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

Docket No. 26-06-02

Date Submitted: October 1, 2026

RRU-041 Q:

(NET BOOK VALUE AND HANDY-WHITMAN) Application, Att. GenConn-11, Interrog. Resp. RSR-015, n.1; Interrog. Resp. RRU-001, Att. 1. The Middletown retirement rows report $680,879 of remaining net book value (NBV) at retirement, every retirement row carries an in-service date of June 1, 2010, or June 1, 2011, and RSR-015 states that retirements are valued using Handy-Whitman estimates of original cost. Regarding retired plant:

a. State the accounting treatment applied to the remaining NBV of each retired asset (charged to the reserve, recognized as a loss, or left in rate base) and identify where each amount appears in Attachment GenConn-02 (Settlement).
b. Identify each loss on retirement recorded to FERC Account 557 or any other expense account since commercial operation, including the amount and year. State the amount of unrecovered NBV recovered from ratepayers through Fixed O&M in test year actuals, depreciation expense or rate base, and identify the related AFRR proceeding.
c. Provide, in an unlocked Excel worksheet with formulas intact, the Handy-Whitman computation for each retirement in Attachment GenConn-11 and in RSR-015 response, by identifying the index, region, vintage year and account applied. State whether the estimated original cost is removed from the same account and vintage as the original component and how the Company ensures that retirements do not exceed recorded cost.

RRU-041 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).

a. Please refer to RRU-031 Attachment 1, at Column P. The NBV of retired assets is recognized as a loss page 1 of 3.

b. Please refer to RRU-031 Attachment 1, at Columns P and Q Page 1 of 3.

c. Please refer to RRU-031 Attachment 1, at page 3 of 3. As indicated, the Handy Whitman Method was utilized based on the installed cost of new additions when the original cost of the items could not be specifically identified. Prior to integration into Corporate Accounting Systems, methods utilized included half year convention and cost of plant additions were used to determine retirement values. In some cases, identification of original cost was included in the analysis. Additionally, minor variances are expected to

exist when comparing manual calculations based on beginning and end of period values to actual dates of additions and retirements.