BEFORE THE CORPORATION COMMISSION

OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION	]	
OF ATMOS ENERGY FOR ADJUSTMENT	]	KCC Docket No. 08-ATMG-280-RTS
OF ITS NATURAL GAS RATES IN THE	]	
STATE OF KANSAS	]	

DIRECT TESTIMONY OF

ANDREA C. CRANE

RE: REVENUE REQUIREMENTS
AND COST OF CAPITAL

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

January 31, 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, CT 06877. (Mailing address: P.O. Box 810, Georgetown, Connecticut 06829)

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

A. I am Vice 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 260 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 gas, electric, 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 September 14, 2007, Atmos Energy ("Atmos" or "Company") filed an Application with the Kansas Corporation Commission ("KCC" or "Commission") seeking a rate increase of $4.98 million. The Company's request would result in an increase of approximately 12% over pro forma operating revenue at present rates.

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. Michael J. Majoros, Jr., of Snavely, King, Majoros, O'Connor and Lee, is providing testimony on depreciation issues.

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

A. With regard to traditional revenue requirement issues, the most significant adjustments include labor and benefit costs, related payroll taxes, amortization of rate case costs, and the Company's request for an 11.0% return on equity. The Company is also proposing to implement new depreciation rates that will significantly increase its revenue requirement.

In addition to traditional revenue requirement adjustments, Atmos's filing contains proposals for several new ratemaking methodologies. The Company is requesting approval for a decoupling mechanism, the Customer Utilization Adjustment ("CUA"), which would sever the relationship between gas sales and retail revenue. Atmos is also requesting approval for an Advanced Metering Infrastructure ("AMI") Surcharge and for a Gas System Reliability Surcharge ("GSRS"). A recurring theme in this rate filing is the Company's attempt to move away from traditional ratemaking principles and to shift risk, whenever possible, from shareholders to ratepayers.

Q. Is Atmos proposing to consolidate its rate schedules in this case?

A Yes, it is. Atmos currently has two rate districts in Kansas, the Kansas Division and the Southwest Division. In its filing, Atmos has provided two separate revenue deficiency calculations. However, Atmos is proposing to consolidate the rate districts as a result of this case, and therefore the Company has only filed one set of proposed new rates. I understand that CURB is not opposed to this consolidation. Therefore, in developing my recommended revenue requirement for Atmos, I have presented only one revenue requirement for the consolidated Kansas operation.

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 March 31, 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 9.41% and an overall cost of capital of 7.71% (see Schedule ACC-2).[1]
3. Atmos has pro forma test year consolidated rate base of $134,715,605 (see Schedule ACC-9).
4. The Company has pro forma consolidated operating income at present rates of $11,245,343 (see Schedule ACC-17).
5. Atmos has a pro forma, consolidated revenue requirement surplus of $1,436,975 (see

1 Schedules ACC-1, ACC-22, and ACC-23 are summary schedules, ACC-2 to ACC-8 are cost of capital schedules,

Schedule ACC-1). This is in contrast to the Company's claimed deficiency of $4,987,191.

6. The KCC should adopt the depreciation rates and methodologies recommended by Mr. Majoros.

7. The Company's request for implementation of a CUA should be denied.

8. The KCC should ensure that any costs recovered pursuant to the GSRS are limited to projects that have a critical impact on safety and/or reliability.

9. The Company's request for implementation of an AMI surcharge should be denied.

10. The Company's request to consolidate its rate districts should be approved.

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 utilized the following capital structure and cost of capital in its filing:

	Percent	Cost Rate	Weighted Cost
Common Equity	48.27%	11.00%	5.31%
Long Term Debt	51.79%	6.11%	3.16%
Total	100.00%		8.47%

ACC-9 and ACC-10 are rate base schedules, and ACC-11 to ACC-21 are operating income schedules.

Q. Are you recommending any adjustments to this capital structure or cost of capital?

A. I am not recommending adjustments to the Company's capital structure or cost of debt. However, I am recommending an adjustment to the Company's claimed cost of equity. Specifically, I am recommending a cost of equity of 9.41% for Atmos.

Q. How did you develop your recommended cost of equity?

A. The KCC has traditionally relied upon the Discounted Cash Flow Model ("DCF") as the primary mechanism to determine cost of equity for a regulated utility. Therefore, in determining an appropriate return on equity for ATMOS, I have relied primarily upon the DCF. The DCF method is based on the following formula:

$$\text{Return on Equity} = \frac{D_1}{P_0} + g$$

where "D_1" is the expected dividend, "P_0" is the current stock price, and "g" is the expected growth in dividends.

The DCF methodology is generally applied to a comparable group of investments, usually to a group of companies that provide the same utility service as the utility service for which rates are being set. In order to determine a comparable group of companies, I utilized the same comparable group as that selected by the Company. To determine an appropriate dividend yield for the comparable companies, i.e. the expected dividend divided by the current price, I determined the dividend yield of each of the comparable companies under three scenarios. First, I calculated the dividend yield using the average of the stock prices for each company over the past three months. The use of a dividend yield using a three-month average price mitigates the effect of stock price volatility for any given day. Based on the average stock prices over the past three months, and the current dividend for each company, I determined an average dividend yield for the comparable group of 3.72%, as shown in Schedule ACC-5. I also calculated a current annualized dividend yield at January 11, 2008, which showed an average dividend yield for the comparable group of 3.63%. This calculation is also shown in Schedule ACC-5. Finally, I reviewed the dividend yield for natural gas companies as reported in the January 2008 edition of AUS Utility Reports, which was 3.0%. Based on these determinations, I recommend that a dividend yield of 3.76% be used in the DCF calculation. My recommended dividend yield was then increased by ½ of my recommended growth rate, as determined below, to reflect the fact that the DCF model is prospective and dividend yields may grow over the next year. Increasing the dividend yield by ½ of the prospective growth rate is commonly referred to as the "half year convention."

Q. How did you determine an appropriate growth rate?

A. The actual growth rate used in the DCF analysis is the dividend growth rate. In spite of the fact that the model is based on dividend growth, it is not uncommon for analysts to examine several growth factors, including growth in earnings, dividends, and book value.

Various growth rates for the companies within my comparable group are shown in Schedule ACC-6 and summarized below:

Past 5 Years - Earnings	.6.22%
Past 5 Years - Dividends	2.75%
Past 5 Years - Book Value	6.11%
Past 10 Years - Earnings	5.72%
Past 10 Years - Dividends	2.56%
Past 10 Years - Book Value	4.72%
Estimated Next 5 Years - Earnings	4.44%
Estimated Next 5 Years - Dividends	4.06%
Estimated Next 5 Years - Book Value	5.38%

Q. Why do you believe that it is reasonable to examine historic growth rates as well as projected growth rates when evaluating a utility's cost of equity?

A. I believe that historic growth rates should be considered because security analysts have been notoriously optimistic in forecasting future growth in earnings. At least part of this problem in the past has been the fact that firms that traditionally sell securities are the same firms that provide investors with research on these securities, including forecasts of earnings growth. This results in a direct conflict of interest since it has traditionally been in the best interest of securities firms to provide optimistic earnings forecasts in the hope of selling more stock. Therefore, earnings growth forecasts should be analyzed cautiously by state regulatory commissions. In this case, projected growth rates for earnings and book value do not appear excessive relative to historic levels. The projected dividend growth rate does appear abnormally high relative to historic levels.

Q. Based upon your review, what growth rate do you recommend be utilized in the DCF calculation?

A. Based on my review of this data, I believe that a growth rate of no greater than 5.75% should be utilized. This recommended growth rate is above the projected five-year growth rates in earnings, dividends, or book value for the comparable group. Moreover, my recommended growth rate is higher than the historic ten-year growth rates in earnings, dividends or book value. Accordingly, I believe that a growth rate of 5.75% for the comparable group is reasonable.

Q. What cost of equity is produced by the DCF methodology?

A. My analysis indicates a cost of equity using the DCF methodology of 9.58%, as shown below:

Dividend Yield	3.72%
Growth in Dividend Yield (1/2 X 6.0% X 3.76%)	0.11%
Expected Growth	5.75%
Total	9.58%

Q. Did you also calculate a cost of equity based on the CAPM methodology?

A. Yes, I did.

Q. Please provide a brief description of the CAPM methodology.

A. The CAPM methodology is based on the following formula:

$$\text{Cost of Equity} = \text{Risk Free Rate} + \text{Beta (Risk Premium)}$$

or

$$\text{Cost of Equity} = R_f + B(R_m - R_f)$$

The CAPM methodology assumes that the cost of equity is equal to a risk-free rate plus some market-adjusted risk premium. The risk premium is adjusted by Beta, which is a measure of the extent to which an investor can diversify his market risk. The ability to diversify market risk is a measure of the extent to which a particular stock's price changes relative to changes in the overall stock market. Thus, a Beta of 1.00 means that changes in the price of a particular stock can be fully explained by changes in the overall market. A stock with a Beta of 0.60 will exhibit price changes that are only 60% as great as the price changes experienced by the overall market. Utility stocks have traditionally been less volatile than the overall market, i.e., their stock prices do not fluctuate as significantly as the market as a whole, and therefore their Betas have generally been less than 1.0.

Q. How did you calculate the cost of equity using the CAPM?

A. My CAPM analysis is shown in Schedule ACC-7. First, I used a risk-free rate of 4.56%, which is the simple average of the reported weekly high and low over the past three months. I did not utilize the actual rate at January 23, 2008, which was the date of my analysis, because that rate of 4.23% was a record low over the past year and I felt that my analysis may be biased by the use of the record low rate.

In addition to a risk free rate of 4.56%, I used the average Beta for the proxy group as determined by the Value Line Investment Survey. This resulted in an average Beta of 0.89. Finally, since I am using a long-term U.S. Government bond rate as the risk-free rate, the risk premium that should be used is the historic risk premium of stocks over the rates for long-term government bonds. According to the 2006 Ibbotson Associates' publication, *2006 Yearbook: Stocks, Bonds, Bills, and Inflation*, the risk premium of stocks over long-term government bonds using geometric mean returns is 4.9%.

Q. What is the difference between a geometric and an arithmetic mean return?

A. An arithmetic mean is a simple average of each year's percentage return. A geometric mean takes compounding into effect. As a result, the arithmetic mean overstates the historic return to investors. For example, suppose an investor starts with $100. In year 1, he makes 100% or $100. He now has $200. In year 2, he loses 50%, or $100. He is now back to $100.

The arithmetic mean of these transactions is 100% - 50% or 50%/ 2 = 25% per year. The geometric mean of these transactions is 0%. In this simple example, it is clear that the geometric mean more appropriately reflects the real return to the investor, who started with $100 and who still has $100 two years later. The use of the arithmetic mean would suggest that the investor should have $156.25 after two years ($100 X 1.25 X 1.25), when in fact the investor actually has considerably less. Therefore, a geometric mean return is a more appropriate measure of the real return to an investor, if it is used as I am using it here, i.e., to develop an historic relationship between long-term risk free rates and market risk premiums. Some utilities have criticized me in the past for using a geometric, rather than an arithmetic mean return, arguing that the arithmetic mean should be used when estimating future returns. However, in my case, I am not using the mean to develop an expected outcome, I am simply using the mean returns to develop an historic relationship. Therefore, the geometric mean is the appropriate measure, as illustrated in the above example.

Q. What is the Company's cost of equity using a CAPM approach?

A. Given a long-term risk-free rate of 4.56%, a Beta of 0.89, and a risk premium of 4.9%, the CAPM methodology produces a cost of equity of 8.92%, as shown on Schedule ACC-7.

Risk Free Rate + Beta (Risk Premium) = Cost of Equity

4.56% + (0.89 X 4.9%) = 8.92%

Q. Based on your analysis of the DCF and CAPM results, what cost of equity are you recommending in this case?

A. The DCF methodology and the CAPM methodology suggest that a return on equity of 8.92% to 9.58% would be appropriate. Since I recognize that the Commission has generally relied primarily upon the DCF, I have weighted my results with a 75% weighting for the DCF methodology and a 25% weighting for the CAPM methodology. This results in a cost of equity of 9.41%, as shown below:

DCF Result	9.58% X 75% =	7.18%
CAPM	8.92% X 25% =	2.23%
Total		9.41%

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

A. As shown on Schedule ACC-2, I am recommending an overall cost of capital for Atmos of 7.71%. However, the actual required return on equity for Atmos could be considerably less than this rate.

Q. Why do you believe that a reasonable cost of equity for Atmos might be less than 9.41%?

A. The DCF and CAPM analyses do not consider the significant risk mitigation mechanisms that are in place at Atmos, or that are being requested in this case. For example, Atmos has a purchased gas adjustment ("PGA") cost recovery mechanism, insulating the Company and its shareholders from any risk due to volatility in gas costs. In addition, the Company has a Weather Normalization Adjustment ("WNA") clause, which eliminates risk associated with revenue shortfalls due to weather fluctuations. This clause significantly reduces the overall revenue risk for Atmos.

With regard to rate base, the Kansas Legislature has enacted legislation that allows gas utilities to implement annual surcharges between rate cases to recover costs associated with certain infrastructure safety and reliability projects. This legislation reduces a utility's risk of capital expenditures, ensuring recovery between rate cases in many instances.

On the expense side, in addition to its gas cost recovery mechanism, Atmos now recovers the majority of its uncollectible costs through the gas cost recovery clause, so all risk related to these costs has been eliminated. The Company has an Ad Valorem Tax Surcharge Rider, which permits a pass-through of actual ad valorem taxes between rate cases. Finally, Atmos is requesting two additional clauses in this case: a CUA mechanism, which would completely sever the relationship between gas sales and revenues, and the AMI surcharge, which would allow it not only to recover capital investment between rate cases but would also provide shareholders with a premium return. With each of these mechanisms, Atmos eliminates more and more of its risk. Given this diminishing risk, the actual required return on equity for Atmos is probably significantly less than 9.65%, and may instead be approaching a risk-free rate.

Q. Why is the return on equity that you are recommending lower than the return on equity proposed by Atmos?

A. Dr. Fairchild's DCF return for the comparable group is a range of 9.4% to 10.4%, as discussed on page 29 of his testimony. Therefore, my DCF result of 9.58% falls within Dr. Fairchild's range, as does my recommended cost of equity of 9.41%. Dr. Fairchild also considered the DCF result for Atmos on a stand-alone basis, which produced a range of 10.2% to 11.2%. Dr. Fairchild's stand-alone DCF result for Atmos included a growth rate of 6.0-7.0%. I have not examined the accuracy of the specific assumptions used by Dr. Fairchild in his stand-alone analysis, because I believe that such an analysis is conceptually flawed. By developing a DCF that is specific to the company under review, Atmos engaged in a self-fulfilling prophecy. Since the purpose of the DCF model is to determine the cost of equity for Atmos, developing a stand-alone DCF result for Atmos results in a circular analysis and ignores the fact that the purpose of the exercise is to determine the investors' required cost of capital, given the availability of alternative investments of similar risk. In my experience, the company for which a cost of equity is being developed is not generally included in the comparable group or otherwise used directly in the DCF calculation.

With regard to his CAPM analysis, Mr. Fairchild developed his CAPM based on the 30-year Treasury rate in June 2007, which he claimed was 5.21%. Since June 2007, that rate has fallen to dramatically. As stated above, by January 23, 2008, the 30-year Treasury rate had fallen to 4.23%, almost 100 basis points lower than the rate used in Dr. Fairchild's analysis. In addition, Dr. Fairchild's CAPM result is inflated by his use of an arithmetic, rather than a geometric, return. Finally, Dr. Fairchild's analysis does not consider recent economic developments indicating a sluggish economy and a possible recession, including a 75 basis point reduction in the federal funds rate announced January 22, 2008. For all of these reasons, I believe that Dr. Fairchild's recommended cost of equity is overstated.

V. 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 March 31, 2007.

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

A. Yes, I am recommending one adjustment. Specifically, I am recommending a reduction to its claim for gas in storage.

Q. What is the basis for your adjustment?

A. Three are two factors that impact on gas in storage - the average price of the gas and the volume of gas that the Company maintains in storage. As shown in the response to CURB-75, the Company's storage volumes have been consistently increasing, resulting in ratepayers being asked to pay a return on a larger and larger volume of gas in storage. Moreover, according to that same data request response, the Company's increased storage volumes do not necessarily correlate to its actual gas sales.

The most significant increase in gas in storage occurred between twelve months ending March 31, 2004 and the twelve months ending March 31, 2005, as shown below:

Year Ending	Gas in Storage (mmbtu)[2]
March 2003	1,539,091
March 2004	1,602,825
March 2005	2,831,714
March 2006	3,032,703
March 2007	3,012,550

Q. What storage volumes were used by the Company in its last base rate case?

A. In its last case, Atmos claimed storage volumes of 1,631,430. As described in the response to CURB-207, in the last case the KCC approved the transfer of certain storage facilities back into the utility. These storage facilities were originally part of the utility and were transferred to an affiliate in the early 1990s.

2 Reflects thirteen-month average except for year ending March 2003, which reflects a twelve-month average.

Q. Since the transfer of these facilities, have the Company's storage volumes continued to increase?

A. Yes, they have. This is of concern, since higher volumes of gas in storage result in a larger rate base, and therefore in higher utility rates.

Q. In addition to utility procurement decisions, are there other factors that can influence a utility's gas in storage?

A. Yes, there are. Gas in storage levels can be impacted by utility sales. In some cases, higher than projected actual sales may require drawing storage levels down, while higher sales forecasts may result in increases to storage as the utility attempts to hedge its future gas costs. Since the weather has a significant impact on gas sales, storage volumes can also be influenced by weather fluctuations from year to year.

Q. What do you recommend?

A. Given the continued increase in storage volumes, and the fact that storage volumes can be impacted from year to year by sales and weather conditions, I recommend that the KCC utilize a three-year average of gas in storage volumes to develop the pro forma storage gas amount to include in rate base. My adjustment is shown in Schedule ACC-10. To quantify my adjustment, I have priced out the three-year average of storage volumes at the average test year price per mmbtu. I recommend the use of a three-year average, rather than a longer time period, in order to reflect any permanent changes in storage conditions resulting from the transfer of storage back into the utility as authorized in the Company's last base rate case.

Q. What is the impact of your recommendation on the Company's rate base claim?

A. My recommended adjustment reduces the Company's rate base from $135,561,526 as reflected in its filing, to $134,715,605 as summarized on Schedule ACC-9.

VI. OPERATING INCOME ISSUES

A. Declining Usage Adjustment

Q. How did the Company calculate its pro forma revenue claim in this case?

A. The Company normalized its pro forma revenues for normal weather, based on a thirty-year period as determined by the National Oceanic and Atmospheric Association ("NOAA"). In addition to its weather normalization adjustment, Atmos also included a declining usage adjustment. The declining usage adjustment resulted in a reduction to pro forma sales, based on the Company's contention that consumption per customer has declined on a weather normalized basis and will continue to decline in the future. Finally, Atmos made a few other adjustments to move certain customers among classes and to normalize irrigation volumes.

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

A. Yes, I am recommending that the KCC reject the Company's customer usage adjustment.

Q. What is the basis for your recommendation?

A. There are several reasons for my recommendation. First, the Company has provided insufficient testimony and no supporting documentation for its adjustment. The Company's testimony does not address how the adjustment was quantified and does not provide other quantitative support for the adjustment.

Second, the Company has filed its case based on a test year ending March 31, 2007. Any decline in usage per customer that occurred in the test year will be reflected in the test year normalization adjustment. Therefore, the declining usage adjustment is a post-test year adjustment that attempts to estimate usage well outside of the test year adopted by the Company in this case.

Third, the declining usage adjustment does not represent a known and measurable change to the test year. In fact, this adjustment is purely speculative. Moreover, even if usage per customer has declined in the past, there is no reason to assume that this decline will continue. There have been significant efficiency improvements in gas appliances over the past twenty years or so, but those efficiencies may now be largely incorporated in test year usage patterns. Moreover, gas usage was likely impacted by the significant price increases experienced in the gas market since 2000, as well as by the volatility in that market. However, prices have now stabilized. Not only have gas prices declined from their record level high prices but volatility has decreased as well, resulting in greater certainty for customers regarding the level of commodity costs.

Finally, to my knowledge, the KCC has never approved a declining usage adjustment for a gas utility. Given the safety nets that already protect Atmos, such as recovery of 100% of its fuel costs through a PGA clause, the recovery of the majority of its uncollectible costs on a dollar-for-dollar guaranteed basis through the PGA, and the use of a WNA clause that eliminates the largest risk for sales fluctuations, there is no need for the KCC to adopt a declining usage adjustment in this case.

Q. What do you recommend with regard to the Company's proposed declining usage adjustment?

A. I recommend that the KCC disallow the proposed declining usage adjustment. The Company did not provide adequate support for this claim. Moreover, the adjustment falls outside of the test year and does not represent a known and measurable change. In addition, the adjustment is not consistent with past KCC practice. Finally, the Company's risk is minimal given the other expense and revenue recovery clauses discussed above. For all these reasons, I recommend that the Company's proposed declining usage adjustment be disallowed. My adjustment is shown in Schedule ACC-12.

B. Customer Records and Collection Costs

Q. What level of customer records and collection costs were incurred by Shared Services in the test year?

A. With regard to the Shared Services General Office, Atmos incurred costs of $1.46 million in the test year, which were considerably higher than the level of costs incurred in any of the three preceding years.[3] With regard to Shared Services Customer Service costs, Atmos incurred costs of $14.31 million. While this amount was not significantly different from the amount incurred during the preceding year, it was significantly higher than the amounts incurred during the twelve months ending March 31, 2004 or March 31, 2005.

According to the response to KCC-114, at least some of the increase in Customer Records and Collections expenses experienced in the test year was due to corrections of previous coding errors.

Q. What level of costs do you recommend be included in the Company's revenue requirement?

A. I am recommending the KCC adopt a three-year average for these costs. This will mitigate the impact of prior period adjustments and other significant fluctuations from year-to-year. My recommendation is shown in Schedule ACC-13.

C. <u>Rate Case Costs</u>

Q. Please describe the Company's rate case cost claim.

A. In its filing, Atmos requested recovery of rate case costs for the current case of $300,000. The Company is proposing a three-year amortization of these costs, for a total annual claim

3 See response to CURB-68.

of $100,000.

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

A. Yes, I am recommending two adjustments. First, as discussed in the response to CURB-5, this is only the second base rate case for the Company in the last ten years. The Company's last base rate case was filed in June 2003, more than four years from the filing of this case. Therefore, I believe that the three-year amortization period reflected in the Company's filing is too short.

Q. What amortization period are you recommending?

A. I am recommending an amortization period of four years. A four-year period is the approximate time period between the filing of the Company's last base rate case in Docket No. 03-ATMG-1036-RTS and the current case. Moreover, it is considerably shorter than the average time period between cases, if one includes the case filed prior to 2003. Therefore, a four-year amortization period better reflects the actual frequency with which Atmos has filed base rate cases than the three-year amortization period included in the filing.

Q. What is your second adjustment?

A. In addition to recommending a slightly longer amortization period, I am also recommending a reduction to the $300,000 of rate case costs included by the Company's in its revenue requirement claim. According to the response to CURB-204, the Company had only incurred legal costs of approximately $12,000 at January 14, 2008. Moreover, I understand that the Company has recently completed a base rate case in its Tennessee jurisdiction and presumably some of the same issues discussed in its filing in this case were addressed in Tennessee as well, creating certain economies of scale.

Q. What level of pro forma rate case costs did you include in your revenue requirement?

A. I recommend that the KCC approve rate case costs of no more than $200,000. Given the scope of this case, the fact that the Company has recently completed a case in Tennessee, and the actual costs to date, I believe that my recommendation is reasonable. My adjustments to reduce the Company's pro forma rate case costs, and to use a slightly longer amortization period, are shown in Schedule ACC-14.

D. Injuries and Damages Expense

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

A. Yes, I am. While Atmos did not propose any adjustment to its actual test year costs for injuries and damages expense, the Company's test year claim appears very high relative to historic levels. The vast majority of injuries and damages expenses are incurred at the Shared Services level, and then allocated down to the Kansas jurisdiction. In the test year, injuries and damages costs incurred by Shared Services increased by almost 21% over the prior year.

Q. Can injuries and damages expense fluctuate from year-to-year?

A. Yes, it can, based on the level of activity with regard to claims. Therefore, it is not unusual for regulatory commissions to use a multi-year average to determine a utility's pro forma injuries and damages expense. In addition, in this case, it appears that the test year cost was also impacted by various adjustments, including a large adjustment made in March 2007 that was subsequently reversed in April 2007, per the response to KCC-112.

Q. What do you recommend?

A. I recommend that the KCC utilize a three-year average of Shared Services injuries and damages expenses to determine the Company's revenue requirement in this case. This adjustment will moderate the impact of annual fluctuations and will also recognize that adjustments made in one year may relate to other periods. My adjustment is shown in Schedule ACC-15.

E. Miscellaneous Expenses

Q. Did the Company include any miscellaneous operating costs in its revenue requirement claim that you believe should be disallowed?

A. Yes, it did. As shown in the response to KCC-64, the Company included certain golf, country club, and sporting event ticket costs in its revenue requirement claim. These costs are not necessary for the provision of safe and reliable utility service and therefore they should not be funded by ratepayers. At Schedule ACC-16, I have made an adjustment to eliminate the Kansas-jurisdictional share of these costs.

Q. Didn't the Company include an adjustment in its filing to eliminate costs that the KCC may find to be objectionable?

A. Yes, it did. However, the Company did not identify the components of its adjustment. Moreover, in response to CURB-203, the Company stated that it "did not remove any specific expenses from expense reports allocated or directly charged to Kansas and included in this filing, but rather removed an estimated amount of expense based on reviews of expense reports in other jurisdictions (Tennessee and Texas) for items that have been found controversial in a recent Texas rate case...The type of items that the Company is not seeking recovery for are related to alcohol, first class airline tickets, expensive hotels, and other items that were deemed controversial in the Company's 2005 Mid-Tex division rate case." Accordingly, the Company's adjustment is not based on actual costs claimed in this case and may not even relate to the level of costs incurred during the test year.

Since the Company's adjustment was generic, and not specific to the costs being claimed in this case, it is reasonable to reflect additional adjustments for specific expense items included in the Kansas filing. Therefore, my adjustment to eliminate the Company's claims for golf, country club, and sporting event tickets should be adopted.

F. Lobbying Expenses

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

A. Yes, I am. The Company indicated in its filing that it had removed all lobbying costs. However, in response to CURB-64, Atmos identified $12,895 of lobbying costs that had been included in its claim. I am recommending that the KCC disallow these costs. My adjustment is shown in Schedule ACC-28.

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

A. No, they are not. Lobbying costs are not necessary for the provision of safe and adequate utility service. Moreover, the lobbying activities of a regulated utility may be focused on policies and positions that enhance shareholders but may not benefit, and may even harm, ratepayers. Regulatory agencies generally disallow costs involved with lobbying, since most of these efforts are directed toward promoting the interests of the utilities' shareholders rather than its ratepayers. 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 gas service. If the Company were to immediately cease contributing to these types of efforts, utility service would in no way be disrupted. Clearly, these costs should not be borne by ratepayers. For all these reasons, I recommend that the KCC disallow lobbying costs.

Q. Did the Company acknowledge that these costs should not be recovered from ratepayers?

A. Yes, it did. In response to CURB-64, Atmos stated that "...the Company will agree to adjust this cost out of the revenue requirement." Therefore, it appears that there is no disagreement that the KCC should remove these costs from the Company's revenue requirement claim, as shown in Schedule ACC-17.

G. Advertising Costs

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

A. Yes, I am recommending that the KCC disallow the Company's claim for advertising costs.

Q. What is the basis for your adjustment?

A. In CURB-63, the Company was asked to "identify and quantify the advertising costs that the Company has included in its filing, and provide copies of all advertising programs whose costs are included in the Company's claim." While Atmos provided information about the advertising costs included in its claim, it did not provide copies of the underlying advertising copy. Nor did it provide samples of the types of advertising included in its claim. A follow-up data request (CURB-206) was issued, reiterating our request for copies of the related advertisements. As of the preparation date of this testimony, the Company has still not responded to that that request.

Q. Are there certain advertising costs that should not be recovered from ratepayers?

A. Yes, there are. At a minimum, corporate image advertising should not be included in a regulated utility's revenue requirement. The purpose of such advertising is to promote the institution: in this case, Atmos, and its shareholders. Such advertising is designed to favorably influence opinions about the Company. These ads constitute "soft-lobbying" of ratepayers on behalf of the Company. This advertising can also be used to enhance the attractiveness of offerings made by unregulated affiliates of the utility. Such advertising is not necessary for the provision of regulated utility service and ratepayers should not have to pay for it.

There may also be other types of advertising costs that the KCC should remove from the Company's revenue requirement, such as promotional advertising, trade show costs, newsletters, and other advertising that does not specifically address the provision of safe and adequate utility service.

Q. How did you quantify your adjustment?

A. Since I do not have underlying supporting documentation for the advertising costs included in the Company's claim, I am recommending that the KCC disallow all advertising costs. My adjustment is shown in Schedule ACC-18. If the Company provides copies of advertisements and can demonstrate that some of these costs relate to advertising that meets the criteria for inclusion in a utility's revenue requirement, I will modify my recommendation accordingly. In that case, I recommend that the KCC include in the Company's revenue requirement only those costs related to advertisements that are necessary for the provision of safe and adequate utility service or that otherwise provide a substantial benefit to ratepayers.

H. Depreciation Expense

Q. Did Atmos propose new depreciation rates in this case?

A. Yes, it did. As discussed in the testimony of Atmos witness Donald S. Roff, the Company did file a depreciation study and is requesting approval of new depreciation rates in this case.

Q. Is CURB recommending any adjustment to the Company's depreciation expense claim?

A. Yes, it is. Michael Majoros is sponsoring CURB's depreciation testimony in this case. As discussed in Mr. Majoros's testimony, he is recommending pro forma depreciation expense of $5,678,521, rather than the $9,623,968 included in the Company's filing. Accordingly, at Schedule ACC-19, I have made an adjustment to reflect the depreciation rates and methodology recommended by Mr. Majoros.

I. Interest Synchronization and Taxes

Q. Have you adjusted the pro forma interest expense for income tax purposes?

A. Yes, I have made this adjustment at Schedule ACC-20. It is consistent (synchronized) with my recommended rate base, capital structure, and cost of capital recommendations. I am recommending a lower rate base than the rate base included in the Company's filing. My recommendation results in a lower pro forma interest expense for the Company. This lower interest expense, which is an income tax deduction for state and federal tax purposes, will result in an increase to the Company's income tax liability under my recommendations. Therefore, my recommendations result in an interest synchronization adjustment that reflects a higher income tax burden for the Company and a decrease to pro forma income at present rates.

Q. What income tax factors have you used to quantify your adjustments?

A. As shown on Schedule ACC-21, I have used a composite income tax factor of 39.78%, which includes a state income tax rate of 7.35% and a federal income tax rate of 35%. These are the state and federal income tax rates contained in the Company's filing. My revenue multiplier, which is also shown in Schedule ACC-21, reflects these same income tax factors.

VII. REVENUE REQUIREMENT SUMMARY

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

A. My adjustments show that Atmos has a revenue surplus at present rates of $1,436,975, as summarized on Schedule ACC-1. My recommendations result in revenue requirement adjustments of $6,415,166 to the Company's requested revenue requirement increase of $4,978,191.

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

A. Yes, at Schedule ACC-22, 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-23 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 decrease. My recommendations will result in an overall return on rate base of 7.71%.

VII. OTHER RATEMAKING ISSUES

Q. Are there other ratemaking proposals included in the Company's testimony?

A. Yes, there are. In addition to its rate increase request, the Company has also included several proposals that would impact utility rates in Kansas. Specifically, the Company has proposed a CUA that would effectively decouple revenue from sales. Atmos is also proposing an AMI surcharge that would allow it to recover costs associated with AMI investment between rate cases, and to earn a premium return on those investments. Finally, Atmos is requesting approval of a GSRS tariff that would allow it to recover costs associated with certain safety and reliability programs between base rate cases.

A. Proposed Revenue Decoupling Mechanism

Q. Please describe the CUA being proposed by Atmos in this case.

A. Atmos is proposing a CUA that would effectively unbundle the relationship between operating revenues and gas sales. Specifically, the Company is proposing an annual adjustment mechanism that would compare the actual average non-gas revenue per customer for each rate class with the non-gas revenue per customer approved in this case. The difference between the projected revenue per customer and the actual revenue per customer would be multiplied by the number of customers in each class to determine the CUA amount to be collected from, or returned to, customers.

Q. Does the Company's proposal recover only fixed costs?

A. No, it appears from the description provided by the Company that its proposed CUA would allow Atmos to recover any shortfall in non-gas revenues, regardless of whether such revenue was intended to recover fixed or variable costs. Therefore, the proposed CUA surcharge would permit Atmos to recover any variable costs embedded in base rates that would not generally be incurred in the absence of a gas sale.

Q. What happens if actual revenue per customer is lower than the target but the overall growth in the number of customers exceeds expectations so that total revenue equals or exceeds the pro forma revenue established in this case?

A. Under Atmos's proposal, it would still be allowed to add a surcharge to all bills, as the revenue decoupling mechanism is based solely on revenue per customer. In this scenario, the Company would be allowed to increase its over-earnings via the surcharge mechanism on a dollar-for-dollar basis. This provision is especially troubling.

Q. Why is the CUA especially troubling in this case?

A. The CUA is especially troubling in this case because the Company already has a weather normalization clause that makes the Company whole for fluctuations in gas sales due to weather. Weather variation is the largest single factor that creates fluctuations in gas sales that occur from year-to-year. The WNA already removes the most significant factor impacting on gas sales, eliminates the Company's risk of not meeting its gas sales projections due to weather variances, and eliminates significant volatility in the Company's operating revenues from year to year.

Q. Please comment on Mr. Smith's testimony at page 8 that the proposed CUA will "remove the current disincentive to encourage energy efficiency and conservation."

A. Mr. Smith's argument is flawed, for two reasons. First, Atmos's proposal is not related to any energy conservation programs being proposed in this case. In response to CURB-80, the Company stated that it "is not proposing a specific energy efficiency program in conjunction with this proceeding." Moreover, in the response to CURB-81, the Company indicated that it did not have any reports, analysis, studies or plans relating to the Company's overall program to provide energy efficiency programs in the State of Kansas.

Second, Atmos's proposal goes well beyond the recovery of fixed costs that would otherwise not be recovered due to energy conservation programs. The Company's CUA would make the Company whole for any revenue shortfall, regardless of the underlying cause. Thus, under the Company's proposal, it would collect any revenue shortfalls through the CUA even if it undertook no energy conservation programs whatsoever.

Q. Please summarize your position regarding Atmos's proposed revenue decoupling mechanism.

A. I oppose the Company's proposal for several reasons. First, it is a significant and fundamental change in utility regulation to allow a utility to true-up its revenues for changes in consumption in the absence of a base rate case. Second, Atmos's proposal is nothing more than a mechanism to reduce risk to shareholders and unnecessarily increase costs to ratepayers. Third, Atmos's proposal will significantly decrease its overall business risk, but the Company has not quantified a specific reduction to its cost of equity to reflect this reduced risk. Rather, the Company has only stated that it "slightly" reduced the upward adjustments to cost of equity that related to flotation costs and "the outlook for higher capital costs."[4] Fourth, the Company's proposal does far more than true-up for declines in consumption relating to conservation, as advocated by some utilities. Rather, the Company's mechanism trues-up for all changes in consumption, including weather-related variations. Finally, revenue decoupling sends the wrong conservation signals to ratepayers.

Q. Please describe why you view the decoupling mechanism as a significant departure from traditional ratemaking.

A. Ratemaking was established as a substitute for competition and designed so that utilities would have an opportunity, but not a guarantee, to earn the return on capital awarded in rates. If revenues are trued-up for all changes in sales units, then the utility is approaching a guaranteed rate of return. Traditional regulation bases rates on normal conditions with the understanding that in some years a utility may over-earn its authorized return and in some years it may under-earn. The utility can file a rate case if it believes it will under-earn in future periods. If the risk of sales volatility is eliminated, as proposed by Atmos, then only

4 Response to CURB-83.

changes in expenses, which the Company can often control, can significantly move the bottom line earnings results. Regulation is supposed to be a substitute for competition. In a competitive market, competition itself forces overall rates to be reasonable, while regulation is intended to ensure reasonable rates in a monopoly environment. In a competitive market, companies are not guaranteed a certain revenue stream. Such a guarantee should not be provided to regulated utilities, either.

Q. Why would a revenue true-up mechanism harm utility ratepayers?

A. Ratepayers will suffer for several reasons. First, with a decoupling mechanism, a utility has less incentive to be attentive to its business. If revenues are to be artificially maintained between rate cases, then the management of a utility can grow inattentive to certain aspects of its business, knowing that its bottom line is cushioned by guaranteed revenues. Moreover, if its proposal is adopted, Atmos has less incentive to concern itself with the absolute price of gas service, since decreases in consumption will no longer impact the Company's bottom line. When a utility has no incentive to contain costs, it may devote very little attention to providing utility service at the lowest reasonable cost. Ratepayers should pay for attentive management, not for management that is immune from the consequences of its own decision-making. In addition, as discussed above, the Company's proposal does not include any decrease in its cost of capital, even though its proposal greatly reduces the earnings risk of Atmos.

Q. Please comment on the argument raised by some utilities that revenue decoupling is necessary in order to eliminate financial penalties associated with promoting conservation.

A. This argument is without merit. I assume that utility managers have the intention and the skills to comply with, and implement, conservation programs ordered by regulators or required through State or Federal legislation, regardless of how unpopular the directives may be internally. Given that Atmos is bound to comply with any such programs, I do not see any reason to jettison traditional regulation in order to obtain compliance with mandated conservation directives. If the Commission wants Atmos to pursue a more aggressive conservation program, then the Commission is free to order them to do so. The costs of such a program can then be quantified and included in rates or in appropriate surcharge mechanisms to the extent that the Company provides sufficient support to justify the recovery of costs from ratepayers. This approach focuses attention on the effectiveness of the Company's actual conservation efforts and offers the ratepayers the protections they expect and to which they are entitled. Finally, once the Company is granted a revenue decoupling measure, there is no guarantee that it will actually implement any extraordinary programs or that any such effort will result in any measurable increase to conservation attributable to Atmos's conservation programs.

Q. Is the Company's proposed CUA tied to the success of proposed conservation programs?

A. No, it is not. As stated above, under the Company's proposal, any change in consumption, for any reason, will be trued-up. Thus, changes in consumption due to weather, more efficient appliances, rate levels, demographics, economic conditions, or any other factors will result in a CUA adjustment.

Q. Why do you believe that Atmos's decoupling proposal sends the wrong conservation signals to ratepayers?

A. Decoupling revenues from sales removes a disincentive that the Company has to promote conversation efforts but it does not provide either the Company or customers with any incentive to promote conservation. With a decoupling mechanism, Atmos neither gains nor loses if it undertakes conservation programs. However, from the ratepayers' perspective, decoupling provides a disincentive to conserve because rates go up the more customers conserve (even if the Company is already over-earning from growth in overall customers or from reductions in costs). Therefore ratepayers will see higher rates as their conservation efforts increase.

Decoupling also shifts costs among consumers. Assume a particular customer does not conserve and provides the target level of revenue. This customer will still be responsible for paying any surcharge based on the usage of other customers. In addition, it is possible that customers will be paying a surcharge over the next several years, even if the Company has no conservation program at all, as efficiencies, increases in utility rates and general conservation efforts may result in gradual decreases in consumption. Thus, additional costs to ratepayers, in the form of a decoupling surcharge, are possible under Atmos's proposal, regardless of the actions of the Company itself. In addition, these rate increases will take place without the benefit of a base rate case. I am particularly concerned with the scenario where Atmos could be earning an adequate, or even an excessive, rate of return, and still be allowed to impose a surcharge on customers.

Q. Do decoupling proposals often serve as deceptive efforts to significantly increase a utility's fixed customer service charges?

A. Absolutely. Decoupling mechanisms are alternatives to high fixed customer service charges. Utilities have been arguing for years that they should recover more of their costs through fixed customer service charges. Adopting a decoupling mechanism is equivalent to adopting fixed service charges that recover 100% of a utility's fixed costs. However, since utilities know that high fixed customer charges are unpopular, they mask these charges by promoting a decoupling surcharge. If a company believes that it is entitled to guaranteed recovery of fixed costs, then the utility should put forth a rate design proposal that recovers all fixed costs through customer charges, so that such a proposal could be critically evaluated by the parties.

Furthermore, in the case of Atmos, the Company is requesting significant increases in its fixed customer service charges, in addition to requesting a CUA. For example, Atmos is proposing to increase the fixed residential charge from $8.00 per month to $13.75, an increase of almost 72%. CURB is not conceptually opposed to Atmos increasing the portion of its revenue requirement that is recovered through fixed charges. The actual monthly fixed charges approved in this case will ultimately depend upon the level of the decrease (or increase) approved by the KCC and the need to mitigate the impact of rate changes on customers resulting from consolidation of the two rate districts. However, the significant increases in fixed charges being proposed by Atmos in this case lend further support to my conclusion that the CUA is unnecessary.

Q. Has the National Association of State Utility Consumer Advocates ("NASUCA") passed a resolution addressing the issue of conservation and revenue decoupling?

A. Yes, it has. On June 12, 2007, NASUCA approved a resolution stating that,

> NASUCA urges Public Utilities Commissions to disallow revenue true-ups between rate cases that violate the matching principle, the prohibition against retroactive ratemaking, the prohibition against single-issue ratemaking, or that diminish the incentives to control costs that would otherwise apply between rate cases;
>
> NASUCA urges State legislatures and Public Utility Commissions to, prior to using decoupling as a means to blunt utility opposition to energy efficiency and other demand-side measure, (1) consider alternative measures that more efficiently promote energy efficiency and other demand side measures; (2) evaluate whether a utility proposing the adoption of a revenue decoupling mechanism has demonstrated a commitment to energy efficiency programs in the recent past; and (3) examine whether a utility proposing the adoption of a revenue decoupling mechanism has a history of prudently and reasonably utilizing alternative ratemaking tools;
>
> If decoupling is allowed by any state commission, NASUCA recommends that the mechanism be structured to (1) prevent over-earning and provide a significant downward adjustment to the utilities' ROE in recognition of the significant reduction in risk associated with the use of a decoupling mechanism, (2) ensure the utility engages in incremental

conservation efforts, such as including conservation targets, and (3) require utilities to demonstrate that the reduced usage reflected in monthly revenue decoupling adjustments are specifically linked to the utility's promotion of energy efficiency programs.

Q. Does the Company's proposal comply with the requirements outlined above as recommended by NASUCA?

A. No, it does not. Atmos's proposed CUA is not structured to prevent over-earnings. In fact, the Company could be over-earning and still apply a CUA surcharge under the Company's proposal. In addition, Atmos did not propose a significant downward adjustment to its return in equity in recognition of the significant reduction in risk that the CUA would provide. Moreover, the Company's proposal does not require Atmos to engage in incremental conservation efforts. Finally, under the Company's proposal, Atmos is not required to demonstrate that reduced usage is specifically linked to its promotion of energy efficiency programs. Atmos's proposal flunks every test recommended by NASUCA. According, I recommend that the Company's proposal be rejected by the KCC.

Q. What is your recommendation regarding revenue decoupling?

A. I recommend that the KCC reject Atmos's proposal, on the bases that it represents a fundamental change in utility regulation and has not been adequately supported by the Company. In addition, the proposed mechanism does not distinguish between decreased usage attributable to conservation and changes in consumption due to other factors, including changes caused by weather. Moreover, it significantly decreases risk to shareholders at the expense of the ratepayers and provides an opportunity for excessive earnings. Finally, it sends the wrong conservation signal to ratepayers and will actually discourage customer conservation.

Traditional regulation has been founded on the principle that the utility company has an opportunity to earn its rate of return. Returns have never been guaranteed because the production of utility services at the lowest possible cost requires that a company exert itself and work efficiently. Clearly, if revenues and major expense elements are all guaranteed recovery, then we have departed from our traditional ratemaking foundations. Moreover, competitive entities do not have any such guarantee of recovery. Since regulation is supposed to be a substitute for competition, regulated entities should not receive guaranteed cost recovery, which is not available in the competitive marketplace.

Q. If, in spite of your recommendation, the Commission accepts the Company's proposal, what would be the impact on the Company's cost of equity?

A. If a decoupling proposal is adopted, the impact on cost of equity would be significant. There are basically two risks faced by utilities: revenue risk and expense risk. The Company has already eliminated the vast majority of its expense risk through implementation of the PGA. Since decoupling removes virtually all of the Company's revenue risk, then there should be a commensurate reduction to cost of equity. If the Commission adopts a decoupling mechanism, then I recommend that the Commission reduce, by 50%, the equity over debt premium that would otherwise be reflected in rates.

For example, my revenue requirement recommendation is based on a pro forma cost of debt of 6.11% and on a pro forma cost of equity of 9.41%. This represents a 330 basis point premium of the cost of equity over the cost of debt. If a decoupling mechanism is adopted, I recommend reducing this differential by 50%, to 165 basis points. In that case, the Commission should adopt a cost of equity for Atmos of no greater than 7.76% (6.11% cost of debt plus 165 basis points).

B. Gas Safety and Reliability Surcharge Tariff

Q. Please describe the GSRS tariff that Atmos is proposing in this case.

A. Atmos's proposal is being made in response to the "Gas Safety and Reliability Policy Act", which was enacted by the Kansas legislature in 2006. Specifically, this legislation permits the Company to implement a GSRS in order to recover certain investments between base rate cases. According to K.S.A. 66-2202 (f), projects eligible for GSRS recovery include:

i. Mains, valves, services lines, regulator stations, vaults and other pipeline system components installed to comply with state or federal safety requirements as replacements for existing facilities;

ii. main relining projects, service line insertion projects, joint encapsulation projects and other similar projects extending the useful life or enhancing the integrity of pipeline system components undertaken to comply with state or federal safety requirements; and

iii. facility, relocations required due to construction or improvement of a highway, road, street, public way or other public work by or on behalf of the United States, this state, a political subdivision of this state or another entity having the power of eminent domain provided that the costs related to such projects have not been reimbursed to the natural gas public utility.

Pursuant to the legislation, the Company is permitted to request recovery of capital costs, including depreciation expense and return on net investment, that are associated with the above-referenced projects between rate filings. The legislation contains certain minimum and maximum thresholds for the implementation of the GSRS, and also requires that the Company has had a base rate case within five years of requesting recovery of costs through the GSRS.

Q. Is the Company actually requesting the establishment of a GSRS rate in this proceeding?

A. No, it is my understanding that the Company is not requesting the establishment of any GSRS rate in this proceeding. Rather, Atmos is requesting approval of a generic GSRS tariff. Presumably, the Company would seek to establish a GSRS rate at some point after this base rate case is resolved, once it has incurred costs eligible for GSRS treatment that are not reflected in its rate base claim in this case.

Q. Do you have any comments about the Company's GSRS tariff proposal?

A. The 2006 Kansas legislation clearly provides the Company with the right to establish a

GSRS tariff and to request implementation of a specific GSRS rate, assuming that it has projects that qualify for such recovery. However, in evaluating future claims for recovery under the GSRS tariff, the KCC should be careful to ensure that project costs recovered through the GSRS are consistent with the spirit of the legislation, and that the GSRS is not used by Atmos to routinely circumvent the jurisdiction and authority of the KCC to review expenditures for reasonableness.

It is my understanding that the legislation was enacted in order to ensure that certain safety and reliability projects were undertaken in a timely manner and that cost recovery issues did not delay projects with significant impact on safety and reliability. The proposed GSRS mechanism was intended to be used on a limited basis for specific projects that the legislature believed merited extraordinary ratemaking treatment between base rate cases. However, the actual description of projects eligible for recovery under the statute could be interpreted rather broadly. The definitions used in the statute provide the KCC with broad discretion in determining whether or not a particular project qualifies as a safety or reliability project eligible for recovery within the meaning of the statute. Based on a literal reading of the statute, Atmos could argue that virtually any replacement project is needed to comply with state or federal safety requirements. Moreover, it could argue that the costs of all highway relocation projects are intended to be recovered through the GSRS tariff.

In evaluating future requests for rate treatment pursuant to the GSRS tariff, the KCC should strictly construe the eligibility requirements for projects eligible for recovery. The KCC should ensure that any projects included in the GSRS are truly necessary to meet immediate and critical safety and/or reliability needs, and are projects that otherwise fall outside the scope of traditional, on-going, and routine safety and reliability projects. The GSRS should not be used by the utility as a means to immediately recover routine maintenance expenditures or to avoid the scrutiny for reasonableness that traditionally is a part of the base rate case process. Therefore, projects approved for recovery through the GSRS should meet a compelling safety or reliability need. Similarly, relocation projects recovered through the GSRS should be limited to those unusual and/or unexpected projects that are outside the scope of the routine highway relocations projects that typically occur in any given year.

Q. What do you recommend?

A. In order to ensure that the Company is not using the GSRS mechanism to recover the costs of routine projects that are well outside of the spirit of the 2006 legislation, the KCC should limit the GSRS to those projects that Staff and CURB agree are within the definition of K.S.A. 66-2202. Atmos should be required to demonstrate to both parties that the projects for which GSRS recovery is being sought are outside the scope of the traditional, on-going replacement projects undertaken by Atmos, and are essential to the immediate provision of safe and/or reliable gas service. In addition, the KCC should ensure that any request for implementation of a GSRS surcharge meets the other requirements contained in the GSRS legislation.

C. **Advanced Metering Infrastructure ("AMI") Tariff**

Q. Please describe the Company's proposed AMI tariff.

A. Atmos is requesting authorization to implement a surcharge to recover costs associated with an AMI program. According to the testimony of Mr. Schlessman at page 11, "AMI is a fixed based automated meter reading (AMR) network that will eliminate the necessity of manual meter reading because it essentially provides 'real-time' consumption data that is electronically transmitted from a customer's gas meter to the Company's customer information system." According to the testimony of Mr. Anglin on page 8, meters readers currently visit each customer site and manually enter meter readings into a hand-held electronic device. The meter readings in this device are subsequently downloaded at a Company facility, the data is verified for reasonableness, and customer bills are produced. The AMI device reads meters electronically on an hourly basis, eliminating the need for human input. The data is then transmitted to the Company every six hours and can be made available to customers.

The Company is proposing to establish an AMI tariff that would allow it to recover certain costs of the AMI program between base rate case proceedings. Specifically, the Company would be permitted to recover the return on its investment as well as depreciation expense associated with the AMI investment. According to the testimony of Mr. Armond, these amounts "would be offset by any direct savings experienced by the Company in its meter reading functions." Atmos proposes to determine the direct savings by comparing the test year amounts for Account 902 to the actual costs booked to this account after the rollout[5]. The Company is also requesting that it be permitted to earn a 2% incremental premium on this investment pursuant to K.S.A.66-117(e), which states that the KCC may grant a premium return to a utility under certain circumstances. According to the response to CURB-91, the Company estimates costs of approximately $10 million to fully implement the AMI program in Kansas.

Q. Do you support the Company's request for an AMI tariff?

A. No, I do not. The Company's proposal results in single-issue ratemaking and should be rejected by the KCC. While I am not opposed to the Company investing in AMI technology, there is no compelling reason why such investment should be given extraordinary rate treatment outside of a base rate case. The Company's proposal is another attempt to shift risk from shareholders to ratepayers without any commensurate benefit to ratepayers.

Q. Isn't the proposed AMI similar to the proposed GSRS, which has already been approved by the legislature?

A. No, it is not. While the proposed mechanics of the two mechanisms may be similar, their purposes are quite different. The GSRS mechanism relates to projects that are integral to the safe and reliable provision of gas utility service in Kansas. AMI certainly does not fall into that category. Moreover, I believe that the benefits of AMI as outlined in the Company's testimony are vastly overstated. Finally, as noted above, the Company is requesting a

5 See the response to CURB-92.

premium return for investment associated with the AMI program, which will put further upward pressure on rates.

Q. What are the benefits of AMI as outlined by Atmos in its testimony?

A. According to the testimony of Mr. DeArmond, the benefits of AMI include more frequent monitoring of actual gas usage. Mr. DeArmond states that the AMI program will assist the Company in its procurement of natural gas and will assist customers with demand side management of their consumption. In addition, the Company states that AMI will result in significant cost reductions, due to the elimination of costs for meter readers, including salaries and wages, benefits, uniforms, trucks, supplies, and related costs. The Company also states that AMI will improve safety, since meter readers will no longer be at risk for on-the-job accidents, and that theft of service will be reduced.

Q. Do you believe that AMI does provide benefits to the Company and its ratepayers?

A. Yes, I do. I believe that AMI programs can provide more information to both the Company and its customers regarding natural gas usage. In addition, I would expect AMI to reduce operating costs associated with the meter reading function. I also believe that AMI could result in other benefits, such as fewer employee accidents and reduced theft of service. However, I also believe that the magnitude of the benefits have been overstated by the Company.

Q. Why do you believe that the benefits associated with AMI are overstated?

A. Atmos states that one of the primary benefits of AMI is its ability to provide more timely information to both customers and to the Company regarding actual gas usage. However, unlike the electric market where reducing peak usage can have a dramatic and immediate impact on rates, reducing gas demand on an intraday basis in response to more timely metering information is unlikely to have as dramatic an effect. This is due to the nature of how the commodity is purchased. The natural gas commodity market is not impacted by intraday reductions in usage. Instead, gas is procured on at-least a day ahead basis and therefore reducing usage at any given time will not necessarily have an immediate impact on rates. Reducing gas demand on an intraday basis will not have the same impact on energy efficiency as reducing electric usage.

Q. Are there other reasons why it is improper to recover AMI costs through an AMI surcharge between base rate cases?

A. Yes, there are several reasons. First, while AMI may have benefits over current metering methodologies, the adoption of new billing technology as such technologies evolve is part of the normal business cycle for any business, including utilities. To my knowledge, the Company was not given extraordinary ratemaking treatment when it converted to electronic hand-held devices from paper records and there is no reason why such treatment would be applied here. Technologies evolve and companies adapt. This is an ongoing part of managing the gas business. There is nothing inherent in the AMI program that suggests the need for a different ratemaking methodology.

Second, as already stated, the ability of the AMI to influence gas prices on a day-to-day basis is questionable, due to the fact that gas, unlike electricity, tends to be procured prior to usage by the customer in the day-ahead market, or earlier. Moreover, even if the AMI program were to result in more efficient use of energy by customers, there is no assurance that the conservation impact would be great enough to justify a premium return on investment.

Third, the relationship between the AMI investment and reduced meter reading costs is far more complex than suggested by the Company. The Company's proposal to compare actual costs in Account 902 to those costs included in the base rate case does not provide an accurate measure of AMI savings. Account 902 will be impacted by a variety of factors between rate cases, while the Company's proposed methodology assumes that all changes in Account 902 costs are related to the AMI program. In addition, there may be cost savings resulting from the program that are not recorded in Account 902. For these reasons, the Company's proposed methodology to segregate and measure the impact of the AMI program on meter reading costs is inadequate. This issue demonstrates the problems inherent with single-issue ratemaking. Instead of attempting to capture certain costs and benefits through the AMI, the KCC should review both costs and benefits in a base rate case and set rates accordingly, just as it does for other types of utility investment.

Fourth, the Company is already scheduled to implement AMI within five years, even if its request for the AMI tariff is denied. As discussed on page 30 of Mr. Anglin's testimony, the Company currently projects that it will take five years to completely implement AMI throughout its service territories. Atmos expects that it will take approximately three years to complete the installation in Kansas. While Mr. Anglin states that the Kansas implementation could be accelerated if the proposed AMI tariff is approved, the Company has not quantified the incremental benefits to ratepayers vs. the incremental costs associated with the AMI tariff, including the premium return.

Q. What do you recommend?

A. I recommend that the KCC reject the proposed AMI tariff. AMI represents a natural evolution in billing technology and the KCC should treat it as such. While there are undoubtedly benefits to be realized from AMI, these benefits do not justify the extraordinary ratemaking treatment being requested in this case, i.e., recovery of costs outside of a base rate case. Nor do these benefits justify the 2% premium return being proposed by Atmos. Finally, AMI will be implemented in Kansas in the relatively near future regardless of whether the AMI tariff is approved or not. For all these reasons, I recommend that the KCC reject the proposed AMI tariff and instead permit Atmos to recover AMI costs pursuant to the traditional ratemaking process.

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 28th day of January, 2008.

Notary Public Marjorie M. Levin

My Commission Expires: DECEMBER 31, 2008

APPENDIX A

List of Prior Testimonies

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Aquila / Black Hills / Kansas City Power & Light	E	Kansas	07-BHCG-1063-ACQ 07-KCPE-1064-ACQ	12/08	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-AQLE-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
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

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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

Company	Utility	State	Docket	Date	Topic	On Behalf Of
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
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

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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
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

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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
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

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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