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- 1 Q. Please refer to the response to CA-NLH-210, Account S05, Software. Are software  
2 upgrades capitalized or expensed? What criteria does Hydro use?  
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- 5 A. Software upgrades that are \$1,000 or more are capitalized since future economic  
6 benefits will flow to Hydro. In addition, under IFRS when upgrades are added to an  
7 asset, there is an explicit requirement to retire the applicable portion of the existing  
8 asset to which the upgrade relates.