

1 Q. Further to response to Request for Information NP-NLH-139:

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3 Has Hydro considered any alternatives for amortizing the Holyrood Generating
4 Station assets, other than the March 31, 2021 truncation date? If so, please identify
5 the advantages and disadvantages of each alternative. If not, why not?

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8 A. This response has been provided by Concentric Advisors.

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10 No, as the concept of the use of a truncation date was approved by the Board in
11 Hydro's last depreciation study, other alternatives were not considered.

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13 Additionally, from a procedural consideration, the introduction of a truncation date
14 is the most widely recognized method to provide a reasonable and fair assurance of
15 the recovery of the invested capital of an asset that has been identified as coming
16 out of utility service. In this study, the truncation date has been appropriately
17 changed to March 31, 2021, as it is the revised estimate by the company of the date
18 the assets will be removed from service.