

1 **Reference: Volume 2, Review of General Expenses Capitalized**
2

3 **Q. Volume 2, Review of General Expenses Capitalized. What is the labour loader used**
4 **by Newfoundland Power for the capitalization of pension costs in 2023F? Footnote**
5 **38 on page 11 states that loading rates are assessed on an annual basis to ensure**
6 **they are reasonably allocating the total overhead costs and any over/under recovery**
7 **of allocated costs versus the total cost is trued up at year end. Can this practice**
8 **occur with the cost ratio of pension costs included in GEC on an annual basis? If**
9 **not, please explain.**

10
11 A. Yes, the overall capitalized amount calculated using GEC could be trued-up each year to
12 equal the total amount that would have been capitalized if a labour loader was used.
13 However, it could not be completed on a project-by-project basis without becoming
14 administratively burdensome. It would also add another component to the Company's
15 GEC calculation.

16
17 See response to Request for Information PUB-NP-059 for the benefits of allocating
18 pension costs by way of a labour loader.