

1 **Reference: On page 13, footnote 7, Mr. Pous' evidence notes that "Hydro modified the**
2 **sinking fund method by applying the rate to the net plant or depreciated plant rather than**
3 **the original cost."**

4
5 **Q. In Hydro's response to CA-NLH-251 it is stated "Hydro uses the modified sinking**
6 **fund method from Public Utility Depreciation Practices published by the National**
7 **Association of Regulatory Utility Commissioners (NARUC)". Would Mr. Pous agree**
8 **that the use of these words from Hydro's response is more indicative of the modified**
9 **sinking fund method being a recognized method of depreciation rather the words**
10 **"Hydro modified the sinking fund method" used in the footnote, which could imply**
11 **that Hydro, itself, developed the method of sinking fund it uses?**

12
13 **A. No.**