

1 Q. With respect to overhauls, is it Hydro's practice to expense overhauls in the
2 year they occur, or does Hydro have in place a method to normalize overhaul
3 costs through amortization of a deferral account?
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6 A. Hydro's practice is to expense overhauls in the year in which they occur.
7 Hydro does not normalize overhaul costs thorough amortization of a deferral
8 account. Hydro does attempt to complete other maintenance activities in
9 years in which no major overhaul is scheduled in an effort to mitigate the
10 year-to-year variation in required maintenance spending that would otherwise
11 occur. Naturally, this effort is further constrained by availability of outage
12 windows and the requirement to supply energy to the system.