Date Filed: November 12, 2026

Witness: Brendan J. O'Brien and Garrett J. Murray
Request from: Public Utilities Regulatory Authority

Question:
(FIELD OPERATIONS DETAIL) Audit Plan No. 8 (Onsite follow up). Regarding the Schedule C-3.16 and C-3.17 selections identified in the PURA Audit-in-Person-8:

a. Provide the Field Ops Overhead Selection Detail and Field Ops Underground Selection Detail files provided in the PURA Audit-in-Person-8 folder, the Company's explanation of the transactions recorded without a supporting invoice or journal entry, and the basis for reporting a transaction in PURA-SUPP-001 rather than in the files referenced.
b. Provide the documentation for items 1744369602 and 1744369604 in the Field Ops Overhead Selection Detail file.

Response:

a. Please refer to RRU-172, Attachment 1, for the Field Ops Overhead Selection Detail and RRU-172, Attachment 2, for the Field Ops Underground Selection Detail. Both attachments provide a detailed breakout of the lines referenced in the question. The initial data provided to PURA for sample selections provided all line items (as requested) regardless of whether or not they had associated invoices or journal entries in the Company's test year. For those items which did not have a supporting invoice or journal entry the Company provided the detailed breakout by line item in the Excel files noted above. For example, line 6 from PURA-SUPP-01, Schedule 3.16 was provided in the "Field Ops Overhead Selection Detail" Excel file and consists of 29,916 individual general ledger transactions. Similarly, line 12 provided 23,722 individual general ledger transactions.

   The Company broke out each transaction with an associated invoice or journal entry in PURA-SUPP-001, while those transactions without an associated invoice or journal entry had the summarized line items broken out by each detailed line item. Examples of items without invoices or journal entries are items from WorkDay/WorkForce such as employee mileage and meals. Those transactions are approved in the Company's systems through time reporting and therefore would not have an invoice or journal entry associated with them. Those items follow the Company's time and expense reporting and are input by each employee and reviewed and approved by each employee's supervisor.

b. Items 1744369602 and 1744369604 included in the Field Ops Overhead Selection Detail file, and RRU-172, Attachment 1, are both general ledger system driven transactions

classified as Derivation True Ups. A Derivation True Up occurs when there is a change in estimate on a capital work order, typically when the work in the field is finalized. The FERC split between capital and operation and maintenance is reallocated based on the updated estimate. Invoice details are recorded to the original estimate, not the Derivation True Up general ledger entry.

Please note in RRU-172, Attachment 1, item 1744369604 nets to zero based on the transaction item 1744369603. Please refer to RRU-172, Attachment 3, showing the derivation true-up for this work order moving dollars out from capital that would have been in rate base, and moving the dollars into O&M. Derivation true-ups are an accounting transaction that function as a net/net zero sum.