

Q.GMP.1-12. In the event the PUC approves GMP's proposal to provide customers one-time benefits from the three JV Solar/Storage projects and the Utopus return within the 2019 rate period, how would the Department Plan (Exh. PSD-JRA-1) adjust for those items in rate period FY2020 after their return.

PSD Response: As indicated earlier, the proposal is for the ARM mechanism to be calibrated to provide an opportunity for GMP to earn a reasonable return over the three years of the plan. The ARM approach does not take an individual line item or project approach to the adjustments. That said, the Department is intent on making this plan work for the company and for ratepayers. The Department intends to develop a reasonable expectation of the cost of service over the three years informed by all known rate pressures at the onset of the plan. This analysis will provide the bottom-up analysis that will inform the refinement of the ARM. The projects mentioned will inform that analysis relative to the adjustment in year one. The key is to focus not on a single year but the three year period while attempting to ensure that GMP is still able to recover all necessary revenues to adequately cover its cost of service in line with its allowed ROE.

Person Responsible: J. Riley Allen

Title: Deputy Commissioner, Department of Public Service

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