

1 Q. **Depreciation**

2 Exhibit 11, page 13. The statement “However, if there are no replacement assets  
3 (i.e., meaning replacement in the exact same location), then Concentric Advisors  
4 recommends that cost of removal will be charged to accumulated depreciation.”

5 Having received this recommendation, please provide NLH’s rationale regarding the  
6 costs and benefits of this approach compared to the existing approach, and the  
7 reasons NLH elected to accept this recommendation by Concentric Advisors.

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10 A. Hydro proposes to collect removal costs through depreciation expense for the  
11 reasons outlined by Concentric Advisors in Hydro’s response to PUB-NLH-071.