

1 **Reference:** Expert evidence of Patricia S. Lee, page 2, states “The determination of
2 appropriate depreciation lives and salvage values requires an
3 understanding of the plans, needs and pressures facing an individual
4 company. It also requires knowledge of the various types of plant under
5 study or review and the various factors impacting the depreciation
6 parameters such as competition and technological advancements.”

7 **NLH-IC-7** Please provide all documentation utilized by, or considered by Ms. Lee to
8 determine the impact of competitive influences facing Hydro. If Ms. Lee
9 does not believe that Hydro is facing any competitive influences, please
10 specifically state that assumption.

11 **RESPONSE:** Based on Hydro’s presentations both in its 2009 Depreciation Study as well as in
12 responses to numerous RFIs, it does not appear as though Hydro is facing
13 competitive influences. Certainly if the Company does, that should have been
14 considered as “meaningful” information requested in the determination of life
15 characteristics. As noted in RFI responses, there was no mention of competitive
16 influences as “meaningful” information. See, for example, responses to RFIs CA-
17 NLH-12, CA-NLH-87, CA-NLH-96, CA-NLH-97, CA-NLH-108, CA-NLH-114, CA-
18 NLH-163, and CA-NLH-263.