Date Filed: November 05, 2026

Witness: Warren R. Boutin and Andrew C. Belden
Request from: ALLCO

Question:

(Follow-up to ALLCO-084 and ALLCO-085 ― pre-construction collections.) The Company states that it "does not and has not requested deposits, prepayments or security from developers and distribution generation interconnection customers," and that interconnection-related cash is deposited into the Company's Bank of America operating account and commingled "for working capital needs." Section 1.2 of the Guidelines, as quoted by the Company in ALLCO-132, provides for an Interconnection Agreement "with payment milestones included within the Agreement." State: (a) whether, under the Company's form of Interconnection Agreement and practice in each year 2017 through 2025, the interconnection customer is required to pay all or part of the estimated cost of upgrades and interconnection facilities before the Company incurs that cost, and if so the payment milestones and the percentage of estimated cost payable at each; (b) the basis on which the Company contends that such payments are not "prepayments"; (c) for each year 2018 through 2025, the total amount collected from interconnection customers under payment milestones, the total expended on the corresponding work orders in that year, and the balance of collected but unexpended customer funds at year-end (ALLCO-085, subpart (e)); (d) the average and median interval, in days, between the Company's receipt of a milestone payment and the completion of the work it funded, for projects completed in each year 2020 through 2025; (e) the amount of the "earnings credit" netted against the Company's bank fees in each year 2020 through 2025, and the portion attributable to interconnection-customer balances; and (f) the amount of short-term borrowing the Company avoided, and the interest cost avoided, in each year 2020 through 2025 by reason of holding interconnection-customer funds as working capital (ALLCO-108, subpart (c)).

Response:

a. Interconnection customers are responsible for the costs of upgrades and interconnection facilities necessary to accommodate their projects. The Company's Interconnection Agreements establish payment milestones associated with those costs. Utility project costs and financial commitments arise throughout the project lifecycle, including engineering, procurement, material acquisition, and construction, and therefore are not limited to the commencement of physical construction. Accordingly, milestone payments may be required before physical construction begins. The applicable payment milestones and amounts are established in the Interconnection Agreement based on the project and are not expressed as a uniform percentage applicable to all projects. This structure appropriately places responsibility

for project-driven upgrade costs and associated financial risks on the interconnection customer rather than the Company or its ratepayers.

b. The payments received are the customer's share of the cost to interconnect the system.

c. Please refer to ALLCO-178, Attachment 1.

d. The Company's systems do not record this data. It would require a substantial manual effort to assemble the data to provide a response; therefore, it is not feasible for the Company to provide a response to this subpart.

e. This information is not readily available, and no such prior analysis exists.

f. The Company does not borrow money for customer projects and is not avoiding short term borrowing. No such prior analysis exists.