

1 Q. **2012 Capital Projects Overview p. 2-3**

2 Did Hydro survey other utilities to review their guidelines for capitalization of major
3 inspections and overhauls? If so, provide details of the survey, including the names
4 of the utilities included in the survey and the results.

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7 A. Hydro did not survey other utilities to review their guidelines for capitalization of
8 major inspections and overhauls. However, the IFRS guidelines for capitalization
9 were researched and developed by Hydro's internal professional finance staff in
10 consultation with operations and engineering management and other external
11 consultants. Deloitte, from both a consulting and auditor perspective, reviewed
12 and offered their expertise and guidance to Hydro on the capitalization of major
13 inspections and overhauls based on their extensive knowledge of IFRS.