended life parameter for this account is an Iowa 40-R2.5 which provides a fit to the observed data with a Residual Measure of 0.5657, as depicted above and on page 6-37. A review of peer Canadian electric transmission utilities generates a range between 30 and 55-years, with an average service life recommendation of 43-years, placing this account well within its peers. Following discussions with NB Power management and staff have indicated that the currently approved and recommended average service life of 40-years is still a good representation of the historical life and future expectations in this account. Based on the above discussions and considerations, and on Concentric’s experience, an Iowa 40-R2.5 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 40-R2.5 to represent the future expectations for the investment in this account.



ACCOUNT 510.50 – TRANSMISSION – CONDUCTORS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$166,519,369	24.62%	65-R4	65-R4

The investment in Transmission – Conductors is approximately \$166.5 million, representing 24.62 percent of the total depreciated and amortized plant studied. The investment in this account contains metal wires, cables, and busbars used for carrying electric current. The retirements, additions, and other plant transactions, for the period 1932 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1998 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-cut and retirements of \$1,806,793 were recorded for this period.



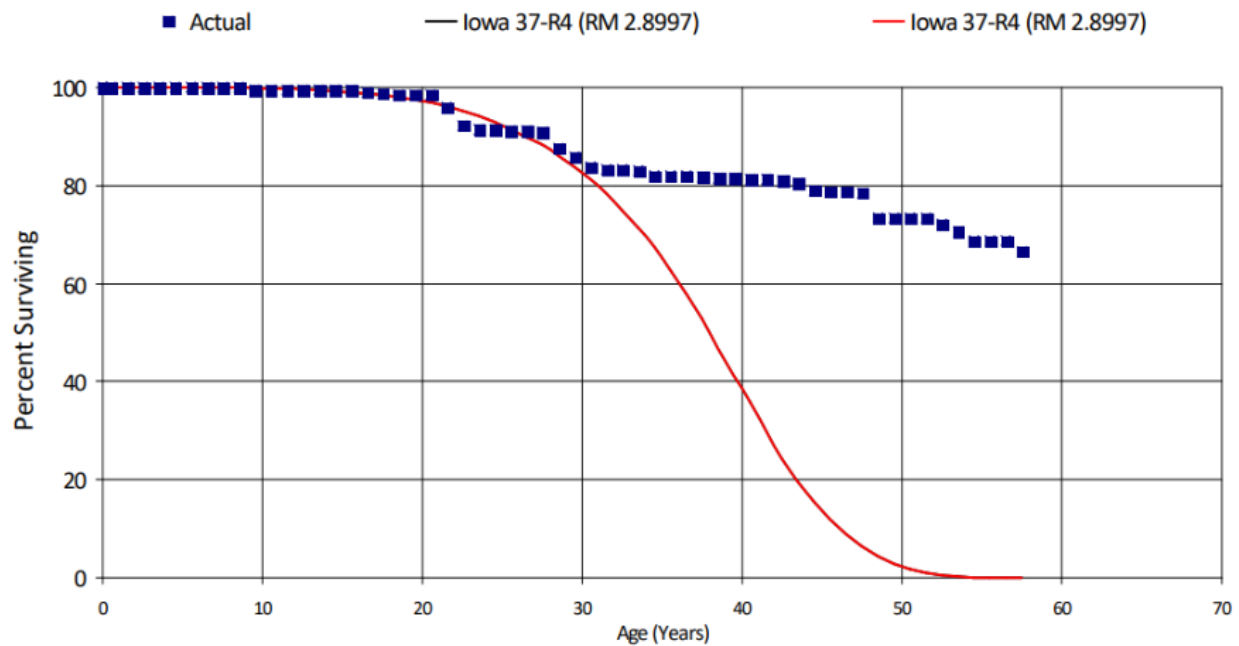
The currently approved and recommended life parameter for this account is an Iowa 65-R4 which provides a fit to the observed data with a Residual Measure of 4.141. Although the mathematical fit to the data points is adequate, conversations with NB Power management and staff has indicated that a 65-year life is still probable for this account. Furthermore, a review of peer Canadian electric transmission utilities generates a range between 45 to 85-years with an average service life recommendation of 60-years, placing this account well within its peer range. Based on the above discussions and considerations, and on Concentric's experience, an Iowa 65-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 65-R4 to represent the future expectations in this account.



ACCOUNTS 510.80 – TRANSMISSION – INSULATORS

Investment \$	Investment %	Previously Approved Curves	Concentric Recommended Curves
\$64,091,488	9.47%	37-R4	37-R4

The investment in NB Power's Transmission – Insulators is approximately 64.1 million representing 9.47 percent of the total depreciated and amortized plant studied. The investment in this account contains all insulator located throughout NB Power's system. The retirements, additions, and other plant transactions, for the period 1956 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1998 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut, as such retirements of \$3,070,405 were recorded for this period.



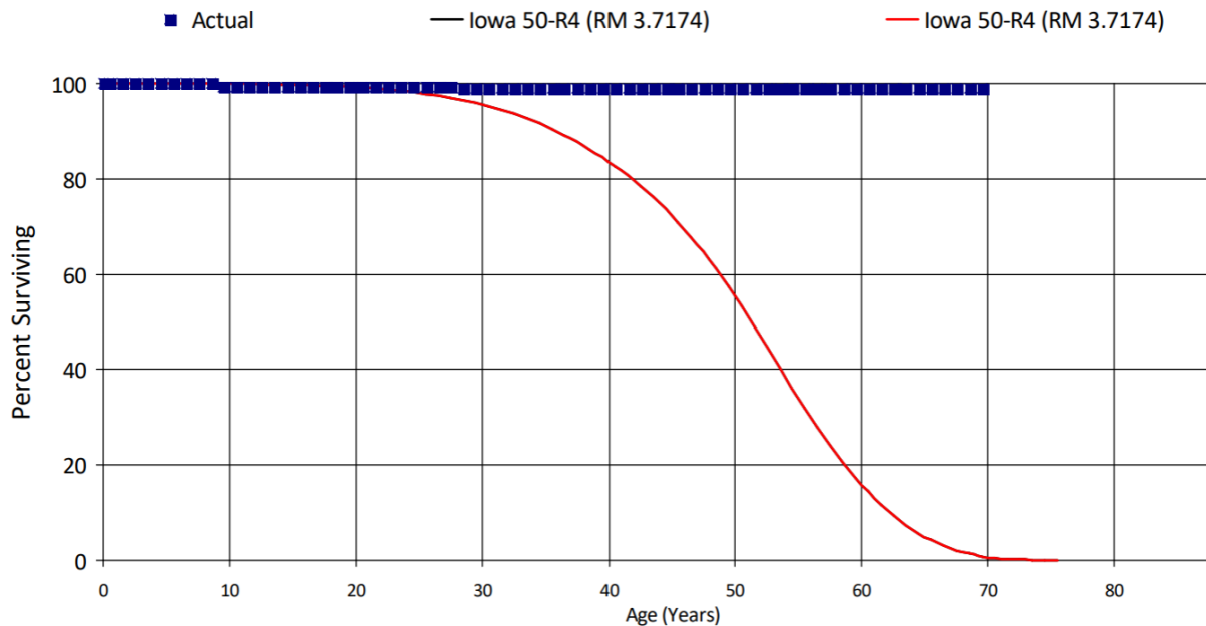
The currently approved and recommended life parameter for this account is an Iowa 37-R4 with a Residual Measure of 2.8997 as seen above and on page 6-58. A review of peer Canadian electric transmission utilities generates a range between 35 and 55-years, placing this account within its peer range. There is minimal retirement data, and no significant retirements have been recorded since the time of the last Depreciation Study. Conversations with NB Power operational and management staff have indicated the current 37-year average service life recommendation is still suitable for this account. Based on the above discussions and considerations, and on Concentric's experience, an Iowa 37-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 37-R4 to represent the future expectations in this account.



ACCOUNT 120.00 – SUBSTATIONS & TERMINALS – SITE COSTS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$17,409,965	2.26%	50-R4	50-R4

The investment in Substations and Terminals – Site Costs is approximately \$17.4 million, representing 2.26 percent of the total depreciated and amortized plant studied. The investment in this account consists of land clearing, grading, and utility installation. The retirements, additions, and other plant transactions, for the period 1954 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut, as such retirements of \$141,417 were recorded for this period.



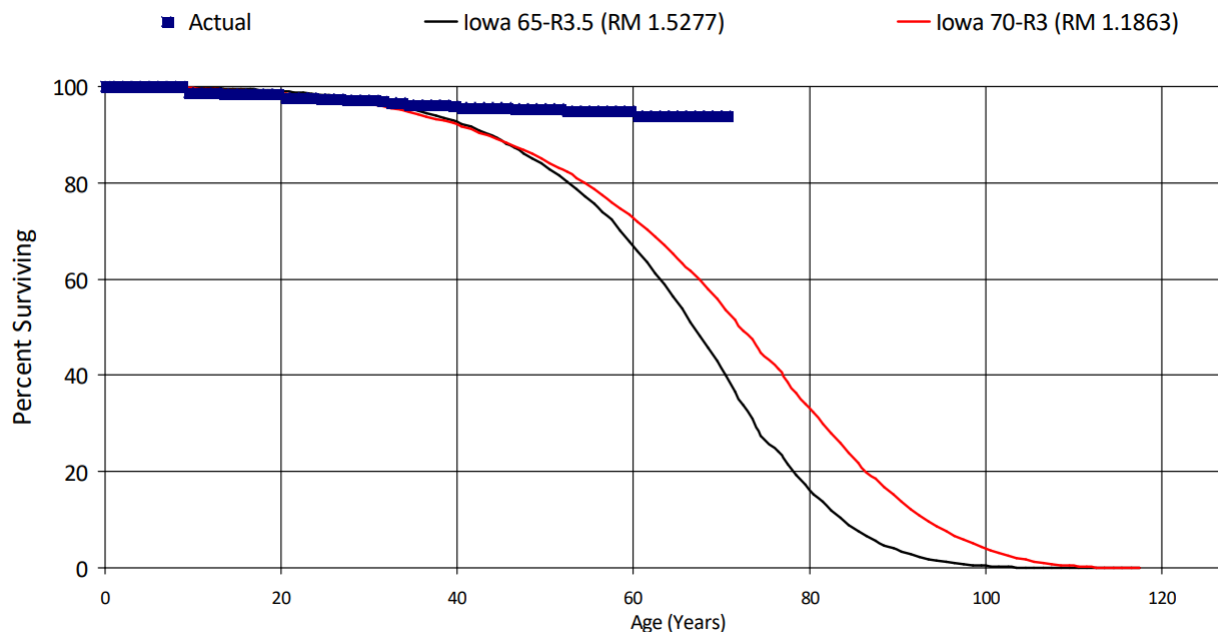
The currently approved and proposed life parameter for this account is an Iowa 50-R4 with a Residual Measure of 3.7174 as seen above and on page 6-97. There is minimal retirement data, and no significant retirements have been recorded since the time of the last Depreciation Study. Management and operational staff agreed that no life changes need to be made at this time. A review of Canadian electric distribution utility peers indicated two peer comparators with average service life recommendations of 55 years. Although both peer companies are longer by five years than this account's recommendation, the specific makeup of this account and the fact that there have been no material changes in the last five years to it, Concentric does not think it is prudent to extend the life solely on the peer companies. Based on the above discussion, conversations with NB Power management and operational staff, and on Concentric's experience, an Iowa 50-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends the continued use of an Iowa 50-R4 to represent the future expectations for the investment in this account.



ACCOUNT 250.00 – SUBSTATIONS & TERMINALS – STEEL STRUCTURES, FOUNDATIONS AND TRENCHES

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$62,705,681	8.16%	65-R3.5	70-R3

The investment in Substations & Terminals – Steel Structures, Foundations and Trenches is approximately \$62.7 million, representing 8.16 percent of the total depreciated and amortized plant studied. The investment in this account includes the foundations, steel apparatus, and cable trenches found with substations and terminals. The retirements, additions, and other plant transactions, for the period 1949 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut and retirements of \$1,640,770 were recorded for this period.



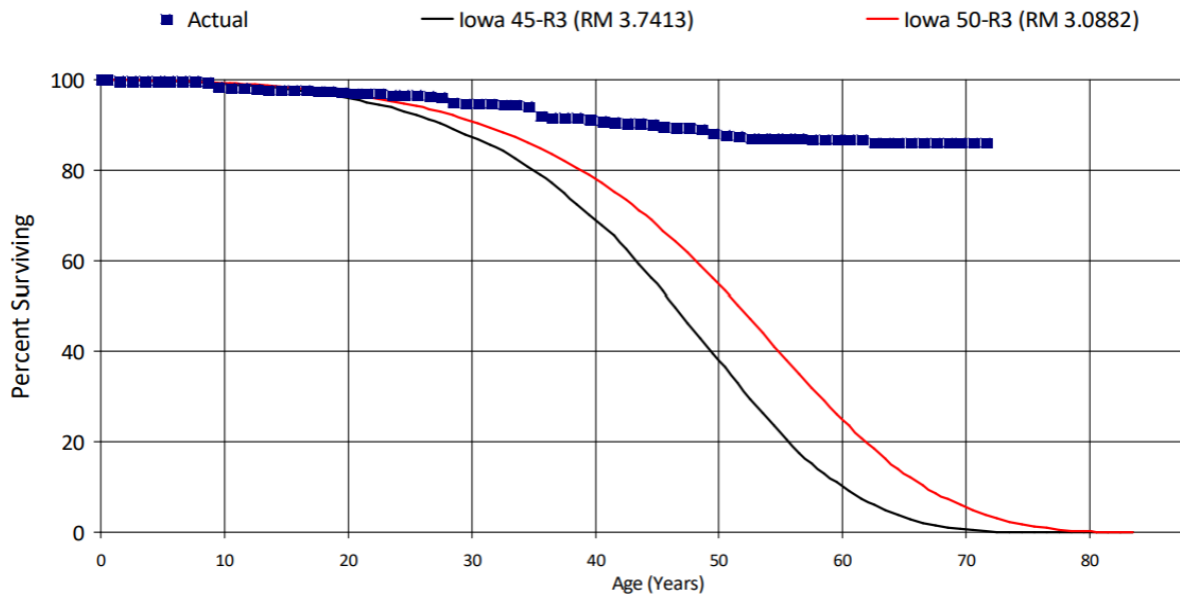
The currently approved life parameter for this account is an Iowa 65-R3.5 with a Residual Measure of 1.5277. The Iowa 70-R3 provides a better mathematical fit with a Residual Measure of 1.1863 as seen above and on page 6-120. With the additional retirement experience since the previous study, a 70-year average service life is now a reasonable expectation for this account moving forward. A review of Canadian electric distribution utility peers indicated three peer comparators with average service life recommendations of 55 years. While the recommended life of 70 years is longer than peer utilities, the historical data and conversations with operations and management indicate that this is appropriate at this time. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 70-R3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 70-R3 to represent the future investment in this account.



ACCOUNT 510.20 – SUBSTATIONS & TERMINALS – DISCONNECT SWITCHES

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$31,488,501	4.10%	45-R3	50-R3

The investment in Substations & Terminals – Disconnect Switches is approximately \$31.5 million, representing 4.10 percent of the total depreciated and amortized plant studied. The assets in this account relate to the switches used in the system for isolation, switching and safety purposes. The retirements, additions, and other plant transactions, for the period 1922 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut and retirements of \$1,566,102 were recorded for this period.



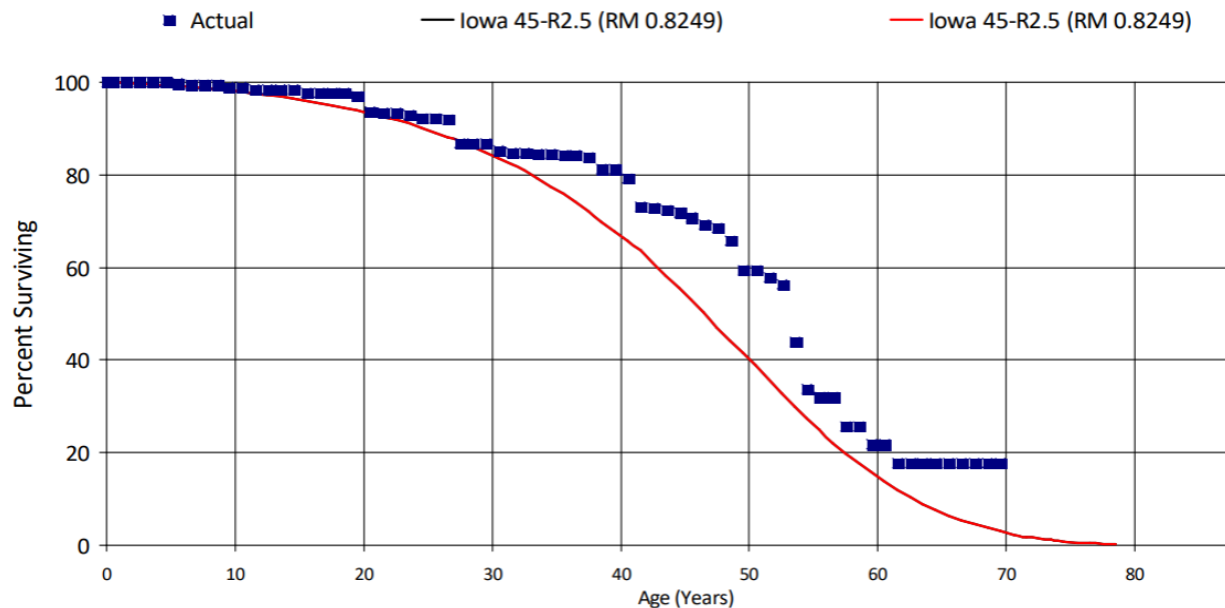
The currently approved life parameter for this account is an Iowa 45-R3 with a Residual Measure of 3.7413. An Iowa 50-R3 provides a better mathematical fit with a Residual Measure of 3.0882 as seen above and on page 6-147. Due to the historical data and the additional retirement experience since the previous study, an average service life extension to 50 years is now a reasonable expectation for the investments in this account. As well, conversation with NB Power's management and operations team has indicated that a 50-year life is currently appropriate for this account. A review of Canadian electric distribution utility peers indicated a range between 25 and 55 years. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 50-R3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 50-R3 to represent the future expectations in this account.



ACCOUNT 510.30 – SUBSTATIONS & TERMINALS – BREAKERS AND RECLOSERS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$72,409,229	9.42%	45-R2.5	45-R2.5

The investment in Substations & Terminals – Breakers and Reclosers is approximately \$72.4 million, representing 9.42 percent of the total depreciated and amortized plant studied. This account includes investment related to switchgear devices to detect and interrupt momentary faults within electric distribution networks. The retirements, additions, and other plant transactions, for the period 1952 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut and retirements of \$7,946,466 were recorded for this period.



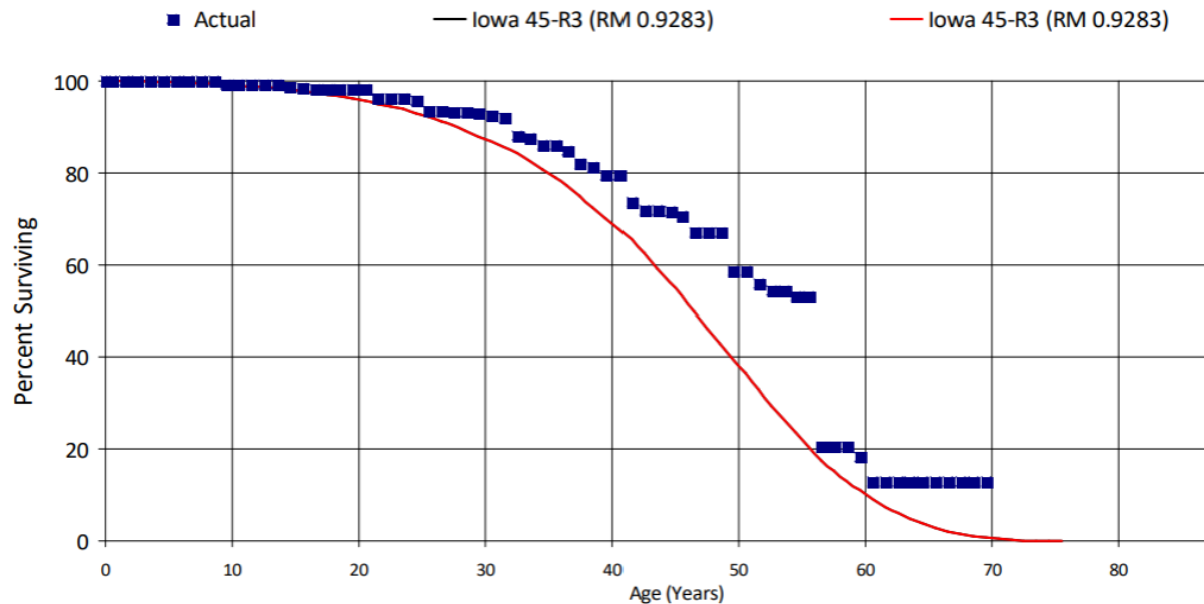
The currently approved and recommended life parameter for this account is an Iowa 45-R2.5 with a Residual Measure of 0.8249 as seen above and on page 6-151. The historical data fits both visually and mathematically to the previously approved and recommended life. Conversation with NB Power's management and operations team have indicated that a 45-year life is still a reasonable expectation for the future investment in this account. A review of Canadian electric distribution utility peers indicated a range between 40 and 48 years, with a mean average service life recommendation of 44 years. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 45-R2.5 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 45-R2.5 to represent the future expectations in this account.



ACCOUNT 510.40 – SUBSTATIONS & TERMINALS – INSTRUMENT TRANSFORMERS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$25,453,816	3.31%	45-R3	45-R3

The investment in Substations & Terminals – Instrument Transformers is approximately \$25.5 million, representing 3.31 percent of the total depreciated and amortized plant studied. The investment in this account includes instrument transformers which are used in electrical systems to measure electrical quantities such as voltage, current, and power. The retirements, additions, and other plant transactions, for the period 1944 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1998 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut and retirements of \$1,659,690 were recorded for this period.



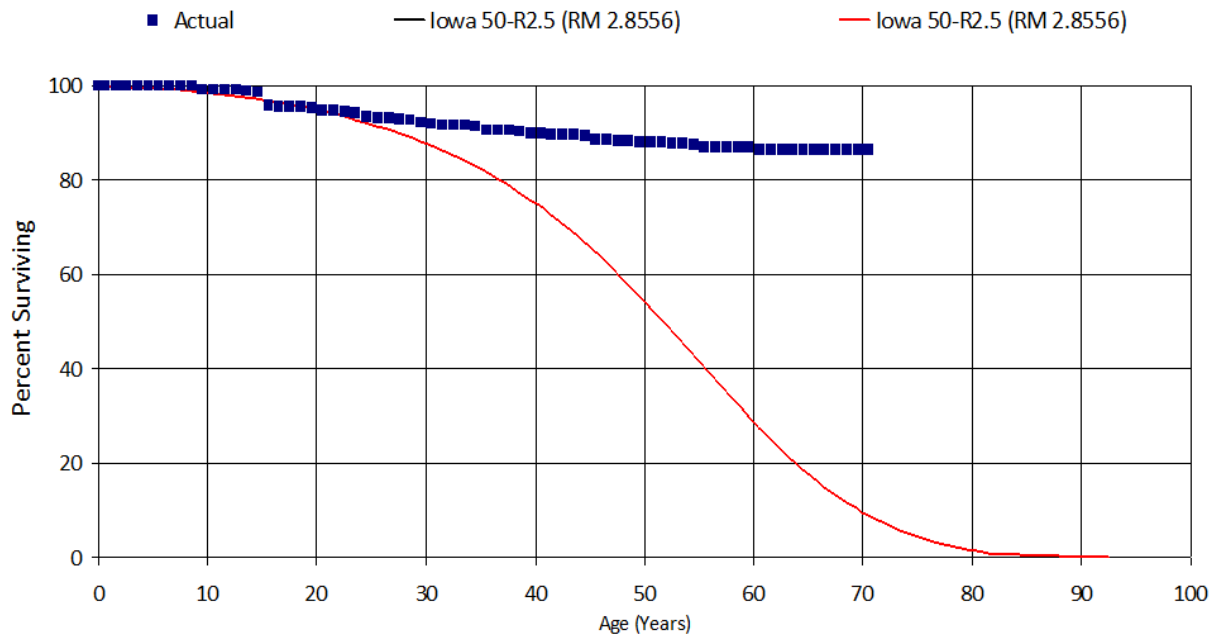
The currently approved and recommended life parameter for this account is an Iowa 45-R3 with a Residual Measure of 0.9283 as seen above and on page 6-155. The data fits both mathematical and visually to the previously approved and recommended life. There have been minimal retirements since the previous study in 2019 and conversations with management and operations staff has indicated that there is no need to change the average service life recommendation at this time. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 45-R3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 45-R3 to represent the future expectations in this account.



ACCOUNT 510.50 – SUBSTATIONS & TERMINALS – BUSWORK HARDWARE

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$27,686,465	3.60%	50-R2.5	50-R2.5

The investment in Substations & Terminals – Buswork Hardware is approximately \$27.7 million, representing 3.60 percent of the total depreciated and amortized plant studied. The investment in this account includes any Buswork within substations and terminals in the NB Power system, as well as the associated hardware, connectors, and switches. The retirements, additions, and other plant transactions, for the period 1922 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut and retirements of \$1,860,197 were recorded for this period.



The currently approved and recommended life parameter for this account is an Iowa 50-R2.5 with a Residual Measure of 2.8556 as seen above and on page 6-159. The data presents a strong fit until approximately age 25, where the visual fit begins to taper off. However, there have been minimal increases in the retirement activity since the last study and they have followed a similar pattern to past experience. Any new retirements since the last study occurred between ages 35 and 60 but caused no material change to the retirement ratios at those age intervals.

A review of Canadian electric distribution utility peers revealed one peer utility with an average service life recommendation of 55 years. This peer utility does not have the exact same asset mix as NB Power does within this account, and therefore Concentric has considered the 55-year life as part of their analysis but placed less weighting on it. Conversations with management and operations staff



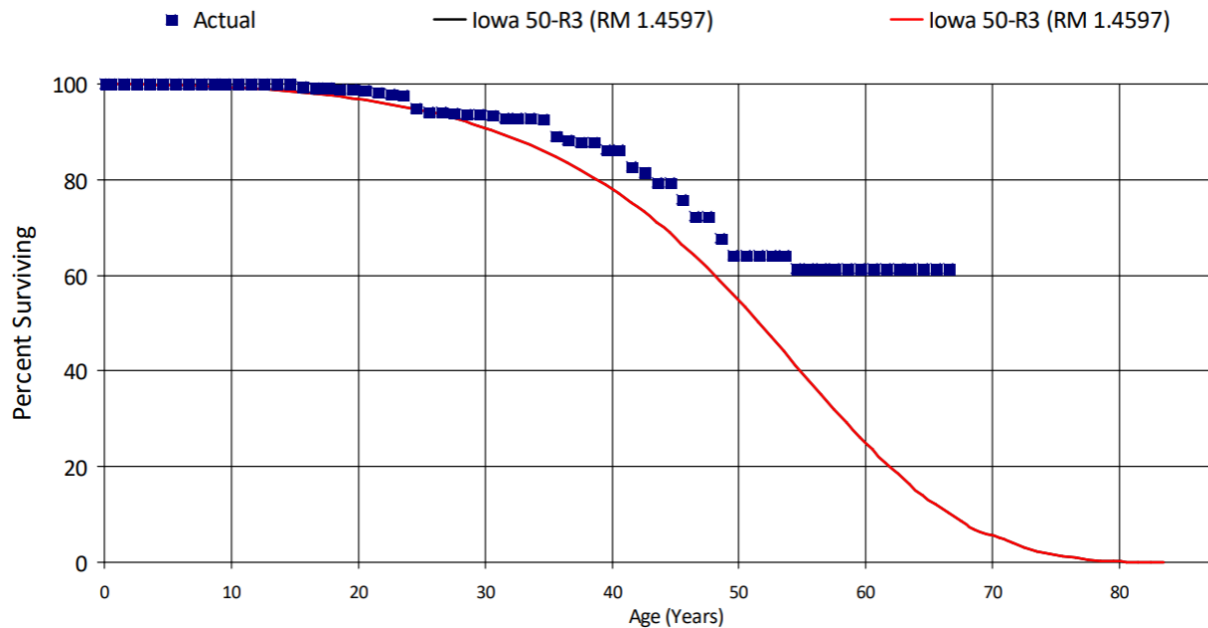
has indicated that there is no need to change the average service life recommendation at this time, and that a 50-year average service life is still a reasonable expectation for future retirement activity. Based on the above discussion and considerations, and on Concentric's experience, Concentric recommends an Iowa 50-R2.5 to continue to represent the future expectations in this account.



ACCOUNT 518.00 – SUBSTATIONS & TERMINALS – 15KV SWITCHGEAR

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$20,821,582	2.71%	50-R3	50-R3

The investment in Substations & Terminals – 15Kv Switchgear is approximately \$20.8 million, representing 2.71 percent of the total depreciated and amortized plant studied. The investment in this account includes switchgears which is composed of electrical disconnect switches, fuses or circuit breakers used to control and protect electrical equipment. The retirements, additions, and other plant transactions, for the period 1955 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not include the use of a T-Cut and retirements of \$2,254,580 were recorded for this period.



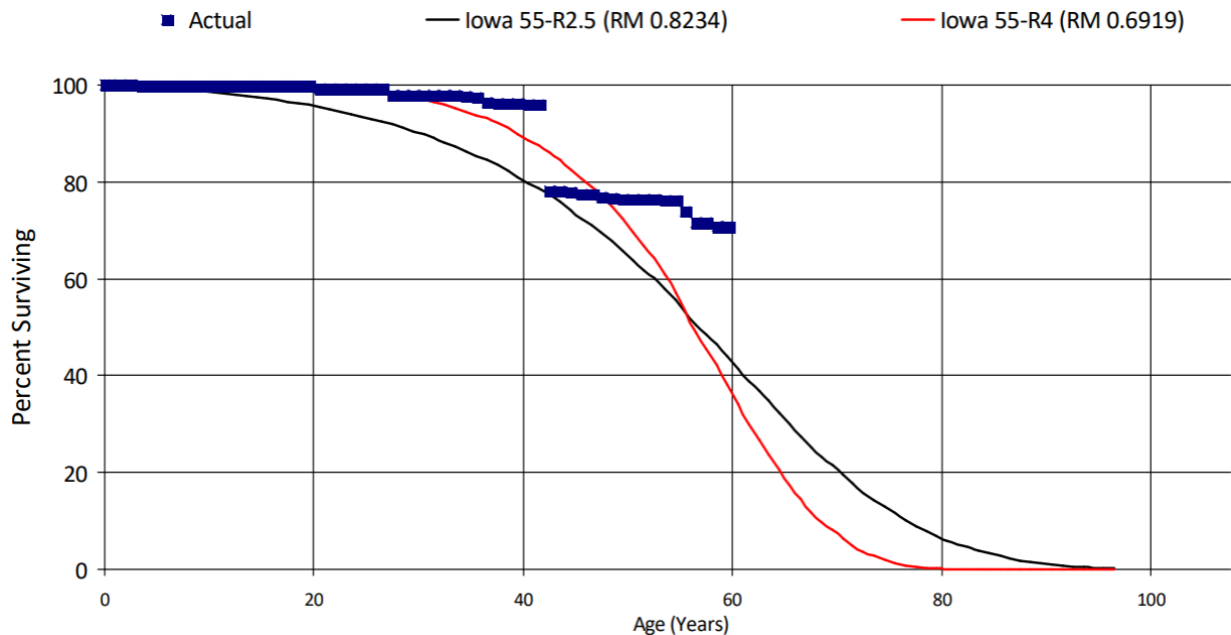
The currently approved and recommended life parameter for this account is an Iowa 50-R3 with a Residual Measure of 1.4597 as seen above and on page 6-178. The data fits both mathematically and visually to the previously approved and recommended life. A review of Canadian electric distribution utility peers indicated a range between 30 and 52 years, placing this account on the higher end but still within its peers. There haven't been any significant changes since the previous study in 2019 and conversation with management and operations staff has indicated that there is no need to change the current average service life recommendation. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 50-R3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 50-R3 to represent the future expectations in this account.



ACCOUNT 540.10 – SUBSTATIONS & TERMINALS – TRANSFORMERS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$232,965,899	30.30%	55-R2.5	55-R4

The investment in Substations & Terminals – Transformers is approximately \$233 million, representing 30.30 percent of the total depreciated and amortized plant studied. The investment in this account includes all transformers located throughout NB Power's system, there is also currently an ongoing replacement program of transformers. The retirements, additions, and other plant transactions, for the period 1943 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 2013 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account included the use of a T-Cut at age 60. As such, retirements of \$16,984,304 were recorded for this period.



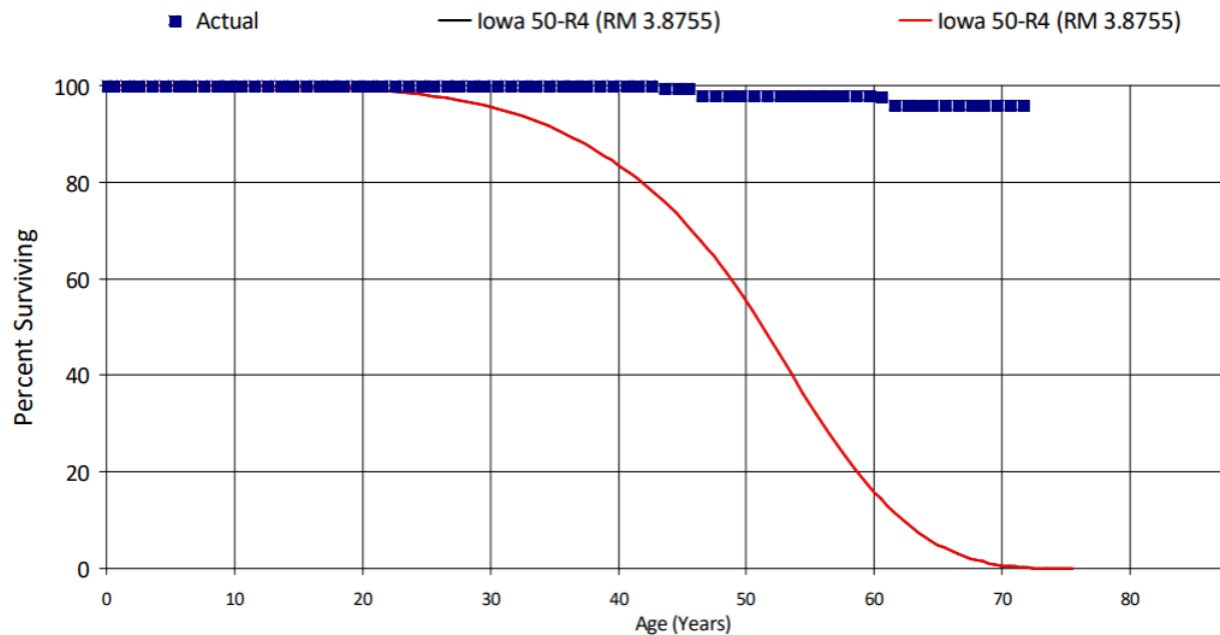
The currently approved life parameter for this account is an Iowa 55-R2.5 with a Residual Measure of 0.8234. The Iowa 55-R4 provides a better mathematical fit with a Residual Measure of 0.6919 as seen above and on page 6-186. With the additional retirement experience since the previous study, a slight mode change was a reasonable adjustment to this account moving forward. A review of Canadian electric distribution utility peers indicated a peer range between 30 and 55-years. While the recommended life of this account is on the higher end of peers, the historical data and conversations with operations and management indicated that this is appropriate at this time. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 55-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 55-R4 to represent the future investment in this account.



ACCOUNT 570.00 – SUBSTATIONS & TERMINALS – CABLES AND CONDUITS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$33,702,369	4.38%	50-R4	50-R4

The investment in Substations & Terminals – Cables and Conduits is approximately \$33.7 million, representing 4.38 percent of the total depreciated and amortized plant studied. The investment in this account includes all cables and conduits located throughout NB Power's substation system. The retirements, additions, and other plant transactions, for the period 1952 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis this account did not utilize a T-Cut and retirements of \$111,453 were recorded for this period.



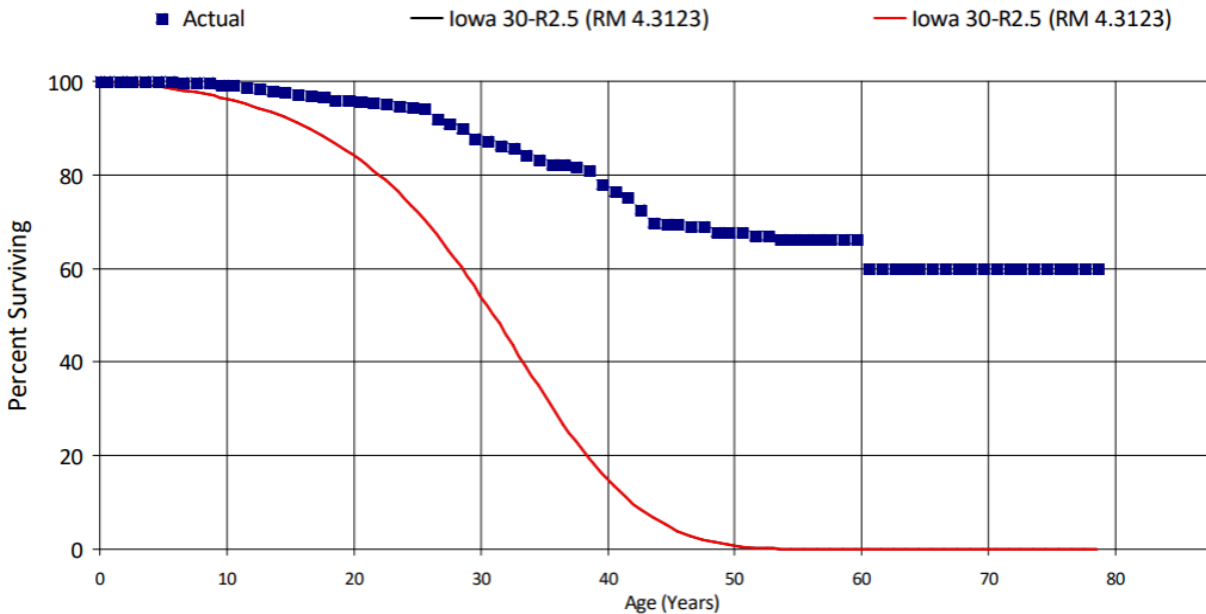
The currently approved and recommended life parameter for this account is an Iowa 50-R4 producing a Residual Measure of 3.8755 as seen above and page 6-199. With the additional retirements experience since the previous study in 2019, Concentric does not suggest a change in the recommended life or mode of the curve. Furthermore, conversations with management and operational staff have indicated that an average service life recommendation of 50-years is still currently appropriate for this account. A review of Canadian electric distribution utilizes has produced a range from 45 to 60-years with an average service life recommendation of 52 years. Based on the above discussion and considerations, and on Concentric's experience, the continued use of an Iowa 50-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 50-R4 to represent the future investment in this account.



ACCOUNT 650.00 – SUBSTATIONS & TERMINALS – CONTROL METERING AND RELAYING

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$93,147,482	12.11%	30-R2.5	30-R2.5

The investment in Substations & Terminals – Control Metering and Relaying is approximately \$93.1 million, representing 12.11 percent of the total depreciated and amortized plant studied. The investment in this account includes all metering and control relaying equipment located throughout NB Power's substation system. The retirements, additions, and other plant transactions, for the period 1922 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis this account did not utilize a T-Cut and retirements of \$8,564,552 were recorded for this period.



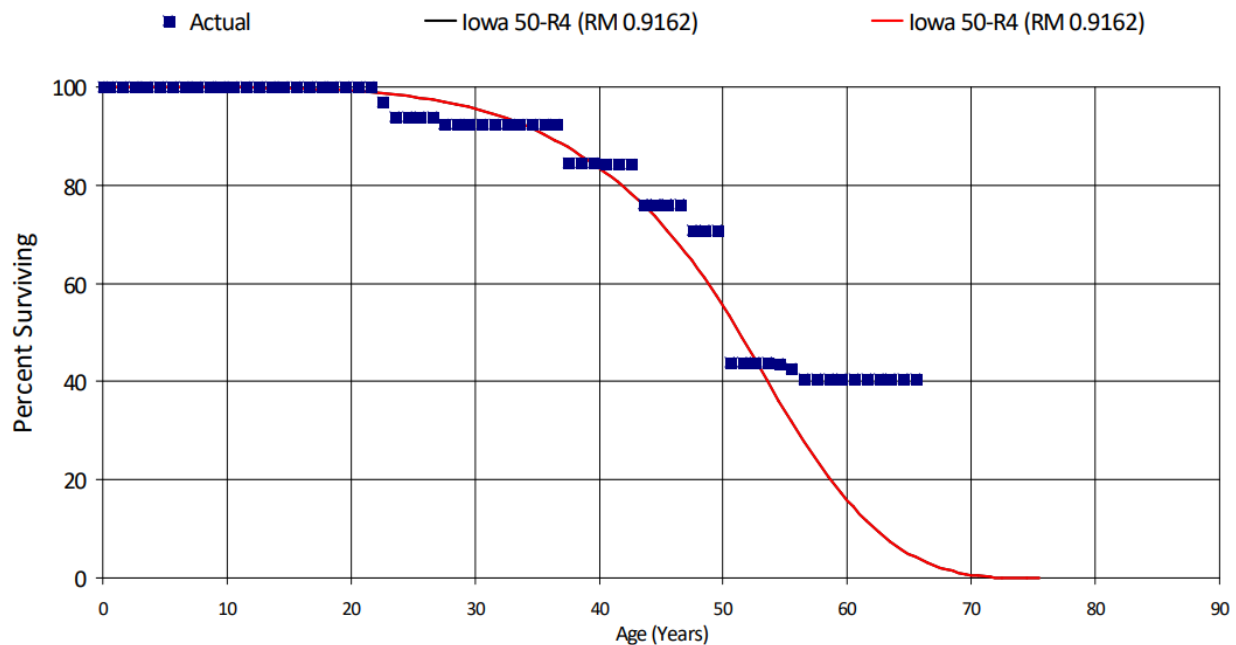
The currently approved and recommended life parameter for this account is an Iowa 30-R2.5 producing a Residual Measure of 4.3123 as seen above and page 6-215. With the additional retirement activity since the previous study in 2019, Concentric still finds the average service life recommendation of 30-years to be sufficient for this account. A review of Canadian electric distribution peers has resulted in one peer with a recommended average service life of 40 years. Although there is a difference in average service life recommendation from the peer, we do not know which assets are all included in this account. Furthermore, the historical data and conversations with operations and management indicated that a 30-year average service life recommendation is appropriate at this time. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 30-R2.5 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 30-R2.5 to represent future investment in this account.



ACCOUNT 118.30 – GENERAL PROPERTY – OTHER BUILDINGS

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$31,680,857	15.57%	50-R4	50-R4

The investment in General Property – Other Buildings is approximately \$31.7 million, representing 15.57 percent of the total depreciated and amortized plant studied. The retirements, additions, and other plant transactions, for the period 1951 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 2011 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account included the use of a T-Cut at age 66. As such, retirements of \$5,553,235 were recorded for this period.



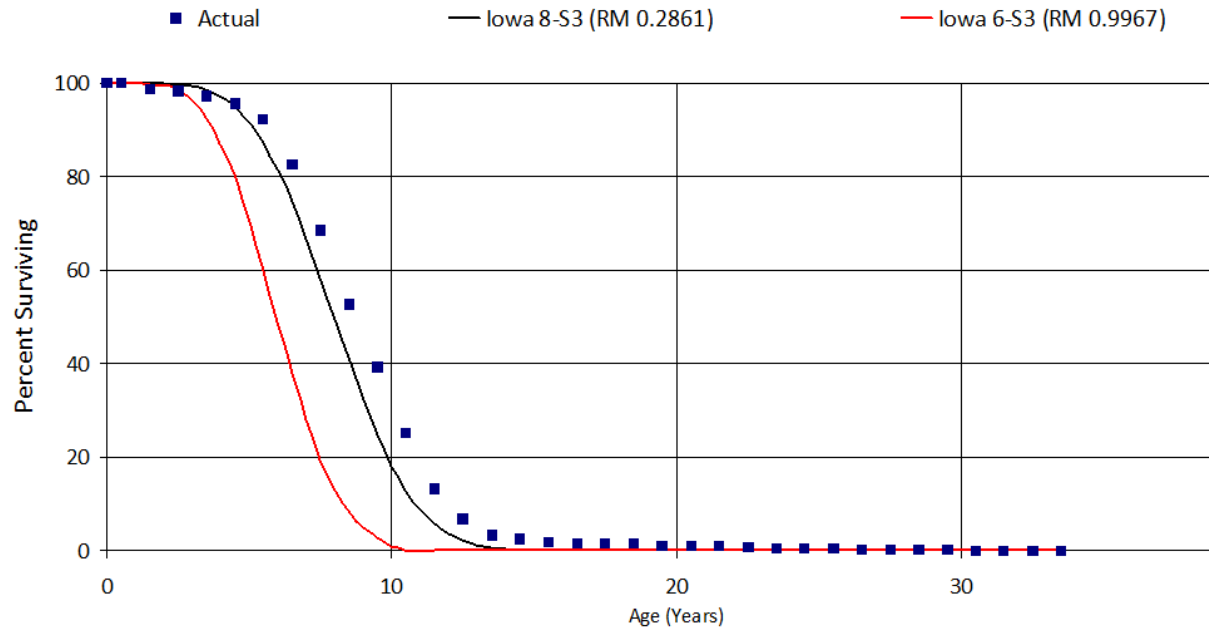
The currently approved and recommended life parameter for this account is an Iowa 50-R4 producing a Residual Measure of 0.9162 as seen above and page 6-223. A review of Canadian electric distribution utility peers produced a range from 25 to 50-years, placing this account on the higher end but still within its peers. The additional retirement activity since the previous study has indicated no change from the 50-year average service life recommendation. Furthermore, conversations with management and operational staff have identified no significant changes within this account. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 50-R4 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 50-R4 to represent the future investment in this account.



ACCOUNT 131.02 – GENERAL PROPERTY – TRUCKS UNDER 1 TON

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$25,340,884	12.45%	8-S3	6-S3

The investment in General Property – Trucks Under 1 Ton is approximately \$25.3 million, representing 12.45 percent of the total depreciated and amortized plant studied. The investment in this account contains half-ton trucks used for metering and field staff. The retirements, additions, and other plant transactions, for the period 1979 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis this account did not utilize a T-Cut and retirements of \$34,812,403 were recorded for this period.



The currently approved life parameter for this account is an Iowa 8-S3, which produces a Residual Measure of 0.2861, and the recommended Iowa 6-S3 produces a Residual Measure of 0.9967 as seen above and page 6-230. Although the recommended life does not provide a better mathematical fit, the trucks in this account have a 250,000km threshold, which management and operational staff have indicated might be more suitable with a 6-year average service life recommendation moving forward. This account currently utilizes a lifecycle period of between three and six years within the NB Power system, with the three-year life tied to the meter readers that there will be less of in the future as the AMI program is fully implemented. As the remainder of the account will be the longer-lived six-year vehicles that will top out at 250,000km, Concentric finds this to be an appropriate time to better align the average service life recommendation with the remaining assets within this account during this period of transition.



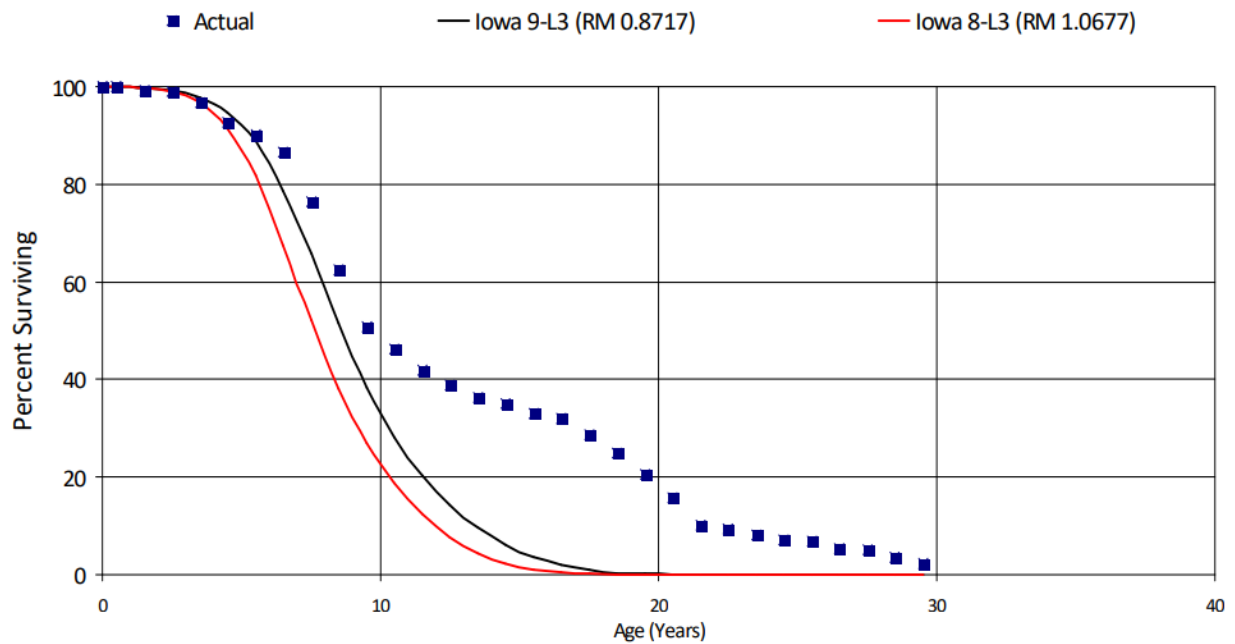
A review of Canadian electric distribution utility peers generated a range between seven to 16 years, placing this account short of the peer range. However, this account has historically had a different asset mix than some of the peer comparators. Vehicles accounts typically possess different asset mixes from utility to utility, and some utilities may have more or less accounts, making the peer review for this specific account have to be considered in a slightly different light, and using Concentric's experience with each utility. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 6-S3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 6-S3 to represent the future investment in this account.



ACCOUNT 131.03 – GENERAL PROPERTY – TRUCKS, CHASSIS AND BODY – 1 TON

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$6,487,745	3.19%	9-L3	8-L3

The investment in General Property – Trucks, Chassis and Body – 1 Ton is approximately \$6.5 million, representing 3.19 percent of the total depreciated and amortized plant studied. The investment in this account contains crew cab 1-ton trucks used for field operations. The retirements, additions, and other plant transactions, for the period 1971 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account included the use of a T-Cut at age 30. As such, retirements of \$14,377,646 were recorded for this period.



The currently approved life parameter for this account is an Iowa 9-L3 which produces a Residual Measure of 0.8717, and the recommended Iowa 8-L3 produces a Residual Measure of 1.0677 as seen above and page 6-233. Although the recommended curve does not provide a better Residual Measure than the previously approved, conversations with management and operational staff have indicated a slight reduction in life is more suitable for this account going forward. The conversations with NB Power operational staff indicated that the crew cab trucks do not have aerial devices on them, however they do have the same 250,000km policy as the trucks under 1 ton in Account 131.02. These trucks have a six-year lifecycle in the NB Power system, and as such, Concentric finds it prudent to shorten the life of this account to better reflect the real-world experience. However, with the account currently having a 9-year average service life, Concentric recommends the use of gradualism and moderation to only shorten the average service life by one year at this current time.



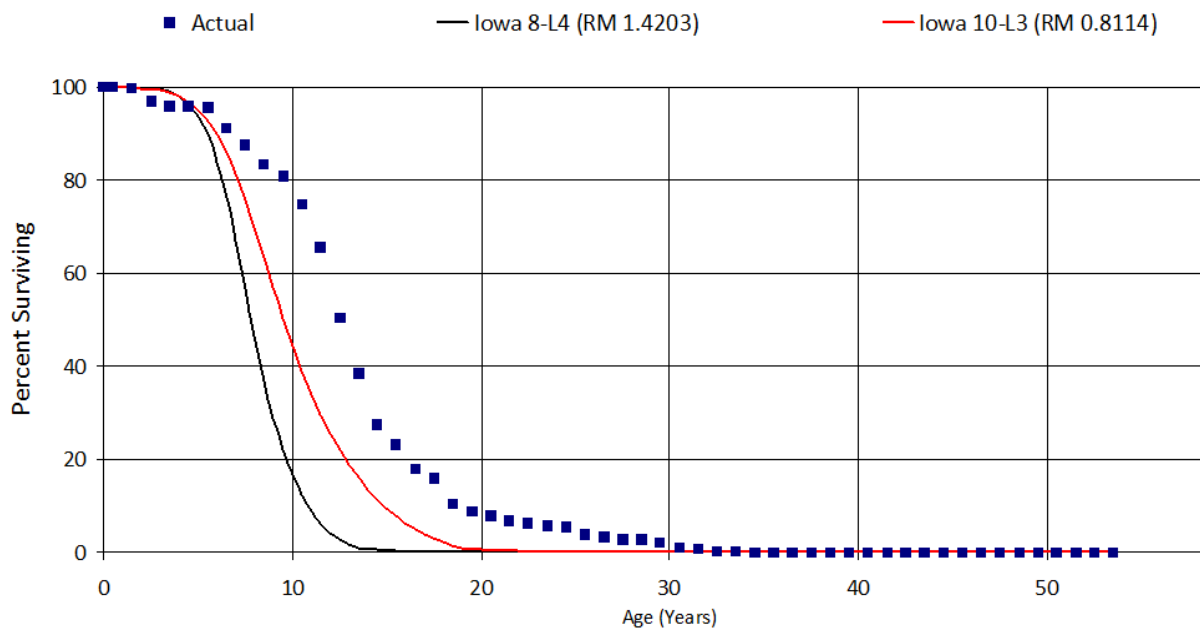
A review of Canadian electric distribution utility peers generated a range between eight to 19 years, placing this account on the lower end but still within its peers. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 8-L3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 8-L3 to represent the future investment in this account, however notes that in future depreciation studies this life may require further life shortening to best align with NB Power's internal policy for these assets.



ACCOUNT 131.04 – GENERAL PROPERTY – TRUCKS, CHASSIS AND BODY – OVER 1 TON

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$25,028,442	12.30%	8-S3	10-L3

The investment in General Property – Trucks, Chassis and Body – Over 1 Ton is approximately \$25 million, representing 12.30 percent of the total depreciated and amortized plant studied. The investment in this account contains both single axle and tandem axle trucks with aerial devices used in field operations. The retirements, additions, and other plant transactions, for the period 1963 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis this account did not utilize a T-Cut and retirements of \$28,110,005 were recorded for this period.



The currently approved life parameter for this account is an Iowa 8-L4 with a Residual Measure of 1.4203. An Iowa 10-L3 provides a better visual and mathematical fit with a Residual Measure of 0.8114 as seen above and on page 6-236. Conversation with operational and management staff has indicated that a life increase is more suitable for this account going forward, based on the expected useful life of these assets in relation to the current lifecycles NB Power is experiencing.

At this moment in time, the assets in this account are predominantly tandem axle trucks, representing over 64 percent of the total vehicles. These tandem axles have an expected lifecycle of 10 years, and as such, Concentric recommends aligning the average service life of the account to the expected lifecycle currently in use by NB Power. These tandem axle trucks with aerial devices are more expensive than the single axle trucks within this account, which NB Power has indicated to Concentric



have an eight-year lifecycle. As the majority of the investment dollars in this account are tied to the tandem axle trucks and the material handlers with a roughly 12-year lifecycle, Concentric is recommending a life extension for this account to a 10-year average service life.

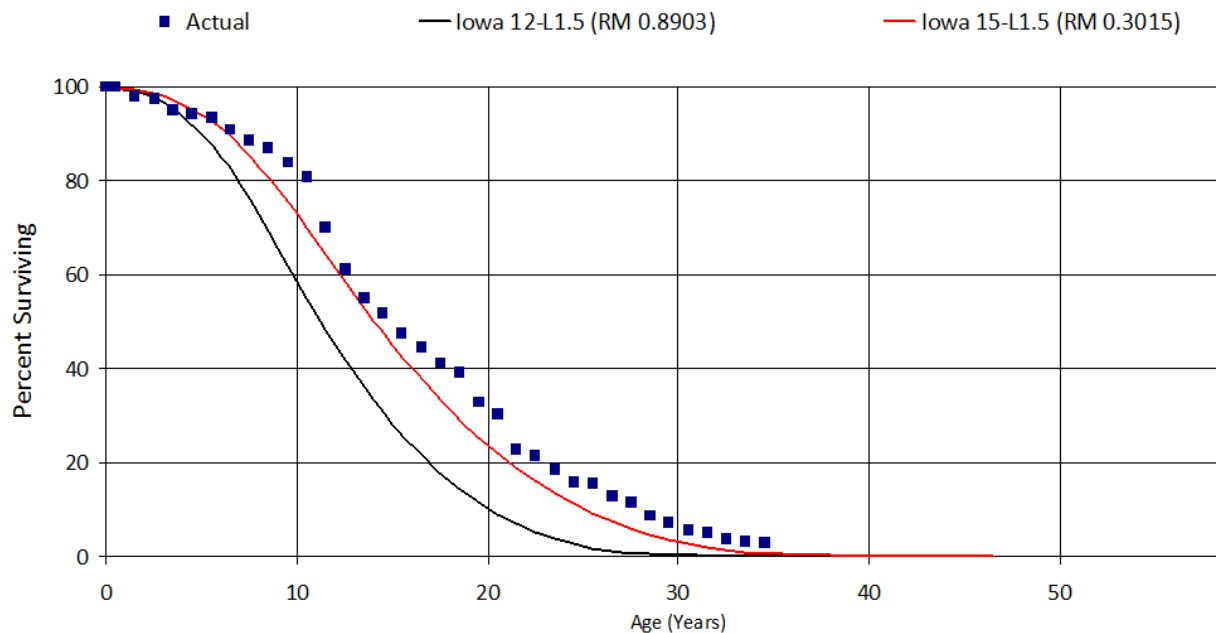
A review of Canadian electric distribution utility peers produced a range from nine to 19 years, placing this account well within its peers. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 10-L3 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 10-L3 to represent the future investment in this account.



ACCOUNT 131.06 – GENERAL PROPERTY – HEAVY EQUIPMENT

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$50,529,901	24.83%	12-L1.5	15-L1.5

The investment in General Property – Heavy Equipment is approximately \$50.5 million, representing 24.83 percent of the total depreciated and amortized plant studied. The investment in this account includes larger off-road equipment such as tracked units, front-end loaders, excavators, bulldozers and forklifts located throughout NB Powers system. The retirements, additions, and other plant transactions, for the period 1961 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 1997 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account included the use of a T-Cut at age 35. As such, retirements of \$45,868,014 were recorded for this period.



The currently approved life parameter for this account is an Iowa 12-L1.5 which produces a Residual Measure of 0.8903. The recommended Iowa 15-L1.5 provides a better mathematical and visual fit with a Residual Measure of 0.3015 as seen above and on page 6-242. Conversations with operational and management staff have indicated an extension to the life of this account is a more suitable expectation for the future investment in this account. Operational staff indicated to Concentric that the majority of these assets within the Heavy Equipment category get evaluated for lifecycle purposes at 13 years, however their lifecycle within NB Power is a 15-year life. The mathematical fit to data aligns with these conversations, as the Iowa 15-L1.5 aligns robustly with the experienced retirements to date, and this can be expected to continue to in the future.



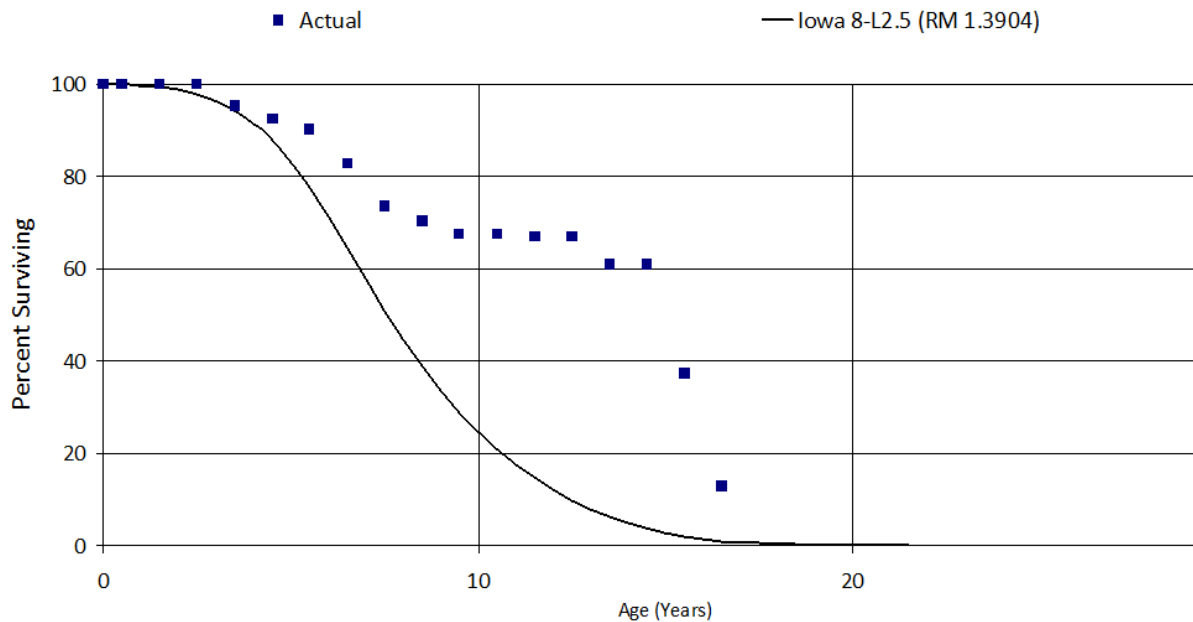
A review of Canadian electric distribution utility peers has produced a range from 10 to 27-years, placing this account well within the range. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 15-L1.5 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 15-L1.5 to represent the future investment in this account.



ACCOUNT 131.08 – GENERAL PROPERTY – CUSTOMER SERVICE VEHICLES

Investment \$	Investment %	Previously Approved Curve	Concentric Recommended Curve
\$7,514,445	3.69%	N/A	8-L2.5

The investment in General Property – Customer Service Vehicles is approximately \$7.5 million, representing 3.69 percent of the total depreciated and amortized plant studied. The investment in this account includes vehicles and related assets such as CSR manlifts, chassis and associated costs. The retirements, additions, and other plant transactions, for the period 1999 through 2024, were analyzed by the retirement rate method. Retirements that occurred between 2007 and 2024 were utilized in the development of the depreciation parameters. In conducting the retirement rate analysis, this account did not utilize the use of T-Cut and retirements of \$3,274,735 were recorded for this period.



This account has been newly created since the time of the last depreciation study, and as such, does not have a previously approved curve and average service life. The recommended Iowa 8-L2.5 produces a Residual Measure of 1.3904 as seen above and on page 6-248. Conversations with operational and management staff have indicated that an 8-year life for this account is suitable for the future investment in this account. Furthermore, a review of Canadian electric distribution utility peers generated a range from 6 to 10 years placing this account in the middle of its peer utilities. Based on the above discussion and considerations, and on Concentric's experience, an Iowa 8-L2.5 is a reasonable expectation for the investment in this account. As such, Concentric recommends an Iowa 8-L2.5 to represent the future investment in this account.



SECTION 4

4 CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

4.1 Group Depreciation Procedures

When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because, usually all of the items within a group do not have identical service lives but have lives that are dispersed over a range of time. There are two primary group procedures: ALG and ELG.

In the ELG procedure, the property group is subdivided according to service life. That is, each ELG includes that portion of the property which experiences the life of that specific group. The relative size of each ELG is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each ELG.

The table on the following page presents an illustration of the calculation of ELG depreciation in a mass property account using the Iowa 13-R2 survivor curve, zero percent net salvage and a December 31, 2022, calculation date. Each ELG, in the table, is defined by the age interval shown in columns 1 and 2. These are the ages at which the first and last retirement of each group occurs, and the group's equal life, shown in column 3, is the midpoint of the interval. For purposes of the calculation, each vintage is divided into ELGs arranged so that the midpoint of each one-year age interval coincides with the calculation date, e.g., in this case March 31. This enables the calculation of annual accruals for a twelve-month period centered on the date of calculation.

The retirement during the age interval, shown in column 4, is the size of each ELG derived from the Iowa 13-R2 survivor curve and zero percent net salvage. It is the difference between the percentage surviving at the beginning and end of the age interval. Each ELG's annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3), except in the circumstance of age 0.5 due to the use of the mid-year convention.

Columns 7 through 10, show the derivation of the annual and accrued factors for each vintage based on the information developed in the first five columns. The year installed is shown in column 6. For all vintages other than 2022, the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure 9.36279122771 for 2021, equals one-half of 0.69931333333 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the ELG for that interval has reached the year during which it is expected to be retired.



DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

Input Parameters:			Calculation Date = 12-31-2022			Survivor Curve = 13-R2			
Beg.	End	Life	Retirements During Age Interval	Group Annual Accrual	Year Inst.	Summation of Annual Accruals	Average Percent Surviving	Annual Factor	Accrued Factor
(1)	(2)	(3)	(4)	(5) = (4)/(3)	(6)	(7)	(8)	(9) = (7)/(8)	(10) = (9)*(3)
0.000	1.000	0.500	0.81843	0.81843000000	2022	10.53087789437	99.607343	0.1057	0.0529
1.000	2.000	1.500	1.04897	0.69931333333	2021	9.36279122770	98.657081	0.0949	0.1424
2.000	3.000	2.500	1.32665	0.53066000000	2020	8.74780456104	97.469276	0.0897	0.2244
3.000	4.000	3.500	1.65967	0.47419142857	2019	8.24537884675	95.976118	0.0859	0.3007
4.000	5.000	4.500	2.05317	0.45626000000	2018	7.78015313246	94.119697	0.0827	0.3720
5.000	6.000	5.500	2.51363	0.45702363636	2017	7.32351131428	91.836296	0.0797	0.4386
6.000	7.000	6.500	3.05106	0.46939384615	2016	6.86030257302	89.053950	0.0770	0.5007
7.000	8.000	7.500	3.66989	0.48931866667	2015	6.38094631661	85.693474	0.0745	0.5585
8.000	9.000	8.500	4.36997	0.51411411765	2014	5.87922992446	81.673542	0.0720	0.6119
9.000	10.000	9.500	5.14410	0.54148421053	2013	5.35143076037	76.916510	0.0696	0.6610
10.000	11.000	10.500	5.97129	0.56869428571	2012	4.79634151225	71.358816	0.0672	0.7058
11.000	12.000	11.500	6.79860	0.59118260870	2011	4.21640306504	64.973866	0.0649	0.7463
12.000	13.000	12.500	7.54947	0.60395760000	2010	3.61883296070	57.799833	0.0626	0.7826
13.000	14.000	13.500	8.12298	0.60170222222	2009	3.01600304959	49.963612	0.0604	0.8149
14.000	15.000	14.500	8.39246	0.57879034483	2008	2.42575676606	41.705891	0.0582	0.8434
15.000	16.000	15.500	8.25458	0.53255354839	2007	1.87008481945	33.382372	0.0560	0.8683
16.000	17.000	16.500	7.66186	0.46435515152	2006	1.37163046950	25.424151	0.0539	0.8902
17.000	18.000	17.500	6.66225	0.38070000000	2005	0.94910289374	18.262094	0.0520	0.9095
18.000	19.000	18.500	5.40212	0.29200648649	2004	0.61274965050	12.229909	0.0501	0.9269
19.000	20.000	19.500	4.06774	0.20860205128	2003	0.36244538162	7.494980	0.0484	0.9430
20.000	21.000	20.500	2.81382	0.13725951220	2002	0.18951459988	4.054203	0.0467	0.9583
21.000	22.000	21.500	1.70757	0.07942186047	2001	0.08117391355	1.793508	0.0453	0.9731
22.000	23.000	22.500	0.78015	0.03467333333	2000	0.02412631665	0.549647	0.0439	0.9876
23.000	24.000	23.500	0.15903	0.00676723404	1999	0.00340603296	0.080054	0.0425	0.9998
24.000	24.180	24.090	0.00054	0.00002241594	1998	0.00000201743	0.000049	0.0412	1.0000
TOTAL			100.00000						

Column 4 represents the retirements at each of the Age Intervals listed in Column 3, for the Iowa survivor curve chosen

Column 7 is derived by calculating, for all Life Intervals except the first and last, by dividing the Group Annual Accrual in Column 5 by 2, and adding this result to the Group Annual Accrual amounts from all older Life Intervals

(e.g. Summation of Annual Accruals at Life 21.500 = (0.07942186047/2) + 0.03467333333 + 0.00676723404 + 0.00002241594)

Column 8 is derived from the Iowa 13-R2 survivor curve, with zero percent net salvage

The summation of annual accruals (column 7) for installations during 2022 is calculated on the basis of an in-service date at the midpoint of the year, i.e., June 30. In as much as the overall calculation is centered on December 31, 2022 the first figure in column 7, for vintage 2022, equals all of the group annual accrual for the first equal life group plus the accruals for all of the subsequent equal life groups.



The average percent surviving derived from the Iowa 13-R2 survivor curve and zero percent net salvage, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8). The accrued factor, shown in column 10, equals the annual factor multiplied by the age of the group at December 31, 2022.

4.2 Calculation of Annual and Accrued Amortization

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment, which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is proposed for a number of NB Power's accounts. The accounts and their amortization periods are as follows:

Account	Title	Investment	Investment Percentage	Previously Approved	Recommended Amortization Period in Years	Average ASL of Peer Group Studied
118	General Property – General Property Assets	\$45,249,689	22.24%	20	20	20
118.1	General Property – SCADA System	\$3,131,651	1.54%	15	15	8
766	Substations & Terminals - Tools and Work Equipment	\$796,835	0.10%	15	15	18

4.3 Monitoring of Book Accumulated Depreciation

The calculated accrued depreciation or amortization represents that portion of the depreciable cost which will not be allocated to expense through future depreciation accruals, if current forecasts of service life characteristics materialize and are used as a basis for depreciation accounting. Thus, the calculated accrued depreciation provides a measure of the book accumulated depreciation. The use of this measure is recommended in the amortization of book accumulated depreciation variances to ensure complete recovery of capital over the life of the property.

The composite remaining life for use in the calculation of accumulated depreciation variances is derived by developing the composite sum of the individual remaining lives in accordance with the following equation:



$$\text{Composite Remaining Life} = \frac{\sum \left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life} \right)}{\sum \frac{\text{Book Cost}}{\text{Life}}} \quad (1)$$

The book costs and lives of the several vintages, which are summed in the foregoing equation, are defined by the estimated future survivor curve. In as much as book cost divided by life equals the Whole Life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accrual}} \quad (2)$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost} - \text{Calc, Reserve}}{\sum \text{Whole Life Annual Accrual}} \quad (3)$$



SECTION 5

5 RESULTS OF THE STUDY

5.1 Qualification of Results

The calculated annual and accrued depreciation, along with the calculated composite remaining lives are the principal results of the study and are shown in Tables 1, 2, and 3. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates and the accrued depreciation were calculated in accordance with the Straight-Line method, using the ELG procedure, based on estimates which reflect considerations of current historical evidence and expected future conditions.

5.2 Description of Detailed Tabulations

The following tables provides summaries by account of the original cost of investment, calculated and booked accumulated depreciation amounts, the required amount of annual depreciation expense, the required depreciation rate to be applied against the original cost of the account and the estimated composite remaining life of the surviving plant in service.

The detailed calculations of annual depreciation applicable to assets studied, as of March 31, 2024, are presented in account sequence starting in Section 7 – Page 7-2. The tables indicate the estimated Iowa survivor curves used in the calculations. The tables set forth (for each installation year) the original cost, calculated accrued depreciation, booked accumulated depreciation, and the calculated annual accrual.

Énergie NB Power - Transmission

TABLE 1: ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO PLANT AS OF MARCH 31, 2024
DEPRECIATION RELATED TO RECOVERY OF ORIGINAL COST OF INVESTMENT

Account	Account Description	Survivor Curve	Investment Percentage	Original Cost as of March 31, 2024	Calculated Reserve	Book Reserve	Future Accruals	Annual Accrual Amount	Composite Remaining Life	Annual Accrual Rate Percent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
101.00	LINE SURVEYS	45-R3	*	2.90%	19,588,358	8,698,024	8,653,843	10,934,515	454,519	23.81	2.32%
117.00	RIGHTS OF WAYS AND EASEMENTS	70-R4	*	3.66%	24,746,552	13,977,331	17,270,763	7,475,789	188,364	29.86	0.76%
121.00	SITE PREPARATION, CLEARING & GRADING	45-R4	*	3.75%	25,364,253	17,504,466	18,067,581	7,296,672	459,496	14.00	1.81%
141.00	FENCING	40-R4		0.02%	128,135	46,727	47,579	80,556	3,320	24.24	2.59%
161.00	ACCESS ROADS	40-R4		0.13%	908,936	393,511	363,059	545,877	25,070	21.78	2.76%
250.10	STEEL STRUCTURES, FOUNDATIONS & TRENCHES	20-R3		0.00%	19,814	17,261	12,671	7,143	2,246	3.18	11.34%
251.00	STEEL STRUCTURES, CROSSARMS	65-R4	*	20.18%	136,493,582	51,537,540	56,189,701	80,303,881	1,924,577	38.75	1.41%
251.01	TOWER FOUNDATION	60-R4		4.52%	30,600,079	6,484,079	6,940,262	23,659,817	525,720	44.74	1.72%
251.06	RIVER CROSSINGS	40-R4		0.04%	262,611	202,464	202,966	59,645	6,177	9.66	2.35%
251.07	WOOD POLE STRUCTURES	60-R3	*	23.77%	160,783,708	40,613,320	46,806,684	113,977,024	2,630,974	40.30	1.64%
251.08	CROSSARMS	40-R2.5	*	2.97%	20,075,340	5,026,189	5,189,668	14,885,672	560,203	26.07	2.79%
252.00	DUCTS AND MANHOLES	50-R4		0.46%	3,118,777	1,877,830	2,126,666	992,111	47,167	19.66	1.51%
281.00	TELECOM BUILDING	50-R4		0.00%	30,093	19,766	23,994	6,099	347	17.24	1.15%
510.20	LINE SWITCHES	60-R1		0.56%	3,781,854	1,168,256	1,423,534	2,358,320	66,863	33.46	1.77%
510.50	CONDUCTORS	65-R4	*	24.62%	166,519,369	67,380,225	77,876,582	88,642,787	2,106,534	37.16	1.27%
510.60	LIGHTNING ARRESTORS	30-R4		0.52%	3,494,963	1,423,778	1,335,514	2,159,449	127,549	17.07	3.65%
510.80	INSULATORS	37-R4	*	9.47%	64,091,488	22,744,424	23,549,824	40,541,664	1,658,442	22.77	2.59%
520.00	FIBER OPTIC CABLE	30-R3		1.07%	7,242,087	6,206,185	6,924,272	317,815	55,426	5.17	0.77%
557.00	48 VOLT DC POWER SUPPLY	22-R2.5		0.01%	83,719	57,680	55,034	28,685	3,853	7.44	4.60%
590.00	GROUNDING	40-R4		0.52%	3,496,801	1,608,432	1,773,710	1,723,091	81,934	20.82	2.34%
593.00	O/H GROUND WIRE	60-R3		0.29%	1,980,565	690,728	730,302	1,250,263	33,877	36.12	1.71%
602.00	TELECOMMUNICATION INSTALLATION	25-R4		0.03%	198,656	88,134	87,572	111,084	8,217	13.42	4.14%
602.10	TELEPROTECTION AND TELECONTROL EQUIPMENT	15-R2.5		0.02%	135,430	100,488	88,832	46,598	14,413	3.75	10.64%
602.50	TELEPHONE EQUIPMENT	25-R2.5		0.06%	416,102	403,192	414,111	1,991	827	1.22	0.20%
602.92	FIBER OPTICS	20-R4		0.02%	103,903	99,380	102,607	1,296	1,117	1.16	1.08%
650.00	RELAYING	25-S2.5		0.42%	2,817,754	1,479,575	1,502,357	1,315,397	113,517	11.37	4.03%
TOTAL DEPRECIABLE PLANT					676,482,928	249,848,983	277,759,687	398,723,241	11,100,749		1.64%
PLANT NOT STUDIED											
115.00	LAND PURCHASED				1,430,620		(2,846)				
139.00	MARKER BALLS				134,928		(62,220)				
910.00	FUNDY CABLE - DECOMMISSIONED				17,513,597		(4,888,380)				
TOTAL PLANT NOT STUDIED					19,079,145.02		(4,953,445.42)				
TOTAL TRANSMISSION					695,562,073.00		272,806,241.56				

*Denotes Accounts Written up in Section 3 of the Depreciation Study Report

Énergie NB Power - Substations and Terminals

TABLE 2. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO PLANT AS OF MARCH 31, 2024
DEPRECIATION RELATED TO RECOVERY OF ORIGINAL COST OF INVESTMENT

Account	Account Description	Survivor Curve	Investment Percentage	Original Cost as of March 31, 2024	Calculated Reserve	Book Reserve	Future Accruals	Annual Accrual Amount	Composite Remaining Life	Annual Accrual Rate Percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
102.00	SITE INVESTIGATION AND LAYOUTS	45-R3	0.63%	4,839,032	1,869,559	1,844,562	2,994,470	114,769	25.9	2.37%
117.00	EASEMENTS	45-R3	0.02%	136,038	90,694	101,972	34,066	1,318	14.9	0.97%
120.00	SITE COSTS	50-R4	2.26%	17,409,965	9,163,951	9,895,614	7,514,351	292,857	23.1	1.68%
141.00	FENCING	60-R3	0.70%	5,382,206	2,094,488	2,931,557	2,450,649	61,742	34.2	1.15%
154.00	LANDSCAPING	50-R3	0.20%	1,528,626	719,976	808,942	719,684	24,825	24.9	1.62%
161.00	ROADS	45-R3	0.12%	913,432	627,054	704,142	209,290	13,791	14.8	1.51%
221.00	CONTROL BUILDING SUBSTRUCTURE	50-R3	0.67%	5,177,303	2,699,061	3,088,230	2,089,073	69,706	22.8	1.35%
222.00	CONTROL BUILDING SUPERSTRUCTURE	50-L2	1.83%	14,071,310	5,352,799	6,285,280	7,786,030	252,686	27.3	1.80%
250.00	STEEL STRUCTURES, FOUNDATIONS AND TRENCHES	70-R3	8.16%	62,705,681	23,704,962	29,376,618	33,329,063	756,731	40.4	1.21%
250.30	WOOD STRUCTURES	55-R4	0.62%	4,799,712	2,600,816	2,976,893	1,822,819	65,489	24.6	1.36%
250.40	OTHER BUILDINGS	35-R3	0.08%	604,286	172,709	169,976	434,310	18,929	22.9	3.13%
251.07	WOOD POLES AND STRUCTURES	55-R4	0.00%	26,880	1,817	1,451	25,429	527	48.3	1.96%
251.08	CROSSARMS	40-R2.5	0.00%	32,824	2,531	1,858	30,966	1,024	30.3	3.12%
281.00	TELECOM BUILDING	50-R3	0.18%	1,387,108	834,231	1,104,337	282,771	12,187	20.0	0.88%
282.00	TELECOM STRUCTURE FOUNDATIONS	45-R3	0.89%	6,812,831	3,305,985	3,738,486	3,074,345	124,144	22.1	1.82%
490.00	STANDBY GENERATOR SETS	30-R4	0.52%	4,002,820	1,803,326	2,092,345	1,910,475	111,638	15.9	2.79%
510.01	HIGH VOLTAGE INSTALLATION COSTS	30-R4	1.12%	8,646,069	4,755,629	4,939,414	3,706,655	263,653	13.2	3.05%
510.20	DISCONNECT SWITCHES	50-R3	4.10%	31,488,501	14,321,352	17,223,195	14,265,306	449,925	25.6	1.43%
510.30	BREAKERS AND RECLOSERS	45-R2.5	9.42%	72,409,229	29,663,118	34,349,659	38,059,570	1,403,697	24.2	1.94%
510.40	INSTRUMENT TRANSFORMERS	45-R3	3.31%	25,453,816	8,677,647	9,431,575	16,022,241	554,380	27.2	2.18%
510.50	BUSWORK HARDWARE	50-R2.5	3.60%	27,686,465	13,716,128	16,170,228	11,516,237	411,493	23.9	1.49%
510.60	LIGHTNING ARRESTORS	40-R4	0.42%	3,234,734	1,056,009	1,007,175	2,227,559	88,264	25.6	2.73%
510.71	CAPACITORS	40-R3	1.03%	7,928,755	2,863,615	3,240,034	4,688,721	177,643	23.5	2.24%
510.72	REACTORS	40-R4	1.21%	9,303,827	3,706,465	3,905,452	5,398,375	218,321	23.0	2.35%
510.73	VOLTAGE REGULATORS	40-R2.5	0.71%	5,447,885	2,966,309	3,483,106	1,964,779	88,960	17.6	1.63%
510.80	INSULATORS	35-R3	0.38%	2,943,252	1,316,012	1,563,100	1,380,152	71,648	18.4	2.43%
518.00	15KV SWITCHGEAR	50-R3	2.71%	20,821,582	7,833,745	8,929,765	11,891,817	356,142	28.6	1.71%
530.00	STATION SERVICE	25-R1.5	1.17%	9,027,646	6,679,152	5,968,507	3,059,139	548,464	6.8	6.08%
540.10	TRANSFORMERS	55-R4	30.30%	232,965,899	108,497,152	126,974,275	105,991,624	3,150,620	28.4	1.35%
541.00	TAPCHANGER UPGRADES	25-R3	0.97%	7,462,340	3,234,669	2,800,236	4,662,104	351,627	13.4	4.71%
557.00	POWER CONTROL	30-R3	1.41%	10,818,420	4,039,534	3,997,126	6,821,294	382,981	17.4	3.54%
561.50	OUTDOOR LIGHTING FIXTURES	25-R2.5	0.12%	926,819	545,792	581,504	345,315	28,008	10.0	3.02%
570.00	CABLES AND CONDUITS	50-R4	4.38%	33,702,369	14,526,013	15,693,314	18,009,055	585,845	27.3	1.74%
590.00	GROUNDING	50-R2.5	1.92%	14,736,643	6,261,376	6,930,064	7,806,579	271,137	26.7	1.84%
602.00	TELECOMMUNICATION/MICROWAVE	20-R2.5	1.81%	13,889,914	10,491,456	10,923,786	2,966,128	353,928	5.0	2.55%
602.10	TELEPROTECTION AND TELECONTROL EQUIPMENT	15-R2	0.01%	106,137	13,218	4,095	102,042	9,677	10.5	9.12%
602.74	DIGITAL MICROWAVE	15-R2	0.56%	4,282,822	1,136,773	609,746	3,673,076	379,201	9.7	8.85%
650.00	CONTROL METERING AND RELAYING	30-R2.5	12.11%	93,147,482	51,535,589	52,764,917	40,382,565	2,739,618	12.8	2.94%
751.50	AIR SYSTEM EQUIPMENT	50-R3	0.24%	1,850,796	769,429	903,787	947,009	28,643	27.2	1.55%
766.00	TOOLS AND WORK EQUIPMENT	15-SQ	0.10%	796,835	418,893	409,124	387,711	54,815	7.1	6.88%
TOTAL DEPRECIABLE PLANT				768,908,294	354,069,035	397,925,449	370,982,845	14,891,053		1.94%
PLANT NOT STUDIED										
110.00	LAND			2,327,523		(67,806)				
	DEEMED COST			(284,443,838)		284,443,838				
	HVDC REFURB			76,126,886		(27,915,810)				
	HVDC STANDBY			278,669		(86,684)				
	SC1 REFURB			12,390,837		(206,514)				
	SPARES IFRS			(5,078,806)		5,078,806				
TOTAL PLANT NOT STUDIED				(198,398,729.77)		261,245,830.15				
TOTAL SUBSTATIONS AND TERMINALS				570,509,564.13		659,171,278.74				

*Denotes Accounts Written up in Section 3 of the Depreciation Study Report

Énergie NB Power - General Property

TABLE 3. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO PLANT AS OF MARCH 31, 2024
DEPRECIATION RELATED TO RECOVERY OF ORIGINAL COST OF INVESTMENT

Account	Account Description	(1)	Survivor Curve (2)	Investment Percentage (3)	Original Cost as of March 31, 2024 (4)	Calculated Reserve (5)	Book Reserve (6)	Future Accruals (7)	Annual Accrual Amount (8)	Composite Remaining Life (9)	Annual Accrual Rate Percent (10)
118.00	GENERAL PROPERTY ASSETS		20-SQ	22.24%	45,249,689	19,723,865	19,396,815	25,852,874	2,012,994	9.78	4.45%
118.10	SCADA SYSTEM		15-SQ	1.54%	3,131,651	2,407,705	2,200,864	930,787	267,720	3.37	8.55%
118.30	OTHER BUILDINGS		50-R4	15.57% *	31,680,857	16,238,160	16,501,300	15,179,557	606,770	23.70	1.92%
131.01	COMPACT CARS		7-R3	1.40%	2,846,145	1,602,655	1,529,964	1,316,181	411,999	2.91	14.48%
131.02	TRUCKS UNDER 1 TON		6-S3	12.45% *	25,340,884	15,254,587	14,150,286	11,190,598	4,579,331	2.36	18.07%
131.03	TRUCKS, CHASSIS AND BODY - 1 TON		8-L3	3.19% *	6,487,745	3,074,573	2,307,793	4,179,952	1,120,649	3.88	17.27%
131.04	TRUCKS, CHASSIS AND BODY - OVER 1 TON		10-L3	12.30% *	25,028,442	10,826,258	11,557,459	13,470,983	2,338,169	5.24	9.34%
131.05	SMALL TRAILERS		18-R1.5	1.88%	3,822,814	1,337,833	1,921,596	1,901,218	168,593	9.70	4.41%
131.06	HEAVY EQUIPMENT		15-L1.5	24.83% *	50,529,901	18,498,427	28,073,256	22,456,645	2,581,760	8.06	5.11%
131.07	SNOWMOBILES AND ATVS		8-L1.5	0.92%	1,870,129	763,286	854,031	1,016,098	233,349	4.14	12.48%
131.08	CUSTOMER SERVICE VEHICLES		8-L2.5	3.69% *	7,514,445	4,550,249	4,467,672	3,046,773	930,656	3.13	12.38%
TOTAL DEPRECIABLE PLANT					203,502,702	94,277,598	102,961,035	100,541,666	15,251,990		7.49%
PLANT NOT STUDIED											
115.00	LAND				980,718		(3,688)				
115.01	LEASEHOLD				320,129		(198,211)				
115.02	SOLAR				96,102		(24,804)				
118.20	HEAD OFFICE BUILDING				18,928,695		14,170,288				
	HVDC STANDBY				278,669		(86,684)				
	SC1 REFURB				12,390,837		(206,514)				
	SPARES IFRS				(5,078,806)		5,078,806				
TOTAL PLANT NOT STUDIED					27,916,344		18,729,193				
TOTAL GENERAL PROPERTY					231,419,045.37		121,690,228.32				

*Denotes Accounts Written up in Section 3 of the Depreciation Study Report