

1    **QUESTION:**

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3    Please confirm that Hydro's costs for participation in a comprehensive IRP have not been  
4    included in the 2007 test year.

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6    **RESPONSE:**

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8    Messrs. Bowman and McLaren are not aware of any costs related to an IRP in Hydro's 2007 test  
9    year forecasts. However, it would be expected that any such costs would be capitalized and  
10   amortized over some period representing the planning cycle, such as a 5 year period (reflecting a  
11   planning cycle where the long-term plan is updated every 5 years). If this approach were taken,  
12   it is likely that the majority of the costs incurred would remain in work-in-progress for the 2007  
13   test year.