

- 1 **Q. Without specific information regarding the cost of the specific asset, how does Mr.**
2 **Pous suggest valuing such transactions?**
3
4 **A.** Depreciation as presented by Hydro is not a valuation transaction. Depreciation as
5 presented for regulatory purposes is a systematic and rational allocation of costs over the
6 useful life of the facility and does not take into consideration valuation changes at any point
7 in time.