

Assessment Bulletin

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SCHEDULE "D" DEPRECIATION CLARIFICATION

In order to assist assessors, in the preparation of Machinery and Equipment assessments in accordance with the Minister's Guidelines, the ministry has prepared this bulletin.

Schedule "D" depreciation for **Machinery and Equipment** reads as follows in the Minister's Guidelines:

5.000 SCHEDULE "D" – ADDITIONAL DEPRECIATION

For any depreciation that is not reflected in Schedule C, the assessor may adjust for additional depreciation provided acceptable evidence of such loss in value exists.

Schedule "D" depreciation for **Linear Electrical Power Generation** facilities reads as follows in the Minister's Guidelines:

2.003 DEPRECIATION (SCHEDULE D FACTORS) FOR ACCS BEGINNING WITH GEN

- (a) The Schedule C depreciation tables for ACCs beginning with GEN reflect all physical, all functional, all economic and net salvage considerations that form part of EUB decision U97-065 supported by EUB decision U99-099.
- (b) Schedule D depreciation for ACCs beginning with GEN is only allowed for circumstances not considered in Schedule C on a case by case basis when acceptable evidence is documented and provided to the assessor. Schedule D depreciation is limited to highly unusual site-specific circumstances such as catastrophic failure.

Section 293 (1) of the *Municipal Government Act* specifies that:

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

It is important that assessors understand the differences between the machinery and equipment and linear electric power generation schedule "D".

Any questions may be directed to Sheila Young, Director, Regulated Assessment Policy, at 780-422-8078 or Ken Anderson, Manager, Minister's Guidelines, at 780-427-8962.

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