

Q.DPS.GMP.1-54. Page 21 of Mr. Burke's direct testimony states "[t]he investment we are seeking approval for in this filing—up to \$250M for additional T&D projects and up to \$30M for additional energy storage between now and the end of FY26—would not exceed an annual 2% rate impact."

- a. For what period of time will the investment require an approximately 2% rate impact?; and**
- b. What would the rate impacts be after that period of time? Please provide the calculations GMP used to make this determination.**

A.DPS.GMP.1-54.

- a. The 2% cited in Mr. Burke's testimony is the expected maximum incremental annual rate impact associated with the level of investment included in phase one of ZOI, without showing any savings from associated benefits. This expected maximum potential annual impact for phase one is reached in year one.
- b. The impacts for this phase one investment reduce each year beyond that time period due to annual depreciation. See Attachment GMP.DPS1.Q54.

Person/s Responsible for Response: Mike Burke, Mathieu Lepage
Title of Person/s: VP, Field Operations; VP, Chief Financial Officer
Date: January 5, 2024

Zero Outages Initiative - Rate evaluation

\$125 MM incremental T&D investment in FY2025 and FY2026
\$15 MM incremental Battery investment in FY2025 and FY2026

Assumptions:

T & D:

- 1.) Entered T&D investment equally between Distribution Lines Large Cap and Distribution Lines Small Cap in UI.
- 2.) Assumed investment was equally spent across all months in '25 and '26.
- 3.) Closed to CWIP all investment that incurred within a given month.
- 4.) Assumed 0% capitalized A&G rate.
- 5.) For purpose of this exercise, did not consider incremental O&M - savings offset costs

Batteries:

- 1.) Entered investment equally across all months in '25 and '26.
- 2.) Assume life is 20 years.
- 3.) Assume all investment in given month is closed to plant in service in same month.
- 4.) Assume 0% capitalized A&G rate.
- 5.) For purpose of this exercise, did not consider incremental O&M - savings offset costs

Rate Changes:

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Incremental ZOI Rate Impact	0.80%	1.74%	1.25%	-0.13%	-0.16%	-0.19%