

1 **Reference: IAS 16 (68) states that "the gain or loss resulting from the derecognition of an**
2 **item of property, plant and equipment shall be included in profit or loss when the item is**
3 **derecognised."**

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5 **On page 21 of his evidence, Mr. Pous has provided an excerpt from the NARUC Publication**
6 **regarding group depreciation.**

7
8 **Q. Has Mr. Pous considered the IFRS requirement in IAS 16(68) in his recommendations**
9 **regarding the treatment of retirement of assets from the group, more specifically the**
10 **debiting of the cost of the asset to the accumulated depreciation account and the**
11 **crediting to the asset account with no gain or loss being recognized?**

12
13 **A. Yes, given the Company's decision on how to group assets or "items" and employ the**
14 **group depreciation method.**