

STAFF DATA REQUEST 14.01

RWB 14.01 Referring to Utilities Ex. 3.0, pp. 7-10, the Companies discuss the recovery of appeals costs. Regarding this discussion, please respond to the following interrogatories:

- a) If the Commission determines that appeals costs should be recovered and amortized like rate case expense, do the Companies agree that the correct adjustments to implement this determination would be as set forth in RWB 14.01a - Attachment AC and Attachment LW attached hereto? If no, please provide a detailed calculation of what the Companies believe to be the correct adjustments would be to set forth this determination.
- b) If the Commission determines that only 50% of the appeals costs should be recovered and amortized like rate case expense, as suggested in Staff's alternative adjustment (Staff Ex. 9.0, pp. 8-9), do the Companies agree that the correct adjustments to implement this determination would be as set forth in RWB 14.01b - Attachment AC and Attachment LW attached hereto? If no, please provide a detailed calculation of what the Companies believe to be the correct adjustments would be to set forth this determination.

The response to this question is provided by Dimitry Neyzelman.

RESPONSE: a) Yes.

b) Yes. However, Staff's alternative adjustment recovery of 50% was premised on the view that half of the appeal costs were related to the appeals filed by Intervenors and the Attorney General and half of the costs were related to the cross appeal filed by the Companies. For the reasons indicated in Mr. Neyzelman's surrebuttal testimony, only 25% of the costs were attributable to the cross appeal. Amortization of 75% of the cost of appeal is shown on Staff DR RWB 14 Attachments DN.xlsx, Attachments AC and LW.

Apple Canyon Utility Company
Staff Alternative Adjustment for Appeals Costs
 For the Test Year Ending December 31, 2011

Line No.	Description (a)	Amount (b)	Source (c)
<u>Account 6070 Appeals Costs per Staff:</u>			
1	OFFICE TEAM: RC-Write-Off	\$ 165	TEE 3.18 AC Reg Comm Exp Other 2010-2011
2	FEB 10 RCL POs 1: Legal-Appeal	1,402	TEE 3.18 AC Reg Comm Exp Other 2010-2011
3	HOWARD & HOWARD: Legal-Appeal	148	TEE 3.18 AC Reg Comm Exp Other 2010-2011
4	MAY 11 RCL POs 11: Legal-Appeal	118	TEE 3.18 AC Reg Comm Exp Other 2010-2011
5	MAY 11 RCL POs 11: Legal-Appeal	30	TEE 3.18 AC Reg Comm Exp Other 2010-2011
6	MAY 11 RCL POs 11: Legal-Appeal	997	TEE 3.18 AC Reg Comm Exp Other 2010-2011
7	HOWARD & HOWARD: Legal-Appeal	885	TEE 3.18 AC Reg Comm Exp Other 2010-2011
8	SEPT 11 RECLASS PO 11: Legal-Appeal	1,753	TEE 3.18 AC Reg Comm Exp Other 2010-2011
9	OCT 11 RECLASS PO 14: Legal-Appeal	243	TEE 3.18 AC Reg Comm Exp Other 2010-2011
10	DEC 11 RECLASS PO 13: Legal-Appeal	1,256	TEE 3.18 AC Reg Comm Exp Other 2010-2011
11	DEC 11 RECLASS PO 13: Legal-Appeal	7,775	TEE 3.18 AC Reg Comm Exp Other 2010-2011
12	DEC 11 RECLASS PO 13: Legal-Appeal	3,761	TEE 3.18 AC Reg Comm Exp Other 2010-2011
13	DEC 11 RECLASS PO 13: Legal-Appeal	1,327	TEE 3.18 AC Reg Comm Exp Other 2010-2011
14	Total Account 6070 Appeals Costs	19,860	
15	Amortization Period for Rate Case Expense (In Years)	5	Staff Ex. 9.0, Sch. 9.01-AC
16	Annual Amortization Amount for Appeals Cost	3,972	Line 14 / Line 15
17	Adjustment to Allow Only One Year of Appeals Cost Amortization in Test Year	(15,888)	Line 16 - Line 14

Lake Wildwood Utilities Corporation
 Staff Alternative Adjustment for Appeals Costs
 For the Test Year Ending December 31, 2011

Line No.	Description (a)	Amount (b)	Source (c)
<u>Account 6070 Appeals Costs per Staff:</u>			
1	FEB 10 RCL POs 1: Legal-Appeal	378	TEE 3.18 LW Reg Comm Exp Other 2010-2011
2	MAY 11 RCL POs 11: Legal-Appeal	118	TEE 3.18 LW Reg Comm Exp Other 2010-2011
3	MAY 11 RCL POs 11: Legal-Appeal	997	TEE 3.18 LW Reg Comm Exp Other 2010-2011
4	MAY 11 RCL POs 11: Legal-Appeal	148	TEE 3.18 LW Reg Comm Exp Other 2010-2011
5	MAY 11 RCL POs 11: Legal-Appeal	30	TEE 3.18 LW Reg Comm Exp Other 2010-2011
6	HOWARD & HOWARD: Legal-Appeal	885	TEE 3.18 LW Reg Comm Exp Other 2010-2011
7	SEPT 11 RECLASS PO 11: Legal-Appeal	1,833	TEE 3.18 LW Reg Comm Exp Other 2010-2011
8	OCT 11 RECLASS PO 14: Legal-Appeal	269	TEE 3.18 LW Reg Comm Exp Other 2010-2011
9	DEC 11 RECLASS PO 13: Legal-Appeal	1,200	TEE 3.18 LW Reg Comm Exp Other 2010-2011
10	DEC 11 RECLASS PO 13: SFIO-Appeal	500	TEE 3.18 LW Reg Comm Exp Other 2010-2011
11	DEC 11 RECLASS PO 13: Legal-Appeal	1,287	TEE 3.18 LW Reg Comm Exp Other 2010-2011
12	DEC 11 RECLASS PO 13: Legal-Appeal	3,498	TEE 3.18 LW Reg Comm Exp Other 2010-2011
13	DEC 11 RECLASS PO 13: Legal-Appeal	1,342	TEE 3.18 LW Reg Comm Exp Other 2010-2011
14	DEC 11 RECLASS PO 13: Legal-Appeal	7,687	TEE 3.18 LW Reg Comm Exp Other 2010-2011
15	Total Account 6070 Appeals Costs	20,172	Sum of Line 1 through Line 14
16	Amortization Period for Rate Case Expense (In Years)	5	Staff Ex. 9.0, Sch. 9.01-LW
17	Annual Amortization Amount for Appeals Cost	4,034	Line 15 / Line 16
18	Adjustment to Allow Only One Year of Appeals Cost Amortization in Test Year	(16,138)	Line 17 - Line 15

Apple Canyon Utility Company
Staff Alternative Adjustment for Appeals Costs
For the Test Year Ending December 31, 2011

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1	OFFICE TEAM: RC-Write-Off	\$ 165	TEE 3.18 AC Reg Comm Exp Other 2010-2011
2	FEB 10 RCL POs 1: Legal-Appeal	1,402	TEE 3.18 AC Reg Comm Exp Other 2010-2011
3	HOWARD & HOWARD: Legal-Appeal	148	TEE 3.18 AC Reg Comm Exp Other 2010-2011
4	MAY 11 RCL POs 11: Legal-Appeal	118	TEE 3.18 AC Reg Comm Exp Other 2010-2011
5	MAY 11 RCL POs 11: Legal-Appeal	30	TEE 3.18 AC Reg Comm Exp Other 2010-2011
6	MAY 11 RCL POs 11: Legal-Appeal	997	TEE 3.18 AC Reg Comm Exp Other 2010-2011
7	HOWARD & HOWARD: Legal-Appeal	885	TEE 3.18 AC Reg Comm Exp Other 2010-2011
8	SEPT 11 RECLASS PO 11: Legal-Appeal	1,753	TEE 3.18 AC Reg Comm Exp Other 2010-2011
9	OCT 11 RECLASS PO 14: Legal-Appeal	243	TEE 3.18 AC Reg Comm Exp Other 2010-2011
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11	DEC 11 RECLASS PO 13: Legal-Appeal	7,775	TEE 3.18 AC Reg Comm Exp Other 2010-2011
12	DEC 11 RECLASS PO 13: Legal-Appeal	3,761	TEE 3.18 AC Reg Comm Exp Other 2010-2011
13	DEC 11 RECLASS PO 13: Legal-Appeal	<u>1,327</u>	TEE 3.18 AC Reg Comm Exp Other 2010-2011
14	Total Account 6070 Appeals Costs	<u>19,860</u>	
15	Percentage of Appeals Costs Recoverable	50%	Staff Ex. 9.0, pp. 8-9
16	Recoverable Appeals Costs	9,930	Line 14 x Line 15
17	Amortization Period for Rate Case Expense (In Years)	<u>5</u>	Staff Ex. 9.0, Sch. 9.01-AC
18	Annual Amortization Amount for Appeals Cost	1,986	Line 16 / Line 17
19	Adjustment to Allow Only One Year of Appeals Cost Amortization in Test Year	<u><u>(17,874)</u></u>	Line 18 - Line 14

Lake Wildwood Utilities Corporation
 Staff Alternative Adjustment for Appeals Costs
 For the Test Year Ending December 31, 2011

Line No.	Description	Amount	Source
	(a)	(b)	(c)
	<u>Account 6070 Appeals Costs per Staff:</u>		
1	FEB 10 RCL POs 1: Legal-Appeal	378	TEE 3.18 LW Reg Comm Exp Other 2010-2011
2	MAY 11 RCL POs 11: Legal-Appeal	118	TEE 3.18 LW Reg Comm Exp Other 2010-2011
3	MAY 11 RCL POs 11: Legal-Appeal	997	TEE 3.18 LW Reg Comm Exp Other 2010-2011
4	MAY 11 RCL POs 11: Legal-Appeal	148	TEE 3.18 LW Reg Comm Exp Other 2010-2011
5	MAY 11 RCL POs 11: Legal-Appeal	30	TEE 3.18 LW Reg Comm Exp Other 2010-2011
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8	OCT 11 RECLASS PO 14: Legal-Appeal	269	TEE 3.18 LW Reg Comm Exp Other 2010-2011
9	DEC 11 RECLASS PO 13: Legal-Appeal	1,200	TEE 3.18 LW Reg Comm Exp Other 2010-2011
10	DEC 11 RECLASS PO 13: SFIO-Appeal	500	TEE 3.18 LW Reg Comm Exp Other 2010-2011
11	DEC 11 RECLASS PO 13: Legal-Appeal	1,287	TEE 3.18 LW Reg Comm Exp Other 2010-2011
12	DEC 11 RECLASS PO 13: Legal-Appeal	3,498	TEE 3.18 LW Reg Comm Exp Other 2010-2011
13	DEC 11 RECLASS PO 13: Legal-Appeal	1,342	TEE 3.18 LW Reg Comm Exp Other 2010-2011
14	DEC 11 RECLASS PO 13: Legal-Appeal	<u>7,687</u>	TEE 3.18 LW Reg Comm Exp Other 2010-2011
15	Total Account 6070 Appeals Costs	<u>20,172</u>	Sum of Line 1 through Line 14
16	Percentage of Appeals Costs Recoverable	50%	Staff Ex. 9.0, pp. 8-9
17	Recoverable Appeals Costs	10,086	Line 15 x Line 16
18	Amortization Period for Rate Case Expense (In Years)	<u>5</u>	Staff Ex. 9.0, Sch. 9.01-AC
19	Annual Amortization Amount for Appeals Cost	2,017	Line 17 / Line 18
20	Adjustment to Allow Only One Year of Appeals Cost Amortization in Test Year	<u><u>(18,155)</u></u>	Line 19 - Line 14

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12	DEC 11 RECLASS PO 13: Legal-Appeal	3,761	TEE 3.18 AC Reg Comm Exp Other 2010-2011
13	DEC 11 RECLASS PO 13: Legal-Appeal	<u>1,327</u>	TEE 3.18 AC Reg Comm Exp Other 2010-2011
14	Total Account 6070 Appeals Costs	<u>19,860</u>	
15	Percentage of Appeals Costs Recoverable	75%	
16	Recoverable Appeals Costs	14,895	Line 14 x Line 15
17	Amortization Period for Rate Case Expense (In Years)	<u>5</u>	Staff Ex. 9.0, Sch. 9.01-AC
18	Annual Amortization Amount for Appeals Cost	2,979	Line 16 / Line 17
19	Adjustment to Allow Only One Year of Appeals Cost Amortization in Test Year	<u><u>(16,881)</u></u>	Line 18 - Line 14

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11	DEC 11 RECLASS PO 13: Legal-Appeal	1,287	TEE 3.18 LW Reg Comm Exp Other 2010-2011
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14	DEC 11 RECLASS PO 13: Legal-Appeal	7,687	TEE 3.18 LW Reg Comm Exp Other 2010-2011
15	Total Account 6070 Appeals Costs	20,172	Sum of Line 1 through Line 14
16	Percentage of Appeals Costs Recoverable	75%	
17	Recoverable Appeals Costs	15,129	Line 15 x Line 16
18	Amortization Period for Rate Case Expense (In Years)	5	Staff Ex. 9.0, Sch. 9.01-AC
19	Annual Amortization Amount for Appeals Cost	3,026	Line 17 / Line 18
20	Adjustment to Allow Only One Year of Appeals Cost Amortization in Test Year	(17,146)	Line 19 - Line 14