Date Filed: August 21, 2026

Witness: Ned W. Allis
Request from: Office of Consumer Counsel

Question:

(Land Rights) Referring to Exhibit CLP Depreciation-4, page 1. FERC Accounts 360.20 and 389.20. Why are land rights considered depreciable plant and nondepreciable plant?

Response:

Land rights have a finite life and limited residual value at the end of their useful lives, which contrasts with land that typically has a value (which normally appreciates rather than depreciates) and an indefinite life. As a result, the costs of land rights are consumed during the course of utility operations and should be allocated over their expected useful lives (net of any salvage) through depreciation expense.