

1 Q. [Grant Thornton Report, page 99, lines 8 - 9]  
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3 Based on Grant Thornton's review, forecast 2013 capital expenditures  
4 included in the rate base for 2013 test year are overstated. Does Grant  
5 Thornton agree that this also results in an overstatement of interest capitalized  
6 during construction expense included in the 2013 test year revenue  
7 requirement?  
8  
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10 A. According to Table 30 (page 60) in our report, the amount of interest capitalized  
11 during construction for forecast 2013 is approximately \$1,000,000 greater than the  
12 actual 2013 interest capitalized during construction. Therefore we agree that as a  
13 result of forecast 2013 capital expenditures included in the 2013 test year, being  
14 overstated, it appears that it has resulted in an overstatement of interest capitalized  
15 during construction in the 2013 forecast.  
16

17 However, we do not have the information to determine the impact that uncompleted  
18 projects would have on the gross interest expense, and which of the uncompleted  
19 projects included capitalized interest therefore we are not able to determine the  
20 impact the net interest expense would have on the 2013 test year revenue  
21 requirement.