

**In reference to Schedule “B”, page 77 of 82, Outage Management, project cost \$284,000.00:**

**Q. Please advise if these systems have been fully depreciated.**

A. The cost of computer software additions and enhancement is being amortized over a 10-year period in accordance with the Company’s 1996 Depreciation Study, which was approved by the Board in Order No. P.U. 7 (1996-97).

The original development costs for these systems have been fully depreciated. However, the cost of recent enhancements, for example those implemented to ensure Year 2000 compliance, has not been fully depreciated.