

million. If the question was referring to only plant, the undepreciated net book value as of March 31, 2021, was \$178.1 million.

- d. The estimate of the updated project costs as a percent of the Company's undepreciated rate base is 22.6% based on the March 2021 total rate base provided in Attachment Staff 3-1.c, page 5. However, such a statistic gives a misleading impression of the project because the costs will be spread over a period of five years, so the impact in any one year will be a much lower percentage addition to rate base. It is also important to understand that a significant portion of the Company's total load is located in the Salem area, so it is vital that the necessary projects be undertaken to provide safe and reliable service in future years, particularly given the aged nature of the Company's facilities in that area coupled with the significant additional load.

