

1 Q. **Reference: At page 57 of the report, Liberty states that Hydro’s actions have**
2 **produced only a short period during which the black start capability will be useful**
3 **and, “That period is too short to justify the recovery of the associated costs from**
4 **the customers.”**

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6 a) **Is Liberty aware of other regulators who have denied full recovery of a used**
7 **and useful asset due solely to the period of time for which the asset was in**
8 **service?**

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10 b) **If the answer to (a) is yes, please provide the applicable regulatory board**
11 **decisions.**

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14 A. Liberty responds to the question’s two parts as follows:

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16 a) Liberty has not researched the practices of other regulators in this regard.

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18 Nevertheless, it is self-evident that determining whether an investment is used and
19 useful requires consideration of the expenditures made versus benefits obtained.
20 More importantly, however, it needs to be understood that Liberty’s conclusions did
21 not rely strictly on the length of time during which the equipment may have provided
22 benefits for customers. It also relied on the long period of time that passed during
23 which Hydro acted imprudently in addressing black start.

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25 b) Not applicable.