

1 Q. [Fully Accrued] - Please provide the dollar amount of depreciation reserve by
2 account that would have been booked to the accumulated provision for
3 depreciation if Hydro had not ceased the booking of depreciation expense when it
4 believed an asset became fully accrued subsequent to the test year in its last rate
5 case that was not settled.

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8 A. Please refer to CA-NLH-240 Attachment 1 for the dollar amount of depreciation
9 reserve by account that would have been booked if Hydro had not ceased the
10 booking of depreciation expense when it believed an asset became fully accrued.
11 The results weren't able to be calculated using Hydro's standard JD Edwards
12 software but were estimated using Excel. The last month of recorded positive
13 depreciation expense was projected out over the remaining months in an effort to
14 estimate the potential negative depreciation amount. Because of the amount of
15 detailed information requested and the manual effort required to calculate, it is not
16 possible to respond to this request and provide data on all years subsequent to the
17 test year in its last rate case, in the time frame allotted. Therefore, 2008 was used
18 to provide a sample of potential findings.

Depreciation Methodology and Asset Service Lives

Total Depreciation Expense for Fully Accrued Assets by Unit Of Property for 2008

UOP	UOP Description	2008 Negative Depreciation Total (\$)
B01	Battery and Power Systems	89
B05	Buildings - Other	3,407
B06	Buildings - Metal	34
B08	Buswork and Hardware	120
C03	Cables - Under Ground	373
C04	Cables - Above Ground	566
C10	Compressed Air Systems	13,517
C11	Computers	22,399
C15	Control, Meter/Relaying	10,498
D02	Diesel Systems and Engines	702
D04	Dykes and Liners	110
F02	Fencing	669
F04	Footings and Foundations	531
G01	Gas Turbine Systems	180
G07	Ground Wire System	510
I02	Instrumentation	719
I03	Insulators	41,154
L03	Land Improvements	2,874
M01	Main Breakers	240
M05	Metering Tanks	22
M11	Mobile ATVs and Snowmobiles	7,305
M12	Mobile - Air Compressor, Attachment and Boat	39
M14	Mobile - Flex/Fork/Load/Grade/Musk/Trailer	16,488
O01	Office Equipment	11,404
O02	Office Furniture	1,761
P05	Pole Structures - Wood	11,782
P02	PABX - Priv Auto Branch Exch	1,562
P12	Protective Control and Relay Panels	46
R02	Radios - Fixed Microwave Equipment	341
R11	Revenue Metering	22
R12	Right - of - Ways	4,753
R14	Routers and Lan	14,619
S03	Servers	7,245
S04	Sewage Disposal System	11
S05	Software	11,257
S16	STUDIES	990

Depreciation Methodology and Asset Service Lives

UOP	UOP Description	2008 Negative Depreciation Total (\$)
T01	Telecontrol System	291
T02	Test Equipment	7,927
T03	Tools and Equipment	28,540
T04	Towers	69,263
T05	Transformers - Other	43,117
T06	Transformers - Pad Mount	110
V04	Vehicles - 3/4 ton and Under	13,755
V05	Vehicles - Booms/Bodies/Cranes/Cab and Chassis	47,124
V06	Vehicles - Cars, Station Wagons and Vans	26,262
V07	Vehicles – Dump Trucks	192
W02	Water Supply System	290
	Total	425,212