

- 1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**
2 **2021, Volume 2, Report 6, Section 2.3, Page 4 of 13, Footnote 14.**
3
4 **Please indicate if any of the utilities that responded “N/A” had responded that they**
5 **have no general overhead capitalization. If so, please confirm that the 10%**
6 **calculated excludes utilities that do not have general overhead capitalization.**
7
8 A. It is confirmed that the 10% average capitalization rate of surveyed utilities excludes the
9 utilities that indicated that they do not capitalize overheads as a component of
10 construction costs.¹

¹ Utility 6 and Utility 9 both responded “N/A” to Question 7 when asked to provide an overhead capitalization rate. In their respective responses to Question 5.a, both utilities also indicated they do not capitalize overheads as a component of construction costs. See the *2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 6, Review of General Expenses Capitalized, Attachment 1, Appendix E*, page E-3.