

1 Q. **Re: p. B-13** Explain how this penstock has been depreciated, including the
2 service life, rate of depreciation, method of depreciation, any other charges
3 or credits to the depreciation account, and further provide the same
4 explanation for how the new penstock will be depreciated.

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7 A. The original penstocks were acquired by Hydro from the Power Distribution
8 District. These assets are recorded in Hydro's records as fully contributed
9 assets.

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11 The new penstock will be depreciated over 50 years using the straight line
12 depreciation method.