

1 Q. Reference Grant Thornton Report, Page 128, lines 10 and 11.

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3 Please confirm that there is no impact on the 2014 and 2015 Test Years
4 due to Hydro's conversion to IFRS in 2014 because Hydro continued to
5 use Canadian GAAP in the Amended Application for consistency
6 purposes.
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9 A. [] As indicated in our report on page 127, lines 21 and 22 we asked for Hydro's
10 calculations that illustrate that there was no material impact on the average rate base or
11 revenue requirement for 2014 and 2015 Test Years from the adoption of IFRS in 2014
12 but we did not receive these calculations. In its place, we were referred to an illustration
13 of the impact of IFRS on Hydro's second quarter of 2014. Subsequent to our report being
14 issued on June 12, 2015, Hydro provided us with an additional schedule comparing the
15 2014 actual results under IFRS and under Canadian GAAP. In this schedule, while there
16 are some differences in accounting under IFRS and Canadian GAAP, the differences
17 pertain to reclassifications between accounts that do not impact net income, revenue
18 requirement or average rate base.
19

20 The accounting treatment of asset retirement obligations differ under IFRS compared to
21 Canadian GAAP which may have an impact test year revenue requirement. However
22 according to Hydro there was no material change in the revaluation of the asset
23 retirement obligation between Canadian GAAP and IFRS at the time that the 2014 and
24 2015 Test Years were determined. Based on information provided by Hydro, there does
25 not appear to be material differences in test year revenue requirement for 2014 as a result
26 of IFRS. Additionally, nothing has come to our attention that causes us to believe there
27 are material differences in test year revenue requirement for 2015 as a result of IFRS.