Date Filed: October 16, 2026

Witness: Leanne M. Landry and John G. Griffin
Request from: Office of Consumer Counsel

Question:

(Storm Cost Recovery) Please explain the "refinements to capitalization practices" referenced as a driver of the shift toward internal labor costs in the 2024-2025 events compared to 2018-2023 (CLP-STORM-1, page 82), and quantify the dollar impact of this change on the amount sought for expense recovery versus capitalization.

Response:

Refer to EOE-029[i] for an explanation of the "refinements to capitalization practices".

Prior Referenced Response:

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[i] EOE-029 Question:
(CAPITALIZATION) Refer to Exhibit CLP-STORM-1, p. 82. The Company's PFT references a shift in the 2024-2025 costs as driven by "refinements to capitalization practices." Explain the specific improvements and provide supporting documentation and calculations, if applicable.

[i] EOE-029 Response:
For the reasons explained in EOE-028i, the references to "capitalization practices" and "improvements in the Frontier Settlement billing process" are inadvertently out of place in this statement in the testimony.

It is correct that the Company endeavors to maintain its capitalization method in a manner that correctly reflects cost accounting principles and to refine that process when there is opportunity to do so. For example, hourly labor rates are updated annually based on the contractual hourly wage changes for the represented workforce. Contractor rates are also reviewed periodically and adjusted, when applicable. The unit estimates are also reviewed periodically to ensure they are in line with current engineering design estimates.

Additionally, in 2024, the Company implemented a Robotic Process Automation (RPA) to automate the monthly capitalization process. This process was time-consuming and involved running several queries from the General Ledger and combining them all in the Microsoft Excel model. The output of this automated process is checked and reviewed by financial analysts but many of the heavy, time-consuming steps are performed by the RPA.