

- 1 **Q:** Is it Grant Thornton's view, per line 13-14, page 67 of the Financial Consultants
2 Report, that Hydro's "new proposed method of recording asset retirements" under
3 the depreciation study is tied to the use of a group procedure, and is equally valid
4 under the ASL or ELG group procedures (as is implied per the bottom of page 37,
5 Financial Consultants Report). If not, and Hydro adopts both the ASL group
6 procedure for pre-2015 assets and the ELG procedure for post-2015 assets, how does
7 Grant Thornton expect Hydro to record gains and losses on disposal, and why (per
8 page 67, Financial Consultants Report) does Grant Thornton conclude that no losses
9 on disposal are needed during the test years?
10
- 11 **A:** It is Grant Thornton's view that Hydro's proposed method of recording asset retirements
12 is equally valid under both the ASL and ELG group procedures.