SEC Interrogatory #139

Interrogatory

Reference: F4-2-1, p.5

Please confirm that we understand the description of the accelerated CCA correctly. For the period 2018-2021, 100% of the impact has been or will be included in the Income and Other Taxes Variance Account. For hydroelectric, that same treatment will continue for 2022-2026. For nuclear, the forecast revenue requirements for 2022-2026 include application of the accelerate CCA in full. If this description is not correct, please provide a corrected description.

Response

Not confirmed. A corrected and clarified description is provided below.

For the period 2018-2021, 100% of the impact of the accelerated capital cost allowance ("CCA") for expenditures other than projects in scope of the Capacity Refurbishment Variance Account ("CRVA"), calculated as described in Ex. H1-1-1 and further detailed in Ex. L-H1-01-Staff-326, is included in the Income and Other Taxes Variance Account for both nuclear and regulated hydroelectric businesses. For both businesses for the 2018-2021 period, the accelerated CCA for expenditures on CRVA eligible projects is recorded in the CRVA along with other CCA variances.

The above treatment will continue for the hydroelectric business for the 2022-2026 period. For the nuclear business, the forecast revenue requirements for 2022-2026 include the application of the accelerated CCA.