

- DPS2.Q6. Please provide a detailed description of how the amount of A&G Capitalized was determined prior to the adoption of the Current Plan, including:**
- a. Cost types eligible for capitalization (e.g. Overhead: Pensions, 401k Match, etc.).**
  - b. Accounts eligible for capitalization.**
  - c. Basis of assigning costs between capital and expense (e.g. capital investments).**

DPS2.A6.

GMP notes that the question is vague as to the time period referenced by “prior to the adoption of the Current Plan.”

With the exception of the adoption of Accounting Standards Update 2017-07, Compensation – Retirement Benefits (Topic 715): *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU-2017-07) discussed more fully below, there have been no changes to the capitalization of A&G cost prior to and during the term of the current Multi-Year Regulation Plan.

See response to DPS2.Q15 for a description of how A&G costs are capitalized.

Effective October 1, 2018, GMP adopted ASU-2017-07. Under this new guidance, the only pension and retiree medical costs eligible for capitalization is the “service cost” component, so 100 percent of all retiree medical and pension non-service costs are expensed.

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