

1 Q. **Asset Retirement Obligation**

2 Please identify depreciation policy and periods used for Asset Retirement
3 Obligations (Costs).

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6 A. The asset retirement costs are added to the carrying amount of the related long-
7 lived asset by the same amount as the liability. The balance is then amortized on a
8 straight line basis over the same remaining life of the associated asset. Holyrood
9 will be depreciated from 2011 to 2020, when the asset will be fully depreciated, and
10 the transformers containing Polychlorinated Biphenyls (PCBs) will be depreciated
11 from 2011 to 2025 when all PCBs must be disposed.