

1 Q. **Depreciation**

2 Exhibit 11, page 5 of 628. Please provide a detailed description for how NLH
3 proposes to separate assets by those that are subject to Asset Retirement
4 Obligations versus those that will receive “cost of removal” treatment through
5 depreciation expense. Please address whether the distinction will apply only to
6 entire group accounts, or also to individual assets within a group account. Also,
7 where an asset that was previously not subject to an ARO becomes subject to one,
8 how will this be addressed?

9

10

11 A. Please refer to Hydro’s response to NP-NLH-145 and IC-NLH-027.

12

13 Currently, Hydro has only two asset retirement obligations (Holyrood Thermal
14 Generating Station decommissioning and PCB’s) which are easily identified and
15 tracked in its accounting system, as is expected to be the case for any future AROs
16 required.