

1 Q. Re: 2013 Capital Projects Over 200,000 but less than 500,000: p. D-231 Front
2 End Engineering Design (Hydro Place):

3 This project is to capitalize in 2013, Phase 1 – Front End Engineering design
4 associated with the preparation of the 2014 capital budget submission. Is this all
5 driven by IFRS? If not, why was it not proposed prior to now?
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8 A. The capitalization in 2013, Phase 1 – Front End Engineering Design associated with
9 the preparation of the 2014 capital budget submission is not driven by IFRS. It is
10 partially due to a review of the capital program, along with lessons learned
11 exercises, and the desire to improve project estimates and delivery on capital
12 projects. One step in achieving these objectives is by doing more in depth
13 engineering work during the budget preparation stage. Hydro submits that these
14 costs are eligible to be capitalized because they contribute to the development of
15 additions or improvements to capital assets.