

1 Q. Page 1 of Hydro's Evidence and Figure 1 on that page both indicate that Hydro is
2 currently using unit depreciation. Unit depreciation typically means that each asset
3 is depreciated separately based on its own service life and the reserve is maintained
4 by asset. As clarification, is unit depreciation used for each and every Hydro asset?
5 Please explain in detail the intended process of moving from unit depreciation to
6 group depreciation.

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9 A. Unit depreciation is used for each of Hydro's 41,000 assets. Hydro intends to
10 maintain the current set of asset records with new additions being added in a
11 similar manner. Hydro will convert to group accounting by changing the service
12 lives for each asset to reflect the average remaining life of the applicable unit of
13 property.