

1 Q. Does Hydro agree that the replacement cost of original equipment being
2 multiples of the original cost does not provide any meaningful commentary
3 on the resulting increase/decrease in revenue requirement after
4 replacement? (**WW p.5, line 19**)

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7 A. It is assumed the correct reference is (**WW p. 11, lines 23 - 24**).

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9 No. The greater the replacement cost of an asset the higher the depreciation
10 and interest charges will be after replacement.