

**UTC STAFF DATA REQUEST NO. 50:**

Regarding the supplemental testimony of Weldon T. Burton in WTB05:

- a. Please explain the accounting rationale for classifying the \$389,350 labeled Comp Day Expense (account 50450-006) as an expense.
- b. Please provide the offsetting credit entry and account number.

**RESPONSE:**

- a. Please explain the accounting rationale for classifying the \$389,350 labeled Comp Day Expense (account 50450-006) as an expense.

In the previous case, TP-190976 Commission Witness Kermode persuasively testified that full accrual accounting would give the Commission the clearest picture for the callback liability and resulting expense during the period callbacks occurred. (Order 09, TP-190976, ¶ 236 which was affirmed by the Commission ¶ 240.) Therefore, to be in compliance with the Commission Order, PSP changed its accounting treatment for newly earned/burned (2021 forward) comp day expenses from the cash basis to the accrual basis method of accounting and this was the resulting balance.

- b. Please provide the offsetting credit entry and account number.

See Accounting General Ledger Journal Entries attached UTC Staff Data Request No. 50.

The General Ledger Detail for this account was included in response to UTC Staff Data Request No. 10.