

- 1 Q. With reference to the Grant Thornton report on adoption of IFRS (dated January 20,
2 2012), please confirm Hydro is in agreement with Grant Thornton's statements on
3 page 8 that: "IAS 16 Paragraph 60 states `The depreciation method used shall
4 reflect the pattern in which the asset's future economic benefits are expected to be
5 consumed by the entity ". Please also confirm that this specific IAS paragraph is the
6 prime driver for Hydro's assertion that "As the sinking fund method results in an
7 increasing rate of depreciation over time, and the expected use of Hydro's assets
8 are expected to be consistent over time, IFRS would not allow the use of the sinking
9 fund methodology" (page 7, Appendix A, Application for Adoption of IFRS,
10 December 23, 2011). If not, please provide detailed references to the IAS in support
11 of this assertion by Hydro.
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- 14 A. Confirmed. Please also refer to the response to CA-NLH-59.