

1 Q. Per Appendix C Schedule 1.1 and Appendix D Schedule 1.1 of the Application, Hydro
2 now proposes to include a “Retired Assets Pool” in the calculation of Rate Base.
3 Please confirm the Retired Assets Pool has not been included in 2017 GRA Cost of
4 Service models in any version of the 2017 GRA including Revision 5, nor in any Cost
5 of Service models provided as part as reviewing rate impacts tied to the negotiated
6 settlements or Expected Supply condition.

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9 A. The 'Retired Asset Pool' represents the gain/loss on retirements that will be
10 recovered through accumulated amortization and not recorded on the income
11 statement.¹

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13 In previous 2017 General Rate Application (“GRA”) filings, the projected Retired
14 Asset Pool was included in the calculation of rate base in the Average Net Book
15 Value line item,² whereas, for presentation purposes, the Retired Asset Pool was
16 presented on its own line in the 2018 Cost Deferral Application.³

¹ April 11, 2018 Settlement Agreement.

² 2017 GRA Revision 5 - November 27, 2017, Exhibit 14 2018 Cost of Service Study, Page 2 of 107, line 1.

³ 2018 Cost Deferral and Interim Rates Application (Revision 2), Schedule 1 Page 28 of 78, Appendix C, Page 2 of 9, line 9.