

1 Q. **2013 Forward Average Rate Base**

2 Finance Schedule I page 5 of 11 shows contributions in aid of construction of
3 \$98,054 in 2011 and \$14,052 in 2012. Please provide an explanation for the
4 significant change in value.

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7 A. The significant change in the value of the contributions in aid of construction
8 (CIACs) from \$98,054 in 2011 to \$14,052 in 2012 was the result of Hydro's
9 application approved in Board Order No. P.U. 13(2012). Under Order No. P.U. 13
10 (2012), Hydro received approval to adopt new accounting standards for regulatory
11 purposes and to use the net book value of its assets net of CIACs as the deemed
12 cost. Accordingly, CIACs at January 1, 2011 were adjusted to \$Nil with no impact to
13 net book value.