

Received: January 6, 2017  
Request Number: GSEC 1-52

Date of Response: January 20, 2017  
Witness: Jay E. Dudley

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**Request:**

Reference Bates 000009, footnote 9. You reference highlighted lines that are “projects of interest” to Staff. For those highlighted items that exceeded the budgeted amount, please identify which projects Staff believes should not have been undertaken and/or completed by the Company in an effort to remain on budget. Please provide detailed rationale as to why each project should not have been undertaken and/or completed.

**Response:**

The primary focus of Staff’s prudence review was to determine how and why the cost overruns associated with the highlighted projects occurred, and whether those expenditures were prudent. As part of our prudence analysis, Staff did not consider the necessity or the appropriate prioritization of the capital projects undertaken by GSEC.

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