

**103**

**OPC's Responses to Staff's Second Set of  
Interrogatories, No. 16**

**INTERROGATORIES**

16. Please break out the adjustments to rate base and net operating income included in Exhibit RCS-2 by each of the four systems, as applicable.

**OPC Response:**

**Please see the table below, which breaks out the adjustments to rate base and net operating income included in Exhibit RCS-2 by each of the four systems (as applicable).**

Description	OPC Schedule	FN System	CF System	FI System	FT System	Total
<b>Rate Base Adjustments Per Exhibit RCS-2</b>						
Miscellaneous Intangible Plant	B-1	\$ (85,839)	\$ -	\$ -	\$ -	\$ (85,839)
Directors and Officers Liability Insurance Expense	B-2	\$ (13,031)	\$ (4,907)	\$ (62)	\$ (49)	\$ (18,049)
Accumulated Depreciation - New Depreciation Rates	B-3	\$ 662,842	\$ 257,332	\$ 5,486	\$ 3,191	\$ 928,851
Unamortized Rate Case Expense	B-4	\$ (1,376,768)	\$ (487,383)	\$ (3,115)	\$ (4,690)	\$ (1,871,956)
Accumulated Depreciation - Area Expansion Program	B-5	\$ (85,698)	\$ -	\$ -	\$ -	\$ (85,698)
FPUC Merger Acquisition Adjustment	B-6	\$ (34,192,493)	\$ -	\$ -	\$ -	\$ (34,192,493)
Accumulated Depreciation Related to FPUC Merger Acquisition Adjustment	B-6	\$ 15,576,577	\$ -	\$ -	\$ -	\$ 15,576,577
<b>Net Operating Income Adjustments Per Exhibit RCS-2</b>						
Depreciation Expense - New Depreciation Rates	C-1	\$ (1,573,392)	\$ (610,830)	\$ (13,022)	\$ (7,574)	\$ (2,204,818)
Amortization Expense Related to FPUC Merger Acquisition Adjustment	C-2	\$ (1,139,750)	\$ -	\$ -	\$ -	\$ (1,139,750)
Incentive Compensation Expense	C-3	\$ (760,503)	\$ (320,658)	\$ (5,053)	\$ (3,887)	\$ (1,090,101)
Stock-Based Compensation Expense	C-4	\$ (915,332)	\$ (451,983)	\$ (2,396)	\$ (5,794)	\$ (1,375,505)
Payroll Tax Expense	C-5	\$ (128,201)	\$ (59,107)	\$ (570)	\$ (741)	\$ (188,619)
Supplemental Executive Retirement Program (SERP) Expense	C-6	\$ (881)	\$ (881)	\$ -	\$ -	\$ (1,762)
Directors and Officers Liability Insurance Expense	C-7	\$ (61,524)	\$ (23,430)	\$ (319)	\$ (255)	\$ (85,528)
Rent Expense	C-8	\$ -	\$ (78,249)	\$ -	\$ -	\$ (78,249)
Lobbying Costs	C-9	\$ (26,112)	\$ (14,960)	\$ (404)	\$ (404)	\$ (41,881)
Interest Synchronization	C-10	\$ (99,968)	\$ (33,174)	\$ (572)	\$ (390)	\$ (134,104)
Parent Company Debt Adjustment	C-11	\$ (506,884)	\$ (168,208)	\$ (2,901)	\$ (1,980)	\$ (679,973)
Company Sponsored Events	C-12	\$ (27,381)	\$ (11,145)	\$ (155)	\$ (155)	\$ (38,835)

AFFIDAVIT

STATE OF Michigan  
COUNTY OF Wayne

BEFORE ME, the undersigned authority, personally appeared Ralph C. Smith,  
who deposed and stated that he/she provided the answers to interrogatories Staff Second Set  
(No. 16) served on 9/22/2022 by Staff on OPC  
and that the responses are true and correct to the best of his/her information and belief.

DATED at Livonia, Michigan, this 10<sup>th</sup> day of October,  
2022.

Sworn to and subscribed before me this 10 day of October,  
2022.

Hugh Larkin Jr  
NOTARY PUBLIC

State of Michigan at Large

My Commission Expires: September 13, 2026

HUGH LARKIN JR  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF WAYNE  
MY COMMISSION EXPIRES Sep 13, 2026  
ACTING IN COUNTY OF