Date Filed: September 01, 2026

Witness: Leanne M. Landry and Jeffrey D. Turano
Request from: Office of Consumer Counsel

Question:
(Customer Advances)

a. Does the Company collect refundable advances from customers for new service lines or facilities? If so, explain why the Company has not deducted customer advances from the rate year rate base.
b. Provide the monthly customer advances' balances for 2021, 2022, 2023, 2024, 2025, year-to-date 2026, and the rate year.
c. Provide a copy of the Company policy on customer advances, and an explanation of whether and how the Company's policy for applying customer advances has changed since its last rate case.

Response:

a. The Company collects refundable advances from customers for new service lines or facilities based on the NB-12 policy. The advances are not deducted from Rate Year rate base because the advances will be refunded to the customer within a period of no more than four years per the signed agreement with the customer. In the event that an advance becomes non-refundable, the forfeited amount would then be deducted from the associated project and related rate base. Also, please note that many advances are collected as letters of credit (for which no cash exchanges hands), while a portion are made in cash. Cash received is tracked on a balance sheet account and reconciled in accordance with Accounting Policy Statement 15 "Balance Sheet Account Reconciliation".

b. Please refer to OCC-270, Attachment 1, for the monthly refundable advance balances.

c. Please refer to OCC-270, Attachment 2, for a copy of the NB-12 policy. Please note that the Company's policy for applying advances has not changed since its last rate case.