

1 Q. **Volume II, Exhibit 11: Depreciation Study**

2 Please provide the incremental impact on 2018 and 2019 test year depreciation  
3 expense of the March 31, 2021 truncation date with respect to Holyrood assets.

4 The impact provided should represent the difference between the proposed  
5 truncation date methodology, compared to preparing the calculations using the  
6 average remaining service lives of the various assets. (Volume I (1st Revision),  
7 Chapter 4: Finance, Page 4.3, Table 4-2)

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10 A. Hydro currently amortizes Holyrood accelerated assets using a December 31, 2020  
11 truncation date in accordance with P.U. 40(2012). Hydro proposes extending this  
12 truncation date to March 31, 2021 in its 2017 General Rate Application, resulting in  
13 a decrease in depreciation expense of \$65,000 and \$1,725,000, respectively for the  
14 2018 and 2019 Test Years. Average Service Life presented below is no longer a  
15 comparable methodology. The incremental impact on the 2018 and 2019 Test Years  
16 depreciation expense is outlined in Table 1 below.

**Table 1 Depreciation Expense (000s)**

	<b>Truncation Date</b>	<b>Test Year 2018</b>	<b>Test Year 2019</b>
Current Board Approved	December 31, 2020	14,384	15,689
2017 GRA Proposed	March 31, 2021	14,319	13,964
Average Service Life Method	N/A	3,184	3,893