

1 **Q. Reference: Section 3.5, International Financial Reporting Standards**

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3 **The Introduction indicates that “the uncertainty surrounding the future treatment**
4 **of regulatory assets and liabilities under IFRS has regulatory implications” (Page 1-**
5 **3, lines 1-2). Please provide details of any impacts that this uncertainty has for the**
6 **2010 Test Year that are implicit in the discussion in section 3.5 or that are not**
7 **apparent from the discussion in section 3.5**

8
9 A. The uncertainty surrounding the future treatment of regulatory assets and liabilities under
10 IFRS referred to at Page 1-3, lines 1-2 is more fully detailed in Section 3.5, *International*
11 *Financial Reporting Standards* at page 3-31, *et.seq.*

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13 Compliance with IFRS is expected to be required in 2011. Accordingly, impacts are
14 expected to be experienced in 2011.

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16 As is indicated in Section 3.5 at page 3-36, the conduct of a depreciation study relating to
17 plant in service as of December 31, 2009 is appropriate to provide necessary information
18 for IFRS compliance. This study is expected to be conducted in 2010.

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20 Finalization of the accounting standard associated with the recognition and measurement
21 of regulatory assets and liabilities is not expected until June 2010. At that time,
22 Newfoundland Power will be in a position to determine what action, if any, may be
23 required to address accounting standards developments related to regulatory assets and
24 liabilities which will be effective in 2011.