

1 **Volume 3, Section 2 – Browne, Regulatory Accounting**

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3 **Q. Please confirm that the current and past practice of NP, which is to accrue expenses**
4 **giving rise to a liability for purposes of its financial accounts but not to use revenue**
5 **to fund its OPEB plan is consistent with the standard practice of both regulated an**
6 **unregulated companies.**

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8 A. Under Canadian GAAP, all companies must use the accrual method for recognizing
9 OPEBs as required by section of 3461 of the CICA Handbook.

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11 I have not completed a formal survey on this issue, but it is my understanding that
12 Canadian utilities generally do not fund their OPEB liabilities.