

1 Q. Further to the response to PUB-Nalcor-205 and PUB-Nalcor-266 and PUB-Nalcor-
2 267, does the analysis on depreciation for the Muskrat Falls Project referred to in
3 PUB-Nalcor-205 and PUB-Nalcor-266, include an assessment of the implications of
4 the application of various depreciation methodologies, including straight line and
5 sinking fund, on the revenue requirement and resulting customer rates? If not, why
6 not?

7

8

9 A. The depreciation analysis discussed in Nalcor's responses to PUB-Nalcor-205 and
10 PUB-Nalcor-266 is in regard to the accounting and financial reporting treatment
11 under International Financial Reporting Standards (IFRS). The referenced IFRS
12 depreciation is not relevant in determining the revenue requirement and resulting
13 customer rates, therefore an assessment of the implications of different
14 depreciation methodologies on this has not been prepared.

15

16 The Muskrat Falls Project revenue requirements are based on the commercial
17 agreements. Nalcor's responses to PUB-Nalcor-264 and PUB-Nalcor-265 discuss
18 commercial depreciation and impact, if any, on Supply Period and Service Life as
19 they relate to revenue requirements.