

1 Q. **Depreciation**

2 Reference For account R13 (road), please explain the process that leads to a  
3 quantification and disposal of some portion of the road investment, other than  
4 situations of a road removal. Why has there been no material recorded retirements  
5 in the past?

6

7

8 A. If Hydro were to determine that disposal of a portion of a road investment was to  
9 occur, a reasonable percentage allocation of the original capital cost would be  
10 credited to the road account. Roads do not typically experience material  
11 retirements and therefore consistent with management expectations, there would  
12 have been no material retirement, occurring in the past.