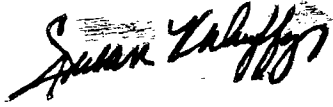


**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

**STATE CORPORATION COMMISSION**

MAR 07 2011



**In the Matter of the Application of Grain )  
Belt Express Clean Line LLC for a Limited )  
Certificate of Public Convenience to )  
Transact the Business of a Public Utility in )  
the State of Kansas )**

**Docket No. 11-GBEE 624-COC**

**DIRECT TESTIMONY OF**

**DAVID ALLEN BERRY**

**ON BEHALF OF**

**GRAIN BELT EXPRESS CLEAN LINE LLC**

1 **I. WITNESS INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **Q. Please state your name, present position and business address.**

3 A. My name is David Berry. I am Vice President – Strategy and Finance of Clean Line  
4 Energy Partners LLC (“Clean Line Energy Partners”). Clean Line Energy Partners is the  
5 ultimate parent company of Grain Belt Express Clean Line LLC (“Clean Line”), the  
6 Applicant in this proceeding. My business address is 1001 McKinney Street, Suite 700,  
7 Houston, Texas 77002.

8 **Q. What are your duties and responsibilities as Vice President – Strategy and Finance  
9 of Clean Line Energy Partners?**

10 A. I oversee and am responsible for the financing activities, accounting, transaction  
11 structuring and strategic analysis for Clean Line Energy Partners and its subsidiaries.

12 **Q. Please describe your education and professional background.**

13 A. I received a Bachelor of Arts degree from Rice University. Prior to joining Clean Line  
14 Energy Partners, I was employed by Horizon Wind Energy as Finance Director. At  
15 Horizon Wind Energy, I was responsible for financing transactions, investment analysis  
16 and acquisitions. While at Horizon Wind Energy, I worked on and led over \$2 billion of  
17 project finance transactions, including a non-recourse debt financing that was named  
18 North American Renewables Deal of the Year by *Project Finance*, and several structured  
19 equity transactions.

20 **Q. What is the purpose of your direct testimony?**

21 A. I am testifying in support of Clean Line’s request to be issued a Certificate of Public  
22 Convenience and Necessity, pursuant to K.S.A. 66-131, to operate as a public utility in  
23 the State of Kansas. Specifically, I will address Clean Line’s financial capabilities to be

1 certified as a public utility providing only transmission services, and I will address  
2 how Clean Line intends to maintain its books and records in accordance with the Federal  
3 Energy Regulatory Commission's ("FERC") Uniform System of Accounts at 18 C.F.R.  
4 Part 101.

5 **Q. In addition to your prepared direct testimony, are you presenting any exhibits?**

6 A. Yes, I am presenting exhibits that are identified as Exhibits DAB-1, DAB-2, DAB-3, and  
7 DAB-4.

## 8 **II. FINANCIAL CAPABILITIES**

9 **Q. Please describe the ownership relationship between Clean Line Energy Partners and**  
10 **Clean Line.**

11 A. The immediate parent company of Clean Line is Grain Belt Express Holding LLC, which  
12 is the sole member of Clean Line. Clean Line Energy Partners is the immediate parent  
13 company and sole member of Grain Belt Express Holding LLC. Therefore, Clean Line  
14 Energy Partners is the indirect, ultimate parent company of Clean Line.

15 **Q. Does Clean Line Energy Partners have equity investors?**

16 A. Yes. The majority owner of Clean Line Energy Partners is ZAM Ventures, L.P. ("ZAM  
17 Ventures"), which is the principal investment vehicle for ZBI Ventures, L.L.C. ("ZBI  
18 Ventures"). ZBI Ventures is a subsidiary of Ziff Brothers Investments, L.L.C.  
19 Additional equity investors in Clean Line Energy Partners include Michael Zilkha of  
20 Houston, Texas.

1 **Q. What is the nature of the equity investment in and the commitment to Clean Line**  
2 **Energy Partners that have been made by the equity investors?**

3 A. The initial equity investors are providing capital to enable Clean Line Energy Partners to  
4 undertake the initial development and permitting work for its transmission line projects,  
5 including the Grain Belt Express, which is to be constructed and owned by Clean Line,  
6 the Applicant in this proceeding. This funding will enable Clean Line Energy Partners  
7 and its subsidiaries to bring the Grain Belt Express, and the other transmission line  
8 projects being developed by other subsidiaries of Clean Line Energy Partners, to a point  
9 at which Clean Line Energy Partners and its subsidiaries can enter into project-specific  
10 financing arrangements with lenders and with equity investors and/or other partners.  
11 This additional capital will allow Clean Line to construct the Grain Belt Express. The  
12 initial equity investors could participate in the project financings by making debt or  
13 additional equity investments, along with new lenders, investors and/or partners.

14 **Q. Is this a credible model for financing development and construction of projects such**  
15 **as the Grain Belt Express?**

16 A. Yes. Many successful transmission projects have followed the same model of initial  
17 equity investors funding development and a later financing at the project level to fund  
18 construction. Utilities and developers have applied this model to traditionally rate-based  
19 transmission lines like the Path 15 project in California and the Trans Bay Cable project  
20 crossing San Francisco Bay. This model is also common for merchant transmission lines  
21 like the Grain Belt Express. Other merchant transmission projects that have pursued or  
22 are pursuing this financing model include the Neptune underwater High Voltage Direct

1 Current (HVDC) project between New Jersey and Long Island, and the TransCanada  
2 Zephyr line currently under development.

3 **Q. Why is Clean Line confident that the project finance markets will support the**  
4 **construction of the Grain Belt Express?**

5 A. Recent experience shows that large amounts of liquidity exist in the capital markets for  
6 transmission projects that have reached an advanced stage of development. The capital  
7 markets have a substantial history of supporting transmission projects, including  
8 merchant transmission projects, through debt and equity financings. As I noted in my  
9 previous answer, a number of transmission line projects have entered into project finance  
10 arrangements to fund their construction. For example, in 2003, the Path 15 project, an 83  
11 mile stretch of 500 kV lines in Southern California, closed \$209 million in debt financing  
12 spread across the bank and bond markets. In 2005, the Neptune Project, a  $\pm$ 500 kV  
13 HVDC submarine line, raised \$600 million in a private placement at a competitive spread  
14 to the London Interbank Offered Rate (LIBOR). In early 2008, Trans Bay Cable LLC  
15 successfully closed an approximately \$500 million transaction in the project finance  
16 market to fund a 53 mile underwater HVDC project. In September 2008, the Trans-  
17 Allegheny Interstate Line project closed a \$550 million senior secured loan, and in  
18 January 2010 the project closed an additional \$800 million of financing, comprised of  
19 \$350 million in floating bank debt and \$450 million in fixed coupon bonds.

20 Additionally, similar to lenders, equity investors have shown considerable  
21 enthusiasm for transmission. Private equity funds such as ArcLight Capital Partners, EIF  
22 Group, Energy Capital Partners, and Starwood Energy have all made substantial

1 transmission investments and have raised funds specifically devoted to transmission and  
2 other electricity infrastructure investments.

3 **Exhibit DAB-1** provides a list of precedent transactions in both the equity and  
4 debt markets. Clean Line Energy Partners is developing relationships with many of the  
5 major banks that have been involved in financing transmission projects.

6 In addition to the experience specifically with transmission projects, the  
7 independent power industry has long relied on project finance to support its growth. For  
8 example, the U.S. wind power industry has raised tens of billions of dollars of project-  
9 level debt and equity over the last five years. My previous employer, Horizon Wind  
10 Energy, which is one of the leading developers of wind generation facilities in the United  
11 States, successfully used this approach to develop, finance, construct, and place into  
12 operation a number of significant wind generation projects throughout the U.S.

13 **Q. Do the equity investors in Clean Line Energy Partners have the commitment and**  
14 **experience to support this approach?**

15 **A.** In my opinion, yes. As Mr. Skelly describes, both ZAM Ventures and the Zilkha family  
16 have deep experience in the energy field, including in electric power and renewable  
17 energy. Both ZAM Ventures and its affiliates and the Zilkha family have previously  
18 made significant investments in companies in energy industries, including in renewable  
19 resources projects such as wind energy facilities, and are familiar with this development  
20 and financing model. Mr. Bryan Begley, who is a limited partner of ZAM Ventures and  
21 a Managing Director of ZBI Ventures, provides testimony and information on the  
22 perspectives and commitment of Clean Line Energy Partners' majority owner on this  
23 investment.

1 **Q. Does Clean Line Energy Partners have the management expertise to successfully**  
2 **execute its development and financing model?**

3 A. Yes. Along with several other members of our management team, including Mr. Skelly,  
4 our CEO, and Ms. Desai, our Executive Vice President – Commercial and Operations, I  
5 was previously with Horizon Wind Energy, where we helped bring a number of wind  
6 energy projects into operation using project financings. Additionally, other members of  
7 our management team, including Mr. Lawlor, our Director of Development, have  
8 experience in developing independent power generation projects. While with Allegheny  
9 Energy, Ms. Patton, our Vice President and General Counsel, provided legal advice  
10 concerning the financing of the Trans-Allegheny Interstate Line, which entailed \$1,350  
11 million of external financings between September 2008 and January 2010. Ms. Coggin,  
12 our Project Development Manager, gained manufacturing expertise at General Electric  
13 and transitioned into energy development at Horizon Wind Energy. More complete  
14 descriptions of the qualifications and experience of these members of Clean Line Energy  
15 Partners' management team are provided in Mr. Skelly's direct testimony and in MPS-4.

16 **Q. Please identify Exhibits DAB-2 and DAB-3.**

17 A. **Exhibit DAB-2** is the balance sheet of Clean Line at June 30, 2010. **Exhibit DAB-3** is  
18 the statement of income for Clean Line for the 6 months ended December 31, 2010. I  
19 note that because neither Clean Line Energy Partners nor any of its subsidiaries currently  
20 have any operational projects, neither Clean Line Energy Partners nor Clean Line had any  
21 operating revenues for the period covered by the statement of income in **Exhibit DAB-3**.  
22 Clean Line's current business model requires developmental equity, but it does not  
23 require revenue at this point in time.

1 **Q. What will be Clean Line’s sources of operating revenues?**

2 A. Clean Line’s sources of operating revenues will be the payments it receives from the  
3 transmission capacity customers of the Grain Belt Express pursuant to the capacity and  
4 services contract Clean Line enters into with these customers. As Mr. Skelly explains,  
5 the prices that Clean Line charges will be subject to the jurisdiction and approval of the  
6 Federal Energy Regulatory Commission (FERC). However, Clean Line expects to be  
7 able to charge negotiated rates that will recover the costs of developing, constructing and  
8 operating the Grain Belt Express.

9 **Q. Does Grain Belt Express Clean Line “Clean Line” have its own, separate**  
10 **management and administrative staff?**

11 A. No. At this time, Clean Line has only three officers and no employees. The three  
12 officers are Michael Skelly, President; Jayshree Desai, Executive Vice President; and  
13 Kathryn Patton, Vice President and General Counsel. All three of these officers are  
14 employees of Clean Line Energy Partners. Clean Line does not expect to establish a  
15 separate management and administrative staff dedicated to the Grain Belt Express.  
16 Rather, management and administrative functions will be performed for Clean Line by  
17 the management and administrative staff of its ultimate parent company, Clean Line  
18 Energy Partners. These management and administrative functions include, in addition to  
19 executive management, the accounting, treasury, finance, tax, payroll, employee benefits,  
20 human resources, procurement, accounts payable and receivable, engineering, real estate  
21 and property management, internal audit, regulatory, and legal functions.

22 **Q. Does Clean Line have contracts for these management and administrative**  
23 **functions?**



1 A. Not yet. The contracts are in the process of being developed at the time of this filing.  
2 When they have been completed, a copy will be provided to the Commission Staff.

3 **Q. How are costs, including management and administrative staff time, incurred by**  
4 **Clean Line Energy Partners charged to, and recorded as costs of, Clean Line?**

5 A. Costs, including external costs, related directly to the development of a project are  
6 charged to the relevant subsidiary, in this case, to Clean Line. Effective January 1, 2011,  
7 the cost of salary and benefits of Clean Line Energy Partners' employees also will be  
8 allocated to specific projects. Each project has a team of employees that dedicates all of  
9 its time to that project. For these employees, 100% of their salary and benefit expenses  
10 will be allocated to the relevant project. Other Clean Line employees, such as  
11 management and administrative staff, work on multiple projects. These employees will  
12 track and report their time spent on specific activities for the individual subsidiaries, so  
13 that the applicable portion of their salary and benefits expense for the period can be  
14 charged to the applicable subsidiary. Finally, Clean Line Energy Partners incurs some  
15 overhead expenses that benefit all its subsidiaries. These include tasks performed by  
16 management and administrative staff of Clean Line, such as treasury and benefits  
17 management, and external costs such as corporate office rent, office equipment, legal  
18 fees, and tax preparation fees. These general overhead costs will be allocated in  
19 accordance with applicable accounting principles.

20 Clean Line Energy Partners recognizes the importance of appropriately recording  
21 and charging costs to Clean Line and the other subsidiaries throughout the development  
22 of the Grain Belt Express and the other transmission projects. Accurate cost accounting  
23 and allocation to the subsidiaries is important so that the costs incurred in developing the

1 individual subsidiaries' projects will be available to support financing activities, rate and  
2 tariff development, and regulatory reporting requirements.

3 **Q. In Clean Line's subsequent filing for siting the Grain Belt Express, will Clean Line**  
4 **provide additional information on its plans for financing construction of the**  
5 **project?**

6 A. Yes, Clean Line's subsequent, separate filing under the Kansas Electric Transmission  
7 Line Siting Act or under the National Environmental Policy Act of 1969 for the Grain  
8 Belt Express will provide additional information on how construction of the Grain Belt  
9 Express will be financed to the extent required under the applicable law.

10 **III. USE OF FERC UNIFORM SYSTEM OF ACCOUNTS**

11 **Q. What system of accounts will Clean Line use to maintain its books and records of**  
12 **account?**

13 A. As a multi-state provider of transmission service in interstate commerce that will be  
14 subject to the jurisdiction of the FERC, as well as of this Commission and at least one  
15 other state commission, Clean Line will maintain its books and records of account in  
16 accordance with the FERC's Uniform System of Accounts Prescribed for Public Utilities  
17 and Licensees Subject to the Provisions of the Federal Power Act, 18 C.F.R. Part 101.  
18 **Exhibit DAB-4** is a copy of the Chart of Accounts that Clean Line has adopted in  
19 accordance with the FERC's Uniform System of Accounts at 18 C.F.R. Part 101.

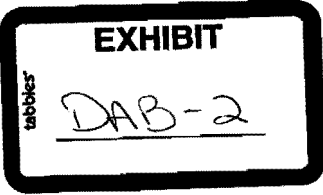
20 Maintenance of Clean Line's books and records of account in accordance with the  
21 FERC's Uniform System of Accounts at 18 C.F.R. Part 101 should provide appropriate,  
22 useful and sufficient accounting and financial information for this Commission's  
23 regulatory purposes.

1 Q. **Does this conclude your prepared direct testimony?**

2 A. Yes, it does.

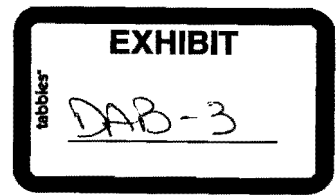
## Precedent Project-Level Capital Markets Transactions for Transmission Projects

<u>Date</u>	<u>Project</u>	<u>Revenue Model</u>	<u>Type of Investment</u>	<u>Lead Investor/Arranger</u>	<u>Amount</u>
Sep-03	PATH 15	Rate Recovery	Equity	ArcLight, Energy Investors Fund	\$ 38,300,000
Sep-03	PATH 15	Rate Recovery	Debt	Citigroup and Macquarie Securities	\$ 181,700,000
Jul-05	Neptune	Capacity Sales	Equity	Energy Investors Funds and Starwood Capital Group	\$ 97,000,000
Jul-05	Neptune	Capacity Sales	Debt	Societe General	\$ 600,000,000
Feb-06	Cross-Sound Cable	Capacity Sales	Equity	Babcock & Brown Infrastructure	\$ 25,700,000
Feb-06	Cross-Sound Cable	Capacity Sales	Debt	Commonwealth Bank of Australia	\$ 193,100,000
Oct-07	Trans-Bay Cable	Rate Recovery	Debt	Bayerische Landesbank	\$ 465,000,000
Oct-07	Trans-Bay Cable	Rate Recovery	Equity	Steel River Infrastructure Partners	\$ 50,000,000
Aug-08	Trans-Allegheny Interstate Line Company	Rate Recovery	Debt	BNP Paribas and Citigroup	\$ 550,000,000
Aug-09	Linden Variable Frequency Transformer	Capacity Sales	Equity	GE Financial Services	Unknown



Clean Line Energy Partners LLC  
Grain Belt Express  
Balance Sheet  
December 31, 2010

<b>Assets</b>		
Property Plant and Equipment		
Property in Service		
101.00	Plant in Service	\$ -
107.00	Construction Work in Progress	
Total Property Plant and Equipment		<u>\$ -</u>
Other Assets		
183.00	Preliminary survey and investigation charges.	\$ -
Total Other Assets		<u>\$ -</u>
<b>Total Assets</b>		<u><u>\$ -</u></u>
<b>Liabilities and Members' Equity</b>		
Liabilities		
Current liabilities		
232.00	Accounts Payable	\$ 149,752
Total liabilities		<u>149,752</u>
Members' equity		
208.00	Donations received from stockholders	\$ 560,416
216.00	Unappropriated retained earnings	(710,168)
Total members' equity		<u>(149,752)</u>
<b>Total liabilities and members' equity</b>		<u><u>\$ -</u></u>



Clean Line Energy Partners  
Grain Belt Express  
Income Statement  
For the Year Ended December 31, 2010

**Revenues**

Transmission Revenues

456.01 Revenues From Transmission of Electricity of Others

\$ -

Total Revenues

\$ -

**Expenses**

930.02 Miscellaneous general expenses.  
921.00 Office supplies and expenses  
928.00 Regulatory commission expenses

675,737  
4,431  
30,000

Total Expenses

710,168

**Total Revenues and Expenses**

\$ (710,168)

## FERC Uniform System of Accounts Chart of Accounts

### Balance Sheet Chart of Accounts

#### ASSETS AND OTHER DEBITS

##### 1. Utility Plant

- 101 Electric plant in service (Major only).
- 101.1 Property under capital leases.
- 102 Electric plant purchased or sold.
- 103 Experimental electric plant unclassified (Major only).
- 103.1 Electric plant in process of reclassification (Nonmajor only).
- 104 Electric plant leased to others.
- 105 Electric plant held for future use.
- 106 Completed construction not classified—Electric (Major only).
- 107 Construction work in progress—Electric.
- 108 Accumulated provision for depreciation of electric utility plant (Major only).
- 109 [Reserved]
- 110 Accumulated provision for depreciation and amortization of electric utility plant (Nonmajor only).
- 111 Accumulated provision for amortization of electric utility plant (Major only).
- 112–113 [Reserved]
- 114 Electric plant acquisition adjustments.
- 115 Accumulated provision for amortization of electric plant acquisition adjustments (Major only).
- 116 Other electric plant adjustments.
- 118 Other utility plant.
- 119 Accumulated provision for depreciation and amortization of other utility plant.
- 120.1 Nuclear fuel in process of refinement, conversion, enrichment and fabrication (Major only).
- 120.2 Nuclear fuel materials and assemblies—Stock account (Major only).
- 120.3 Nuclear fuel assemblies in reactor (Major only).
- 120.4 Spent nuclear fuel (Major only).
- 120.5 Accumulated provision for amortization of nuclear fuel assemblies (Major only).
- 120.6 Nuclear fuel under capital leases (Major only).

##### 2. Other Property and Investments

- 121 Nonutility property.
- 122 Accumulated provision for depreciation and amortization of nonutility property.
- 123 Investment in associated companies (Major only).
- 123.1 Investment in subsidiary companies (Major only).
- 124 Other investments.
- 125 Sinking funds (Major only).
- 126 Depreciation fund (Major only).
- 127 Amortization fund—Federal (Major only).
- 128 Other special funds (Major only).
- 129 Special funds (Nonmajor only).

##### 3. Current and Accrued Assets

- 130 Cash and working funds (Nonmajor only).
- 131 Cash (Major only).
- 132 Interest special deposits (Major only).
- 133 Dividend special deposits (Major only).
- 134 Other special deposits (Major only).

- 135 Working funds (Major only).
- 136 Temporary cash investments.
- 141 Notes receivable.
- 142 Customer accounts receivable.
- 143 Other accounts receivable.
- 144 Accumulated provision for uncollectible accounts—credit.
- 145 Notes receivable from associated companies.
- 146 Accounts receivable from associated companies.
- 151 Fuel stock (Major only).
- 152 Fuel stock expenses undistributed (Major only).
- 153 Residuals (Major only).
- 154 Plant materials and operating supplies.
- 155 Merchandise (Major only).
- 156 Other materials and supplies (Major only).
- 157 Nuclear materials held for sale (Major only).
- 158.1 Allowance inventory.
- 158.2 Allowances withheld.
- 163 Stores expense undistributed (Major only).
- 165 Prepayments.
- 171 Interest and dividends receivable (Major only).
- 172 Rents receivable (Major only).
- 173 Accrued utility revenues (Major only).
- 174 Miscellaneous current and accrued assets.
- 175 Derivative instrument assets.
- 176 Derivative instrument assets-Hedges.
- 4. Deferred Debits
- 181 Unamortized debt expense.
- 182.1 Extraordinary property losses.
- 182.2 Unrecovered plant and regulatory study costs.
- 182.3 Other regulatory assets.
- 183 Preliminary survey and investigation charges (Major only).
- 184 Clearing accounts (Major only).
- 185 Temporary facilities (Major only).
- 186 Miscellaneous deferred debits.
- 187 Deferred losses from disposition of utility plant.
- 188 Research, development, and demonstration expenditures (Major only).
- 189 Unamortized loss on reacquired debt.
- 190 Accumulated deferred income taxes.

#### LIABILITIES AND OTHER CREDITS

- 5. Proprietary Capital
- 201 Common stock issued.
- 202 Common stock subscribed (Major only).
- 203 Common stock liability for conversion (Major only).
- 204 Preferred stock issued.
- 205 Preferred stock subscribed (Major only).
- 206 Preferred stock liability for conversion (Major only).
- 207 Premium on capital stock (Major only).
- 208 Donations received from stockholders (Major only).
- 209 Reduction in par or stated value of capital stock (Major only).
- 210 Gain on resale or cancellation of reacquired capital stock (Major only).



- 211 Miscellaneous paid-in capital.
- 212 Installments received on capital stock.
- 213 Discount on capital stock.
- 214 Capital stock expense.
- 215 Appropriated retained earnings.
- 215.1 Appropriated retained earnings—Amortization reserve, Federal.
- 216 Unappropriated retained earnings.
- 216.1 Unappropriated undistributed subsidiary earnings (Major only).
- 217 Reacquired capital stock.
- 218 Noncorporate proprietorship (Nonmajor only).
- 219 Accumulated other comprehensive income.
- 6. Long-Term Debt
- 221 Bonds.
- 222 Reacquired bonds (Major only).
- 223 Advances from associated companies.
- 224 Other long-term debt.
- 225 Unamortized premium on long-term debt.
- 226 Unamortized discount on long-term debt—Debit.
- 7. Other Noncurrent Liabilities
- 227 Obligations under capital lease—noncurrent.
- 228.1 Accumulated provision for property insurance.
- 228.2 Accumulated provision for injuries and damages.
- 228.3 Accumulated provision for pensions and benefits.
- 228.4 Accumulated miscellaneous operating provisions.
- 229 Accumulated provision for rate refunds.
- 230 Asset retirement obligations.
- 8. Current and Accrued Liabilities
- 231 Notes payable.
- 232 Accounts payable.
- 233 Notes payable to associated companies.
- 234 Accounts payable to associated companies.
- 235 Customer deposits.
- 236 Taxes accrued.
- 237 Interest accrued.
- 238 Dividends declared (Major only).
- 239 Matured long-term debt (Major only).
- 240 Matured interest (Major only).
- 241 Tax collections payable (Major only).
- 242 Miscellaneous current and accrued liabilities.
- 243 Obligations under capital leases—current.
- 244 Derivatives instrument liabilities.
- 245 Derivative instrument liabilities-Hedges.
- 9. Deferred Credits
- 251 [Reserved]
- 252 Customer advances for construction.
- 253 Other deferred credits.
- 254 Other regulatory liabilities.
- 255 Accumulated deferred investment tax credits.
- 256 Deferred gains from disposition of utility plant.
- 257 Unamortized gain on reacquired debt.
- 281 Accumulated deferred income taxes—Accelerated amortization property.

- 282 Accumulated deferred income taxes—Other property.
- 283 Accumulated deferred income taxes—Other.

Electric Plant Chart of Accounts

- 1. Intangible Plant
  - 301 Organization.
  - 302 Franchises and consents.
  - 303 Miscellaneous intangible plant.
- 2. Production Plant
  - a. steam production
    - 310 Land and land rights.
    - 311 Structures and improvements.
    - 312 Boiler plant equipment.
    - 313 Engines and engine-driven generators.
    - 314 Turbogenerator units.
    - 315 Accessory electric equipment.
    - 316 Miscellaneous power plant equipment
    - 317 Asset retirement costs for steam production plant.
  - b. nuclear production
    - 320 Land and land rights (Major only).
    - 321 Structures and improvements (Major only).
    - 322 Reactor plant equipment (Major only).
    - 323 Turbogenerator units (Major only).
    - 324 Accessory electric equipment (Major only).
    - 325 Miscellaneous power plant equipment (Major only).
    - 326 Asset retirement costs for nuclear production plant (Major only).
  - c. hydraulic production
    - 330 Land and land rights.
    - 331 Structures and improvements.
    - 332 Reservoirs, dams, and waterways.
    - 333 Water wheels, turbines and generators.
    - 334 Accessory electric equipment.
    - 335 Miscellaneous power plant equipment.
    - 336 Roads, railroads and bridges.
    - 337 Asset retirement costs for hydraulic production plant.
  - d. other production
    - 340 Land and land rights.
    - 341 Structures and improvements.
    - 342 Fuel holders, producers, and accessories.
    - 343 Prime movers.
    - 344 Generators.
    - 345 Accessory electric equipment.
    - 346 Miscellaneous power plant equipment.
    - 347 Asset retirement costs for other production plant.
- 3. Transmission Plant
  - 350 Land and land rights.
  - 351 [Reserved]
  - 352 Structures and improvements.
  - 353 Station equipment.
  - 354 Towers and fixtures.

- 355 Poles and fixtures.
- 356 Overhead conductors and devices.
- 357 Underground conduit.
- 358 Underground conductors and devices.
- 359 Roads and trails.
- 359.1 Asset retirement costs for transmission plant.
- 4. Distribution Plant
- 360 Land and land rights.
- 361 Structures and improvements.
- 362 Station equipment.
- 363 Storage battery equipment.
- 364 Poles, towers and fixtures.
- 365 Overhead conductors and devices
- 366 Underground conduit.
- 367 Underground conductors and devices
- 368 Line transformers.
- 369 Services.
- 370 Meters.
- 371 Installations on customers' premises
- 372 Leased property on customers' premises.
- 373 Street lighting and signal systems.
- 374 Asset retirement costs for distribution plant.
- 5. Regional Transmission and Market Operation Plant
- 380 Land and land rights.
- 381 Structures and improvements.
- 382 Computer hardware.
- 383 Computer software.
- 384 Communication Equipment.
- 385 Miscellaneous Regional Transmission and Market Operation Plant.
- 386 Asset Retirement Costs for Regional Transmission and Market Operation Plant.
- 387 [Reserved]
- 6. General Plant
- 389 Land and land rights.
- 390 Structures and improvements.
- 391 Office furniture and equipment.
- 392 Transportation equipment.
- 393 Stores equipment.
- 394 Tools, shop and garage equipment.
- 395 Laboratory equipment.
- 396 Power operated equipment.
- 397 Communication equipment.
- 398 Miscellaneous equipment.
- 399 Other tangible property.
- 399.1 Asset retirement costs for general plant

#### Income Chart of Accounts

- 1. Utility Operating Income
- 400 Operating revenues.
- 401 Operation expense.
- 402 Maintenance expense.

403 Depreciation expense.  
 404 Amortization of limited-term electric plant.  
 405 Amortization of other electric plant.  
 406 Amortization of electric plant acquisition adjustments.  
 407 Amortization of property losses, unrecovered plant and regulatory study costs.  
 407.3 Regulatory debits.  
 407.4 Regulatory credits.  
 408 [Reserved]  
 408.1 Taxes other than income taxes, utility operating income.  
 409 [Reserved]  
 409.1 Income taxes, utility operating income.  
 410 [Reserved]  
 410.1 Provisions for deferred income taxes, utility operating income.  
 411 [Reserved]  
 411.1 Provision for deferred income taxes—Credit, utility operating income.  
 411.3 [Reserved]  
 411.4 Investment tax credit adjustments, utility operations.  
 411.6 Gains from disposition of utility plant.  
 411.7 Losses from disposition of utility plant.  
 411.8 Gains from disposition of allowances.  
 411.9 Losses from disposition of allowances.  
 412 Revenues from electric plant leased to others.  
 413 Expenses of electric plant leased to others.  
 414 Other utility operating income.  
 2. Other Income and Deductions  
 a. other income  
 415 Revenues from merchandising, jobbing, and contract work.  
 416 Costs and expenses of merchandising, jobbing, and contract work.  
 417 Revenues from nonutility operations.  
 417.1 Expenses of nonutility operations.  
 418 Nonoperating rental income.  
 418.1 Equity in earnings of subsidiary companies (Major only).  
 419 Interest and dividend income.  
 419.1 Allowance for other funds used during construction.  
 420 Investment tax credits.  
 421 Miscellaneous nonoperating income.  
 421.1 Gain on disposition of property.  
 b. other income deductions  
 421.2 Loss on disposition of property.  
 425 Miscellaneous amortization.  
 426 [Reserved]  
 426.1 Donations.  
 426.2 Life insurance.  
 426.3 Penalties.  
 426.4 Expenditures for certain civic, political and related activities.  
 426.5 Other deductions.  
 Total other income deductions.Total Other Income and Deductions.  
 c. taxes applicable to other income and deductions  
 408.2 Taxes other than income taxes, other income and deductions.  
 409.2 Income tax, other income and deductions.  
 409.3 Income taxes, extraordinary items.

- 410.2 Provision for deferred income taxes, other income and deductions.
- 411.2 Provision for deferred income taxes—Credit, other income and deductions.
- 411.5 Investment tax credit adjustments, nonutility operations.
- 420 Investment tax credits.
- Total taxes on other income and deductions.Net other income and deductions.
- 3. Interest Charges
  - 427 Interest on long-term debt.
  - 428 Amortization of debt discount and expense.
    - 428.1 Amortization of loss on reacquired debt.
  - 429 Amortization of premium on debt—Cr.
    - 429.1 Amortization of gain on reacquired debt—Credit.
  - 430 Interest on debt to associated companies.
  - 431 Other interest expense.
  - 432 Allowance for borrowed funds used during construction—Credit.
- 4. Extraordinary Items
  - 434 Extraordinary income.
  - 435 Extraordinary deductions.

Operation and Maintenance Expense Chart of Accounts

1. Power Production Expenses

a. steam power generation

*Operation*

- 500 Operation supervision and engineering.
  - 501 Fuel.
  - 502 Steam expenses (Major only).
  - 503 Steam from other sources.
  - 504 Steam transferred—Credit.
  - 505 Electric expenses (Major only).
  - 506 Miscellaneous steam power expenses (Major only).
  - 507 Rents.
  - 508 Operation supplies and expenses (Nonmajor only).
  - 509 Allowances.
- Maintenance*
- 510 Maintenance supervision and engineering (Major only).
  - 511 Maintenance of structures (Major only).
  - 512 Maintenance of boiler plant (Major only).
  - 513 Maintenance of electric plant (Major only).
  - 514 Maintenance of miscellaneous steam plant (Major only).
  - 515 Maintenance of steam production plant (Nonmajor only).

b. nuclear power generation

*Operation*

- 517 Operation supervision and engineering (Major only).
- 518 Nuclear fuel expense (Major only).
- 519 Coolants and water (Major only).
- 520 Steam expenses (Major only).
- 521 Steam from other sources (Major only).
- 522 Steam transferred—Credit. (Major only).
- 523 Electric expenses (Major only).
- 524 Miscellaneous nuclear power expenses (Major only).
- 525 Rents (Major only).

*Maintenance*

- 528 Maintenance supervision and engineering (Major only).
- 529 Maintenance of structures (Major only).
- 530 Maintenance of reactor plant equipment (Major only).
- 531 Maintenance of electric plant (Major only).
- 532 Maintenance of miscellaneous nuclear plant (Major only).

c. hydraulic power generation

*Operation*

- 535 Operation supervision and engineering.
- 536 Water for power.
- 537 Hydraulic expenses (Major only).
- 538 Electric expenses (Major only).
- 539 Miscellaneous hydraulic power generation expenses (Major only).
- 540 Rents.
- 540.1 Operation supplies and expenses (Nonmajor only).

*Maintenance*

- 541 Maintenance supervision and engineering (Major only).
- 542 Maintenance of structures (Major only).
- 543 Maintenance of reservoirs, dams and waterways (Major only).
- 544 Maintenance of electric plant (Major only).
- 545 Maintenance of miscellaneous hydraulic plant (Major only).
- 545.1 Maintenance of hydraulic production plant (Nonmajor only).

d. other power generation

*Operation*

- 546 Operation supervision and engineering.
- 547 Fuel.
- 548 Generation expenses (Major only).
- 549 Miscellaneous other power generation expenses (Major only).
- 550 Rents.
- 550.1 Operation supplies and expenses (Nonmajor only).

*Maintenance*

- 551 Maintenance supervision and engineering (Major only).
- 552 Maintenance of structures (Major only).
- 553 Maintenance of generating and electric plant (Major only).
- 554 Maintenance of miscellaneous other power generation plant (Major only).
- 554.1 Maintenance of other power production plant (Nonmajor only).

e. other power supply expenses

- 555 Purchased power.
- 556 System control and load dispatching (Major only).
- 557 Other expenses.

2. Transmission Expenses

*Operation*

- 560 Operation supervision and engineering.
- 561.1 Load dispatch—Reliability.
- 561.2 Load dispatch—Monitor and operate transmission system.
- 561.3 Load dispatch—Transmission service and scheduling.
- 561.4 Scheduling, system control and dispatch services.
- 561.5 Reliability planning and standards development.
- 561.6 Transmission service studies.
- 561.7 Generation interconnection studies.
- 561.8 Reliability planning and standards development services.
- 562 Station expenses (Major only).

- 563 Overhead line expense (Major only).
- 564 Underground line expenses (Major only).
- 565 Transmission of electricity by others (Major only).
- 566 Miscellaneous transmission expenses (Major only).
- 567 Rents.
- 567.1 Operation supplies and expenses (Nonmajor only).

*Maintenance*

- 568 Maintenance supervision and engineering (Major only).
- 569 Maintenance of structures (Major only).
- 569.1 Maintenance of computer hardware.
- 569.2 Maintenance of computer software.
- 569.3 Maintenance of communication equipment.
- 569.4 Maintenance of miscellaneous regional transmission plant.
- 570 Maintenance of station equipment (Major only).
- 571 Maintenance of overhead lines (Major only).
- 572 Maintenance of underground lines (Major only).
- 573 Maintenance of miscellaneous transmission plant (Major only).
- 574 Maintenance of transmission plant (Nonmajor only).

3. Regional Market Expenses

*Operation*

- 575.1 Operation Supervision.
- 575.2 Day-ahead and real-time market administration.
- 575.3 Transmission rights market administration.
- 575.4 Capacity market administration.
- 575.5 Ancillary services market administration.
- 575.6 Market monitoring and compliance.
- 575.7 Market facilitation, monitoring and compliance services.
- 575.8 Rents.

*Maintenance*

- 576.1 Maintenance of structures and improvements.
- 576.2 Maintenance of computer hardware.
- 576.3 Maintenance of computer software.
- 576.4 Maintenance of communication equipment.
- 576.5 Maintenance of miscellaneous market operation plant.

4. Distribution Expenses

*Operation*

- 580 Operation supervision and engineering.
- 581 Load dispatching (Major only).
- 581.1 Line and station expenses (Nonmajor only).
- 582 Station expenses (Major only).
- 583 Overhead line expenses (Major only).
- 584 Underground line expenses (Major only).
- 585 Street lighting and signal system expenses.
- 586 Meter expenses.
- 587 Customer installations expenses.
- 588 Miscellaneous distribution expenses.
- 589 Rents.

*Maintenance*

- 590 Maintenance supervision and engineering (Major only).
- 591 Maintenance of structures (Major only).
- 592 Maintenance of station equipment (Major only).

592.1 Maintenance of structures and equipment (Nonmajor only).  
593 Maintenance of overhead lines (Major only).  
594 Maintenance of underground lines (Major only).  
594.1 Maintenance of lines (Nonmajor only).  
595 Maintenance of line transformers.  
596 Maintenance of street lighting and signal systems.  
597 Maintenance of meters.  
598 Maintenance of miscellaneous distribution plant.

5. Customer Accounts Expenses  
*Operation*  
901 Supervision (Major only).  
902 Meter reading expenses.  
903 Customer records and collection expenses.  
904 Uncollectible accounts.  
905 Miscellaneous customer accounts expenses (Major only).

6. Customer Service and Informational Expenses  
*Operation*  
906 Customer service and informational expenses (Nonmajor only).  
907 Supervision (Major only).  
908 Customer assistance expenses (Major only).  
909 Informational and instructional advertising expenses (Major only).  
910 Miscellaneous customer service and informational expenses (Major only).

7. Sales Expenses  
*Operation*  
911 Supervision (Major only).  
912 Demonstrating and selling expenses (Major only).  
913 Advertising expenses (Major only).  
916 Miscellaneous sales expenses (Major only).  
917 Sales expenses (Nonmajor only).

8. Administrative and General Expenses  
*Operation*  
920 Administrative and general salaries.  
921 Office supplies and expenses.  
922 Administrative expenses transferred—Credit.  
923 Outside services employed.  
924 Property insurance.  
925 Injuries and damages.  
926 Employee pensions and benefits.  
927 Franchise requirements.  
928 Regulatory commission expenses.  
929 Duplicate charges—Credit.  
930.1 General advertising expenses.  
930.2 Miscellaneous general expenses.  
931 Rents.  
933 Transportation expenses (Nonmajor only).