

1 **Q. On pg. 19, lines 27-30 and pg. 20, lines 1-6 Mr. Pous states that Hydro should be**
2 **directed to investigate and present alternatives on appropriate solutions to address**
3 **the problems Mr. Pous sees with Hydro's practices for calculation of sinking fund**
4 **depreciation. Please explain in detail what are the alternatives that could be**
5 **considered by Hydro.**

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7 **A.** Since Hydro has not presented a clear picture of its actual transactions and practices over
8 time, as it may have changed interest rates or changed the manner of regulation, the most
9 appropriate method of correcting such situation cannot be specifically identified.
10 Alternatives may exist, especially in the event that certain necessary items of information
11 may no longer be available, and thus require some level of proxy input. When a clearer
12 picture of what has actually transpired historically and what information still is available
13 associated with historic changes is provided, a more definitive corrective mechanism can
14 be established. However, Hydro is the only entity in possession of what information does
15 exist and what information may no longer exist, and until such time as a complete picture is
16 presented by Hydro, it is unknown what alternatives can and should be considered.