

1 Q. Depreciation Methodology

2 In the Depreciation Methodology Evidence, Appendix A, page A-1, it is stated that
3 the Holyrood thermal generation assets not required after the Labrador
4 interconnection are not included in the study. It is further stated that those assets
5 have service lives ending in 2020.

6 Hydro has identified in excess of \$90 million in capital expenditures for the
7 Holyrood thermal plant over the period 2012 to 2016 (Hydro's 2012 Capital Budget
8 Application, Capital Plan, pages A-6 and A-7). With the limited life of the Holyrood
9 thermal plant under the Labrador infeed scenario, over what period of time will the
10 generation asset component of the identified capital expenditures be depreciated?

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13 A. Holyrood capital expenditures not required for synchronous condenser operations
14 will be written off over the useful life of the related assets which is the period from
15 in-service until 2020.