

1 **Q. Pg. 17, lines 24-26 - Mr. Pous states that some utilities that have sought ELG based**
2 **rates have had their requests denied by regulators. Please provide the details of**
3 **such requests including the names of the utilities and the dates the requests were**
4 **denied.**

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6 **A.** Cases where ELG has been denied by a regulator are difficult to identify given that very few
7 situations arise where utilities even seek ELG-based depreciation rates. While no detailed
8 investigation has been performed, Mr. Pous does provide the following as applicable to
9 situations where ELG was proposed in a utility's depreciation study and ultimately was not
10 implemented:

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12 • Entergy Texas Inc. Docket No. 37744 in 2010 before the Public Utility Commission
13 of Texas. Gannett Fleming submitted testimony proposing ELG-based rates. A
14 settlement was implemented retaining the existing rates. Entergy Texas, Inc. then
15 filed a new proceeding in Docket No. 39896 in 2011 where it based its
16 recommendation on a depreciation study relying on the ALG calculation procedure.
17 ALG rates were adopted by the Texas commission in the litigated case.
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19 • Idaho Power Company Case Number IPC-E-08-06 in 2008. Gannett Fleming
20 developed a depreciation study based on the ELG calculation procedure. Idaho
21 Power Company "requested that Gannett Fleming prepare alternative depreciation
22 rates based on the average service life ("ASL") procedure." Idaho Power
23 subsequently filed a new study in Cause Number IPC-E-12-08 filed earlier this year.
24 Gannett Fleming's depreciation study was presented solely on the basis of the ALG
25 calculation procedure. The Commission accepted ALG rates.
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27 • Atmos Gas Company Cause No. PUE-2003-00507 before the Commonwealth of
28 Virginia State Corporation Commission in 2005. Atmos filed its depreciation study
29 based on the ELG calculation procedure. The settlement that was adopted by that
30 commission stated that Atmos "agrees to continue use of the Average Life Group
31 methodologies for purposes of accruing depreciation expense."

1 • Since ELG depreciation is not often requested and thus not subject to litigation, it is
2 necessary for Mr. Pous to refer back to cases during the 1990s where commissions
3 specifically denied reliance on the ELG calculation procedure. Mr. Pous recalls that
4 the Illinois Commerce Commission in Order No. 91-0147 rejected ELG for the
5 Illinois Power Company, the Connecticut Department of Public Utility Control in
6 Docket No. 93-02-04 rejected ELG depreciation in a Connecticut Natural Gas
7 Corporation case, the Nevada Public Service Commission rejected ELG in Docket
8 No. 93-3025 a Southwest Gas Corporation case, and the Oklahoma Corporation
9 Commission rejected ELG depreciation in Cause No. PUD-960000214.