PROPOSED REGULATORY ACCOUNTING CHANGES
Supporting Information

The following sets out the information that should be presented in support of any proposed change in regulatory accounting policies.

1. Description of the Proposed New Regulatory Accounting Policy

2. Changes from Existing Regulatory Accounting Policy

3. Comparison of Proposed New Regulatory Accounting Policy to IFRS

(Will the new regulatory accounting policy ("RAP") results in differences with IFRS? What are these differences? Will it reduce any differences that exist with the current RAP?)

4. Transition

(How would a utility deal with any unrecovered or over-recovered costs that arise on transition?)

5. Impact

5.a Ongoing

(What is the likely impact of the proposed new RAP on revenue requirements and unrecovered costs that must be financed – i.e., $% of total?)

5.b Transition

(What is the amount of any unrecovered or over-recovered costs that will arise on transition to the proposed RAP?)

6. Evaluation

The proposed new RAP, along with any transition to the new RAP, should be evaluated against the following criteria:

6.a Cost Recovery

(Does the proposed RAP provide a utility with an opportunity to recover its costs of providing service, including a fair return on its investment devoted to regulated operations – no more, no less?)

6.b Matching Costs to Benefits

(Does the proposed RAP match costs to the period in which the related services are provided? Does it provide a better matching than the current RAP?)

6.c Rate Stability

(What is the impact of the proposed RAP on rate stability? Will it result in more stable rates than the existing RAP?)

6.d Earnings Stability – Regulatory Accounting

(This refers to variability in the earnings from a regulatory perspective – i.e., using RAP. This variability may differ from the variability reported in a utility's financial statements in accordance with IFRS)

(Will the proposed RAP materially impact the variability in earnings due to factors that are largely outside the control of the utility? Compared to the existing RAP, will it reduce this variability?)

6.e Earnings Stability – Financial Accounting

(Will the proposed RAP materially impact the variability in earnings reported in the utility's financial statements - i.e., due to differences between RAP and IFRS? Will it materially impact the equity reported in a utility's financial statements – i.e., due to the cumulative differences between RAP and IFRS?)

6.f Administrative Burden

(For example, will the proposed RAP have a material impact on the complexity or cost of a utility's accounting system?)

6.g Other

(The proposed RAP should be evaluated against any other criteria that may be relevant.)

7. Conclusion

(Summary of why the proposed RAP should replaced the existing RAP)