

1    Q.    **Grant Thornton's Prefiled Evidence**

2            Page 37, lines 7-11 – Please provide the calculations of interest capitalized  
3            during construction for the years 2000 – 2002, and forecast calculations for  
4            2003 and 2004.

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7    A.    These calculations are attached.

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**2003 NLH General Rate Application**  
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**Hydro**  
**Allowance for Funds used During Construction**  
**(Interest During Construction)**

<b>Year</b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
<b>Mthly Rate<sup>1</sup></b>	0.69%	0.68%	0.58%	0.58%	0.67%
January	249,954	296,028	474,916	918,000	390,000
February	249,192	305,173	492,308	941,000	383,000
March	227,652	326,112	518,748	961,000	391,000
April	250,990	348,629	549,186	982,000	399,000
May	280,252	348,084	590,931	1,003,000	409,000
June	301,071	354,758	637,428	373,000	415,000
July	314,963	391,699	693,222	346,000	425,000
August	335,759	469,000	743,621	362,000	438,000
September	351,196	510,702	792,460	371,000	447,000
October	372,412	569,176	811,494	377,000	463,000
November	379,904	621,330	834,590	384,000	449,000
December	381,092	618,264	539,747	374,000	448,000
	3,694,439	5,158,956	7,678,651	7,392,000	5,057,000

1 - The monthly rate represents the capitalization rate applied to the outstanding work in progress.