

1 Q. [Reserve] - Please explain and justify why there is no reserve amount transferred
2 when plant is transferred to an account, an example of which is in response to CA-
3 NLH-235.

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6 A. All assets listed have an applicable depreciation expense, however, it may be
7 summarized in Accumulated Depreciation by year instead of by individual asset.
8 The depreciation expense on some transactions, such as Asset Transfers, is difficult
9 to determine due to the timing of the transfer as well as the fact that many of these
10 assets are sinking fund assets which makes it difficult and time consuming to
11 recalculate. Therefore, the depreciation expense for these transactions is included
12 in the total depreciation expense provided at the end of each year.