

1   **Q.    In reference to the evidence of Lorne Henderson, page 10, lines 2 to 4 - “The**  
2       **equipment cost is based on 420 new meters with data recording capability. In this**  
3       **proceeding the Company is seeking approval for an additional \$425,000 in capital**  
4       **expenditures for the load research program.” - What is the basis for assigning these**  
5       **costs to capital as opposed to operations?**  
6

7    A    The Company is proposing to capitalize these expenditures and to amortize the cost over  
8       a 5-year period consistent with other equipment used for testing and engineering  
9       purposes. This reflects the fact that the load research program will provide data and  
10      analysis that will be used in allocating costs and designing customer rates over the next  
11      several years. It also reflects the fact that this equipment will be available for other  
12      purposes once the initial load research data has been collected, as noted in the Company’s  
13      response to Request for Information CA-285.