

1 Q. Reference: Volume I, 2014 Capital Projects Overview, Page 11-12
2 *“Hydro has advanced the Phase 1 engineering activities in 2013 to improve the*
3 *quality of its 2014 capital budget submission. Hydro has tracked these Phase 1*
4 *engineering costs specific to each project and these costs form part of the 2014*
5 *capital budget submission. Therefore, Hydro’s 2014 capital projects include Phase*
6 *1 engineering costs incurred in 2013 in association with those 2014 capital*
7 *projects and Hydro proposes that the inclusion of those costs be approved.”*

8 In the case where Phase 1 engineering activities in 2013 have been conducted for a
9 2014 capital budget submission but the project does not get approved, how does
10 Hydro propose to account for the expenditures that have already been incurred?

11

12

13 A. In the case where Phase 1 engineering activities in 2013 have been conducted for a
14 2014 capital budget submission but the project does not get approved, Hydro will
15 account for the incurred expenditures as operating costs.