

1 Q. Paragraph 9 of the amended Application identifies capital costs of \$1,263,400 and
2 annual lease costs of \$5,763,200. Over what period does Hydro intend to
3 depreciate the capital assets associated with the Application?
4

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6 A. The lease costs over the 18-month period are \$5,240,000¹.
7

8 Hydro anticipates filing an application for recovery of the capital and lease amounts
9 through a deferral and recovery mechanism over a three-year period, similar to the
10 revenue shortfall amount that Hydro is proposing in its Amended Interim Rates
11 Application.

¹ The original Application included interest and escalation, which upon further review, should not have been included. An amendment to the Application is currently being filed.