

1 Q. **Depreciation**

2 Exhibit 11, page 52 of 628. Please indicate why a net salvage percentage is shown in
3 this table if Holyrood is already subject to an ARO.

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6 A. [] While Exhibit 11 included a net salvage rate for Holyrood accelerated assets, it
7 has been recently determined that the net salvage amount illustrated in Exhibit 11,
8 page 52 of 628 were not included in Hydro's depreciation expense in the 2018 and
9 2019 Test Years. As such, Hydro will not be seeking to increase its proposed
10 revenue requirement to reflect this component of the depreciation study's
11 recommendations.

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13 Please refer to Hydro's revised response to PUB-NLH-070 for an update of the
14 Depreciation Study impact presented in Exhibit 11, Revision 2, page 9 of 633,
15 excluding net salvage on Holyrood assets.