

1   Q.   Please explain the distinction between "capitalized overheads" and  
2       capitalized salaries" in the response to IC 12 NLH.

3

4

5   A.   Please refer to response to IC 13 NLH. Capitalized salaries are those  
6       amounts charged by employees working directly on capital projects.

7       Capitalized overhead is the 6% loading factor that is transferred from

8       operating to capital to account for management and administrative functions

9       which support the capital program but do not charge time directly to particular

10      capital jobs.