

1 Q. Re: 2013 Capital Projects Overview, page 13:

2 Further to the previous question, please provide any regulatory precedent in
3 Canada for this proposed treatment.

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6 A. Hydro did not investigate how other regulated utilities treat their pre engineering

7 costs pertaining to the capital budget process. Hydro believes that these costs

8 contribute to the development of additions or improvements to property, plant and

9 equipment and are eligible to be capitalized, in compliance with International

10 Financial Reporting Standards and Canadian Generally Accepted Accounting

11 Principles.