

**DG 11-069 (Northern Utilities)  
Settlement Agreement  
Depreciation Accrual Rates**

**APPENDIX A**

		Settlement		
		Average Service Life	Net Salvage Percent	Depreciation Accrual Rate
		(1)		
<b>Distribution Plant:</b>				
Structures:				
375.20 (1308.6)	Structures - City Gate	70.0	-5.0%	1.50%
375.70 (1308.7)	Structures & Improvements - Other	70.0	0.0%	1.43%
Total Structures				
Mains:				
376.20 (1356.4)	Coated/Wrapped	45.0	-25.0%	2.78%
376.30 (1356.6)	Bare Steel	31.0	-25.0%	4.03%
376.40 (1356.7)	Plastic	45.0	-25.0%	2.78%
376.50 (1356.2)	Joint Seals	15.0	-25.0%	8.33%
376.60 (1356.5)	Cathodic Protection	18.0	-25.0%	6.94%
376.80 (1356.1)	Cast Iron	62.0	-25.0%	2.02%
Total Mains				
Other Plant:				
378.20 (1358.0)	Measuring & Regulating Station Equipment	30.0	-5.0%	3.50%
380.00 (1359.0)	Services	45.0	-72.5%	3.83%
381.00 (1360.0)	Meters	30.0	0.0%	3.33%
382.00 (1360.0)	Meter Installations	33.0	-10.0%	3.33%
383.00 (1359.0)	House Regulators	30.0	0.0%	3.33%
386.00 (1361.0)	Water Heaters/Conversion Burners	13.5	2.5%	7.22%
Total Other				
<b>Total Distribution Plant</b>				
<b>General Plant:</b>				
391.10 (1372.1)	Office Furniture & Equipment - Unspec.	11.5	3.5%	8.39%
391.11 (1372.1)	Office Furniture & Equipment - Data HDL.	10.5	0.0%	9.52%
394.00 (1375.0)	Tools, Shop & Garage Equipment	19.0	3.5%	5.08%
396.00 (1377.0)	Power Operated Equipment	15.0	17.5%	5.50%
397.00 (1378.0)	Communication Equipment	11.0	0.0%	9.09%
397.35 (1378.0)	Communication Equipment - ERTS	15.0	0.0%	6.67%
<b>Total General Plant</b>				

(1) The calculation of depreciation accrual rates is based on the whole-life technique as follows:  
 $1 - (\text{net salvage percent}) \text{ divided by average service life}$