

1 Q. Please identify any Board order or other regulation that permits Hydro to cease the
2 booking of depreciation and no longer apply the Board-approved depreciation rate
3 to any asset within an account that is fully depreciated even though the associated
4 plant is still providing service to the public and the total account is not yet fully
5 depreciated.

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8 A. A Board order or other regulation is believed to be unnecessary since Hydro is not
9 permitted under generally accepted accounting principles, whether historically
10 Canadian GAAP or currently IFRS, to allow amortization to exceed costs. Hydro's
11 depreciation calculations were also examined during the annual audits performed
12 by the external auditors engaged by the Board. Refer also to the response to CA-
13 NLH-237.