RRU-047 Q:

(ADIT) Application, Att. GenConn-02 (Settlement), Tab: Ex. 1, pp. 7-8; Ex. 4, Sch. B-1.0 c. The consolidated ADIT balance changes by $383,499, which is one twelfth of the annual change, in each month of 2026; the ARO, SCR Catalyst liability and regulatory asset lines likewise change by constant monthly amounts, but Accumulated Depreciation PP&E does not. Regarding the thirteen-month average:

a. Identify each line of the thirteen-month roll that is interpolated between annual balances, state whether month-end balances for each are available from the Company's books and explain why interpolation is appropriate.
b. Provide, in an unlocked Excel worksheet with formulas intact, the actual month-end balances for each interpolated line for 2025 and 2026 and the projected month-end balances for 2027, with the effect on 2027 average rate base and revenue requirement of using them.

RRU-047 A:

The Company notes that this interrogatory cites to GenConn-02 (Settlement). For clarity, the Company's proposed revenue requirement in this case is contained in Attachment GenConn-02. In contrast, GenConn-02 (Settlement) was provided for illustrative purposes only (Attachment GenConn-01, at iii n. 5, 5, 9-10, 19, n. 11).

The methodologies used for the thirteen-month average reflect the nature and availability of the underlying data. ADIT balances are developed annually through the Company's tax model and are not maintained as monthly book balances; therefore, interpolation between annual balances was used to estimate monthly amounts. Conversely, the Company had actual depreciation information available through April 2026. Because actual depreciation experience was available, the Company forecast depreciation expense and accumulated depreciation using projected depreciation based on the most recent actual depreciation data rather than by interpolating between annual balances. The Company believes this approach provides a more representative estimate of accumulated depreciation throughout the forecast period. As outlined in the Company's response to Interrogatory RRU-044, this will be corrected in LFE-001.

a. In developing the calculation of Average Rate base values 2026 values represent an annual projection and assume no plant additions and/or retirements have occurred.

   The thirteen-month average rate base calculation includes certain balances that were developed using interpolation between annual balances. These balances and the basis for interpolation are described below.

Accumulated Depreciation

Accumulated depreciation was not developed through interpolation between annual balances. The Company had actual depreciation information available through April 2026. Using the April 2026 depreciation expense, the Company calculated a daily depreciation rate and projected depreciation expense through the remainder of 2026 and through 2027. The resulting depreciation forecast was then used to develop accumulated depreciation balances. The Company determined that projecting from actual depreciation experience provided a more representative basis for forecasting accumulated depreciation than simple interpolation between annual balances. Please refer to RRU-047 Attachment 1, page 2.

SCR Catalyst Liability

The SCR catalyst liability is a book account and month-end balances are maintained in the Company's accounting records. For purposes of the thirteen-month average calculation, monthly balances were developed by interpolating between annual balances. Interpolation is appropriate because it provides a reasonable estimate of the monthly balances over the forecast period and is consistent with the preparation of the annual forecast. The SCR 2026 and 2027 forecasts are based on 438 hours of generation calculated at the SCR Catalyst Replacement portion of VOMh Rate.

Asset Retirement Obligation ("ARO") Liability

The ARO liability is a book account and month-end balances are maintained in the Company's accounting records. For purposes of the thirteen-month average calculation, monthly balances were developed by interpolating between annual balances. Interpolation is appropriate because it provides a reasonable estimate of the monthly balances over the forecast period and is consistent with the preparation of the annual forecast. The 2026 and 2027 ARO forecasts are based on a flat 8.34% WACC. See corrected values in LFE-001 and RRU-047 Attachment 1.

Accumulated Deferred Income Taxes ("ADIT")

ADIT balances were developed using the annual tax model provided in RRU-046 Attachment 1. Because GenConn is a joint venture and income taxes are calculated and maintained through the annual tax model, monthly ADIT balances are not maintained in the Company's books and records. Accordingly, monthly balances for purposes of the thirteen-month average were developed by interpolating between annual balances.

Interpolation is appropriate because the annual tax model produces annual ADIT balances and monthly balances are not available.

b. Please refer to RRU-047 Attachment 1 for the requested information. Please note that while PURA has asked for 2026 values, the Company, consistent with historical practice as required by PURA, the Company's 2027 AFRR filing utilizes 2025 actuals as the starting point making no assumptions about monthly outcomes in 2026 to develop a forecast for 2027 Revenue Requirements. 2026 actuals will be presented in the Company's 2028 AFRR filing, submitted in 2027.