

- 1 **Q. Please discuss whether the company has recently performed a review of its rate base**  
2 **to ensure that all assets are currently and forecast to be used and useful in providing**  
3 **service.**  
4
- 5 A. The Company routinely reviews the assets in its plant records and retires any assets that  
6 are no longer used and useful in providing service.  
7
- 8 As part of the execution of its annual capital projects, equipment being refurbished or  
9 replaced is identified in the plant records and either completely or partially retired as  
10 appropriate. At the same time, new and refurbished assets are added to plant records.  
11
- 12 At year end, the Company also reviews all capital projects undertaken that year, and  
13 classifies certain expenditures as Construction Work in Progress (“CWIP”) if the assets  
14 involved are deemed to not be used and useful in providing service at December 31.  
15 These expenditures are excluded from rate base in that particular year, and subsequently  
16 get added to rate base in a future year once the assets are deemed used and useful.  
17
- 18 The Company’s financial forecasts that were completed as part of this GRA include a  
19 forecasted CWIP for each year, which has been based on historical experience combined  
20 with expectations through the forecast period. Based on latest reviews, the Company’s  
21 forecast of CWIP included in average rate base is accurate.