

1 **Q. On pg. 8 of her Direct Testimony, Ms. Lee, the expert for the Industrial Customers,**
2 **states that Hydro does not include interest on the reserve in the determination of**
3 **depreciation expense and it should be included. Does Mr. Pous agree with this**
4 **statement? If yes, why and if not, why not?**

5

6 **A. Yes. The formula call for interest earnings on the accumulated reserve.**