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Witness: Leanne M. Landry and Jeffrey D. Turano
Request from: Public Utilities Regulatory Authority

Question:

(MAKE READY) Application, Ex. CLP-REVREQ-4. Define each code in worksheet "Non-Billable Reason" under the "field work order" column for lines 7,501 through 7,548. For each code show how the associated deferred expenses (or refunds) are associated with allowable deferred make ready expenses.

Response:

Please refer to Table 1 below for a summarization of the different codes for lines 7501 through 7547.

Table 1

	Amount
Cancellations	(213,805)
CR DERIVATION	287,580
CR DERIVATION TRUEUP	4,482,845
MISC CR ADJUSTMENT	26,340
SCI	38,044
SCL	1,780,780
SCR	(1,794,067)
UVL	2,598,176
UVR	(2,373,203)
SUN	(11,854)
LOADER	173,302
Overhead	140,124
Total	5,134,261

CR DERIVATION TRUEUP makes up a majority of the total. Derivation true ups are any change in the work order estimate throughout its life cycle. The process as currently designed assigns a default Federal Energy Regulatory Commission (FERC) split between capital and expense to a work order when the header initially passes from Work Management to PowerPlan. Once the design is complete and the work order progresses to construction, an updated FERC split between capital and expense is sent from Work Management to PowerPlan. Once construction is

completed, and all invoices are received, drawings are finalized and the pre-requisites/tasks in the work order system are complete, the final as-built is sent from Work Management to PowerPlan with one final updated FERC split between capital and expense. These updates trigger the derivation true up and any dollars on the work order are trued up to the updated accounting.

Please refer to RSR-042, Attachment 1, for the make ready work order details supporting the CR DERIVATION TRUEUP amount.

The SCL (Supply Chain Liability), SCR (Supply Chain Reversal), UVL (Unvouchered Liabilities), and UVR (Unvouchered Reversal) codes represent accrual activity with SCL being a system generated accrual and UVL being a manually generated accrual, with SCR and UVR being the automatic reversals of the accruals in the following month.

The remaining codes include cancellations, which reflect cancelled work order activity, CR DERIVATION, which is the work order split between capital and expense, MISC CR ADJUSTMENT, which reflects journal entry activity, SCI (Supply Chain Inventory), which are transactions from the Maximo inventory system, and SUN (Sundry Billing), which reflect transactions from the Sundry Billing system that record miscellaneous billing activity. LOADER and overhead are indirect costs calculated on the direct charges (outside services, materials, etc.).

Line 7548 reflects the amounts recovered in distribution rates ($802,869 annually), so the deferral is reduced by that amount each year (2023-2025). The 2022 deferral covering the period May through December was not reduced because the Company incurred over $1 million of make ready O&M from January through April that was not deferred.

In Docket No. 19-01-52RE01, PURA directed the Company to defer incremental non-billable make-ready costs (see Docket No. 19-01-52RE01 Final Decision dated May 11, 2022 at page 45). Consistent with this directive, the Company deferred incremental non-billable O&M make-ready costs to a regulatory asset which includes each of the accounting designations above and is being sought for recovery in this rate amendment application as supported by Exhibit CLP-REVREQ-4.