GenConn Energy LLC **Witness: Devang Patel**

Docket No. 26-06-02

Date Submitted: October 1, 2026

RRU-035 Q:

(SECOND QUARTER 2025 LIFE REVISION) Application, Att. GenConn-11, Note; 2026 AFRR Decision, p. 7. GenConn-11 describes thirty-year bookings as limited administrative instances, while the 2026 AFRR Decision found that a thirty-year useful life was used for all new assets. Sixteen of forty-six additions carry a revision flag, and the Variance In Annual Depreciation column sums to $31,501.32 ($20,820.74 Devon, $10,680.58 Middletown). GenConn-11 states that the Company's accounting treatment has always aligned the useful life of assets with the remaining term of the CfD, and that the instances in which assets were recorded at a full thirty-year life were limited, administrative in nature, and not a change in accounting policy. The Authority determined in the 2026 AFRR Decision that before the adjustment the Company used a thirty-year useful life for all new assets. 2026 AFRR Decision, p. 7.

a. Which assets installed after initial construction were inadvertently depreciated over a thirty-year life?
b. Which post-construction additions were inadvertently depreciated over thirty years?
c. State whether, before the adjustment was made, the Company used a thirty-year useful life for all new assets.
d. Provide, in an unlocked Excel worksheet with formulas intact, the useful life and annual depreciation rate applied to each post-construction addition, grouped by in-service period, showing separately those recorded at thirty years and those recorded at the remaining CfD term.

RRU-035 A:

Please refer to the Company’s response to Interrogatory RRU-031.

a. The 2026 AFRR Decision, Docket No. 25-06-02, at page 7, acknowledges OCC’s concern about the potential acceleration of depreciation. The limited administrative instances were a result of implementation of new SAP accounting software (in 2021) which required the user to override the asset class default 30-year useful life for plant additions with the balance of 30-year life of the plant. Plant additions have always been intended to be depreciated over the balance of the 30-year life and there has been no wholesale modification of depreciation strategy. PURA also acknowledged that as GenConn is not a public service company/utility and under contractual terms, there is no indication that GenConn’s assets will continue to serve customers beyond the expiration date of the contract; and thus, their useful lives will likely end at such time.

b. Only those identified in Attachment GenConn-011 for the period between the “Date in Service” and the “Date of Depreciation Revision”.

c. Only those identified in Attachment GenConn-011 for the period between the "Date in Service" and the "Date of Depreciation Revision".

d. Assets placed in service utilized the default 30-year life assigned to Generation Assets within the corporate system beginning in 2021. GenConn subsequently updated the useful life within the corporate system to correspond to the remaining 30-year life.

e. Please refer to RRU-031 Attachment 1, which has updated Attachment GenConn-11 and provides post constructions additions from 2016-2020 all of which were recorded at the remaining term of the CfD. As indicated above, some new additions after implementation of the SAP accounting software in 2021 subsequently required revision to their useful lives to align with the balance of the 30-year life of the plant.