

1 **Reference:** Expert evidence of Patricia S. Lee, page 19 indicates that under Generally
2 Accepted Accounting Principles that “where an average life and
3 depreciation rate is established for the account, the measure of recovery is
4 the reserve for the total account, not for each individual asset within the
5 account.” This comment was in reference to the specific topic relating to
6 the cessation of depreciation when an asset is full recovered.

7 **NLH-IC-19** In making the above statement, was Ms. Lee referring to Canadian GAAP,
8 US GAAP or IFRS?

9 **RESPONSE:** Ms. Lee is not an accountant, but opines that the statement refers to US GAAP,
10 generally US regulatory state and federal regulatory practices, and generally
11 accepted depreciation practices and procedures.

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