**GenConn Energy LLC** **Witness: Devang Patel**
**April Theberge**

**Docket No. 26-06-02** 

**Date Submitted: October 1, 2026**

**RRU-040 Q:**

(RETIREMENTS – ACCUMULATED DEPRECIATION) Application, Att. GenConn-11, Interrog. Resp. RRU-001, Att. 1. The seventeen retirement rows report accumulated depreciation computed through December 31, 2025, rather than through the retirement date; for Devon "Retire Old HMI System" (retired June 1, 2019, cost $949,155.16) the reported $494,406.73 exceeds accrual to the retirement date by approximately $208,000, and the excess across all seventeen rows is approximately $503,000. One Middletown row carries a retirement date of February 1, 2029. RRU-001, Attachment 1 attributes a $99,000 increase in FERC Account 557 in 2024 to loss on retirement of assets. Regarding retirements:

a. Do the Company's books continue to accrue depreciation on retired assets after their retirement dates?
b. Quantify, in an unlocked Excel worksheet with formulas intact, any such accrual and its effect on accumulated depreciation, rate base and revenue requirement for each of 2019 through 2027.
c. State the correct retirement date for "Retire U14/15 Compr Blades" and whether the February 1, 2029 date affects any computation in the Application.
d. Explain the Company's retirement accounting policy (group depreciation with retirements charged in full to the reserve, or unit depreciation with gain or loss) and produce the written policy.
e. Reconcile the losses on retirement recorded to FERC Account 557.

**RRU-040 A**:

a. No. The presentation in Attachment GenConn-11 and as updated in RRU-031 Attachment 1 (as an illustrative example) shows the original asset continuing to depreciate with the retirement asset presenting the negative depreciation neutralizing the continued depreciation on the original asset.

b. Depreciation does not continue to accrue on retired assets per the Company's accounting records.

c. Please refer to RRU-031 Attachment 1 (identified as footnote (1)) for the corrected retirement date of February 2019 not February 1, 2029. There is no effect on calculations in the Application.

d. The Company follows unit depreciation with gain or loss on disposal at the time of asset retirements. Please refer to RSR-023 Attachment 1, at pages 4-5.

e. Attachment GenConn-11 was developed to show the assets placed in service post construction, the corresponding asset retirements, and to provide an illustrative recalculation of corporate system depreciation expense. For presentation purposes, all assets were displayed with depreciation accumulated through the requested date of December 31, 2025.

As a result, retired assets were presented as negative plant balances with corresponding negative accumulated depreciation balances. This approach offsets the original assets that were replaced while allowing depreciation to continue to be displayed through December 31, 2025 for illustrative purposes.

Therefore, the difference between the loss amounts reflected in Attachment GenConn-11 and RRU-001 is attributable to the presentation methodology used in GenConn-11, which extended accumulated depreciation through December 31, 2025 for illustrative depreciation recalculation purposes, rather than using accumulated depreciation as of the actual retirement date.

Accordingly, the assets retired during 2024 reflect accumulated depreciation offsets through December 31, 2025, resulting in a reported loss on retirement of approximately $88,000 in Attachment GenConn-11. In contrast, Attachment RRU-001 reflects the actual 2024 retirement accounting, including removal of the retired asset, removal of accumulated depreciation as of the retirement date, and recognition of the resulting retirement loss of approximately $99,000.