

1 Q. Compare the depreciation expense for the years 1998 to 2002 using the  
2 current depreciation methodology and the proposed depreciation  
3 methodology.

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6 A. The depreciation expense for the years 1998 to 2001 would be the same  
7 using both the current methodology and the proposed methodology because  
8 the current rate application includes the changes in service lives to be  
9 effective January 1, 2002.

10

11 The effect on the year 2002 is outlined below.

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13	Current	Proposed	Expense	
14	<u>Methodology</u>	<u>Methodology</u>	<u>Reduction</u>	
15	(\$000)	(\$000)	(\$000)	
16				
17	2002	34,932	31,790	(3,142)