Q.DPS.GMP.2-34: In reference to A.DPS.GMP.1-67, Witness Dexter stated, "[u]namortized debt discount and expense is included as a component of rate base rather than a component in the development of the cost of capital because it aligns with other deferred expenses in rate base that are amortized over a specified period."

a. **Please provide the accounting rule or Commission Order which specifies that Unamortized Debt Discount and Expense in included or includable in Rate Base.**
b. **In what FERC balance sheet account are Unamortized Debt Discount and Expense accumulated?**
c. **In what FERC Income Statement account are the amortization of Unamortized Debt Discount and Expense included?**
d. **Please provide a detailed calculation of the Cost of Debt as included in the rate of return calculation for the MYRP.**

A.DPS.GMP.2-34:

a) Unamortized Debt Discount and Expense has been included in the approved rate base in multiple PUC approved rate orders, including during the current regulation plan and the prior regulation plan. Please see, e.g., Schedule D5 – Unamortized Debt Discount and Expense in the approved base rate filing in Cases 21-3707-PET & 22-0175-TF (Final Order dated August 31, 2022), and Schedule D5 in every subsequent Annual Base Rate Filing. Please also see the traditional rate case preceding these regulation plans (see, e.g., April 13, 2018, Prefiled Testimony of Edmund F. Ryan, Case No. 18-0974-TF (Rate Period Jan. 1, 2019-September 30, 2019), Exhibit GMP-ER-1, Schedules 2 & 6 (Final Order dated December 21, 2018).

b) Unamortized Debt Discount and Expense are accumulated in account 18120.

c) The amortization of Unamortized Debt Discount and Expense is included in account 42830.

d) Objection 5. The question is vague and ambiguous in that it does not specify a time period, year, or type of debt. Without waiving or otherwise limiting the objection, GMP responds as follows:

   The Cost of Debt is the weighted average interest rate of all outstanding and expected First Mortgage Bonds for any given rate year including the Credit Facility. The MYRP detailed calculation will be available as a part of the FY2027 Rate Case.

Person/s Responsible for Response: Rob Bingel, Laura Doane
Title of Person/s: Manager, Financial Planning & Analysis; Manager, Operational Finance
Date: December 19, 2025