

Docket No. 25-057-06

DPU Data Request No. 13.06

Requested by the Division of Public Utilities

Date of EGU Response: July 11, 2025

DPU 13.06: In reference to Exhibit 4.26 (Capital Projects). The Division's understanding from conversations with the Company is that the LNG builders predicted that the LNG plant would require \$1 million per year in capital maintenance, which amount would be assigned to capital projects (i.e. a 101 account) rather than O&M costs. Please confirm this understanding, or correct if mistaken.

(1) Please provide a copy of the builder's prediction/recommendation regarding this \$1 million per year in capitalizable maintenance. Was this figure broken down by item?

(2) What capitalized maintenance costs for the LNG facility were included in 2023 and 2024? Please provide a list of items similar in format to the list in Exhibit 4.26.

(3) In Exhibit 4.26, the Division's understanding is that 2026 has the general projection of \$1 million (Line 975, based on the builder's general estimates), but that the 2025 numbers are based on projects that have been started, or have already been completed, or have detailed estimates, and therefore the \$1 million general estimate has been replaced by the \$1,676,067 total for 2025 (lines 907 through 918). Please confirm this understanding, or correct if mistaken.

(4) Please provide in-service dates for assets (included in the \$1,676,067 total) being placed in service in 2025.

(5) Please explain how the items in lines 907 and 908 (LNG PLANT-INST ASPHALT ROADWAY-MAGNA; LNG PLANT-INST CONCRETE DRAINAGE-MAGNA) are maintenance items that extend the life of the plant, rather than items that should have been included in the original LNG construction costs.

(6) Is the difference between the FERC Account 363 total value at YE RB DEC 2026, and the total value at YE RB DEC 2024, due to the capitalized maintenance costs discussed above? If not, please itemize this increase.

Answer: (1) The builders prediction/recommendation stated "An annual operating expenditure (OPEX) estimate was developed for the facility and is located in Appendix O. The estimate assumes on an annual basis the entire 15 million gallon LNG tank will be vaporized and refilled. Electrical costs are \$0.8 per kWh. Natural gas costs are \$3 per million BTU. Capital costs of \$1 million per year along with a full time staff of 13 people round out the estimate." This can be found in Docket 19-057-13 DEU Highly Confidential Exhibit 5.02. The Company

would like to note that in the original preapproval the \$1 Million was included in the Revenue Requirement.

(2) Please see DPU 13.06 Attachment 1.

(3) That is correct, the 2025 number of \$1.68 million is the sum of specific projects underway in 2025, and this figure has replaced the general \$1 million projection for 2025.

(4) The Company does not know precisely when each LNG project budgeted in 2025 will be placed in service, but anticipates the projects will be completed by the end of 2025. For purposes of estimating the 101 balance for the revenue requirement, the Company assumes that approximately 34% of capital spend will remain in the 107 at the end of the year.

(5) The asphalt and concrete projects are considered infrastructure improvements based on needs identified following the completion of the plant. The activity shown on line 907 increases the life of the roadway itself. Part 193 requires that road to remain plowed for emergency access. Plowing on roadbase contributed to greatly accelerated erosion of the roadway. Without this project, regrading would likely to have been required every 3-5 years to keep up with the plowing. The activity on line 908 addresses similar concerns. The drainage was such that water was pooling on the roadway, impeding access and accelerating erosion.

(6) While the Capitalized maintenance cost does play a role in the increase, it is not the only driver that impacts the net additions. The net additions are calculated by adding the capital increase to the forecasted 106/107 to close and the forecasted capital remaining in the 107. In 2025 the forecasted 106/107 to close was \$1,068,166 and the capital remaining in the 107 was \$(583,881) bringing the total net additions for 2025 TO \$2,160,352. In 2026 the company forecasted capital increase of \$1 million, \$583,881 in the 106/107 to close and \$(348,364) remaining in the 107. This brings the total forecasted net additions for 2026 to \$1,253,517.

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