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EHU's response to the direct testimony issued by Fredrick Quijano on 1/12/2024 (#120)

While we appreciate Mr. Quijano's claim that shared expenses should be split by percentage of the number of connections as opposed to the number of CCN's, we would like to make aware to the Judge that even after multiple attempts to the PUC for their recommendation for how to allocate shared costs between affiliate ccn's should be done, this is the first time that we have any indication of how they would prefer it to be done. In every attempt for guidance in this issue in the last 6 years since this rate case has been open, we have always been told that it is "Up to us and our attorneys".

Since this is the first time we've seen guidance on this issue, we would need further time to establish the annual need based on this method of allocating costs.

For this reason we are asking the judge for a 90 day extension so that we can send to our CPA, Chuck Loy, instructions on assessing a new expense structure using the PUC's recommended CCN allocation method. We strongly object to Mr. Quijanos' timing of this recommendation, as this particular issue has been addressed multiple times over the years, with virtually no response until yesterday. However, although extremely late in the process, we appreciate the information so that we can move forward in a way that will allow us to maintain the system in a way that is safe and satisfies TCEQ Standards.