

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

2 Page 49, lines 22-31 – Please provide a detailed breakdown of capitalized
3 salaries for 2001, 2002 and forecast 2003 and 2004 by the four components
4 indicated (i.e., salaries, benefits, departmental overhead and non-
5 departmental overhead) as well as supporting calculations where applicable.

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8 A. Hydro does not separately track charges to capital resulting from costs
9 associated with related benefits or departmental overhead. Such costs are
10 assigned as a factor of salaries. Further details are contained on page 28 of
11 the Grant Thornton 2002 Annual Financial Review of Newfoundland and
12 Labrador Hydro. Details of non-departmental overhead charges are tracked
13 separately and are outlined in the attached schedules.

Newfoundland & Labrador Hydro
CAPITALIZED EXPENSES

DESCRIPTION	2001 Actual	2002 Actual	2003 Forecast	2004 Forecast
CAPITALIZED SALARIES	(6,126,021)	(5,803,113)	(4,658,035)	(3,963,951)
CAPITALIZED % ALLOCATION	(2,851,186)	(2,313,137)	(1,747,338)	(1,500,000)
TOTAL CAPITALIZED EXP	<u>(8,977,207)</u>	<u>(8,116,250)</u>	<u>(6,405,373)</u>	<u>(5,463,951)</u>