BEFORE THE CORPORATION COMMISSION

OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION	]	
OF MIDWEST ENERGY, INC.	]	KCC Docket No. 08-MDWE-594-RTS
FOR APPROVAL TO MAKE CERTAIN	]	
CHANGES IN ITS CHARGES FOR	]	
ELECTRIC SERVICE	]	

DIRECT TESTIMONY OF

ANDREA C. CRANE

RE: REVENUE REQUIREMENTS
AND COST OF CAPITAL

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

May 9, 2008

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I. STATEMENT OF QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Andrea C. Crane and my business address is 199 Ethan Allen Highway, Ridgefield, Connecticut 06877. (Mailing Address: PO Box 810, Georgetown, Connecticut 06829.)

Q. By whom are you employed and in what capacity?

A. I am President of The Columbia Group, Inc., a financial consulting firm that specializes in utility regulation. In this capacity, I analyze rate filings, prepare expert testimony, and undertake various studies relating to utility rates and regulatory policy. I have held several positions of increasing responsibility since I joined The Columbia Group, Inc. in January 1989.

Q. Please summarize your professional experience in the utility industry.

A. Prior to my association with The Columbia Group, Inc., I held the position of Economic Policy and Analysis Staff Manager for GTE Service Corporation, from December 1987 to January 1989. From June 1982 to September 1987, I was employed by various Bell Atlantic (now Verizon) subsidiaries. While at Bell Atlantic, I held assignments in the Product Management, Treasury, and Regulatory Departments.

Q. Have you previously testified in regulatory proceedings?

A. Yes, since joining The Columbia Group, Inc., I have testified in approximately 275 regulatory proceedings in the states of Arizona, Arkansas, Connecticut, Delaware, Hawaii, Kansas, Kentucky, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Vermont, West Virginia and the District of Columbia. These proceedings involved electric, gas, water, wastewater, telephone, solid waste, cable television, and navigation utilities. A list of dockets in which I have filed testimony is included in Appendix A.

Q. What is your educational background?

A. I received a Masters degree in Business Administration, with a concentration in Finance, from Temple University in Philadelphia, Pennsylvania. My undergraduate degree is a B.A. in Chemistry from Temple University.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. On or about December 21, 2007, Midwest Energy, Inc. ("Midwest" or "Company") filed an Application with the State of Kansas Corporation Commission ("KCC" or "Commission") seeking a rate increase of $10.03 million in its rates for electric service. The Company's request would have resulted in an increase of approximately 10.6% of electric sales revenues. As a result of various updates and corrections, the Company subsequently updated its request to $10.32 million during the discovery process.

The Columbia Group, Inc. was engaged by the State of Kansas, Citizens' Utility Ratepayer Board ("CURB") to review the Company's Application and to provide recommendations to the KCC regarding the Company's cost of capital and revenue requirement claims.

Q. What are the most significant issues in this rate proceeding?

A. The most significant revenue requirement issues driving the rate increase request are the Company's claims related to its new Goodman Energy Center ("GMEC") generating facility, including return on investment, depreciation expense, and operating and maintenance costs. The return requirement associated with GMEC is further impacted by the Company's request for a return on equity of 12.16%. The Company is also requesting increases in salary and wage expense, pensions and benefit costs, rate case costs, and other expense categories.

The Company's last electric base rate case was based on a test year ending December 31, 2001. In the current case, the Company's request is based on the test year ending June 30, 2007.

Q. Do you believe that Midwest should receive special regulatory treatment because it is a cooperative utility instead of an investor-owned utility?

A. No, I do not. Midwest argues that it should be regulated differently than an investor-owned utility, since its investors are also its customers. The Company argues that a lower level of scrutiny is appropriate, since in theory the interests of owners and customers are aligned. I could not disagree more. While I am not an attorney, I understand that the KCC has been given regulatory jurisdiction by the Kansas legislature over Midwest. Therefore, the KCC should apply the same regulatory scrutiny over Midwest that it applies to investor-owned utilities. If the legislature did not expect the KCC to provide the same degree of regulatory oversight, then the legislature would have exempted Midwest from regulation, or would have provided for a reduced level of KCC authority. The fact that the KCC has full regulatory jurisdiction over Midwest suggests to me that the legislature recognized the importance of the regulatory process and expected the KCC to act accordingly. While the KCC may conclude that some different methodologies are appropriate for regulating cooperative utilities, it should ensure that these methodologies result in the same degree of scrutiny as that given to investor-owned utilities.

III. SUMMARY OF CONCLUSIONS

Q. What are your conclusions concerning the Company's revenue requirement and its need for rate relief?

A. Based on my analysis of the Company's filing and other documentation in this case, my conclusions are as follows:

1. The twelve months ending June 30, 2007 is a reasonable test year to use in this case to evaluate the reasonableness of the Company's claim.

2. The Company has a cost of equity of 9.39% and an overall cost of capital of 6.62% (see Schedule ACC-2).[1]

3. Midwest has pro forma test year rate base of $238,182,582 (see Schedule ACC-3).

4. The Company has pro forma operating income at present rates of $8,552,430 (see Schedule ACC-9).

5. Midwest has a pro forma, revenue requirement deficiency of $7,206,492 (see Schedule ACC-1). This is in contrast to the Company's claimed deficiency of $10,316,544.

IV. COST OF CAPITAL AND CAPITAL STRUCTURE

Q. What is the cost of capital and capital structure that the Company is requesting in this case?

A. The Company has utilized the following capital structure and cost of capital:

	Percent	Cost	Weighted Cost
Long Term Debt	66.68%	5.16%	3.44%
Equity	33.32%	12.16%	4.05%
Total			7.49%

[1] Schedules ACC-1, ACC-20, ACC-23, and ACC-24 are summary schedules; ACC-2, ACC-20, and ACC-21 are cost of capital schedules; ACC-3 to ACC-8 are rate base schedules; and ACC-9 to ACC-19 are operating income schedules.

Q. Are there differences in the way in which the KCC determines an investor-owned utility's cost of capital and the method used by the KCC for Midwest?

A. Yes, there are two primary differences. First, as discussed in more detail below, the KCC has calculated Midwest's required cost of equity by using a modified Goodwin method instead of the more traditional Discounted Cash Flow ("DCF") or risk premium methods. Second, in addition to determining an appropriate overall cost of capital for Midwest, the KCC has traditionally gone one step further and analyzed whether the resulting rates would be sufficient to permit Midwest to meet its debt service covenants, such as the Debt Service Coverage Ratio ("DSC") and the Times Interest Earned Ratio ("TIER"). Midwest is required by its lenders to maintain certain coverage ratios. If the overall cost of capital is not sufficient for the Company to meet these ratios, then the KCC has permitted the Company to collect additional revenues, based on the level of revenues required to meet the DSC and/or TIER requirements.

Q. Are you recommending any adjustments to Midwest's capital structure or cost of capital?

A. Yes, I am recommending adjustments to the Company's capital structure, its cost of debt, and its cost of equity claim.

A. Capital Structure

Q. How did the Company determine its capital structure claim in this case?

A. Midwest's original filing was based on its actual capital structure at August 31, 2007, adjusted to reflect additional debt issuances of $55 million. This resulted in a capital structure of 32.75% equity and of 67.25% debt. In discovery, Midwest updated its capital structure based on its actual capital structure at March 31, 2008, adjusted for projected debt issuances of $25 million. This resulted in a capital structure of 33.32% equity and 66.68% long term debt. Approximately 85% of the total capitalization is allocated to electric operations.

Q. What adjustments are you recommending to the Company's capital structure in this case?

A. I am recommending that the Company's actual capital structure at March 31, 2008 be used by the KCC. There are two reasons for my recommendation. First, the March 31, 2008 capital structure represents the most recent capital structure for Midwest as reported by the Company in its data request responses. Second, and more importantly, the March 31, 2008 capitalization more closely matches the capitalization needed to support the Company's claimed rate base. [2]

[2] Midwest informed me informally on May 8, 2008 that an additional $10 million of debt had subsequently been issued. However, this additional debt issuance increases the disparity between total capitalization and rate base.

Q. Why is it important for the total capitalization to match the Company's rate base in this case?

A. It is important for the total capitalization to match the Company's rate base because the TIER and DSC calculations are based on actual interest expenses. In a base rate case involving an investor owned utility, there is frequently a wide disparity between the total capitalization of the company and its requested rate base. This occurs for several reasons. For example, the company may have debt (or equity) that is being used to finance non-regulated assets or assets that are not otherwise included in rate base. A company may also have sources of financing that may not be included in its capital structure, such as short-term debt. A discrepancy between actual capitalization and rate base can also occur because of the manner in which certain costs are treated for regulatory purposes relative to financial reporting purposes. Traditionally, the KCC uses the amount of a company's capitalization in order to develop a debt and equity ratio and ultimately an overall cost of capital. That cost of capital is then applied to a company's regulated rate base. Therefore, the amount of actual return that is paid by utility ratepayers is limited to a return on the investment used to serve those ratepayers, regardless of the actual capitalization of the company. The actual amount of interest expense paid by a utility is generally not an explicit component of the revenue requirement calculation.

However, with Midwest, the KCC has traditionally approved rates that are sufficient for the Company to meet its actual interest expense by ensuring that rates will result in a certain level of TIER and DSC. Therefore, there is a direct (and explicit) relationship in the case of Midwest between the Company's interest expense claim and the rates charged to Kansas ratepayers. For this reason, the KCC should strive to ensure that the Company's total capitalization is aligned with its rate base claim.

Q. Can you provide an example?

A. Yes. Assume that Midwest has a rate base of $250 million, equity of $100 million, and long-term debt of $210 million. In that case, ratepayers would be paying interest expense on $210 million of debt, as well as an equity return on $100 million of equity. However, the total rate base supporting electric operations would only be $250 million. Thus, ratepayers would be paying capital costs on $60 million of capital that was not directly being used to finance the investment serving those customers.

This example is similar to the case here. As shown in Section 7, Schedule 1 of the Company's update provided in response to KCC-170, Midwest has claimed a total company capitalization of $320.4 million. Approximately 85.22% of this amount, or $273.0 million, is allocated to electric operations. However, the Company's rate base claim is only $245.8 million. Thus, the Company's capitalization exceeds rate base by $27.2 million. Assuming a debt ratio of 66.68% and a debt cost of 5.16%, the Company's coverage ratios include $937,400 of interest expense that is not tied to its rate base claim in this case.

Q. What do you recommend?

A. I recommend using the actual capital structure at March 31, 2008. Total capitalization as of that date was $295.4 million. Assuming an allocation to electric of 85.22%, this would result in a pro forma electric capitalization of $251.7 million. While this amount is still above the Company's rate base claim of $245.8 million, the resulting difference is not as significant as the difference between the rate base claim and the Company's proposed capitalization. Therefore, I believe that the use of the actual March 31, 2008 capitalization provides a better match to the Company's rate base claim than Midwest's proposed capitalization. My adjustment to use the actual March 31, 2008 capitalization is shown in Schedule ACC-2.

B. Cost of Debt

Q. What cost of debt have you included in your overall cost of capital recommendation?

A. The Company's original filing included a cost of debt of 5.25%, while its update reflected a cost of 5.18%. I have modified the cost of debt used in the Company's update to eliminate the projected debt issuances as discussed above. The resulting overall cost of debt is 5.05%, as shown in Schedule ACC-2.

C. Cost of Equity

Q. How did the Company determine its cost of equity claim?

A. Midwest did not utilize the traditional discounted cash flow ("DCF") approach to determine its cost of equity. Instead, the Company's claim is based on a modified "Goodwin" model. The original model was developed by James W. Goodwin, who worked for the Rural Electrification Administration ("REA") during the 1960s and 1970s. The Company argues that as a cooperative utility, there is no difference between its equity investors and its customers and that the modified Goodwin model is therefore a better determinant of its required cost of equity than the DCF.

As discussed on pages 18 to 19 of Mr. Edward's testimony, Midwest used a modified version of the Goodwin model that includes adjustments to the cost of equity that will allow the Company to achieve a target equity ratio in a fixed number of years, given a fixed rotation cycle for its patronage capital. Specifically, the modified version of the Goodwin model primarily relied upon by Midwest is:

Ke = g + (1/n) + ((1+g) * (((WeA/We) ^ (1/t)) - 1)

Where:

Ke = Required Return on Equity

g = Anticipated growth rate in plant

n = Patronage Capital Rotation Period

We= Target Equity Ratio

WeA= Actual Equity Ratio

t= Target Number of Years to Reach We*

In its original filing, the Company used the following inputs for these variables:

g = 4.74%

n = 20

We= 40.00%

WeA= 32.75%

t= 8

Based on this model, Midwest calculated a required return on equity of 12.39%. In its update, the Company slightly adjusted the actual equity ratio to correspond with its updated capital structure claim. That update resulted in a cost of equity of 12.16%. As shown in the Company's update at Section 7, Schedule 2, Page 1, the 12.16% is composed of a baseline return of 9.74% and a premium of 2.42%. The premium of 2.42% results from the Company's actual equity ratio being below its targeted equity ratio. Thus, the 2.42% is the additional margin needed to reach the Company's targeted equity ratio within eight years.

Q. Are you recommending any adjustment to the methodology used by the Company to determine its cost of equity?

A. I am not recommending any adjustment to the model proposed by Midwest. However, I am recommending two adjustments to the inputs to that model. First, I have used an actual equity ratio of 36.14% in my calculation. This is the actual ratio at March 31, 2008 and it is consistent with my capital structure recommendation. Second, I recommend that a growth rate of 3.07% be used in the modified Goodwin model instead of the 4.74% growth rate proposed by Midwest.

Q. What is the basis for the 3.07% growth rate that you recommend?

A. My recommendation is based on the actual growth experienced by the Company over the last five years, as shown in Section 7, Schedule 2, page 1 of the Company's filing. The Company's claim is based on projected growth in net plant (excluding GMEC) from 2007 to 2011. Therefore, this growth is not known or measurable. Moreover, this growth rate appears excessive, given the fact that the Company's rate base has historically grown by an average of only 3.07% annually. Therefore, I recommend that the Company's cost of equity claim be modified to reflect the most recent five-year average growth of 3.07%.

Q. What cost of equity are you recommending?

A. Based on the model proposed by Midwest and the inputs discussed above, I am recommending a cost of equity of 9.39%.

Q. Did the Company also examine other models in evaluating its cost of equity?

A. Yes, it did. Midwest examined three other, related models. First, it examined the original model developed by Mr. Goodwin, which Midwest titled Equation 1[3]:

$$Ke = [(1+g)^n - (1-g)^{n-1}] / (1+g)^{n-1} - 1$$

[3] The version of the model on which Midwest's claim is based is described as Equation 3.

Midwest also examined another modified version of the original equation, which it termed Equation (2). According to the testimony of Mr. Edwards at page 19, that modified formula produces "a minimum return required to hold the equity ratio at its present level while growing at a fixed level of growth (g) and revolving capital credits at a specific cycle (n years)." That version of the model, which the Company called Equation 2, is,

$$Ke = [(1+g)^{n+1} - (1-g)^{n}] / (1+g)^{n} - 1$$

Finally, Midwest examined another version of the model that had been used by the KCC in a case involving Caney Valley Electric Cooperative Association (Docket No. 121,082-U). This formula is based on the modified Goodwin model Equation 2 but also contains an equity ratio adjustment. This model (Equation 4) is shown below:

$$Ke = [((1+g) \wedge (n+1) - (1+g) \wedge n) / ((1+g) \wedge n) - 1]$$
$$+ [(1+g) * ((We^*/We) \wedge (1/t)) - 1]$$

This version of the model assumes that patronage capital is retired as margins grow, while the prior model assumed a levelized return of patronage capital.

Q. What were the results of these other three versions of the formula that were reviewed by Midwest?

A. As shown on Schedule 3 to Mr. Edwards' testimony, these other versions of the Goodwin model produced the following results:

Equation 1	9.74%
Equation 3	7.85%
Equation 4	10.50%

These versions of the model all produced significantly lower results than the 12.39% from Equation 2 that was originally used by Midwest to determine its revenue requirement. Similar results occur when the model is updated for the capital structure used by Midwest in its updates.

Q. Did you calculate the cost of equity using the other three models, given your recommended capital structure and growth rate?

A. Yes, I did. Assuming a current equity ratio of 36.14% and a growth rate of 3.07%, the cost of equity based on the other three Goodwin models is:

Equation 1	8.07%
Equation 3	6.77%
Equation 4	8.08%

Once again, these models all produce results that are lower than the 9.39% resulting from Equation 3.

Q. What is the cost of equity that you are recommending for Midwest?

A. Based on my recommended capital structure and growth rate, and based on the form of the model used by Midwest, I am recommending a cost of equity of 9.39%.

Q. In the Company's last case, didn't you recommend that the KCC consider the DCF approach to determining the cost of equity for Midwest?

A. Yes, I did. However, it is my understanding that the KCC has not accepted the use of the DCF methodology to determine the cost of equity for Midwest. Therefore, I did not undertake a DCF analysis in this case. Instead, in determining an appropriate return on equity for Midwest, I have analyzed the return on equity based only on the various forms of the Goodwin model discussed in Mr. Edwards' testimony.

D. <u>Overall Cost of Capital</u>

Q. What is the overall cost of capital that you are recommending for Midwest?

A. As shown on Schedule ACC-2, I am recommending an overall cost of capital for Midwest of 6.62 %, based on the following capital structure and cost rates:

Equity Capital	36.14%	9.39%	3.39%
Long-Term Debt	63.86%	5.05%	3.22%
Total Capital	100.0%		6.62%[4]

[4] Column does not add due to rounding.

VI. RATE BASE ISSUES

Q. What test year did the Company utilize to develop its rate base claim in this proceeding?

A. The Company selected the test year ending June 30, 2007. Midwest made certain post-test year adjustments to develop its pro forma rate base claim in this case. Specifically, the Company included the post-test year adjustments to include GMEC in rate base, to reflect the retirement of the Ellis Generating facility, to reflect construction projects that are partially funded by the Federal Emergency Management Agency ("FEMA"), and to include certain investments related to energy efficiency initiatives.

A. Utility Plant-in-Service

Q. Did the Company receive an accounting order relating to the timing of the GMEC facility?

A. Yes, it did. In Docket No. 08-MDWE-180-ACT, the KCC addressed Midwest's request for an accounting order relating to the GMEC facility. Six units of the GNEC facility are projected to be in-service on June 1, 2008 and the remaining three units are expected to be in-service on September 1, 2008. Pursuant to the accounting order, Midwest is permitted to continue to accrue an allowance for funds used during construction ("AFUDC") and non-fuel operating and maintenance expenses until such time as all units are in-service. Midwest is also permitted to defer recovery of depreciation expense related to Phase 1 of the facility until all units are in-service.

Q. Does the Company's rate base claim include any Construction Work In Progress ("CWIP")?

A. Yes, it does. Midwest has included $5,384,609 of CWIP in its rate base claim. It has included this CWIP in utility plant in service.

Q. What is CWIP?

A. CWIP is plant that is being constructed but which has not yet been completed and placed into service. Once the plant is completed and serving customers, then the plant is booked to utility plant-in-service and the utility begins to take depreciation expense on the plant.

Q. Do you believe that CWIP is an appropriate rate base element?

A. I do not believe that CWIP is an appropriate rate base element. CWIP does not represent facilities that are used or useful in the provision of utility service. In addition, including this plant in rate base violates the regulatory principle of intergenerational equity by requiring current ratepayers to pay a return on plant that is not providing them with utility service and which may never provide current ratepayers with utility service. However, the inclusion of CWIP in rate base is now governed by statute.[5]

K.S.A. 66-128, provides for the KCC to determine the value of the property included in rate base. The statute generally requires that "property of any public utility which has not

[5] I am not an attorney and my discussion of the CWIP statute is not intended as a legal interpretation of that statute, but rather provides my discussion of the statute from a ratemaking perspective.

been completed and dedicated to commercial service shall not be deemed to be used and required to be used in the public utility's service to the public."

The statute also provides that certain property "may be deemed to be completed and dedicated to commercial service" under certain circumstances. Specifically, K.S.A. 66-128 (b) (2) provides the statute provides that,

> Any public utility property described in subsection (b)(1) shall be deemed to be completed and dedicated to commercial service if: (A) construction of the property will be commenced and completed in one year or less; (B) the property is an electric generation facility that converts wind, solar, biomass, landfill gas or any other renewable source of energy; (C) the property is an electric generation facility or addition to an electric generation facility, which facility or addition to a facility is placed in service on or after January 1, 2001; or (D) the property is an electric transmission line, including all towers, poles and other necessary appurtenances to such lines, which will be connected to an electric generation facility.

Q. Do the post-test year projects included by Midwest in its rate base claim meet the criteria outlined in the statute?

A. With the exception of the Company's claim for energy efficiency expenditures, the majority of the Company's post-test year claims appear to meet these criteria. However, the Company has included certain projects related to storm damage restoration that are available for partial reimbursement by the Federal Emergency Management Agency ("FEMA"). It is my understanding that some of these projects are not yet complete. Therefore, I recommend that the KCC monitor these projects and that the Company report on the status of these projects during the hearing phase of this case. To the extent that any of these projects are not in-service by June 30, 2008, or within the one year period mandated in the statute, then I recommend that that KCC make an adjustment to eliminate these projects from the Company's rate base claim.

Q. In addition to your recommendation with regard to CWIP, are you recommending any other adjustments to the Company's claim for utility plant in service?

A. Yes, I am recommending adjustments relating to the Company's claims for certain energy efficiency projects and for company vehicles.

Q. Please discuss your adjustment relating to energy efficiency projects.

A. The Company has included in rate base approximately $56,500 related to new energy efficiency programs. These costs relate primarily to a vehicle, scanners, and presentational displays. I am recommending that these costs be eliminated from the Company's rate base claim in this case.

Q. What is the rationale for your recommendation?

A. There is no basis to include these items in rate base. It is my understanding that these expenditures were not made during the test year and therefore were not included in CWIP by test year end. Nor did the Company receive any accounting order or other KCC directive that would permit them to include these costs in rate base. These expenditures are simply part of the 2008 capital budget and represent normal, on-going expenditures.

The purpose of defining a test year is to develop a period of twelve months that is representative of future operating conditions and that matches investment, revenues, and expenses at a point in time. Including post-test adjustments violates the matching principle on which traditional ratemaking is founded. While the Kansas statute permits certain post-test year adjustments relating to CWIP, the energy efficiency expenditures at issue here do not meet the criteria outlined in the statute.

Q. Aren't the energy efficiency costs being requested by Midwest relatively minor in scope?

A. Yes, they are. Unlike the GMEC, these costs are relatively minor and do not have a significant impact on the Company's revenue requirement claim. However, the magnitude of the expenditure should not be the criteria used to determine the appropriate ratemaking treatment. Moreover, the fact that these costs are relatively minor lends further support to my recommendation that the KCC should not grant extraordinary ratemaking treatment for these costs. Rather, these costs should be treated like any other normal, ongoing capital costs. For all these reasons, I recommend that the Company's claim to include these costs in rate base be denied. My adjustment is shown in Schedule ACC-4.

Q. Please discuss your concern relating to company vehicles.

A. The Company has a significant number of vehicles that have the potential to be used for both business and personal reasons. These vehicles were identified in response to KCC-28. In that response, Midwest identified the mileage associated with personal vs. business use. Approximately 7.4% of the total mileage for these vehicles is for personal use.

Q. Does the Company have a policy with regard to the use of Company vehicles by employees?

A. No, it does not. In response to KCC-28, Midwest stated that it did not have a policy on the personal use of Company vehicles although it noted that one is being developed.

Q. What do you recommend?

A. In order to ensure that ratepayers are not paying costs associated with the personal use of company vehicles, I recommend that the Company's utility plant in service claim be reduced to eliminate that portion of the capital costs associated with personal use of company vehicles. At Schedule ACC-5, I have made an adjustment to reduce utility plant-in-service associated with Company vehicles, and the associated depreciation reserve, by 7.4%, which is the percentage of personal use as reported by Midwest. While I suspect that there are also operating costs in the Company's revenue requirement claim associated with the personal use of these vehicles, at this time I do not have sufficient information to quantify those costs.

B. Cash Working Capital

Q. What is cash working capital?

A. Cash working capital is the amount of cash that is required by a utility in order to cover cash outflows between the time that revenues are received from customers and the time that expenses must be paid. For example, assume that a utility bills its customers monthly and that it receives monthly revenues approximately 30 days after the midpoint of the date that service is provided. If the Company pays its employees weekly, it will have a need for cash prior to receiving the monthly revenue stream. If, on the other hand, the Company pays its interest expense quarterly, it will receive these revenues well in advance of needing the funds to pay interest expense.

Q. Do companies always have a positive cash working capital requirement?

A. No, they do not. The actual amount and timing of cash flows dictate whether or not a utility requires a cash working capital allowance. Therefore, one should examine actual cash flows through a lead/lag study in order to accurately measure a utility's need for cash working capital.

Q. Did the Company provide a lead /lag study in support of its cash working capital claim?

A. The Company's cash working capital claim is composed of two parts - a claim for cash working capital associated with fuel and purchased power costs, and a claim for cash working capital associated with other operating and maintenance expenses. Midwest provided a lead/lag study for the cash working capital claim associated with its fuel and purchased power costs. The Company did not file a lead/lag study in support of its cash working capital claim associated with other operating expenses, instead relying upon the 1/8th formula method.

Q. What assumptions are implicit in the 1/8th formula method?

A. The 1/8th formula method is based on the assumption that, on average, a company has a net lag of 45 days (365 days / 8 = 45 days). Therefore, the 1/8th formula method assumes that, on average, revenues are received 45 days after expenses must be paid. While I realize that the KCC has utilized the 1/8th formula method in the past, I believe that it is useful to review the specific assumptions inherent in the methodology so that the KCC can determine if those assumptions are valid in this case.

Q. Based on the information available, is it reasonable to assume a 45 day average net lag?

A. No, it is not. The net lag is the difference between the revenue lag and the expense lag. In general, revenue lags tend to run about 50 days, which includes 15.2 days for the monthly service lag (365 days / 12 months / 2), about 5 days for the billing lag, and about 30 days for the payment lag. In fact, Midwest calculated a revenue lag of 51.4 days in the lead/lag study performed for its fuel and purchased power costs. The same revenue lag would apply to all other components of the cash working capital calculation. Therefore, the 51.4 day revenue lag appears reasonable.

However, it is virtually impossible for a 45 day net lag to result when the revenue lag is 51.4 days. The net lag is the difference between the revenue lag and the expense lag. If a company has a revenue lag of 51.4 days, then a 45 day net lag can only result if the average expense lag is only 6.4 days. This means that on average, a company's expenses are paid only 6.4 days after the service is received. This would be highly unusual payment behavior. As demonstrated in the lead/lag study performed by the Company in support for its fuel and purchased power costs, a more common payment pattern is to have a payment lag of 30 days. In fact, the payment lag for purchased power is 35.1 days. The 1/8th formula method results in a cash working capital percentage of 12.5%, several times greater than the cash working capital percentage of 3.08% resulting from the lead/lag study developed by Midwest for fuel and purchased power costs. It is highly unlikely that the Company pays its bills, on average, within 6.4 days of incurring the costs. Therefore, I recommend that the KCC reject the Company's proposal to base its cash working capital claim on the 1/8th formula method.

Q. Are you recommending any cash working capital associated with operating and maintenance expenses?

A. Yes, I am. While I generally testify that any cash working capital claim should be supported by a lead/lag study, I recognize that the KCC has included some cash working capital requirement in the Company's rate base in past cases even when no lead/lag study was provided. Therefore, I am recommending that some cash working capital requirement associated with operating expenses be included in rate base in this case as well. Specifically, I am recommending that a cash working capital requirement of 5.86% of operating and maintenance costs be included in rate base. This cash working capital percentage includes a revenue lag of 51.4 days and an expense lag of 30 days, resulting in a net lag of 21.4 days (21.4 days / 365 days = 5.86%). A 30 day average expense lag is far more reasonable than the 6.4 day average expense lag implicit in the Company's claim. My adjustment is shown in Schedule ACC-6.

In addition, I recommend that the Company's cash working capital claim be updated to reflect the level of expenses found to be reasonable by the KCC. In Schedule ACC-6, I have also made an adjustment to reflect the level of operating and maintenance expenses that I recommend be included in the Company's revenue requirement.

Q. Do you have any concerns about the Company's cash working capital claim associated with its fuel and purchased power costs?

A Yes, I do. The Company's lead/lag study assumes that each month customers are paying for fuel and power that was purchased to serve them in the prior month. Therefore, the Company is assuming that the revenue received 51.4 days after the midpoint of the service period is intended to compensate them for expenses paid, on average, 35.1 days after services were received.[6] However, Midwest has an energy cost adjustment ("ECA") mechanism that is intended to result in rapid recovery fuel and purchased power costs. Fuel and purchased power costs are not base rate components - therefore it is improper to include a cash working capital component relating to these costs in base rates. Moreover, the ECA includes an adjustment factor that trues-up actual fuel and purchased power costs with cost recoveries. Therefore, in any given month, there is likely to be either a net under-recovery or over-recovery of fuel and purchased power costs. The Company's lead/lag study incorrectly assumes a matching of monthly revenues and expenses with a 16.3 day net lag (51.4 day revenue lag - 35.1 day expense lag). However, in any particular month, the revenue received by the Company may be paying for fuel and purchased power costs purchased in the past, or it may be paying for fuel and purchased power that is still to be purchased in the future.

Because of the special nature of energy cost adjustment clauses, fuel and purchased power costs are frequently excluded from the cash working capital calculation. This is because it is very difficult at any point in time to determine if the Company is being compensated for prior costs, current costs, or future costs. In fact, Midwest did not include any claim for cash working capital associated with fuel and purchased power costs in its last electric base rate case. Midwest does not offer any explanation in its testimony as to why a different treatment should apply in this case.

[6] Midwest used a slightly shorter expense lag for GMEC gas (32.5 days).

Q. What do you recommend?

A. I recommend that the KCC exclude from rate base the Company's claim for cash working capital associated with fuel and purchased power costs, consistent with the treatment in the Company's last electric base rate case. The Company has not demonstrated that there is any cash working capital requirement associated with these costs. In fact, due to the nature in which the ECA operates there may be no cash working capital requirement generated by these costs. Nor has the Company demonstrated that the KCC should deviate from its past practice in this regard. Midwest has not provided any testimony in support of its proposal that the KCC change the way it has traditionally handled cash working capital associated with fuel and purchased power costs, i.e., to exclude these costs from the Company's cash working capital requirement due to the nature of the ECA clause. My adjustment is shown in Schedule ACC-7.

C. Investment in NRUCFC

Q. Please explain Midwest's investment in NRUCFC.

A. According to the testimony of Mr. Meis at page 4, Midwest is required to invest in the National Rural Utilities Cooperative Finance Corporation ("NRUCFC") as a condition of receiving loans from the NRUCFC. On June 30, 2007, the Company had a total of $6,189,764 of such investments. Midwest earns a return on $4,432,106 of this investment. The remaining $1,757,658 earns no return. In developing its revenue requirement claim, Midwest allocated 83.02% of this investment to electric operations and included this allocation of $5,138,707 in rate base. In addition, the Company included the interest on this investment as operating revenue. The Company also included in rate base $2,052,973 of NRUCFC and CoBank patronage capital certificates.

Q. Do you believe that this ratemaking treatment is appropriate?

A. No, I do not. I recommend that the interest-bearing investment be eliminated from the Company's rate base claim. To be consistent, I also recommend that interest income associated with this investment be eliminated from the Company's operating revenue. This investment is not directly providing utility service to Midwest's ratepayers. It is therefore more of a financing cost then a rate base investment. Moreover, since the Company receives interest income on this investment, it is already being compensated by the NRUCFC for its associated capital costs.

Q. Does Midwest have other sources of revenue that have not been included in its analysis?

A. Yes, in addition to the interest income from the NRUCFC, Midwest also received other interest income in the test year. As shown on Section 9, Schedule 1, in addition to the interest income included in the Company's net operating margins, Midwest also received interest and dividend income of $791,625, none of which has been considered in the determination of its revenue requirement deficiency. If the KCC decides to include the Company's interest bearing investments in rate base, then it should also include all of the Company's associated interest and dividend income in pro forma revenue. It is unreasonable to require ratepayers to pay a return on this interest-bearing investment without giving ratepayers the benefit of other interest and dividend income that results from the Company's relationship with the NRUCFC and CoBank. For all of the aforementioned reasons, I have eliminated the Company's interest-bearing investment from its rate base claim on Schedule ACC-8. The related adjustment to eliminate the interest income associated with the interest-bearing investment is shown on the Operating Income Summary provided in Schedule ACC-9. Alternatively, I would have no objection to the KCC including this investment in rate base provided that it made a corresponding adjustment to include all of the interest and dividend income in the revenue requirement calculation above-the-line.

D. <u>Summary of Rate Base Issues</u>

Q. What is the impact of all of your rate base adjustments?

A. My recommended adjustments reduce the Company's rate base claim from $245,763,065 as reflected in its filing, to $238,182,582, as summarized on Schedule ACC-3.

VI. <u>OPERATING INCOME ISSUES</u>

A. <u>Pro Forma Revenues</u>

Q. Are you recommending any adjustments to the Company's pro forma revenue claim?

A. Yes, I am recommending one adjustment to the Company's pro forma revenue claim. Specifically, I am recommending that the Company's revenues be annualized to reflect the number of customers at June 30, 2007, the end of the test year in this case.

Q. How did the Company determine its pro forma revenue claim?

A. The Company's pro forma revenue claim is based on actual test year revenues, adjusted for normal weather. In addition, the Company made an adjustment to include twelve months of revenues related to the acquisition of the Oakley system, which occurred in December 2006. The Company did not make any adjustment to annualize its pro forma revenue to reflect actual customers at June 30, 2007, the end of the test year.

Q. Do you believe that such an adjustment is necessary?

A. Yes, I do. Annualization adjustments are frequently made to reflect the number of customers at the end of the test year. Assuming that customers are added proportionately over a twelve month period, the actual test year revenue would include customer counts at the midpoint of the test year, in this case December 31, 2006. However, by the end of the test year, Midwest would have added additional customers and revenue from these customers should be reflected in the Company's pro forma revenue claim. Such an adjustment is especially appropriate in this case.

Q. Why do you believe that such an adjustment is especially appropriate in this case?

A. Midwest has included in rate base its new GMEC generating facility. This facility consists of nine units. Six of these units are projected to come into service in June 2008 and the other three units are projected to come into service in September 2008. The capital costs of the GMEC are approximately $64.5 million. Therefore, the return associated with the GMEC facility will increase the Company's revenue requirement by approximately $4.83 million. In addition, there will be incremental costs related to depreciation, fuel, and operating and maintenance activities. By the time the new facility comes on line, there will be additional Midwest customers that will be available to support these costs through rates. To completely ignore customer growth would understate pro forma revenue and result in a rate increase that is higher than necessary. Therefore, I recommend that the KCC adopt an annualization adjustment to reflect pro forma customers at the end of the test year, instead of the average test year customers included in the Company's filing.

Q. Why aren't you making an adjustment to reflect customers in June 2008 when the GMEC units begin to come into service?

A. I am a strong proponent of the test year principle and the matching concept. While the GMEC represents a post-test year adjustment that is being given extraordinary ratemaking treatment in this case, the majority of the revenue requirement components are based on the test year ending June 30, 2007. I believe it would be a violation of the test year principle to utilize projected customer counts at either June 2008 or September 2008. Therefore, I am limiting my adjustment to an annualization based on the end of the test year.

Q. How did you quantify your adjustment?

A. In quantifying my adjustment, it was important to take seasonality into account. In addition, it was important to ensure that I did not duplicate the Company's adjustment relating to the

Oakley customers. In response to CURB-77, Midwest indicated that it could only provide an estimate of the number of Oakley customers. Therefore, it was difficult to obtain precise customer count information. In that response, the Company did indicate that over the past five years, the number of customers in the M system has increased by approximately 55 customers per year. I assumed this same growth rate over the test year. Therefore, I added half of this amount, or 27 customers, to account for growth from the midpoint of the test year to the end of the test year.

At Schedule ACC-10, I have made an adjustment to reflect average M system usage for these incremental customers, priced at the M system margin revenue level. My adjustment increases pro forma revenue by about $6,404.

Q. Why did you limit your adjustment to the M system?

A. In discovery, the Company stated that it did not "have customer data by town available". Moreover, no historic data for the W system was provided. Therefore, to be conservative, I limited my adjustment to the M system, which is the largest part of the Company's customer base.

B. Salary and Wage Expense

Q. How did the Company develop its salary and wage claim in this case?

A. Midwest developed its adjustment by first determining its costs based on its active employees at the end of the test year and applying the January 1, 2007 salary and wage rates. It then adjusted these costs to reflect one-half of a 4.0% payroll increase effective during the test year, and another 6.0% payroll increase effective in 2008, resulting in a total payroll adjustment of 8.12%. According to the response to CURB-6, union employees receive payroll increases effective January 1, while non-union employees receive increases effective beginning with the payroll period that includes March 1. By including both 2007 and 2008 increases in its claim, the Company is effectively charging ratepayers for salary and wage costs that extend into 2009, almost two years beyond the end of the test year in this case.

Q. Are you recommending any adjustments to the Company's claim?

A. Yes, I am recommending two adjustments. First, the Company's claim includes 2008 pro forma payroll increases that did not take place until well after the test year in this case. The inclusion of these payroll increases reaches too far beyond the end of the test year selected by Midwest in this case and should be rejected. Rates are set based on a regulatory triad that synchronizes rate base, revenues and expenses at a point in time. The Company's proposal to include these pro forma labor costs violates the principle that all elements of the Company's revenue requirement should be matched at a point in time.

Q. What do you recommend?

A. In order to preserve the regulatory triad, I have limited the Company's salary and wage adjustment to increases that took place in 2007. This has the effect of including annualized salaries through the first part of 2008 in rates. My adjustment is shown in Schedule ACC-11.

Q. What is your second payroll adjustment?

A The Company's claim includes costs for a new employee associated with energy efficiency efforts. This employee was obviously not in place during the test year and I understand that the employee has still not commenced employment with Midwest. Once again, this is an example of the Company pushing the post-test year envelope and attempting to reach well beyond the test year in this case. Therefore, at Schedule ACC-11, I have also included an adjustment to eliminate this additional employee from the Company's revenue requirement.

Q. Have you also made an adjustment to the Company's payroll tax expense claim?

A. Yes, I have made an adjustment to eliminate the payroll taxes associated with my recommended payroll adjustments. To quantify my payroll tax adjustment, I utilized the statutory social security and medicare tax rate of 7.65%. My adjustment is shown in Schedule ACC-12.

C. <u>Pension and Medical Benefits Expense</u>

Q. Are you recommending any adjustment to the Company's claim in this case for pension and medical benefits?

A. Yes, I am recommending one adjustment. Midwest included a pro forma adjustment of $58,626 in its medical expense claim relating to a wellness program. This is a new program that was not in effect during the test year. Pursuant to the program, employees will be paid cash awards when they leave the company based on their balance of unused sick time. Cash awards will range from $100 to $20,000, depending on the number of hours of unused sick time. At Schedule ACC-13, I have made an adjustment to eliminate these costs from the Company's revenue requirement.

Q. What is the basis for your adjustment?

A. I am recommending this adjustment for two reasons. First, this program was not in effect during the test year. The program was introduced on December 31, 2007 and January 1, 2008 for non-union and union employees respectively. In addition, the Company did not provide any supporting documentation for its claim. While the Company did state in response to KCC-163 that its claim in this case represents a ten-year amortization for the total liability at the time of implementation, but no supporting assumptions or calculations were provided by Midwest. For both of these reasons, I recommend that the costs associated with this post-test year program be denied. My adjustment is shown in Schedule ACC-13.

D. <u>Ellis Building and Land Donation</u>

Q. How has the Company treated civic and charitable donations in its filing?

A. Midwest has included an adjustment to move 50% of its civic and charitable donations above-the-line. Therefore, 50% of these donations are included in its revenue requirement claim. I understand that this treatment is generally consistent with KCC policy.

Q. Are you recommending any adjustment to the Company's claim?

A. Yes, I am recommending one adjustment. The Company's claim includes one-half of a donation of $14,936 related to the Ellis office building, which was donated to the Ellis Community Foundation during the test year. The net book value of the land and building was $21,824, of which $14,936 was allocated to electric operations.

I recommend that the Company's claim related to the Ellis donation be denied. According to the response to KCC-113, this land and the associated building had previously been included in Midwest's rate base. Midwest transferred its Ellis customer service activities to other locations, resulting in the building and land no longer being used and useful in the provision of utility service. However, instead of attempting to market the building, and thereby recover the remaining net book value of the Ellis facility, Midwest donated the property and is charging ratepayers for 50% of the resulting donation. In my view, the Company should have first attempted to sell or lease the property.

Q. Why didn't the Company make some attempt to sell or lease the property?

A. According to the response to KCC-112, Midwest did not attempt to sell or lease the property because there were several vacant storefronts in Ellis and the Company "believed the potential to realize a reasonable sale price was small." Therefore, Midwest did not bother to test whether the property could actually be sold or leased. Even if the property had been sold at a low price, it is still possible that such a sale would have been sufficient to cover the remaining net book value of the property. Given the fact that the Company failed to market the property, and instead decided to simply donate it without any attempt to recoup its remaining net book value, Midwest should not now be permitted to recover any of the associated donation costs from ratepayers. At Schedule ACC-14, I have made an adjustment to remove the Ellis facility from the donations recoverable from ratepayers.

E. **Legal Costs**

Q. Are you recommending any adjustment relating to the Company's claim for legal costs?

A. Yes, I am. In response to KCC-34, Midwest itemized the legal costs that are included in its claim in this case. At least three of the components included in legal costs relate to non-recurring activities or costs that should not otherwise be charged to ratepayers. First, the Company has included costs related to the donation of the Ellis facility discussed above. As previously stated, ratepayers should not be required to pay for any of the costs associated with this donation. Therefore, I recommend that these legal fees be disallowed. My adjustment is shown in Schedule ACC-15.

Second, the Company has included costs associated with the pipeline easement for GMEC. Midwest acknowledges that these costs are not expected to reoccur. In addition, the Company has included costs associated with the purchase of the Oakley distribution system from the city. These costs are also non-recurring. I am recommending that the non-recurring costs associated with the GMEC easement and the Oakley acquisition be eliminated from the Company's revenue requirement. These adjustments are also shown in Schedule ACC-15.

F. Promotional Advertising Costs

Q. Are you recommending any adjustments to the Company's claim for advertising costs?

A. Yes, I am recommending several adjustments. In the response to KCC-44, the Company provided details on the advertising costs incurred during the test year. Several of these invoices appear to relate to promotional advertising opportunities. These include costs related to the Abbyville Frontier Days, FHSU Rodeo, Hays High Plains Barber, the Kansas Big Rodeo, Mid-American Rodeo Company, Palace Community Theater, and Relay for Life. In addition, the Company incurred $3,682 of costs from the Heritage Company. It is my understanding that the Heritage Company provides advertising and promotional materials to corporations such as golf balls, pens with lights, letter openers, key chains, and similar items. Often these promotional materials contain the corporate logo of the client company.

None of these costs relate to activities or services that are necessary for the provision of safe and adequate regulated utility service. These costs all appear to be corporate image or public relations costs that are directed toward promoting the corporate image of the utility, rather than toward the provision of regulated utility service to its customers. Unless the Company can show a direct relationship between these costs and the provision of safe and adequate utility service, these costs should be disallowed. The Company has not made such a showing at this time. Therefore, I recommend that these costs be disallowed. My adjustment is shown in Schedule ACC-16.

G. Lobbying Expenses

Q. Are you recommending any adjustment to the Company's claim for lobbying expenses?

A. Yes, I am recommending that lobbying costs be disallowed. The majority of the Company's lobbying and legislative activity costs were booked below-the-line in the test year and are not included in Midwest's rate request. However, the Company has included dues in its revenue requirement for certain organizations that engage in lobbying activities. These include the National Rural Electric Cooperative Association ("NRECA"), the Kansas Electric Cooperative ("KEC"), and the Kansas Chamber of Commerce and Industry ("KCCI"). Each of these organizations report that a portion of their dues is used for lobbying activities. In response to CURB-43, Midwest indicated that 31.0% of NRECA dues, 17.2% of KEC dues, and 25.0% of KCCI dues were identified as being used for lobbying activities. Accordingly, I am recommending that 31.0% of the Company's test year NRECA dues, 17.2% of its KEC dues, and 25.0% of its KCCI dues be eliminated, based on these costs being classified as lobbying costs. My adjustment is shown in Schedule ACC-17.

Q. Are lobbying costs an appropriate expense to include in a regulated utility's cost of service?

A. No, they are not. Lobbying expenses are not necessary for the provision of safe and adequate utility service. Ratepayers have the ability to lobby on their own through the legislative process. Moreover, lobbying activities have no functional relationship to the provision of safe and adequate regulated utility service. If the Company were to immediately cease contributing to these types of efforts, utility service would in no way be disrupted. For all these reasons, I recommend that lobbying activities be disallowed.

Q. Does the Company agree that lobbying costs should not be recovered from ratepayers?

A. Yes, Midwest apparently agrees that lobbying costs are not appropriate costs to include in a regulated utility's revenue requirement, since it did not include any other direct lobbying costs in its regulated cost of service. Thus, my adjustment simply treats dues that are used for lobbying activities in a manner similar to other types of lobbying costs.

H. Outside Services

Q. Are you recommending any adjustments to the Company's claim for outside services expense?

A. Yes, I am. Similar to my recommendation with regard to legal expenses, I am recommending that outside services costs relating to non-recurring activities be excluded from the Company's revenue requirement claim. Since these costs will not be incurred prospectively, they should not be recovered in prospective rates.

Specifically, I am recommending that costs relating to a Southwest Power Pool transmission study and Info@risk, Inc. risk assessment be eliminated. In response to KCC-82, Midwest acknowledged that these costs were one-time expenditures and are not expected to reoccur prospectively. Therefore, at Schedule ACC-18, I have made an adjustment to eliminate $34,900 from the Company's revenue requirement relating to these non-recurring costs.

I. Amortization Expense

Q. Are you recommending any adjustment to the Company's claim for amortization expense?

A. Yes, I am recommending one adjustment. As shown in Section 10, Schedule 1, page 3 of the Company's filing, Midwest included an amortization expense of $22,248 in its revenue requirement relating to the amortization of acquisition costs resulting from its acquisition of a portion of the Westar system in 2003. To my knowledge, the KCC did not approve recovery from ratepayers of any transition or transaction costs related to this acquisition. Moreover, I do not believe that such costs should be reflected in prospective rates. Accordingly, at Schedule ACC-19, I have made an adjustment to eliminate these costs from the Company's amortization expense claim.

VII. REVENUE REQUIREMENT SUMMARY

Q. What is the result of the recommendations contained in your testimony?

A. My adjustments result in a revenue requirement deficiency at present rates of $7,206,492, as summarized on Schedule ACC-1. This recommendation reflects revenue requirement adjustments of $3,110,052 to the Company's requested revenue requirement increase of $10,316,544.

Q. Does your recommendation allow the Company to meet its financial coverage ratio requirements?

A. Yes, it does. The Company only has one financial coverage ratio requirement, i.e., a DSC requirement of 1.35. As shown in Schedule ACC-20, my recommended rate increase is sufficient to allow the Company to meet a DSC coverage requirement of 1.44. In addition, my recommended rate increase will result in TIER coverage of 2.06. While the Company does not a have TIER coverage requirement, it is still useful for the KCC to know that my recommendation will provide margins that are more than two times the amount needed to meet Midwest's interest obligations.

Q. What level of debt service did you utilize in evaluating the Company's DSC and TIER?

A. In order to evaluate the impact of my recommendations on the Company's DSC and TIER, I utilized the interest and principal payments associated with the long-term debt that was outstanding on March 31, 2008. This methodology is consistent with my recommendation that the March 31, 2008 capital structure be used to establish rates in this case. As stated earlier in this testimony, this level of capitalization is sufficient to finance the rate base on which the Company's claim is based. Thus, my analysis includes a reduction to the interest and principal assumed by the Company in its filing, since the Company has included projected debt in its claim. If the Company's debt service is not reduced, then ratepayers will incur costs for over $27.2 million in capital that exceeds the amount of the regulated rate base used in the provision of utility service. My adjustment to eliminate the interest expense on this projected debt is shown in Schedule ACC-21 and my total pro forma debt service is shown in Schedule ACC-22.

Q. Have you quantified the revenue requirement impact of each of your recommendations?

A. Yes, at Schedule ACC-23, I have quantified the revenue requirement impact of the rate of return, rate base, revenue and expense recommendations contained in this testimony.

Q. Have you developed a pro forma income statement?

A. Yes, Schedule ACC-24 contains a pro forma income statement, showing utility operating income under several scenarios, including the Company's claimed operating income at present rates, my recommended operating income at present rates, and operating income under my proposed rate increase. My recommendations will result in an overall return on rate base of 6.62%.

Q. Does this conclude your testimony?

A. Yes, it does.

VERIFICATION

STATE OF CONNECTICUT)

COUNTY OF FAIRFIELD) ss:

Andrea C. Crane, being duly sworn upon her oath, deposes and states that she is a consultant for the Citizens' Utility Ratepayer Board, that she has read and is familiar with the foregoing testimony, and that the statements made herein are true to the best of her knowledge, information and belief.

Andrea C. Crane

Andrea C. Crane

Subscribed and sworn before me this 5 th day of May, 2008.

Notary Public Marjorie M. Levin

MARJORIE M. LEVIN

My Commission Expires: DECEMBER 31, 2008

APPENDIX A

LIST OF PRIOR TESTIMONIES

The Columbia Group, Inc., Testimonies of Andrea C. Crane

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Chesapeake Utilities Corporation	G	Delaware	07-246F	4/08	Gas Service Rates	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR07100717-946	3/08	Form 1240	Division of Rate Counsel
Generic Commission Investigation	G	New Mexico	07-00340-UT	3/08	Weather Normalization	New Mexico Office of Attorney General
Southwestern Public Service Company	E	New Mexico	07-00319-UT	3/08	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Delmarva Power and Light Company	G	Delaware	07-239F	2/08	Gas Cost Rates	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	08-ATMG-280-RTS	1/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Aquila /Black Hills / Kansas City Power & Light	E	Kansas	07-BHCG-1063-ACQ 07-KCPE-1064-ACQ	12/07	Utility Acquisitions	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	07-186	12/07	Cost of Capital Regulatory Policy	Division of the Public Advocate
Westar Energy, Inc.	E	Kansas	08-WSEE-309-PRE	11/07	Predetermination of Wind Generation	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E/G	New Jersey	ER07050303 GR07050304	11/07	Societal Benefits Charge	Division of Rate Counsel
Public Service Company of New Mexico	E	New Mexico	07-00077-UT	10/07	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Public Service Electric and Gas Company	E	New Jersey	EO07040278	9/07	Solar Cost Recovery	Division of Rate Counsel
Comcast Cable	C	New Jersey	CR07030147	8/07	Form 1205	Division of Rate Counsel
Kansas City Power & Light Company	E	Kansas	07-KCPE-905-RTS	8/07	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Cablevision Systems Corporation	C	New Jersey	CR06110781, et al.	5/07	Cable Rates - Forms 1205 and 1240	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	05-WSEE-981-RTS	4/07	Revenue Requirements Issues on Remand	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	06-285F	4/07	Gas Cost Rates	Division of the Public Advocate
Comcast of Jersey City, et al.	C	New Jersey	CR06070558	4/07	Cable Rates	Division of Rate Counsel
Westar Energy	E	Kansas	07-WSEE-616-PRE	3/07	Pre-Approval of Generation Facilities	Citizens' Utility Ratepayer Board
Woonsocket Water Division	W	Rhode Island	3800	3/07	Revenue Requirements	Division of Public Utilities and Carriers
Aquila - KGO	G	Kansas	07-AQLG-431-RTS	3/07	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	06-287F	3/07	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	06-284	1/07	Revenue Requirements Cost of Capital	Division of the Public Advocate
El Paso Electric Company	E	New Mexico	06-00258 UT	11/06	Revenue Requirements	New Mexico Office of Attorney General

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Aquila, Inc. / Mid-Kansas Electric Co.	E	Kansas	06-MKEE-524-ACQ	11/06	Proposed Acquisition	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	G	New Mexico	06-00210-UT	11/06	Revenue Requirements	New Mexico Office of Attorney General
Atlantic City Electric Company	E	New Jersey	EM06090638	11/06	Sale of B.L. England	Division of Rate Counsel
United Water Delaware, Inc.	W	Delaware	06-174	10/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Public Service Electric and Gas Company	G	New Jersey	GR05080686	10/06	Societal Benefits Charge	Division of Rate Counsel
Comcast (Avalon, Maple Shade, Gloucester)	C	New Jersey	CR06030136-139	10/06	Form 1205 and 1240 Cable Rates	Division of Rate Counsel
Kansas Gas Service	G	Kansas	06-KGSG-1209-RTS	9/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
New Jersey American Water Co. Elizabethtown Water Company Mount Holly Water Company	W	New Jersey	WR06030257	9/06	Regulatory Policy Taxes Cash Working Capital	Division of Rate Counsel
Tidewater Utilities, Inc.	W	Delaware	06-145	9/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Artesian Water Company	W	Delaware	06-158	9/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	06-KCPE-828-RTS	8/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Midwest Energy, Inc.	G	Kansas	06-MDWG-1027-RTS	7/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	05-315F	6/06	Gas Service Rates	Division of the Public Advocate
Cablevision Systems Corporation	C	New Jersey	CR05110924, et al.	5/06	Cable Rates - Forms 1205 and 1240	Division of the Ratepayer Advocate
Montague Sewer Company	WW	New Jersey	WR05121056	5/06	Revenue Requirements	Division of the Ratepayer Advocate
Comcast of South Jersey	C	New Jersey	CR05119035, et al.	5/06	Cable Rates - Form 1240	Division of the Ratepayer Advocate
Comcast of New Jersey	C	New Jersey	CR05090826-827	4/06	Cable Rates - Form 1240	Division of the Ratepayer Advocate
Parkway Water Company	W	New Jersey	WR05070634	3/06	Revenue Requirements Cost of Capital	Division of the Ratepayer Advocate
Aqua Pennsylvania, Inc.	W	Pennsylvania	R-00051030	2/06	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	G	Delaware	05-312F	2/06	Gas Cost Rates	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	05-304	12/05	Revenue Requirements Cost of Capital	Division of the Public Advocate
Artesian Water Company	W	Delaware	04-42	10/05	Revenue Requirements Cost of Capital (Remand)	Division of the Public Advocate

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Utility Systems, Inc.	WW	Delaware	335-05	9/05	Regulatory Policy	Division of the Ratepayer Advocate
Westar Energy, Inc.	E	Kansas	05-WSEE-981-RTS	9/05	Revenue Requirements	Citizens' Utility Ratepayer Board
Empire Electric District Company	E	Kansas	05-EPDE-980-RTS	8/05	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Comcast Cable	C	New Jersey	CR05030186	8/05	Form 1205	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	3674	7/05	Revenue Requirements	Division of Public Utilities and Carriers
Delmarva Power and Light Company	E	Delaware	04-391	7/05	Standard Offer Service	Division of the Public Advocate
Patriot Media & Communications CNJ, LLC	C	New Jersey	CR04111453-455	6/05	Cable Rates	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR04111379, et al.	6/05	Cable Rates	Division of the Ratepayer Advocate
Comcast of Mercer County, LLC	C	New Jersey	CR04111458	6/05	Cable Rates	Division of the Ratepayer Advocate
Comcast of South Jersey, LLC, et al.	C	New Jersey	CR04101356, et al.	5/05	Cable Rates	Division of the Ratepayer Advocate
Comcast of Central New Jersey LLC, et al.	C	New Jersey	CR04101077, et al.	4/05	Cable Rates	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	3660	4/05	Revenue Requirements	Division of Public Utilities and Carriers
Aquila, Inc.	G	Kansas	05-AQLG-367-RTS	3/05	Revenue Requirements Cost of Capital Tariff Issues	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	04-334F	3/05	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	04-301F	3/05	Gas Cost Rates	Division of the Public Advocate
Delaware Electric Cooperative, Inc.	E	Delaware	04-288	12/04	Revenue Requirements Cost of Capital	Division of the Public Advocate
Public Service Company of New Mexico	E	New Mexico	04-00311-UT	11/04	Renewable Energy Plans	Office of the New Mexico Attorney General
Woonsocket Water Division	W	Rhode Island	3626	10/04	Revenue Requirements	Division of Public Utilities and Carriers
Aquila, Inc.	E	Kansas	04-AQLE-1065-RTS	10/04	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	04-121	8/04	Conservation Rates (Affidavit)	Division of the Public Advocate
Atlantic City Electric Company	E	New Jersey	ER03020110 PUC 06061-2003S	8/04	Deferred Balance Phase II	Division of the Ratepayer Advocate
Kentucky American Water Company	W	Kentucky	2004-00103	8/04	Revenue Requirements	Office of Rate Inter-vention of the Attorney General

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Shorelands Water Company	W	New Jersey	WR04040295	8/04	Revenue Requirements Cost of Capital	Division of the Ratepayer Advocate
Artesian Water Company	W	Delaware	04-42	8/04	Revenue Requirements Cost of Capital	Division of the Public Advocate
Long Neck Water Company	W	Delaware	04-31	7/04	Cost of Equity	Division of the Public Advocate
Tidewater Utilities, Inc.	W	Delaware	04-152	7/04	Cost of Capital	Division of the Public Advocate
Cablevision	C	New Jersey	CR03100850, et al.	6/04	Cable Rates	Division of the Ratepayer Advocate
Montague Water and Sewer Companies	W/WW	New Jersey	WR03121034 (W) WR03121035 (S)	5/04	Revenue Requirements	Division of the Ratepayer Advocate
Comcast of South Jersey, Inc.	C	New Jersey	CR03100876,77,79,80	5/04	Form 1240 Cable Rates	Division of the Ratepayer Advocate
Comcast of Central New Jersey, et al.	C	New Jersey	CR03100749-750 CR03100759-762	4/04	Cable Rates	Division of the Ratepayer Advocate
Time Warner	C	New Jersey	CR03100763-764	4/04	Cable Rates	Division of the Ratepayer Advocate
Interstate Navigation Company	N	Rhode Island	3573	3/04	Revenue Requirements	Division of Public Utilities and Carriers
Aqua Pennsylvania, Inc.	W	Pennsylvania	R-00038805	2/04	Revenue Requirements	Pennsylvania Office of Consumer Advocate
Comcast of Jersey City, et al.	C	New Jersey	CR03080598-601	2/04	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company	G	Delaware	03-378F	2/04	Fuel Clause	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	03-ATMG-1036-RTS	11/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Aquila, Inc. (UCU)	G	Kansas	02-UTCG-701-GIG	10/03	Using utility assets as collateral	Citizens' Utility Ratepayer Board
CenturyTel of Northwest Arkansas, LLC	T	Arkansas	03-041-U	10/03	Affiliated Interests	The Arkansas Public Service Commission General Staff
Borough of Butler Electric Utility	E	New Jersey	CR03010049/63	9/03	Revenue Requirements	Division of the Ratepayer Advocate
Comcast Cablevision of Avalon Comcast Cable Communications	C	New Jersey	CR03020131-132	9/03	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	E	Delaware	03-127	8/03	Revenue Requirements	Division of the Public Advocate
Kansas Gas Service	G	Kansas	03-KGSG-602-RTS	7/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Washington Gas Light Company	G	Maryland	8959	6/03	Cost of Capital Incentive Rate Plan	U.S. DOD/FEA
Pawtucket Water Supply Board	W	Rhode Island	3497	6/03	Revenue Requirements	Division of Public Utilities and Carriers

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Atlantic City Electric Company	E	New Jersey	EO03020091	5/03	Stranded Costs	Division of the Ratepayer Advocate
Public Service Company of New Mexico	G	New Mexico	03-000-17 UT	5/03	Cost of Capital Cost Allocations	Office of the New Mexico Attorney General
Comcast - Hopewell, et al.	C	New Jersey	CR02110818 CR02110823-825	5/03	Cable Rates	Division of the Ratepayer Advocate
Cablevision Systems Corporation	C	New Jersey	CR02110838, 43-50	4/03	Cable Rates	Division of the Ratepayer Advocate
Comcast-Garden State / Northwest	C	New Jersey	CR02100715 CR02100719	4/03	Cable Rates	Division of the Ratepayer Advocate
Midwest Energy, Inc. and Westar Energy, Inc.	E	Kansas	03-MDWE-421-ACQ	4/03	Acquisition	Citizens' Utility Ratepayer Board
Time Warner Cable	C	New Jersey	CR02100722 CR02100723	4/03	Cable Rates	Division of the Ratepayer Advocate
Westar Energy, Inc.	E	Kansas	01-WSRE-949-GIE	3/03	Restructuring Plan	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	ER02080604 PUC 7983-02	1/03	Deferred Balance	Division of the Ratepayer Advocate
Atlantic City Electric Company d/b/a Conectiv Power Delivery	E	New Jersey	ER02080510 PUC 6917-02S	1/03	Deferred Balance	Division of the Ratepayer Advocate
Wallkill Sewer Company	WW	New Jersey	WR02030193 WR02030194	12/02	Revenue Requirements Purchased Sewage Treatment Adj. (PSTAC)	Division of the Ratepayer Advocate
Midwest Energy, Inc.	E	Kansas	03-MDWE-001-RTS	12/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast-LBI Crestwood	C	New Jersey	CR02050272 CR02050270	11/02	Cable Rates	Division of the Ratepayer Advocate
Reliant Energy Arkla	G	Oklahoma	PUD200200166	10/02	Affiliated Interest Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Midwest Energy, Inc.	G	Kansas	02-MDWG-922-RTS	10/02	Gas Rates	Citizens' Utility Ratepayer Board
Comcast Cablevision of Avalon	C	New Jersey	CR02030134 CR02030137	7/02	Cable Rates	Division of the Ratepayer Advocate
RCN Telecom Services, Inc., and Home Link Communications	C	New Jersey	CR02010044, CR02010047	7/02	Cable Rates	Division of the Ratepayer Advocate
Washington Gas Light Company	G	Maryland	8920	7/02	Rate of Return Rate Design (Rebuttal)	General Services Administration (GSA)
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase II	7/02	Rate Design Tariff Issues	Division of the Public Advocate
Washington Gas Light Company	G	Maryland	8920	6/02	Rate of Return Rate Design	General Services Administration (GSA)
Tidewater Utilities, Inc.	W	Delaware	02-28	6/02	Revenue Requirements	Division of the Public Advocate
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	5/02	Financial Plan	Citizens' Utility Ratepayer Board

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Empire District Electric Company	E	Kansas	02-EPDE-488-RTS	5/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Southwestern Public Service Company	E	New Mexico	3709	4/02	Fuel Costs	Office of the New Mexico Attorney General
Cablevision Systems	C	New Jersey	CR01110706, et al	4/02	Cable Rates	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	District of Columbia	945, Phase II	4/02	Divestiture Procedures	General Services Administration (GSA)
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	3/02	Sale of VY to Entergy Corp. (Supplemental)	Department of Public Service
Delmarva Power and Light Company	G	Delaware	01-348F	1/02	Gas Cost Adjustment	Division of the Public Advocate
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	1/02	Sale of VY to Entergy Corp.	Department of Public Service
Pawtucket Water Supply Company	W	Rhode Island	3378	12/01	Revenue Requirements	Division of Public Utilities and Carriers
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase I	12/01	Revenue Requirements	Division of the Public Advocate
Potomac Electric Power Company	E	Maryland	8796	12/01	Divestiture Procedures	General Services Administration (GSA)
Kansas Electric Power Cooperative	E	Kansas	01-KEPE-1106-RTS	11/01	Depreciation Methodology (Cross Answering)	Citizens' Utility Ratepayer Board
Wellsboro Electric Company	E	Pennsylvania	R-00016356	11/01	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	3311	10/01	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Pepco and New RC, Inc.	E	District of Columbia	1002	10/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Potomac Electric Power Co. & Delmarva Power	E	Delaware	01-194	10/01	Merger Issues and Performance Standards	Division of the Public Advocate
Yankee Gas Company	G	Connecticut	01-05-19PH01	9/01	Affiliated Transactions	Office of Consumer Counsel
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	9/01	Revenue Requirements (Rebuttal)	The Consumer Advocate Division of the PSC
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	9/01	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Potomac Electric Power Co. & Delmarva Power	E	Maryland	8890	9/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Comcast Cablevision of Long Beach Island, et al	C	New Jersey	CR01030149-50 CR01050285	9/01	Cable Rates	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	3311	8/01	Revenue Requirements	Division of Public Utilities and Carriers
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	8/01	Revenue Requirements	Office of Consumer Advocate

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Roxiticus Water Company	W	New Jersey	WR01030194	8/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	8/01	Revenue Requirements	Consumer Advocate Division of the PSC
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity (Rebuttal)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity	Citizens' Utility Ratepayer Board
Cablevision of Allamuchy, et al	C	New Jersey	CR00100824, etc.	4/01	Cable Rates	Division of the Ratepayer Advocate
Public Service Company of New Mexico	E	New Mexico	3137, Holding Co.	4/01	Holding Company	Office of the Attorney General
Keauhou Community Services, Inc.	W	Hawaii	00-0094	4/01	Rate Design	Division of Consumer Advocacy
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests (Motion for Suppl. Changes)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	3137, Part III	4/01	Standard Offer Service (Additional Direct)	Office of the Attorney General
Chem-Nuclear Systems, LLC	SW	South Carolina	2000-366-A	3/01	Allowable Costs	Department of Consumer Affairs
Southern Connecticut Gas Company	G	Connecticut	00-12-08	3/01	Affiliated Interest Transactions	Office of Consumer Counsel
Atlantic City Sewerage Corporation	WW	New Jersey	WR00080575	3/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	G	Delaware	00-314	3/01	Margin Sharing	Division of the Public Advocate
Senate Bill 190 Re: Performance Based Ratemaking	G	Kansas	Senate Bill 190	2/01	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	00-463-F	2/01	Gas Cost Rates	Division of the Public Advocate
Waitsfield Fayston Telephone Company	T	Vermont	6417	12/00	Revenue Requirements	Department of Public Service
Delaware Electric Cooperative	E	Delaware	00-365	11/00	Code of Conduct Cost Allocation Manual	Division of the Public Advocate
Commission Inquiry into Performance-Based Ratemaking	G	Kansas	00-GIMG-425-GIG	10/00	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Pawtucket Water Supply Board	W	Rhode Island	3164 Separation Plan	10/00	Revenue Requirements	Division of Public Utilities and Carriers

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Comcast Cablevision of Philadelphia, L.P.	C	Pennsylvania	3756	10/00	Late Payment Fees (Affidavit)	Kaufman, Lankelis, et al.
Public Service Company of New Mexico	E	New Mexico	3137, Part III	9/00	Standard Offer Service	Office of the Attorney General
Laie Water Company	W	Hawaii	00-0017 Separation Plan	8/00	Rate Design	Division of Consumer Advocacy
El Paso Electric Company	E	New Mexico	3170, Part II, Ph. 1	7/00	Electric Restructuring	Office of the Attorney General
Public Service Company of New Mexico	E	New Mexico	3137 - Part II Separation Plan	7/00	Electric Restructuring	Office of the Attorney General
PG Energy	G	Pennsylvania	R-00005119	6/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	4/00	Merger Issues (Additional Supplemental)	Office of Consumer Counsel
Sussex Shores Water Company	W	Delaware	99-576	4/00	Revenue Requirements	Division of the Public Advocate
Utilicorp United, Inc.	G	Kansas	00-UTCG-336-RTS	4/00	Revenue Requirements	Citizens' Utility Ratepayer Board
TCI Cablevision	C	Missouri	9972-9146	4/00	Late Fees (Affidavit)	Honora Eppert, et al
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	3/00	Pro Forma Revenue Affiliated Transactions (Rebuttal)	Oklahoma Corporation Commission, Public Utility Division Staff
Tidewater Utilities, Inc. Public Water Supply Co.	W	Delaware	99-466	3/00	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	G/E	Delaware	99-582	3/00	Cost Accounting Manual Code of Conduct	Division of the Public Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	3/00	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	2/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	2/00	Merger Issues	Office of Consumer Counsel
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	1/00	Pro Forma Revenue Affiliated Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Connecticut Natural Gas Company	G	Connecticut	99-09-03	1/00	Affiliated Transactions	Office of Consumer Counsel
Time Warner Entertainment Company, L.P.	C	Indiana	48D06-9803-CP-423	1999	Late Fees (Affidavit)	Kelly J. Whiteman, et al
TCI Communications, Inc., et al	C	Indiana	55D01-9709-CP-00415	1999	Late Fees (Affidavit)	Franklin E. Littell, et al
Southwestern Public Service Company	E	New Mexico	3116	12/99	Merger Approval	Office of the Attorney General

Company	Utility	State	Docket	Date	Topic	On Behalf Of
New England Electric System Eastern Utility Associates	E	Rhode Island	2930	11/99	Merger Policy	Department of Attorney General
Delaware Electric Cooperative	E	Delaware	99-457	11/99	Electric Restructuring	Division of the Public Advocate
Jones Intercable, Inc.	C	Maryland	CAL98-00283	10/99	Cable Rates (Affidavit)	Cynthia Maisonette and Ola Renee Chatman, et al
Texas-New Mexico Power Company	E	New Mexico	3103	10/99	Acquisition Issues	Office of Attorney General
Southern Connecticut Gas Company	G	Connecticut	99-04-18	9/99	Affiliated Interest	Office of Consumer Counsel
TCI Cable Company	C	New Jersey	CR99020079 et al	9/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
All Regulated Companies	E/G/W	Delaware	Reg. No. 4	8/99	Filing Requirements (Position Statement)	Division of the Public Advocate
Mile High Cable Partners	C	Colorado	95-CV-5195	7/99	Cable Rates (Affidavit)	Brett Marshall, an individual, et al
Electric Restructuring Comments	E	Delaware	Reg. 49	7/99	Regulatory Policy (Supplemental)	Division of the Public Advocate
Long Neck Water Company	W	Delaware	99-31	6/99	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	99-163	6/99	Electric Restructuring	Division of the Public Advocate
Potomac Electric Power Company	E	District of Columbia	945	6/99	Divestiture of Generation Assets	U.S. GSA - Public Utilities
Comcast	C	Indiana	49C01-9802-CP-000386	6/99	Late Fees (Affidavit)	Ken Hecht, et al
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	6/99	Economic Subsidy Issues (Surrebuttal)	Division of the Ratepayer Advocate
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162 PUCRS 11514-98N	5/99	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Cablevision of Bergen, Bayonne, Newark	C	New Jersey	CR98111197-199 CR98111190	5/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
Cablevision of Bergen, Hudson, Monmouth	C	New Jersey	CR97090624-626 CTV 1697-98N	5/99	Cable Rates - Form 1235 (Rebuttal)	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2860	4/99	Revenue Requirements	Division of Public Utilities & Carriers
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162	4/99	Revenue Requirements Rate Design	Division of the Ratepayer Advocate
PEPCO	E	District of Columbia	945	4/99	Divestiture of Assets	U.S. GSA - Public Utilities
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	4/99	Merger Approval (Surrebuttal)	Citizens' Utility Ratepayer Board

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Delmarva Power and Light Company	E	Delaware	98-479F	3/99	Fuel Costs	Division of the Public Advocate
Lenfest Atlantic d/b/a Suburban Cable	C	New Jersey	CR97070479 et al	3/99	Cable Rates	Division of the Ratepayer Advocate
Electric Restructuring Comments	E	District of Columbia	945	3/99	Regulatory Policy	U.S. GSA - Public Utilities
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	3/99	Tariff Revision Payphone Subsidies FCC Services Test (Rebuttal)	Division of the Ratepayer Advocate
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	3/99	Merger Approval (Answering)	Citizens' Utility Ratepayer Board
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	2/99	Merger Approval	Citizens' Utility Ratepayer Board
Adelphia Cable Communications	C	Vermont	6117-6119	1/99	Late Fees (Additional Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees (Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees	Department of Public Service
Orange and Rockland/ Consolidated Edison	E	New Jersey	EM98070433	11/98	Merger Approval	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR97090624 CR97090625 CR97090626	11/98	Cable Rates - Form 1235	Division of the Ratepayer Advocate
Petitions of BA-NJ and NJPA re: Payphone Ops.	T	New Jersey	TO97100792 PUCOT 11269-97N	10/98	Payphone Subsidies FCC New Services Test	Division of the Ratepayer Advocate
United Water Delaware	W	Delaware	98-98	8/98	Revenue Requirements	Division of the Public Advocate
Cablevision	C	New Jersey	CR97100719, 726 730, 732	8/98	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	Maryland	Case No. 8791	8/98	Revenue Requirements Rate Design	U.S. GSA - Public Utilities
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	8/98	Anti-Competitive Practices (Rebuttal)	Division of the Ratepayer Advocate
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	7/98	Anti-Competitive Practices	Division of the Ratepayer Advocate
TCI Cable Company/ Cablevision	C	New Jersey	CTV 03264-03268 and CTV 05061	7/98	Cable Rates	Division of the Ratepayer Advocate
Mount Holly Water Company	W	New Jersey	WR98020058 PUC 03131-98N	7/98	Revenue Requirements	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	2674	5/98	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Pawtucket Water Supply Board	W	Rhode Island	2674	4/98	Revenue Requirements	Division of Public Utilities and Carriers
Energy Master Plan Phase II Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	4/98	Electric Restructuring Issues (Supplemental Surrebuttal)	Division of the Ratepayer Advocate
Energy Master Plan Phase I Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	3/98	Electric Restructuring Issues	Division of the Ratepayer Advocate
Shorelands Water Company	W	New Jersey	WR97110835 PUC 11324-97	2/98	Revenue Requirements	Division of the Ratepayer Advocate
TCI Communications, Inc.	C	New Jersey	CR97030141 and others	11/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Citizens Telephone Co. of Kecksburg	T	Pennsylvania	R-00971229	11/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	10/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Universal Service Funding	T	New Jersey	TX95120631	10/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	9/97	Low Income Fund High Cost Fund	Division of the Ratepayer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	9/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	G/E	Delaware	97-65	9/97	Cost Accounting Manual Code of Conduct	Office of the Public Advocate
Western Resources, Oneok, and WAI	G	Kansas	WSRG-486-MER	9/97	Transfer of Gas Assets	Citizens' Utility Ratepayer Board
Universal Service Funding	T	New Jersey	TX95120631	9/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	8/97	Schools and Libraries Funding	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	8/97	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Ironton Telephone Company	T	Pennsylvania	R-00971182	8/97	Alternative Regulation Network Modernization (Surrebuttal)	Office of Consumer Advocate
Ironton Telephone Company	T	Pennsylvania	R-00971182	7/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Comcast Cablevision	C	New Jersey	Various	7/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR97010052 PUCRA 3154-97N	7/97	Revenue Requirements	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	6/97	Revenue Requirements	Division of Public Utilities and Carriers
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	6/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	5/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	E	Delaware	97-58	5/97	Merger Policy	Office of the Public Advocate
Middlesex Water Company	W	New Jersey	WR96110818 PUCRL 11663-96N	4/97	Revenue Requirements	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR96080628 PUCRA 09374-96N	3/97	Purchased Sewerage Adjustment	Division of the Ratepayer Advocate
Interstate Navigation Company	N	Rhode Island	2484	3/97	Revenue Requirements Cost of Capital (Surrebuttal)	Division of Public Utilities & Carriers
Interstate Navigation Company	N	Rhode Island	2484	2/97	Revenue Requirements Cost of Capital	Division of Public Utilities & Carriers
Electric Restructuring Comments	E	District of Columbia	945	1/97	Regulatory Policy	U.S. GSA - Public Utilities
United Water Delaware	W	Delaware	96-194	1/97	Revenue Requirements	Office of the Public Advocate
PEPCO/ BGE/ Merger Application	E/G	District of Columbia	951	10/96	Regulatory Policy Cost of Capital (Rebuttal)	GSA
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	10/96	Revenue Requirements Cost of Capital (Supplemental)	Citizens' Utility Ratepayer Board
PEPCO and BGE Merger Application	E/G	District of Columbia	951	9/96	Regulatory Policy, Cost of Capital	U.S. GSA - Public Utilities
Utilicorp United, Inc.	G	Kansas	193,787-U	8/96	Revenue Requirements	Citizens' Utility Ratepayer Board
TKR Cable Company of Gloucester	C	New Jersey	CTV07030-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
TKR Cable Company of Warwick	C	New Jersey	CTV057537-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	95-196F	5/96	Fuel Cost Recovery	Office of the Public Advocate
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	5/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Princeville Utilities Company, Inc.	W/WW	Hawaii	95-0172 95-0168	1/96	Revenue Requirements Rate Design	Princeville at Hanalei Community Association
Western Resources, Inc.	G	Kansas	193,305-U	1/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements	Division of the Ratepayer Advocate
Lanai Water Company	W	Hawaii	94-0366	10/95	Revenue Requirements Rate Design	Division of Consumer Advocacy

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01382-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01381-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Chesapeake Utilities Corporation	G	Delaware	95-73	7/95	Revenue Requirements	Office of the Public Advocate
East Honolulu Community Services, Inc.	WW	Hawaii	7718	6/95	Revenue Requirements	Division of Consumer Advocacy
Wilmington Suburban Water Corporation	W	Delaware	94-149	3/95	Revenue Requirements	Office of the Public Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	1/95	Revenue Requirements (Supplemental)	Division of the Ratepayer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	1/95	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	12/94	Revenue Requirements	Office of Consumer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	12/94	Revenue Requirements	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	94-84	11/94	Revenue Requirements	Office of the Public Advocate
Delmarva Power and Light Company	G	Delaware	94-22	8/94	Revenue Requirements	Office of the Public Advocate
Empire District Electric Company	E	Kansas	190,360-U	8/94	Revenue Requirements	Citizens' Utility Ratepayer Board
Morris County Municipal Utility Authority	SW	New Jersey	MM10930027 ESW 1426-94	6/94	Revenue Requirements	Rate Counsel
US West Communications	T	Arizona	E-1051-93-183	5/94	Revenue Requirements (Surrebuttal)	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	5/94	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
US West Communications	T	Arizona	E-1051-93-183	3/94	Revenue Requirements	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	3/94	Revenue Requirements	Division of Public Utilities & Carriers
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J	2/94	Revenue Requirements (Supplemental)	Rate Counsel
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements (Supplemental)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	2098	8/93	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Wilmington Suburban Water Company	W	Delaware	93-28	7/93	Revenue Requirements	Office of Public Advocate
Kent County Water Authority	W	Rhode Island	2098	7/93	Revenue Requirements	Division of Public Utilities & Carriers

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Camden County Energy Recovery Associates, Inc.	SW	New Jersey	SR91111718J ESW1263-92	4/93	Revenue Requirements	Rate Counsel
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J ESW 1263-92	4/93	Revenue Requirements	Rate Counsel
Jamaica Water Supply Company	W	New York	92-W-0583	3/93	Revenue Requirements	County of Nassau Town of Hempstead
New Jersey-American Water Company	W/WW	New Jersey	WR92090908J PUC 7266-92S	2/93	Revenue Requirements	Rate Counsel
Passaic County Utilities Authority	SW	New Jersey	SR91121816J ESW0671-92N	9/92	Revenue Requirements	Rate Counsel
East Honolulu Community Services, Inc.	WW	Hawaii	7064	8/92	Revenue Requirements	Division of Consumer Advocacy
The Jersey Central Power and Light Company	E	New Jersey	PUC00661-92 ER91121820J	7/92	Revenue Requirements	Rate Counsel
Mercer County Improvement Authority	SW	New Jersey	EWS11261-91S SR91111682J	5/92	Revenue Requirements	Rate Counsel
Garden State Water Company	W	New Jersey	WR9109-1483 PUC 09118-91S	2/92	Revenue Requirements	Rate Counsel
Elizabethtown Water Company	W	New Jersey	WR9108-1293J PUC 08057-91N	1/92	Revenue Requirements	Rate Counsel
New-Jersey American Water Company	W/WW	New Jersey	WR9108-1399J PUC 8246-91	12/91	Revenue Requirements	Rate Counsel
Pennsylvania-American Water Company	W	Pennsylvania	R-911909	10/91	Revenue Requirements	Office of Consumer Advocate
Mercer County Improvement Authority	SW	New Jersey	SR9004-0264J PUC 3389-90	10/90	Revenue Requirements	Rate Counsel
Kent County Water Authority	W	Rhode Island	1952	8/90	Revenue Requirements Regulatory Policy (Surrebuttal)	Division of Public Utilities & Carriers
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests (Supplemental)	NY State Consumer Protection Board
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests	NY State Consumer Protection Board
Kent County Water Authority	W	Rhode Island	1952	6/90	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Ellesor Transfer Station	SW	New Jersey	SO8712-1407 PUC 1768-88	11/89	Regulatory Policy	Rate Counsel
Interstate Navigation Co.	N	Rhode Island	D-89-7	8/89	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Automated Modular Systems, Inc.	SW	New Jersey	PUC1769-88	5/89	Revenue Requirements Schedules	Rate Counsel
SNET Cellular, Inc.	T	Connecticut	-	2/89	Regulatory Policy	First Selectman Town of Redding