

1 Q. **Employee Future Benefit actuarial gains and losses**

2 Please confirm whether or not Hydro is complying with IAS 19 Employee Benefits.

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5 A. Under IAS 19 actuarial gains and losses are effectively deferred. As set out in the
6 Application, in the 2013 test year, Hydro is proposing to include the amortization of
7 cumulative actuarial gains and losses as part of the proposed revenue requirement.
8 The proposed treatment of employee benefits, while not complying with IAS 19, is
9 consistent with the methodology approved in the 2007 GRA and aligns with
10 treatment under Canadian GAAP.¹

¹ In accounting for EFB costs, companies reporting under Canadian GAAP - Part V apply "Section 3461 – Employee Future Benefits" as set out in the CICA Handbook.