

1 **In reference to Schedule “B”, page 79 of 82, Personal Computer Infrastructure, project**
2 **cost \$234,000.00 (sic):**
3

4 **Q. Please advise as to the depreciation schedule for these personal computers.**
5

6 A. The Company’s depreciation schedule for computer hardware, including personal
7 computers, is based on amortization accounting. The amortization period recommended
8 by depreciation experts Gannett Fleming Valuation and Rate Consultants, Inc. in the
9 Company’s most recent depreciation study is 5 years. This is unchanged from the
10 amortized period recommended in the Company’s 1996 Depreciation Study, which was
11 approved by the Board in Order No. P.U. 7 (1996-97). Amortization periods are
12 determined by the depreciation experts based on judgement which incorporates
13 consideration of the period during which the assets will render most of their service, the
14 amortization period and service lives used by other utilities, and the service life estimates
15 previously used for the asset under depreciation accounting.