

UCG Reply to AEY

Response to Further Information

As per Board order, UCG provides the following reply to AEY response on our requests for further information regarding IRs:

1. AEY-UCG-004(a) AEY fails to give an accurate easy accounting chart to demonstrate the dollar amounts of each of the three capital projects for 2016-17 that were apparently added to rate base. The AEY identifies these projects in this application and interveners need to be assured that these were not accounted for in the 2016-17 GRA and now again in this application. Accordingly, we request they provide the details to prove their actions.
2. AEY-UCG-004 (b) AEY fails to give an accurate easy accounting chart to demonstrate the dollar amounts of each of the #4-#21 of the capital projects for 2018-2022 already added to rate base. We ask that this be done now and not simply reference the much more complex YUB-046 (a) chart.
As well, AEY has not identified the section of the Public Utilities Act that gives them the right to place capital projects into the rate base for non-test years. We request they answer this question now.
3. AEY-UCG-041 (a,b,and d). UCG agrees that these questions have now been requested in the Depreciation Parameters portion of this process. We are looking forward to disclosure of this information.
4. AEY-UCG-041(c.) UCG was looking for an answer as to why AEY could not defer depreciation for capital projects, not necessary for reliability and safety, such as the CIS and Asset Management which are on-going, to a year where large increases in revenue requirement (2024) are being applied for. We apologize on our articulation of this request. Nevertheless, we would like this answered by AEY.
5. AEY-UCG-047 UCG is asking for clarification on blanket statements made by AEY without adequate qualified information backing such statements. Here, AEY is claiming to have a greater risk to their return due to transformational changes. Although they have given some examples of these transformations, AEY has not identified how these would negatively impact their return.

6. AEY-UCG-048 UCG is asking for clarification on blanket statements made by AEY without adequate qualified information backing such statements. Here, AEY is claiming to have a greater operational cost risks due to the potential to underestimate various costs. Although they have given examples of these possible operational cost items, AEY refuses to give evidence on when and if this has ever taken place before. UCG argues this is relevant to demonstrate that economic conditions have changed for AEY to now make this claim of greater risk.