

1 Q. Further to response to Request for Information NP-NLH-145:

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3 Describe how Hydro will, using its proposed new methodology, determine whether
4 to charge the removal cost to accumulated depreciation or to plant in service for
5 larger plant accounts, including: (i) penstocks; (ii) dams; (iii) towers; (iv) overhead
6 conductors; (v) station transformers; (vi) cable (i.e., services); (vii) line transformers;
7 and (viii) insulators.

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10 A. In accordance with International Finance Reporting Standards (IFRS), Hydro's policy
11 would continue to be to capitalize the cost of removal in replacement projects.¹
12 However, if there are no replacement assets, the cost of removal will be charged to
13 accumulated depreciation. Please refer to the 2017 GRA, Volume 2, Exhibit 11
14 (Revision 2), page 15 of 633 for further information.

¹ Assets installed in same location.