

1     Q.     **Re: IFRS**

2           At page 3 of 6, paragraph 7 of Hydro's Application (Volume I, First Tab), Hydro  
3           states that IFRS assumptions are imbedded in each capital proposal. At page 2 of  
4           the "2012 Capital Projects Overview" (Volume I, Second Tab), in Table 1, Hydro  
5           indicates a net positive impact on capital (ie amounts included in capital under IFRS  
6           that are excluded under GAAP) in relation to Major Overhauls and Inspection and  
7           Allowance for Funds Used During Construction (AFUDC). Hydro, at page 3 of the  
8           "2012 Capital Projects Overview", has provided a by-project breakdown of the IFRS-  
9           inclusions for Major Overhauls and Inspection; the IFRS-inclusions for AFUDC, as  
10          presented by Hydro, are not in themselves material. Are there any other amounts  
11          included in capital in this Application, due to the proposed implementation by  
12          Hydro of IFRS, which would have been excluded under GAAP or would have been  
13          otherwise excluded under the regulatory capital accounting approved for previous  
14          Capital Budget Applications? If yes, indicate the total amount of IFRS-based  
15          inclusions, and a breakdown of that total amount by each Capital Project affected.

16  
17  
18        A.     No, there are no further IFRS impacts on the 2012 Capital Budget other than those  
19        listed on page 2 of the "2012 Capital Projects Overview".