

1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**
2 **2021, Volume 2, Report 6, Section 3.4, Page 8 of 13.**

3
4 **Please provide Newfoundland Power’s methodology for allocating tools, equipment**
5 **and safety clothing to GEC. In the response, please indicate if any tools, equipment**
6 **and safety clothing are directly billed to capital jobs.**

7
8 A. See the *2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 6,*
9 *Review of General Expenses Capitalized, Appendix B, Section 2.3 Tools, Equipment and*
10 *Safety Clothing* for Newfoundland Power’s methodology for allocation of these general
11 expenses to GEC.

12
13 Tools, equipment and safety clothing unit costs less than \$1,000 are expensed.¹ Unit
14 costs greater than \$1,000 are capitalized.²

¹ Tools, equipment and safety clothing unit costs less than \$1,000 are eligible for capitalization through GEC at a rate of 48%.

² For details on the Tools and Equipment capital project see Newfoundland Power’s *2022 Capital Budget Application, Schedule B*, pages 60 to 62.