

- 1 **Q. (Application Volume 1, Table 3-5, page 3-8) The table shows that depreciation**  
2 **expense in 2023 is about 21% greater than depreciation expense in 2019. How does**  
3 **this compare to inflation over the same period?**  
4
- 5 A. Depreciation expense is the systematic allocation of the historical cost of an asset over its  
6 useful life and is not expected to correlate with changes in inflation.  
7
- 8 The depreciation expense is calculated using depreciation rates established through a  
9 depreciation study completed by Gannett Fleming Valuation and Rate Consultants, LLC  
10 based on plant in service as of December 31, 2019.<sup>1</sup>

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<sup>1</sup> See the 2022/2023 General Rate Application, Volume 3, Expert Evidence, Tab 1, Depreciation Study: Mr. John Wiedmayer, Gannett Fleming Valuation and Rate Consultants, LLC.