The Narragansett Electric Company
d/b/a Rhode Island Energy

APPLICATION FOR APPROVAL OF A CHANGE IN ELECTRIC AND GAS BASE DISTRIBUTION RATES

Rhode Island Energy's Responses to the Thirty-Seventh Set of Data Requests from the Division of Public Utilities & Carriers

Book 1 of 1

May 26, 2026

Submitted to:
Rhode Island Public Utilities Commission
Docket No. 25-45-GE

Submitted by:

Rhode Island Energy™
a PPL company

Division 37-1
Account Credit Error

Request:

On April 30 2026, the Division received a complaint from a customer as follows:

> I am filing a formal complaint regarding a $34,571.31 repayment demand from Rhode Island Energy resulting from an admitted internal billing error.
>
> Rhode Island Energy has confirmed that an incorrect meter reading was entered by their agent, which led to a substantial overpayment being issued to me. At the time, I contacted the company and was explicitly instructed by their representative to cash the check. I relied on this instruction in good faith and had no reason to believe the payment was made in error.
>
> More than six months later, the company identified the issue during an internal audit and is now demanding full repayment of $34,571.31. They have stated that no portion of the balance will be waived or reduced and that the only repayment option available is a six-month payment plan.
>
> The dispute centers on the company's attempt to recover a large payment after explicitly directing me to accept it and after a significant delay.
> This situation creates an extreme and unreasonable financial burden and stems entirely from the utility's internal error and failure to timely identify the issue.
>
> I am requesting regulatory review of:
> * The fairness of requiring full repayment under these circumstances
> * The impact of the company instructing me to cash the check
> * The reasonableness of a six-month repayment term for such a large amount
> * Whether a reduction, waiver, or extended repayment arrangement is appropriate
>
> I am seeking a fair resolution that reflects the utility's responsibility for the error and the reliance created by their actions.

During the Division's review of the Complaint, the Division was informed by one of the Company's employees as follows:

> "I have been working with this customer for an extended period regarding an issue with the generation meter read for the billing period 9/5/25–10/6/25. During that period, the truck did not obtain a read from the generation meter. We contacted the customer to request a manual meter read; however, the customer declined to provide one. As a result,

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an estimated read was issued. An agent subsequently applied a proration to calculate the generation, but the proration was calculated incorrectly. This error resulted in the issuance of a Regrowth PBI payment totaling $34,571.31. After receiving the payment, the customer contacted the Contact Center and spoke with a newer agent. When the customer asked whether the check could be cashed, the agent incorrectly advised that it could. I reviewed the call, and the agent was coached accordingly. The customer later contacted us to request his annual 1099 form, and an internal PBI payment audit was conducted. During this audit, it was identified that the Regrowth PBI payment had been issued in error. We explained to the customer the cause of the error and informed him that the payment would need to be returned. I requested to speak with the customer by phone to discuss the matter further; however, he declined to do so. The customer was recently invoiced for the full amount of the erroneous payment and was offered a six-month repayment plan. The customer has stated that this repayment option is not acceptable. We will not waive or reduce the repayment that is due back to us."

The Division is aware of another instance of a large PBI check being mailed out to a different customer in December of 2025. For reference purposes, the Company's check number was 078301. The amount of the check was $35,198.63. This customer inquired of a Division employee who interfaced with company representatives to learn that this check was erroneously issued and the check was not cashed. As such, customer repayment did not become an issue.

a) Please explain in detail how/why both of these large PBI checks were issued to customers.
b) What internal measures, if any, exist to prevent these types of errors? If there are no internal measures, please explain why there are not.
c) How many other erroneous PBI checks have been issued to customers? Please provide a chart of such customers that includes the date, amount, whether the check was cashed and if cashed, the status of recoupment. Please total the amount of erroneously issued checks, if any others besides the two referenced in this data request.
d) For the customers in (c), please also explain in detail how/why such checks were issued.

Response:

a) The large PBI checks issued incorrectly to the customers resulted from meter changes that were not processed in a timely manner, leading to inaccurate meter reads being manually entered and billed. In the absence of a system control to monitor PBI payment amounts, the incorrect check amounts were not identified prior to issuance. The Company's current system was developed before the emergence of more complex

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renewable energy programs, and, in this instance, less experienced agents did not act on system error messages during the billing process.

b) The billing system generated error warnings during the meter read entry process that were not addressed at the time. Agents have since been reminded and coached on the meaning of these warnings and the actions required to resolve them. In addition, in mid-January 2026, the Company implemented a manual control requiring daily review of all PBI refund check amounts prior to issuance. If an incorrect check is identified, issuance is stopped and the account is rebilled using the correct data. The Company believes these remedial measures address the root cause of the errors.

c) Sixty-one PBI checks were issued in error to twelve customers for a total amount of $2,339,323.21, the majority of which has been returned to the Company. The chart below provides additional information for these checks/customers.

Line No.	Customer (a)	Total amount of check(s) (b)	Date Check(s) Issued (c)	Status of Return (d)	Root Cause of Error (e)
1	Residential Customer A	$233,619.93	11/18/2025	Customer agreed to return funds via invoice	Read entered incorrectly
2	Residential Customer B	$347,508.69	11/10/2025	Customer agreed to return funds via invoice	Read entered incorrectly
3	Residential Customer C	$18,628.18	9/24/2025	Customer agreed to return funds via invoice	Read entered incorrectly
4	Residential Customer D	$14,473.13	1/8/2026	Customer agreed to return funds via invoice	Read entered incorrectly
5	Residential Customer E	$347,037.49	11/13/2025	Customer agreed to return funds via account debit	Read entered incorrectly
6	Commercial Customer A	$329,204.22	9/7/24 - 10/6/25	Customer agreed to return funds via invoice	Triple ERT

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Line No.	Customer (a)	Total amount of check(s) (b)	Date Check(s) Issued (c)	Status of Return (d)	Root Cause of Error (e)
7	Commercial Customer B	$16,803.81	12/18/2024	Customer agreed to return funds via invoice	Triple ERT
8	Commercial Customer C	$382,055.84	7/25/24 - 9/24/25	Customer agreed to return funds via invoice	Triple ERT
9	Commercial Customer D	$372,166.44	8/20/24 - 9/18/25	Customer agreed to return funds via invoice	Triple ERT
10	Commercial Customer E	$208,055.54	12/17/24 - 1/16/26	Working with customer	Triple ERT
11	Residential Customer F	$35,198.63	8/15/2025	Check cancelled	Read entered incorrectly
12	Residential Customer G	$34,571.31	10/10/2025	Unresolved DPUC complaint	Read entered incorrectly

d) The two root causes that resulted in incorrect PBI checks being issued to the customers listed in part (c) above are as follows:

1. Read entered incorrectly — This was the result of a manual data entry error by an agent. The incorrect meter read led to overstated generation and an inaccurate PBI payment amount.

2. Trip ERT — This was caused by an incorrect meter programming issue that resulted in inaccurate meter reads being uploaded to customer accounts, leading to overstated generation and incorrect PBI payment amounts.

The Company believes that the same remedial measures described in subpart (b), in addition to addressing the situations described in subpart (a) also provide remediation for all the root causes identified in subpart (c).

Prepared by or under the supervision of: Kristin DeSousa

Division 37-2
Depreciation

Request:

Regarding the hypothetical on RIE-101 page 11, line 1 – page 12, line 5 of Rebuttal Testimony of John J. Spanos. When setting up that hypothetical, page 11, lines 10-12 states: "In each year of the service line's life, the recorded amount of net salvage would be $0. When the asset is eventually retired in year 48, the recorded net salvage would be $1,000."

(a) Does this hypothetical assume no retirements during the years 1 through 47? If not, please provide the retirements per year that are assumed in this hypothetical.
(b) Does Mr. Spanos agree that the historic net salvage ratio would be 0 percent for the years 1 through 47 since the hypothetical assumes no retirements or related net salvage amounts for the years 1 through 47?
(c) If the answer to part (b) is anything other than an unqualified yes, please provide a corrected statement regarding the historic ratio based on the hypothetical on page 11, line 1 – page 12, line 5 of Rebuttal Testimony of John J. Spanos (RIE-101).
(d) Please provide support for the response to part (c) of this request including any additional assumptions added to the hypothetical that are not included on page 11, line 1 – page 12, line 5 of Rebuttal Testimony of John J. Spanos (RIE-101).

Response:

a) Yes, the hypothetical assumes no retirements in years 1 through 47 in order to illustrate why Ms. McCullar's methodology is not appropriate for determining net salvage accruals on net salvage costs as it is possible for that to occur.
b) The statistical net salvage ratio in the hypothetical example would be zero if there are no retirements and corresponding net salvage; however, the net salvage percentage would not necessarily be zero because the purpose of a net salvage percentage is to estimate the cost of removal and gross salvage for future retirements in an account.
c) Please see the response to part b).
d) There is no additional support required for the response to part b) or c). It must be emphasized, however, that a net salvage percentage that is the anticipated cost of removal and gross salvage as a percentage of the associated retirements is for the accrual of depreciation expense associated with the end of life component of the full service value. Therefore, the net salvage accrual is the amount of costs associated with the full recovery of each asset during the life of the asset in order to properly recover its full service value by end of life.

Prepared by or under the supervision of: John J. Spanos

Division 37-3

Request:

Please provide the workpapers that support Figure JJS-1 on RIE-101 page 13 of Rebuttal Testimony of John J. Spanos. Please provide the workpaper in Excel with formulas intact.

Response:

Attachment DIV 37-3 sets forth the workpapers that support Figure JJS-1 in the Rebuttal Testimony of John J. Spanos.

ASL 48
Curve R3

Line No.	Age (a)	Pct Surviving (b)	Frequency (c)	Rate (d)
1	0	100.0000000000000000%	0.03%	
2	1	99.9661558333333000%	0.04%	0.03%
3	2	99.9259533333333000%	0.05%	0.04%
4	3	99.8784500000000000%	0.06%	0.05%
5	4	99.8226433333333000%	0.07%	0.06%
6	5	99.7574000000000000%	0.08%	0.07%
7	6	99.6815000000000000%	0.09%	0.08%
8	7	99.5936383333333000%	0.10%	0.09%
9	8	99.4923700000000000%	0.12%	0.10%
10	9	99.3761650000000000%	0.13%	0.12%
11	10	99.2433766666667000%	0.15%	0.13%
12	11	99.0922616666667000%	0.17%	0.15%
13	12	98.9209600000000000%	0.19%	0.17%
14	13	98.7270333333333000%	0.22%	0.20%
15	14	98.5088166666667000%	0.24%	0.22%
16	15	98.2641325000000000%	0.27%	0.25%
17	16	97.9907000000000000%	0.30%	0.28%
18	17	97.6861608333333000%	0.34%	0.31%
19	18	97.3480700000000000%	0.37%	0.35%
20	19	96.9738666666667000%	0.41%	0.38%
21	20	96.5609366666667000%	0.45%	0.43%
22	21	96.1065425000000000%	0.50%	0.47%
23	22	95.6078900000000000%	0.55%	0.52%
24	23	95.0620716666667000%	0.60%	0.57%
25	24	94.4660700000000000%	0.65%	0.63%
26	25	93.8156841666667000%	0.71%	0.69%
27	26	93.1086066666667000%	0.77%	0.75%
28	27	92.3414450000000000%	0.83%	0.82%
29	28	91.5105966666667000%	0.90%	0.90%
30	29	90.6122716666667000%	0.97%	0.98%
31	30	89.6424750000000000%	1.05%	1.07%
32	31	88.5969516666667000%	1.13%	1.17%
33	32	87.4712033333333000%	1.21%	1.27%
34	33	86.2604500000000000%	1.30%	1.38%
35	34	84.9596716666667000%	1.40%	1.51%
36	35	83.5636375000000000%	1.50%	1.64%
37	36	82.0669300000000000%	1.61%	1.79%

Line No.	Age (a)	Pct Surviving (b)	Frequency (c)	Rate (d)
38	37	80.4619258333333000%	1.72%	1.96%
39	38	78.7451316666667000%	1.83%	2.13%
40	39	76.9113500000000000%	1.96%	2.33%
41	40	74.9558500000000000%	2.08%	2.54%
42	41	72.8745725000000000%	2.21%	2.78%
43	42	70.6644900000000000%	2.34%	3.03%
44	43	68.3239000000000000%	2.47%	3.31%
45	44	65.8528000000000000%	2.60%	3.62%
46	45	63.2532450000000000%	2.72%	3.95%
47	46	60.5296700000000000%	2.84%	4.31%
48	47	57.6892483333333000%	2.95%	4.69%
49	48	54.7420800000000000%	3.04%	5.11%
50	49	51.6998841666667000%	3.12%	5.56%
51	50	48.5812016666667000%	3.18%	6.03%
52	51	45.4055700000000000%	3.21%	6.54%
53	52	42.1952033333334000%	3.22%	7.07%
54	53	38.9746308333333000%	3.20%	7.63%
55	54	35.7700500000000000%	3.16%	8.22%
56	55	32.6085858333334000%	3.09%	8.84%
57	56	29.5174000000000000%	2.99%	9.48%
58	57	26.5228075000000000%	2.87%	10.15%
59	58	23.6493366666667000%	2.73%	10.83%
60	59	20.9188066666667000%	2.57%	11.55%
61	60	18.3496200000000000%	2.39%	12.28%
62	61	15.9597200000000000%	2.20%	13.02%
63	62	13.7557283333333000%	2.01%	13.81%
64	63	11.7429625000000000%	1.82%	14.63%
65	64	9.9224666666666800%	1.63%	15.50%
66	65	8.2914675000000000%	1.45%	16.44%
67	66	6.8440200000000100%	1.27%	17.46%
68	67	5.5717725000000100%	1.11%	18.59%
69	68	4.4647233333333300%	0.95%	19.87%
70	69	3.5119825000000000%	0.81%	21.34%
71	70	2.7023333333333300%	0.68%	23.05%
72	71	2.0246333333333300%	0.56%	25.08%
73	72	1.4679400000000000%	0.44%	27.50%
74	73	1.0233841666666700%	0.35%	30.28%
75	74	0.6777783333333330%	0.26%	33.77%
76	75	0.4198450000000010%	0.18%	38.06%
77	76	0.2376266666666680%	0.12%	43.40%

Line No.	Age (a)	Pct Surviving (b)	Frequency (c)	Rate (d)
78	77	0.1183591666666670%	0.07%	50.19%
79	78	0.0485500000000003%	0.03%	58.98%
80	79	0.0143133333333335%	0.01%	70.52%
81	80	0.0021333333333334%	0.00%	85.10%
82	81	0.0000425000000000%	0.00%	98.01%
83	82	0.0000000000000000%	0.00%	100.00%

Division 37-4

Request:

Please provide the workpapers that support Figure JJS-2 on RIE-101 page 15 of Rebuttal Testimony of John J. Spanos. Please provide the workpaper in Excel with formulas intact.

Response:

Attachment DIV 37-4 sets forth the workpapers that support Figure JJS-2 in the Rebuttal Testimony of John J. Spanos.

O	48
Units	10,005
Unit Cost	5,000
Starting B	50,025,000
Net Salvag	(1,000)
Future NS	-20%
Life Depr	2.08%
NS Depr F	0.42%

Line No.	Account Balance (a)	Unit Retirements (b)	Total Cost Retired (c)	Net Salvage (d)	Year (e)	NS Depr Rate (f)	Net Salvage Accruals (g)	Net Salvage Costs (h)
1	$ 50,025,000.00				2025	0.42%	$ 104,218.75	
2	$ 50,015,000.00	-2	$ (10,000.00)	$ (2,000.00)	2026	0.42%	$ 208,416.67	$ 2,000.00
3	$ 49,995,000.00	-4	$ (20,000.00)	$ (4,000.00)	2027	0.42%	$ 208,354.17	$ 4,000.00
4	$ 49,975,000.00	-4	$ (20,000.00)	$ (4,000.00)	2028	0.42%	$ 208,270.83	$ 4,000.00
5	$ 49,950,000.00	-5	$ (25,000.00)	$ (5,000.00)	2029	0.42%	$ 208,177.08	$ 5,000.00
6	$ 49,920,000.00	-6	$ (30,000.00)	$ (6,000.00)	2030	0.42%	$ 208,062.50	$ 6,000.00
7	$ 49,885,000.00	-7	$ (35,000.00)	$ (7,000.00)	2031	0.42%	$ 207,927.08	$ 7,000.00
8	$ 49,845,000.00	-8	$ (40,000.00)	$ (8,000.00)	2032	0.42%	$ 207,770.83	$ 8,000.00
9	$ 49,800,000.00	-9	$ (45,000.00)	$ (9,000.00)	2033	0.42%	$ 207,593.75	$ 9,000.00
10	$ 49,745,000.00	-11	$ (55,000.00)	$ (11,000.00)	2034	0.42%	$ 207,385.42	$ 11,000.00
11	$ 49,685,000.00	-12	$ (60,000.00)	$ (12,000.00)	2035	0.42%	$ 207,145.83	$ 12,000.00
12	$ 49,615,000.00	-14	$ (70,000.00)	$ (14,000.00)	2036	0.42%	$ 206,875.00	$ 14,000.00
13	$ 49,535,000.00	-16	$ (80,000.00)	$ (16,000.00)	2037	0.42%	$ 206,562.50	$ 16,000.00
14	$ 49,445,000.00	-18	$ (90,000.00)	$ (18,000.00)	2038	0.42%	$ 206,208.33	$ 18,000.00
15	$ 49,340,000.00	-21	$ (105,000.00)	$ (21,000.00)	2039	0.42%	$ 205,802.08	$ 21,000.00
16	$ 49,225,000.00	-23	$ (115,000.00)	$ (23,000.00)	2040	0.42%	$ 205,343.75	$ 23,000.00
17	$ 49,095,000.00	-26	$ (130,000.00)	$ (26,000.00)	2041	0.42%	$ 204,833.33	$ 26,000.00
18	$ 48,950,000.00	-29	$ (145,000.00)	$ (29,000.00)	2042	0.42%	$ 204,260.42	$ 29,000.00
19	$ 48,790,000.00	-32	$ (160,000.00)	$ (32,000.00)	2043	0.42%	$ 203,625.00	$ 32,000.00
20	$ 48,610,000.00	-36	$ (180,000.00)	$ (36,000.00)	2044	0.42%	$ 202,916.67	$ 36,000.00
21	$ 48,415,000.00	-39	$ (195,000.00)	$ (39,000.00)	2045	0.42%	$ 202,135.42	$ 39,000.00
22	$ 48,200,000.00	-43	$ (215,000.00)	$ (43,000.00)	2046	0.42%	$ 201,281.25	$ 43,000.00
23	$ 47,960,000.00	-48	$ (240,000.00)	$ (48,000.00)	2047	0.42%	$ 200,333.33	$ 48,000.00
24	$ 47,700,000.00	-52	$ (260,000.00)	$ (52,000.00)	2048	0.42%	$ 199,291.67	$ 52,000.00
25	$ 47,415,000.00	-57	$ (285,000.00)	$ (57,000.00)	2049	0.42%	$ 198,156.25	$ 57,000.00
26	$ 47,105,000.00	-62	$ (310,000.00)	$ (62,000.00)	2050	0.42%	$ 196,916.67	$ 62,000.00
27	$ 46,765,000.00	-68	$ (340,000.00)	$ (68,000.00)	2051	0.42%	$ 195,562.50	$ 68,000.00
28	$ 46,395,000.00	-74	$ (370,000.00)	$ (74,000.00)	2052	0.42%	$ 194,083.33	$ 74,000.00
29	$ 45,995,000.00	-80	$ (400,000.00)	$ (80,000.00)	2053	0.42%	$ 192,479.17	$ 80,000.00
30	$ 45,565,000.00	-86	$ (430,000.00)	$ (86,000.00)	2054	0.42%	$ 190,750.00	$ 86,000.00
31	$ 45,100,000.00	-93	$ (465,000.00)	$ (93,000.00)	2055	0.42%	$ 188,885.42	$ 93,000.00
32	$ 44,595,000.00	-101	$ (505,000.00)	$ (101,000.00)	2056	0.42%	$ 186,864.58	$ 101,000.00
33	$ 44,050,000.00	-109	$ (545,000.00)	$ (109,000.00)	2057	0.42%	$ 184,677.08	$ 109,000.00
34	$ 43,465,000.00	-117	$ (585,000.00)	$ (117,000.00)	2058	0.42%	$ 182,322.92	$ 117,000.00
35	$ 42,835,000.00	-126	$ (630,000.00)	$ (126,000.00)	2059	0.42%	$ 179,791.67	$ 126,000.00
36	$ 42,160,000.00	-135	$ (675,000.00)	$ (135,000.00)	2060	0.42%	$ 177,072.92	$ 135,000.00
37	$ 41,435,000.00	-145	$ (725,000.00)	$ (145,000.00)	2061	0.42%	$ 174,156.25	$ 145,000.00
38	$ 40,660,000.00	-155	$ (775,000.00)	$ (155,000.00)	2062	0.42%	$ 171,031.25	$ 155,000.00
39	$ 39,830,000.00	-166	$ (830,000.00)	$ (166,000.00)	2063	0.42%	$ 167,687.50	$ 166,000.00
40	$ 38,945,000.00	-177	$ (885,000.00)	$ (177,000.00)	2064	0.42%	$ 164,114.58	$ 177,000.00
41	$ 38,000,000.00	-189	$ (945,000.00)	$ (189,000.00)	2065	0.42%	$ 160,302.08	$ 189,000.00
42	$ 36,990,000.00	-202	$ (1,010,000.00)	$ (202,000.00)	2066	0.42%	$ 156,229.17	$ 202,000.00
43	$ 35,915,000.00	-215	$ (1,075,000.00)	$ (215,000.00)	2067	0.42%	$ 151,885.42	$ 215,000.00
44	$ 34,775,000.00	-228	$ (1,140,000.00)	$ (228,000.00)	2068	0.42%	$ 147,270.83	$ 228,000.00

Line No.	Account Balance (a)	Unit Retirements (b)	Total Cost Retired (c)	Net Salvage (d)	Year (e)	NS Depr Rate (f)	Net Salvage Accruals (g)	Net Salvage Costs (h)
45	$ 33,570,000.00	-241	$ (1,205,000.00)	$ (241,000.00)	2069	0.42%	$ 142,385.42	$ 241,000.00
46	$ 32,300,000.00	-254	$ (1,270,000.00)	$ (254,000.00)	2070	0.42%	$ 137,229.17	$ 254,000.00
47	$ 30,970,000.00	-266	$ (1,330,000.00)	$ (266,000.00)	2071	0.42%	$ 131,812.50	$ 266,000.00
48	$ 29,580,000.00	-278	$ (1,390,000.00)	$ (278,000.00)	2072	0.42%	$ 126,145.83	$ 278,000.00
49	$ 28,130,000.00	-290	$ (1,450,000.00)	$ (290,000.00)	2073	0.42%	$ 120,229.17	$ 290,000.00
50	$ 26,630,000.00	-300	$ (1,500,000.00)	$ (300,000.00)	2074	0.42%	$ 114,083.33	$ 300,000.00
51	$ 25,090,000.00	-308	$ (1,540,000.00)	$ (308,000.00)	2075	0.42%	$ 107,750.00	$ 308,000.00
52	$ 23,515,000.00	-315	$ (1,575,000.00)	$ (315,000.00)	2076	0.42%	$ 101,260.42	$ 315,000.00
53	$ 21,915,000.00	-320	$ (1,600,000.00)	$ (320,000.00)	2077	0.42%	$ 94,645.83	$ 320,000.00
54	$ 20,305,000.00	-322	$ (1,610,000.00)	$ (322,000.00)	2078	0.42%	$ 87,958.33	$ 322,000.00
55	$ 18,695,000.00	-322	$ (1,610,000.00)	$ (322,000.00)	2079	0.42%	$ 81,250.00	$ 322,000.00
56	$ 17,100,000.00	-319	$ (1,595,000.00)	$ (319,000.00)	2080	0.42%	$ 74,572.92	$ 319,000.00
57	$ 15,535,000.00	-313	$ (1,565,000.00)	$ (313,000.00)	2081	0.42%	$ 67,989.58	$ 313,000.00
58	$ 14,010,000.00	-305	$ (1,525,000.00)	$ (305,000.00)	2082	0.42%	$ 61,552.08	$ 305,000.00
59	$ 12,540,000.00	-294	$ (1,470,000.00)	$ (294,000.00)	2083	0.42%	$ 55,312.50	$ 294,000.00
60	$ 11,140,000.00	-280	$ (1,400,000.00)	$ (280,000.00)	2084	0.42%	$ 49,333.33	$ 280,000.00
61	$ 9,815,000.00	-265	$ (1,325,000.00)	$ (265,000.00)	2085	0.42%	$ 43,656.25	$ 265,000.00
62	$ 8,575,000.00	-248	$ (1,240,000.00)	$ (248,000.00)	2086	0.42%	$ 38,312.50	$ 248,000.00
63	$ 7,425,000.00	-230	$ (1,150,000.00)	$ (230,000.00)	2087	0.42%	$ 33,333.33	$ 230,000.00
64	$ 6,370,000.00	-211	$ (1,055,000.00)	$ (211,000.00)	2088	0.42%	$ 28,739.58	$ 211,000.00
65	$ 5,410,000.00	-192	$ (960,000.00)	$ (192,000.00)	2089	0.42%	$ 24,541.67	$ 192,000.00
66	$ 4,545,000.00	-173	$ (865,000.00)	$ (173,000.00)	2090	0.42%	$ 20,739.58	$ 173,000.00
67	$ 3,775,000.00	-154	$ (770,000.00)	$ (154,000.00)	2091	0.42%	$ 17,333.33	$ 154,000.00
68	$ 3,095,000.00	-136	$ (680,000.00)	$ (136,000.00)	2092	0.42%	$ 14,312.50	$ 136,000.00
69	$ 2,500,000.00	-119	$ (595,000.00)	$ (119,000.00)	2093	0.42%	$ 11,656.25	$ 119,000.00
70	$ 1,985,000.00	-103	$ (515,000.00)	$ (103,000.00)	2094	0.42%	$ 9,343.75	$ 103,000.00
71	$ 1,545,000.00	-88	$ (440,000.00)	$ (88,000.00)	2095	0.42%	$ 7,354.17	$ 88,000.00
72	$ 1,175,000.00	-74	$ (370,000.00)	$ (74,000.00)	2096	0.42%	$ 5,666.67	$ 74,000.00
73	$ 865,000.00	-62	$ (310,000.00)	$ (62,000.00)	2097	0.42%	$ 4,250.00	$ 62,000.00
74	$ 615,000.00	-50	$ (250,000.00)	$ (50,000.00)	2098	0.42%	$ 3,083.33	$ 50,000.00
75	$ 420,000.00	-39	$ (195,000.00)	$ (39,000.00)	2099	0.42%	$ 2,156.25	$ 39,000.00
76	$ 270,000.00	-30	$ (150,000.00)	$ (30,000.00)	2100	0.42%	$ 1,437.50	$ 30,000.00
77	$ 160,000.00	-22	$ (110,000.00)	$ (22,000.00)	2101	0.42%	$ 895.83	$ 22,000.00
78	$ 85,000.00	-15	$ (75,000.00)	$ (15,000.00)	2102	0.42%	$ 510.42	$ 15,000.00
79	$ 40,000.00	-9	$ (45,000.00)	$ (9,000.00)	2103	0.42%	$ 260.42	$ 9,000.00
80	$ 15,000.00	-5	$ (25,000.00)	$ (5,000.00)	2104	0.42%	$ 114.58	$ 5,000.00
81	$ 5,000.00	-2	$ (10,000.00)	$ (2,000.00)	2105	0.42%	$ 41.67	$ 2,000.00
82	$ -	(1)	$ (5,000.00)	$ (1,000.00)	2106	0.42%	$ 10.42	$ 1,000.00
83	$ -	0	$ -	$ -	2107	0.42%	$ -	$ -
84								
85			$ (50,025,000.00)	$ (10,005,000.00)				

Division 37-5

Request:

Regarding the hypothetical on RIE-101 page 18, line 13 – page 18, line 7 of Rebuttal Testimony of John J. Spanos. When setting up that hypothetical, page 19, Table JJS-1, Line 4, shows the "Net Salvage Per Service" amount of $5,000.

(a) Does this hypothetical assume that the "Net Salvage Per Service" will be $5,000 in year 1?

(b) Does this hypothetical assume that the "Net Salvage Per Service" will be $5,000 in year 48?

(c) If the hypothetical assumes that the "Net Salvage Per Service" will be different for the years 1 through 48, please provide the assumed "Net Salvage Per Service" by year.

Response:

a) Yes. This is because the net salvage percentage is 100 percent.

b) Not necessarily, as it depends on how many services are retired in year 48. Based on the hypothetical, however, each service is $5,000, and the net salvage percentage is 100 percent, so the net salvage amount is $5,000 per service.

c) Based on the parameters and the concept of the hypothetical, each service is anticipated to have 100 percent of the original cost and 100 percent of the net salvage cost built into the recovery of the full service value.