

- 1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**
2 **2021, Volume 1, Page 2-36, Footnote 80.**
3
4 **Please explain why the software costs referenced did not qualify for capitalization.**
5
6 **A. Annual licensing and support costs for third-party software do not provide substantial**
7 **benefits for a period of more than one year. Accordingly, they are expensed as incurred.**