

1 Q. **Depreciation**

2 Exhibit 11, page 5-6 of 628. For each of the five (5) proposed changes, please
3 confirm that the changes apply to the financial and capital asset accounting policies
4 of NLH, and not just for the purpose of calculating depreciation rates. Please
5 indicate the date at which the changes would apply to the Corporation's IFRS
6 financial statements, whether any prior period adjustments or restatements are
7 expected for prior years at the time the changes are adopted.

8

9

10 A. In the 2017 General Rate Application, it is confirmed that the five (5) proposed
11 changes apply to the financial and capital asset accounting policies of Hydro, and
12 are not just for the purpose of calculating depreciation rates.

13

14 Hydro has applied to adopt the proposed accounting treatment effective January 1,
15 2018. The changes would be applied in the Company's IFRS financial statements
16 upon Board approval. Any adjustments in the Company's IFRS financial statements
17 between the prior methodology and the new methodology would be made
18 prospectively from the date the approval is received. No retroactive restatement is
19 expected.