

1 **NLH-IC-21 Without specific information regarding the cost of the specific asset, how**
2 **does Ms. Lee suggest valuing such transactions?**

3 RESPONSE: Ms. Lee is not sure what Hydro is asking in this question but it is her
4 understanding that companies maintain retirement units of property, an inventory
5 of all assets including such as when placed in service, the original cost, the date
6 of retirement, location, to name a few. The cost of a specific asset should be
7 able to be found in these records. In some cases, data by individual asset is not
8 maintained but is maintained on an average cost by vintage year. An estimate
9 can be made based on the vintage year placed into service, estimated if not
10 known. Another option to estimate the cost is to use valuation indexes such as
11 the Handy-Whitman Indexes of Public Utility Construction Costs to estimate the
12 original cost of the given asset(s).

13