

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
	:	
v.	:	Docket No. R-2020-3017206
	:	
Philadelphia Gas Works	:	
	:	

**Direct Testimony of  
Mark E. Garrett**

On Behalf of:  
Office of Consumer Advocate  
Statement No. 2

June 15, 2020

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**I. INTRODUCTION AND PURPOSE OF TESTIMONY**

1 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A: My name is Mark Garrett. My business address is 4028 Oakdale Farm Circle, Edmond,  
3 OK 73013.

4

5 **Q: HOW ARE YOU EMPLOYED?**

6 A: I am the President of Garrett Group Consulting, Inc., a consulting firm specializing in  
7 public utility regulation and litigation.

8

9 **Q: PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
10 **PROFESSIONAL EXPERIENCE.**

11 A: I am a licensed attorney and a certified public accountant. I work as a consultant in public  
12 utility regulation. I received my bachelor's degree from the University of Oklahoma and  
13 completed post-graduate hours at Stephen F. Austin State University and at the University  
14 of Texas at Arlington and Pan American. I received my juris doctorate degree from  
15 Oklahoma City University Law School and was admitted to the Oklahoma Bar in 1997. I  
16 am a Certified Public Accountant licensed in the States of Texas and Oklahoma with a  
17 background in public accounting, private industry, and utility regulation.

18 In public accounting, as a staff auditor for a firm in Dallas, I primarily audited  
19 financial institutions in the State of Texas. In private industry, as controller for a mid-  
20 sized (\$300 million) corporation in Dallas, I managed the Company's accounting function,  
21 including general ledger, accounts payable, financial reporting, audits, tax returns,

1 budgets, projections, and supervision of accounting personnel. In utility regulation, I  
2 served as an auditor in the Public Utility Division of the Oklahoma Corporation  
3 Commission from 1991 to 1995. In that position, I managed the audits of major gas and  
4 electric utility companies in Oklahoma.

5 Since my departure from the Oklahoma Corporation Commission, I have worked  
6 on numerous rate cases and other regulatory proceedings on behalf of various consumers,  
7 consumer groups, public utility commission staffs and offices of attorneys general. I have  
8 provided testimony before the public utility commissions in the states of Alaska, Arizona,  
9 Arkansas, Colorado, Florida, Indiana, Massachusetts, Nevada, Oklahoma, Texas, Utah,  
10 and Washington. My clients include industrial customers and groups of customers,  
11 hospitals and hospital groups, universities, municipalities, and large commercial  
12 customers. I have also testified on behalf of the commission staff in Utah and the offices  
13 of attorneys general in Oklahoma, Indiana, Washington, Nevada and Florida. I have also  
14 served as a presenter at the NARUC subcommittee on Accounting and Finance on the  
15 issue of incentive compensation, and as a regular instructor at the New Mexico State  
16 University's Center for Public Utilities course on basic utility regulation. I have attached  
17 Appendix A which contains a more complete description of my qualifications and a list of  
18 the regulatory proceedings in which I have been involved.

19  
20 **Q: HAVE YOUR QUALIFICATIONS BEEN ACCEPTED BY THIS COMMISSION?**

21 A: This is the first time I have appeared before the Pennsylvania Public Utility Commission  
22 (Commission). A description of my qualifications and a list of the proceedings in which I

1 have been involved are included at the end of my testimony.

2

3 **Q: ON WHOSE BEHALF ARE YOU APPEARING IN THESE PROCEEDINGS?**

4 A: I am appearing on behalf of the Office of Consumer Advocate (OCA).

5

6 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

7 A: In my testimony I support several adjustments to Philadelphia Gas Works' (PGW or  
8 Company) proposed operating expense levels. I also sponsor the revenue requirement  
9 schedules of the OCA including the Income Statement, Cash Flow Statement, Debt  
10 Service Coverage and Balance Sheet. I also address the impacts of the COVID-19  
11 pandemic on the Company's proposed revenue requirement.

## **II. OVERVIEW OF PGW'S REQUESTED RELIEF**

12 **Q: PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S REQUESTED**  
13 **RELIEF.**

14 A: PGW is requesting an increase in its annual base rate operating revenues of \$70 million,  
15 which is a 10.5 percent total revenue increase.<sup>1</sup> In keeping with the Company's mandatory  
16 budget process, the base rate increase is based on a fully projected future test year  
17 ("FPFTY") starting on September 1, 2020.<sup>2</sup> According to the Company, the increase

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<sup>1</sup> Direct testimony of Gregory Stunder at page 2.

<sup>2</sup> *Id.*

1 requested in this case is based on increases in pension costs, post-retirement benefits costs,  
2 capital spending and debt service.<sup>3</sup>

3 PGW filed its last rate case in 2017.<sup>4</sup> In that case, the Company also requested a  
4 \$70 million rate increase. In a settlement approved by the Commission, the Company  
5 received an increase of \$42 million.<sup>5</sup> Since that time, the utility has been able to maintain  
6 its financial health, while working toward modernizing its distribution system, improving  
7 safety, increasing efficiency and enhancing customer service, according to the Company.<sup>6</sup>

8 In the current case, the utility has not adjusted its request based upon the impacts  
9 of the Covid-19 pandemic on the Company's projected future test year, which starts on  
10 September 1, 2020. The financial impacts of the pandemic will affect every aspect of the  
11 projected test year including revenues, operating expenses, capital expenditures, and the  
12 cost of short- and long-term debt. The Company has made no attempt to quantify any of  
13 these impacts on its filing. This represents a deficiency in this case that cannot be cured  
14 without significant supplemental information, which the Company admittedly does not  
15 have at this time. In response to OCA 09-4, the Company provides the following response:

16 PGW does not have a specific date or timeframe regarding when it would  
17 complete an analysis of the impacts of the Covid-19 emergency on the  
18 FPFTY. **Every day presents numerous changes to multiple variables**  
19 **that could impact the FPFTY from financial and operational**  
20 **perspectives.**<sup>7</sup>

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<sup>3</sup> *Id.*, at page 3.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> See Response to OCA 09-4. (Emphasis added).

1 This admission is stunning as it points out the unreliability of the projections upon which  
 2 rates would be set. It raises the question of whether *just and reasonable* rates can possibly  
 3 result from a projected test year that the Company admits is changing day to day.

**III. SUMMARY OF ADJUSTMENTS**

4 **Q: PLEASE SUMMARIZE YOUR REVENUE REQUIREMENT**  
 5 **RECOMMENDATIONS.**

6 A: In my testimony, I propose several adjustments to PGW’s projected expense levels and I  
 7 incorporate the debt service coverage recommendations of OCA Witness Dr. Habr. The  
 8 combined impact of our recommendations on the Company’s requested revenue  
 9 requirement is set forth below:

PGW Requested Increase in Base Rates	\$70,000,000
Debt Service Coverage	\$(49,444,000)
Bad Debt Expense	(12,630,000)
Field Operations Expense	(2,508,000)
Payroll Expense	(4,600,000)
Lobbying Expense	(105,000)
Rate Case Expense	(94,000)
Incentive Plans	(547,000)
Risk Management	(3,325,000)
Purchased Services	(548,000)
Retain Current Other Operating Revenue	1,000,000
Net Adjustments	\$(72,800,000)
Recommended Change to Base Rates	\$(2,800,000)

**IV. RATEMAKING METHODOLOGY**

1 **Q: WHAT RATEMAKING METHODOLOGY IS USED FOR DETERMINING**  
2 **PGW’S RATES?**

3 A: Most regulated utilities use a rate base/rate of return methodology for setting rates, but  
4 the Commission in this case uses the cash flow method for determining PGW’s rates.<sup>8</sup>  
5 Under a rate base/rate of return approach, the revenue requirement is determined by adding  
6 the allowed return on utility investment to the operating expenses, depreciation and taxes  
7 of the utility. Under the cash flow method, the Commission authorizes revenue levels  
8 sufficient to cover operating expenses, depreciation and debt service, along with sufficient  
9 margins to meet bond coverage requirements, capital improvements, debt retirement,  
10 working capital, as the Commission deems appropriate.

11

12 **Q: WHAT TEST YEAR DID PGW USE IN THIS CASE?**

13 A: PGW uses the following test periods in its filing:

- 14 ● The historic test year (“HTY”) - September 1, 2018 to August 31, 2019;
- 15 ● The future test year (“FTY”) - September 1, 2019 to August 31, 2020; and
- 16 ● The fully projected future test year (“FPFTY”) - September 1, 2020 to August 31,  
17 2021.

18 The requested revenue requirement is based on the FPFTY ending August 31, 2021. The  
19 August to September time frame is used because it mirrors the Company’s fiscal year.

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<sup>8</sup> See Commission’s Policy Statement at § 69.2702.



**V. DEBT SERVICE COVERAGE RECOMMENDATIONS**

1 **Q: WHAT DOES OCA RECOMMEND FOR PGW'S DEBT SERVICE COVERAGE?**

2 A: OCA's recommendations for PGW's debt service coverage are set forth in the testimony  
3 of OCA Witness David S. Habr, Ph.D. Dr. Habr recommends a debt service coverage of  
4 1.88. This recommendation is incorporated in my revenue requirement calculations. Dr.  
5 Habr also recommends a \$30 million reduction in net construction expenditures, but this  
6 recommendation does not impact the revenue requirement under the *cash flow method*  
7 because it does not reduce an operating expense account to which the debt service  
8 coverage is applied. As a change in plant investment levels, it only impacts the ending  
9 cash balance in the cash flow statements, as a reduction in the *uses* of cash.

**VI. EXPENSE ADJUSTMENTS**

10 **Q: WHAT ADJUSTMENTS DO YOU MAKE TO THE FPFTY EXPENSE LEVELS?**

11 A: I propose adjustments to the following projected operating expense levels:

- 12 A. Bad Debt expense
- 13 B. Distribution and Field Services Operations
- 14 C. Payroll Costs
- 15 D. Lobbying Expense
- 16 E. Rate Case Expense
- 17 F. Goal-Based Compensation
- 18 G. Risk Management Expense, and
- 19 H. Purchased Services expense

**A. Bad Debt Expense**

20 **Q: WHAT IS BAD DEBT EXPENSE AND WHY IS IT IMPORTANT IN THIS CASE?**

21 A: Bad debt expense, sometimes referred to as uncollectible accounts, is the expense an entity

1 incurs when customers do not pay their bills. Bad debt expense is important in the rate  
2 setting process because a higher bad debt expense level translates into higher overall rates  
3 for customers. It is important to remember that, when some customers do not pay their  
4 bills, other customers pay these deficiencies for them.

5  
6 **Q: PLEASE DISCUSS THE BAD DEBT EXPENSE REQUESTED BY PGW.**

7 A: Joseph F. Golden, Jr. states that PGW is requesting a budgeted bad debt expense rate of  
8 4%. However, the bad debt expense included in Mr. Golden's exhibits JFG-1 and JFG-2  
9 reflect a bad debt expense rate of 4.5%. The analysis of accounts receivable provided in  
10 response to BIE-RE-18 includes a budgeted collection rate of 96%, which indicates a bad  
11 debt write-off rate of 4.0%, and a bad debt expense rate of 4.5%.

12 The difference in the two is this: bad debt expense is the amount accrued each  
13 month in anticipation of non-payment; write-offs are the actual amounts not paid. The bad  
14 debt expense accrual happens in the month the sale is made and the write-off comes much  
15 later when the account is written-off for non-payment. In a future test year, in a rate case  
16 proceeding, these amounts would be the same, because they both represent the anticipated  
17 amount of non-payment for that future year.

18  
19 **Q: IS THERE ANY REASON THAT THE BAD DEBT NET WRITE-OFF WOULD  
20 BE DIFFERENT FROM THE BAD DEBT EXPENSE RATE?**

21 A: In historic periods, yes; in future periods, no. One would expect the net write-offs to be  
22 different from a utility's bad debt expense for *historic* periods. This is because bad debt

1 *expense* is an *accrual* based on estimated bad debts, and the *net write-offs* are based on  
2 actual write-off activity. For future periods, though, both bad debt expense and net write-  
3 offs are the estimated level of bad debt, so there should be no reason for these rates to be  
4 different. The Company's use of a higher bad debt expense rate than the real expected  
5 write-off rate understates earnings and increases utility rates unnecessarily.

6  
7 **Q: IS EITHER THE 4.5% BAD DEBT EXPENSE RATE OR THE 4.0% NET WRITE-**  
8 **OFF RATE A NORMAL LEVEL FOR BAD DEBT?**

9 A: No. These levels are high. In my experience, regulated utilities typically have bad debt  
10 rates that are less than 1% of revenues. For example, in the other gas utility rate cases that  
11 I am currently involved in, and one recently-completed case, the bad debt rates are  
12 significantly lower, as follows: (1) Texas Gas Service Company has an uncollectible  
13 expense rate of 0.5826% for the El Paso, Texas service area;<sup>9</sup> (2) Atmos Mid-Tex has an  
14 uncollectible rate of 0.623% in the Dallas, Texas service area;<sup>10</sup> Southwest Gas has an  
15 uncollectible rate of 0.5353% for the Las Vegas, Nevada service area.<sup>11</sup> Oklahoma  
16 Natural Gas shows an uncollectible expense rate of 0.03599% in its Oklahoma City service  
17 area.<sup>12</sup>

18 I am not providing this information to suggest that PGW should be held to the  
19 standards achieved by these other utilities. I am providing the information to show that

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<sup>9</sup> See Texas Railroad Commission, Docket No. 10506.

<sup>10</sup> See Atmos Mid-Tex application in its Dallas Annual Rate Review (DARR) at WP\_F02.9.

<sup>11</sup> See Nevada Public Utilities Commission, Docket No. 20-02023, Statement H-7; .pdf page 156 of Volume 2 of 27.

<sup>12</sup> See Oklahoma Corporation Commission, pending Case No. PUD 202000022, Statement H-1 Revenues and Statement H-3 Uncollectible Expense.

1 PGW's bad debt experience is high by comparison and, as a result, the Commission should  
2 use the lowest reasonable rate available when setting PGW's bad debt rate.

3

4 **Q: WHAT WAS PGW'S BAD DEBT EXPERIENCE DURING HTY 2019?**

5 A: The Company reported in response to BIE-RE-18 that it had a revenue collection rate of  
6 96.57% in HTY 2019 with adjusted net write-off rate of 2.937%. In other words, the  
7 company reported two different amounts for bad debt. The 96.57% collection rate implies  
8 a bad debt write-off rate of 3.43%, which is slightly higher than the actual adjusted write-  
9 of rate of 2.937%. Both amounts, however, are much lower than the 4.5% requested by  
10 the Company.

11

12 **Q: WHAT BAD DEBT EXPENSE RATE DO YOU RECOMMEND?**

13 A: I recommend a 3% bad debt expense rate for this case. Even though this percentage is  
14 high compared to other utilities, it is consistent with the HTY 2019 adjusted net write-off  
15 experience of 2.9%. At a minimum, the Commission should use the 3.43% rate.

16

17 **Q: ARE THERE OTHER REASONS TO USE THE LOWER 3% RATE?**

18 A: Yes. On May 13, 2020, this Commission issued a decision to allow utilities to defer bad  
19 debt expenses related to the COVID-19 pandemic.<sup>13</sup> These deferrals will logically lead to

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<sup>13</sup> The PUC's Secretarial Letter on COVID-19 Cost Tracking and Creation of Regulatory Asset at Docket No. M-2020-3019775. Dated May 13, 2020

1 lower, not higher, bad debt rates, as much of the bad debt next year will be attributed to  
2 the pandemic.

3

4 **Q: WHAT IS THE IMPACT OF THE ADJUSTMENT TO REDUCE THE BAD DEBT**  
5 **EXPENSE RATE TO 3.0%?**

6 A: This adjustment reduces bad debt expense by \$12,630,000 as shown on *Exhibit MEG-5.1*.

7

8 **Q: IF THE COMMISSION WERE TO USE THE COMPANY'S 2019 COLLECTION**  
9 **RATE OF 96.57%, RATHER THAN THE ADJUSTED WRITE-OFF RATE,**  
10 **WHAT WOULD THE ADJUSTMENT BE?**

11 A: A collection rate of 96.57%, or a bad debt expense rate of 3.43%, results in an adjustment  
12 of \$9,696,000.<sup>14</sup>

**B. Distribution and Field Services Operations**

13 **Q: PLEASE DISCUSS PGW'S FIELD OPERATIONS EXPENSE.**

14 A: PGW's Distribution Department and Field Services Department both budgeted for  
15 significant increased expense levels for the current year, FTY 2020, and for the FPFTY  
16 2021. However, both departments have realized significant reductions in expense levels  
17 for the current year. The FTY 2020 figures for the two departments' updated budgets  
18 (using actuals through May 2020) are more consistent with historic costs than with the  
19 original budgeted amounts.

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<sup>14</sup>This amount can be calculated on Exhibit MEG-5.1 by changing the 3% in cell E20 to 3.43%.

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**Q: WHAT WERE THE HISTORIC AND BUDGETED EXPENSE LEVELS FOR THE FIELD SERVICES DEPARTMENT?**

A: The Field Services Department had \$39.3 million in expenses in FY 2018 and \$35.2 million in FY 2019. The original budget for FY 2020 included an expense level of \$38.5 million, but the updated estimate is only \$37 million. PGW has budgeted an expense level of \$39.3 million for the FPFTY 2021.

**Q: WHAT IS YOUR CONCERN WITH THE UPDATED COSTS AND THE FPFTY?**

A: I am concerned that the original budgets have overstated the expense levels for both FY 2020 and FY 2021. The updated expense level for FY 2020 of \$37.0 million is more consistent with the average expense level for the two historic years of FY 2018 and FY 2019 of \$37.2 million. Therefore, I recommend that the average historic level be used for setting rates.

**Q: DID YOU FIND THIS TO BE TRUE FOR THE DISTRIBUTION DEPARTMENT UPDATED EXPENSES FOR FY 2020?**

A: Yes. However, I found that the Distribution Department realized an even greater cost savings with the updated estimates for FY 2020. The Distribution Department had \$47.8 million in expenses in FY 2018 and \$42.7 million in FY 2019. The original budget for FY 2020 included an expense level of \$44.8 million, but the updated estimate is only \$42.6 million. PGW has budgeted an expense level of \$45.6 million for the FY 2021. As with

1 the Field Services Department expense levels, I am concerned that the Distribution  
2 Department's original budgets overstate the expense levels for both FY 2020 and FY 2021.  
3 The updated expense level for FY 2020 of \$42.6 million is more consistent with the \$42.7  
4 million for FY 2019. It appears that the original budgets overstate expense levels for these  
5 departments.

6  
7 **Q: WHAT IS YOUR RECOMMENDATION FOR THE EXPENSES OF THESE TWO**  
8 **DEPARTMENTS?**

9 A: I recommend that these expenses be included in the revenue requirement at the average  
10 historic cost of \$45,214,000 for the Distribution Department and \$37,225,000 for the Field  
11 Services Department. In both cases, the average expense level is *higher* than the updated  
12 estimates for FY 2020 provided by PGW, making this a conservative recommendation.

13  
14 **Q: WHAT IS THE AMOUNT OF THE ADJUSTMENTS FOR THE EXPENSES OF**  
15 **THESE TWO DEPARTMENTS?**

16 A: The adjustment to the Distribution Department expense is a reduction of \$426,000 and the  
17 reduction to Field Services Department expense is \$2,083,000. Together these adjustments  
18 reduce Field Operations Expense by \$2,508,000, and can be seen at *Exhibit MEG 5.2*.

**C. Payroll Costs**

1 **Q: PLEASE DESCRIBE THE PAYROLL RELATED COSTS REQUESTED BY PGW**  
2 **FOR FPFTY 2021.**

3 A: PGW requested a payroll expense level of \$108.0 million plus fringe benefits and payroll  
4 taxes. The payroll expense includes projected pay increases of 2.5% for both bargaining  
5 and non-bargaining employees in both FTY 2020 and FPFTY 2021.<sup>15</sup> The Company  
6 reports that payroll expense will increase from \$97.9 million in FY 2019 to \$106.7 million  
7 for FY 2020, and to \$108.0 million for FY 2021.<sup>16, 17</sup>

8  
9 **Q: DO THE PLANNED PAY RAISES ACCOUNT FOR THE SIGNIFICANT**  
10 **PROJECTED INCREASES IN PAYROLL COSTS?**

11 A: No. The increase from the HTY 2019 to the FPFTY 2021 cannot be fully explained by  
12 the 2.5% annual pay increases. The escalation of the \$97.9 million by 2.5% for two years  
13 results in a FPFTY 2021 expense of \$102.8 million,<sup>18</sup> which is \$5.2 million less than the  
14 PGW proposed payroll expense of \$108.0 million. Even if the union payroll expense is  
15 increased by 3% for two years and the non-union expense by 2.5% for two years, the result  
16 is a payroll expense in FY 2021 of \$103.4 million, which is \$4.6 million less than the  
17 requested level.

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<sup>15</sup> See Filing Requirement III.21.A.

<sup>16</sup> See response to BIE-RE-12.A.

<sup>17</sup> There is a slight unreconciled difference in the FPFTY 2021 payroll expense between III.21.A (108.3 M) and BIE RE-12.A (\$108.0 M).

<sup>18</sup> \$97.9 M \* 1.025<sup>2</sup> = \$102.8 M.



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**Q: ARE THERE OTHER FACTORS THAT COULD EXPLAIN THE ADDITIONAL PROJECTED INCREASE IN PAYROLL EXPENSE?**

A: The proposed 2021 payroll expense also includes an increase in the budgeted number of employees from 1,650 in HTY 2019 to 1,674 in FTY 2020 and 1,675 in FPFTY 2021.<sup>19</sup>

**Q. WHY WERE TWENTY-FIVE NEW EMPLOYEES ADDED TO THE BUDGET FOR THE FTY 2020 AND THE FPFTY 2021?**

A. The twenty-five additional employees are temporary, and they were added to the budget to implement a new Customer Information System (“CIS”). The payroll costs for those twenty-five temporary employees, however, will all be *capitalized* so they have no impact on the proposed increase in payroll *expense* from the historic year FY 2019 to the budget year FY 2021.

**Q: HAS PGW CONSISTENTLY MAINTAINED THE LEVEL OF EMPLOYEES INCLUDED IN THE BUDGET?**

A: No. I reviewed the number of employees on PGW’s payroll for FY 2017 through March of FY 2020. I found that PGW has consistently maintained employee counts below the budgeted levels in each of the past three years, and through March of the current year, FY 2020.<sup>20</sup> A summary of the budgeted and actual employee levels is as follows:

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<sup>19</sup> See Response to BIE-RE-11.A.  
<sup>20</sup> See Response to BIE-RE-11.A.

Year	Budgeted Employee Count	Actual Employee Count	Average Unfilled Positions
FY 2017	1,650	1,645.5	4.5
FY 2018	1,650	1,632.5	17.5
FY 2019	1,650	1,632.3	17.7

1 As this summary shows, PGW has consistently failed to maintain a full employee count  
2 compared with its budgeted employee count. This is understandable because in most  
3 organizations it is normal to have vacant positions as a result of employee turnover,  
4 however; rates should take into account the fact that actual employee counts are lower than  
5 the budgeted amounts.

6

7 **Q: DID THE VACANCY LEVEL CONTINUE IN THE BUDGETED FTY 2020?**

8 A: Yes. The average number of employees for the available period of September 2019  
9 through March of 2020 was 1,642. The budgeted number of employees for FY 2020 is  
10 1,674.<sup>21</sup> The average number of vacant positions for this period is 32 employees. This  
11 means PGW was 1.93% below the budgeted staffing levels during this period.

12

13 **Q: DO THE NUMBER OF EMPLOYEES HAVE AN IMPACT ON THE PAYROLL**  
14 **COSTS?**

15 A: Yes. The employee levels have a direct impact on payroll costs. I reviewed the  
16 departmental payroll costs from the FY 2020 updated budget review – updated with actual  
17 rather than estimated numbers for the period September 2019 through May 2020 – and

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<sup>21</sup> See Response to BIE-RE-11. A.

1 found that the updated payroll expense estimates were \$4.0 million less than in the original  
2 budgets, and the updated estimates included thirty-three fewer employees than projected.  
3 These employee levels have a significant impact on the increased payroll cost in addition  
4 to the projected pay increases.

5  
6 **Q: ARE YOU CONCERNED THAT THE 25 EMPLOYEES FOR THE CIS**  
7 **PROGRAM ACCOUNT FOR THESE DIFFERENCES?**

8 A: No. The CIS employees may account for some of the difference in employee head count,  
9 but they do not account for the material overstatement of payroll *expense* in the FPFTY  
10 because the costs of these employees will be capitalized rather than expensed. There are  
11 two indications that the projected 2021 expense levels are overstated: (1) the *updated* FY  
12 2020 expense level is \$4 million less than the projected level, and (2) the FY 2019 payroll  
13 expense escalated for two years of pay raises at 2.5% and 3% for non-union and union  
14 employees, respectively resulting in a FY 2021 payroll expense that is \$4.6 million less  
15 than the projected level.

16  
17 **Q: WHAT DO YOU RECOMMEND?**

18 A: I recommend that the payroll expense be adjusted by \$4.6 million to reflect two years of  
19 pay raises at 3% for union employees and 2.5% for non-union employees.

20  
21 **Q: WHAT IS THE IMPACT OF THE ADJUSTMENT TO RECOGNIZE THE**  
22 **REDUCED EMPLOYMENT LEVELS IN THE REVENUE REQUIREMENT?**

1 A: The adjustment to payroll related expenses to reflect the vacant positions is a reduction in  
2 the amount of \$4.6 million. This adjustment is set forth at *Exhibit MEG-5.3*.

3

4 **Q: IS YOUR ADJUSTMENT TO PAYROLL EXPENSE REASONABLE?**

5 A: Yes. The \$4.6 million adjustment is consistent with the \$4 million shortfall in FY 2020  
6 when actual levels are used rather than projected levels. The adjustment provides for two  
7 full years of pay raises at the requested pay raise levels, but prevents the Company from  
8 including the cost of unfilled positions in rates.

**D. Lobbying Expense**

9 **Q: HAS PGW INCLUDED LOBBYING EXPENSES IN ITS FPPTY 2021 EXPENSES?**

10 A: Yes. PGW included \$105,000 of lobbying expenses in its FPPTY 2021 revenue  
11 requirement.<sup>22</sup>

12

13 **Q. ARE LOBBYING EXPENSES TYPICALLY ALLOWED IN RATE CASE  
14 PROCEEDINGS?**

15 A. Lobbying expenses are typically excluded for ratemaking purposes. It is my  
16 understanding that this Commission follows this general rule.

17

18 **Q. WHAT IS YOUR RECOMMENDATION REGARDING THE LOBBYING  
19 EXPENSES INCLUDED IN THE REVENUE REQUIREMENT?**

---

<sup>22</sup> See OCA B-7.

1 A. I recommend an adjustment to remove the lobbying expenses from the FPFTY 2021  
2 revenue requirement. This adjustment reduces PGW’s operating expenses by \$105,000 as  
3 shown on *Exhibit MEG-5.4*.  
4

**E. Rate Case Expense**

5 **Q: WHAT DID PGW REQUEST FOR RATE CASE EXPENSES?**

6 A: PGW requested rate case expense of \$1.7 million for the current proceeding. This includes  
7 \$400,000 for legal counsel, \$150,000 for communications, and \$1,150,000 for consultants.  
8

9 **Q: WHAT DOCUMENTATION HAVE YOU REVIEWED SUPPORTING THE**  
10 **REQUESTED \$1.7 MILLION OF RATE CASE EXPENSES?**

11 A: I reviewed discovery responses that provide historic rate case expenses as well as the  
12 expenditures made so far in the current case. I also reviewed the contracts for the  
13 consultants and legal counsel.  
14

15 **Q: DID YOU IDENTIFY ANY OF THE COSTS THAT RAISE CONCERNS IN THIS**  
16 **RATE CASE?**

17 A: Yes. In reviewing the consulting contracts, I found that one consultant, Premier Logic,  
18 LLC was engaged to provide software training.<sup>23</sup> The services identified in the contract  
19 were as follows: “Consultant will provide MS Office and Window OS training, associated

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<sup>23</sup> See the response to BIE-RE-47B, Attachment F, Exhibit A.

1 materials and related service at PGW's Montgomery Avenue headquarters as requested by  
2 PGW, in addition to other matters pertaining to PGW as requested by PGW.”<sup>24</sup> Software  
3 training for in-house personnel is generally considered an ongoing operating cost of the  
4 utility, not specifically related to rate case expense. I would recommend that these costs  
5 not be included for recovery as rate case costs unless the Company can show that these are  
6 uniquely related to this case.

7  
8 **Q. HOW MUCH IS THE PREMIER LOGIC CONTRACT?**

9 A. The contract was for \$468,000.

10  
11 **Q. WHAT ADJUSTMENT DO YOU RECOMMEND REGARDING THE**  
12 **SOFTWARE TRAINING CONTRACT?**

13 A. I recommend that rate case expenses be reduced by \$468,000 for the cost of the software  
14 contract. The rate case expenses are normalized over five years, so this adjustment would  
15 reduce the annual rate case expenses by \$94,000. This adjustment is found on *Exhibit*  
16 *MEG-5.5*.

**F. Goal-Based Incentive Compensation**

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<sup>24</sup> See Response to BIE-RE-47B, Attachment F, Exhibit A.

1 **Q: DOES PGW HAVE AN INCENTIVE COMPENSATION PLAN?**

2 A: Yes. PGW provides incentive compensation for its executives and its other non-union  
3 employees.<sup>25</sup> The C-Suite at-risk compensation covers executives up to 10% of base salary  
4 and the Goal-Based Compensation is calculated at 1.75% of non-union wages based on  
5 annual goals. The amounts included in FPFTY 2021 expenses totaled \$105,000 for the C-  
6 Suite at-risk compensation and \$884,000 for the Goal-Based Compensation.

7  
8 **Q: HOW DO REGULATORY COMMISSIONS TREAT INCENTIVE**  
9 **COMPENSATION FOR RATEMAKING PURPOSES?**

10 A: The treatment of incentive compensation varies among Commissions, but many  
11 Commissions do not allow the recovery of incentives for executives, and limit the  
12 incentives allowed for other employees depending on the type and amount of those  
13 incentives. The types of incentives that might be considered recoverable are those related  
14 to customer service, safety, and reliability. The types of incentives that are typically  
15 excluded are usually based on financial performance or corporate goals. Also, incentive

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<sup>25</sup> See Response to OCA-17-1.

1 expense may be reduced when the utility is performing poorly, especially in the areas of  
2 customer satisfaction and customer service.

3  
4 **Q: WHAT TYPES OF INCENTIVES ARE INCLUDED IN THE GOAL-BASED**  
5 **COMPENSATION?**

6 A: The goal-based incentives for the non-bargaining employees include four separate plans.  
7 These plans are the Motivational Sales Plan, the Bypass Bonus Plan, the Event Driven  
8 Bonus Plan, and the Employee Recognition Award Plan.<sup>26</sup> The Motivational Sales Plan is  
9 an award for sales personnel that it considered to be of greater benefit to the Company  
10 than to ratepayers. The Bypass Bonus Plan is identified as the Gas Theft Bonus Program.  
11 The Event Driven Bonus Plan is less specific and is awarded for specific actions that “have  
12 a positive and meaningful impact on PGW.” The Event Driven Bonus Plan does not have  
13 quantified goals to be met as a condition of the award. As such, these plans are somewhat  
14 subjective.<sup>27</sup>

15  
16 **Q: WHAT IS YOUR RECOMMENDATION FOR PGW’S INCENTIVE PLANS?**

17 A: I recommend that the C-Suite at-risk compensation for executives be excluded from rate  
18 recovery. I further recommend that 50% of the Goal-Based Compensation be excluded  
19 because the customer benefits are indirect and ambiguous, and the identified goals of the  
20 plans benefit the Company more than they do ratepayers.

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<sup>26</sup> See Response to BIE-RE-16.A.

<sup>27</sup> See Response to BIE-RE-16 Attachment A for the Goal Based Compensation plan documents.



1

2 **Q: WHAT IS THE STANDARD SET BY THIS COMMISSION FOR PGW**  
3 **INCENTIVES?**

4 A: My understanding is that the utility must present studies or other data to support any  
5 claimed inability to retain competent management personnel.<sup>28</sup> Also, the incentive plans  
6 need to have well-defined quantitative goals and criteria.<sup>29</sup>

7

8 **Q: DO THE PGW INCENTIVE PLANS MEET THESE CRITERIA?**

9 A: No. There is no compelling data that the executive incentives are needed to retain  
10 personnel. Moreover, companies across the country are cutting executive pay as a means  
11 of addressing the COVID-19 financial impacts. There is no reason for ratepayers to  
12 shoulder executive incentives or bonuses in this environment. With respect to the non-  
13 executive incentives, only the Gas Theft Bonus Plan directly benefits customers.  
14 However, the Event Driven Bonus Plan, and the Employee Recognition Award Plan have  
15 little to no stated goals or criteria, making them unsuitable for rate recovery.

16

17 **Q: WHAT ADJUSTMENTS DO YOU RECOMMEND FOR THE INCENTIVE**  
18 **COMPENSATION?**

19 A: I recommend that the FPFTY 2021 expenses be reduced by \$105,000 to exclude the cost  
20 of the C-Suite incentive plan and an additional \$442,000 to exclude 50% of the cost of the

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<sup>28</sup> See Docket No. R-00061931, Order Entered September 28, 2007, page 48.

<sup>29</sup> *Id.*

1 Goal-Based Compensation. A 50% inclusion in rates of the non-executive plans  
2 recognizes that these plans have some benefit to customers. These adjustments can be  
3 found on *Exhibit MEG-5.6*.

**G. Risk Management**

4 **Q: PLEASE DISCUSS PGW’S RISK MANAGEMENT EXPENSE.**

5 A: PGW’s Administrative and General Expenses (“A&G expenses”) increased significantly  
6 from the historic years FY 2017, FY 2018, and FY 2019 to the budgeted years FTY 2020  
7 and FPFTY 2021.<sup>30</sup> The totals for these years are given in the following table:

Year	A&G Expense
Historic FY 2017	\$62,550,437
Historic FY 2018	\$69,179,959
Historic FY 2019	\$69,630,464
Budget FY 2020	\$84,074,000
Budget FY 2021	\$86,167,000

8 **Q: WHAT CAUSED THE \$14.5 MILLION EXPENSE INCREASE FROM THE**  
9 **HISTORIC FY 2019 TO THE BUDGETED YEAR FY 2020?**

10 A: PGW explained that the largest factor was non-labor costs for risk management, which are  
11 composed of insurance premium increases and accruals for the reserve balance.<sup>31</sup>  
12

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<sup>30</sup> See BIE-RE-35.A.

<sup>31</sup> See BIE-RE-35.D.

1 **Q: WERE YOU ABLE TO VERIFY THAT THE A&G INCREASES WERE**  
2 **RELATED TO RISK MANAGEMENT EXPENSE?**

3 A: Yes. Risk management expense did increase by \$6.1 million between FY 2019 and FY  
4 2020, but a review of the historic data reveals that this expense fluctuates significantly.  
5 The following table shows the amounts for the historic periods and budgeted test years:

Year	Risk Management
Historic FY 2017	\$8,500,979
Historic FY 2018	\$11,247,770
Historic FY 2019	\$7,519,209
Budget FY 2020	\$13,618,000
Budget FY 2021	\$12,523,000

6 **Q: WHAT WOULD CAUSE RISK MANAGEMENT EXPENSES TO FLUCTUATE**  
7 **DURING THE HISTORIC PERIOD?**

8 A: It appears that the reserve accrual has contributed to this fluctuation. The major  
9 components of risk management expenses are insurance and the reserve appropriation.  
10 The insurance has not fluctuated much, but the reserve appropriation has. Insurance costs  
11 are controlled by third parties, while the reserve appropriation is subject to internal  
12 processes that are (and should be) controlled by management. Because of the fluctuations  
13 in the cost for the historic period and the significant increases in the budgeted periods, I  
14 recommend that this expense be normalized for ratemaking purposes using the non-labor  
15 costs for the historic period.  
16

1 **Q: WHAT ADJUSTMENT ARE YOU PROPOSING FOR THE NON-LABOR RISK**  
2 **MANAGEMENT EXPENSES?**

3 A: I am recommending that the average non-labor costs for the past three years—FY 2017,  
4 FY 2018, and FY 2019—be used to normalize this expense.

5  
6 **Q: WHAT IS THE AMOUNT OF THE ADJUSTMENT THAT YOU RECOMMEND**  
7 **TO THE NON-LABOR RISK MANAGEMENT EXPENSE?**

8 A: The adjustment to normalize the non-labor risk management expenses reduces A&G  
9 expenses by \$3,325,000, as shown on *Exhibit MEG-5.7*.

#### **H. PURCHASED SERVICES**

10 **Q: PLEASE DESCRIBE THE PHILADELPHIA FACILITIES MANAGEMENT**  
11 **CORPORATION (“PFMC”) COSTS INCLUDED IN PGW’S REQUESTED**  
12 **RATES.**

13 A: PGW has a management agreement with PFMC which includes a provision to reimburse  
14 the PFMC for its actual costs incurred in managing the Company, not to exceed the prior  
15 year’s costs adjusted for inflation. In this case, PGW has proposed an increase of \$548,000  
16 in these costs, from \$205,000 to \$753,000. This represents a 267% increase.

17

18 **Q: WHAT WAS THE REASON FOR THE INCREASE IN THIS EXPENSE?**

19 A: PGW has not identified any services or costs that would be covered by the increase.

20

1 **Q: WHAT IS YOUR RECOMMENDATION FOR THE INCREASE IN THE FPFTY**  
2 **2021 PFMC PURCHASED SERVICE EXPENSE BUDGET?**

3 A: In last year's Operating Budget proceeding, the parties agreed to a budget expense of  
4 \$205,000. I recommend that this amount be retained for the FPFTY revenue requirement.

5  
6 **Q: WHAT IS THE AMOUNT OF THE ADJUSTMENT TO REMOVE THE**  
7 **INCREASED REIMBURSEMENT FROM THE FPFTY 2021 EXPENSES?**

8 A: This adjustment reduces operating expenses by \$548,000, as set forth on *Exhibit MEG-*  
9 *5.8.*

**VII. COVID-19 IMPACTS ON THE FULLY PROJECTED FUTURE TEST YEAR**

10 **Q: HAS THE COMPANY QUANTIFIED ANY OF THE IMPACTS OF THE COVID-**  
11 **19 PANDEMIC ON THE FPFTY?**

12 A: No. As I testified earlier, the Company has made no attempt to quantify any of the impacts  
13 on its filing related to the Covid-19 pandemic. In response to OCA 09-4, the Company  
14 provided the following response:

15 PGW does not have a specific date or timeframe regarding when it would  
16 complete an analysis of the impacts of the Covid-19 emergency on the  
17 FPFTY. **Every day presents numerous changes to multiple variables**  
18 **that could impact the FPFTY from financial and operational**  
19 **perspectives.** (Emphasis added).

20 This represents a deficiency in the Company's filing that cannot be cured. These numerous  
21 daily changes impacting the FPFTY bring into question the reliability of the FPFTY as a  
22 basis for setting prospective rates. Put another way, these numerous changes call into

1 question whether *just and reasonable* rates can possibly result from a projected test year  
2 that is admittedly experiencing material changes day to day. This makes the FPFTY an  
3 unreliable basis for setting rates. The point is, no one knows the economic impacts that  
4 COVID-19 has had on the Company or will continue to have in the future. As a result,  
5 rates cannot be set based on a future test year until these impacts are better known.

6

7 **Q: WHAT DO YOU RECOMMEND?**

8 A: The OCA recommendations related to the COVID-19 pandemic are set forth in the direct  
9 testimony of Mr. Scott Rubin. Mr. Rubin makes the following recommendations:

10 I recommend that the Commission deny PGW's request to increase rates in  
11 this case, unless it finds that an increase is required for PGW to meet its 1.5  
12 times interest coverage requirement. Now is not the time to impose  
13 additional, unavoidable costs on consumers. Residential customers are  
14 experiencing unprecedented levels of unemployment and other economic  
15 dislocation (such as reduced hours of work), while many are battling the  
16 COVID-19 infection. Businesses of all sizes, as well as local governments,  
17 schools, universities, and nonprofit organizations are struggling to remain  
18 viable. I expect many will not be able to survive or, if they do, it might  
19 take them months or years to return to pre-pandemic levels of operations.

20 To put all of this in terms of utility ratemaking: it would be neither just nor  
21 reasonable for PGW to increase its rates at this time. The Commission  
22 should deny PGW's request in its entirety and keep the PGW's existing  
23 rates (and all other tariff provisions) in effect.

24 **Q: DO YOU AGREE WITH MR. RUBIN'S RECOMMENDATIONS?**

25 A: I do. Mr. Rubin provides a comprehensive policy perspective for rejecting PGW's  
26 requested rate increase, and I agree with his rationale. My own perspective is more  
27 focused on the ratemaking reasons to reject the Company's requested rate increase. From  
28 a ratemaking perspective, the FPFTY, which is the foundation upon which the revenue

1 requirement is calculated, is unreliable. The Company admits this. Specifically, the  
2 Company admits that the FPFTY numbers change in numerous ways day to day. At this  
3 point there is no certainty about ongoing revenue levels, expense levels, investment levels  
4 or interest rates. In short, there is nothing of certainty upon which rates can be set. As a  
5 result, I agree with Mr. Rubin – that the Commission should not change rates at this time;  
6 however, if the Commission decides to implement new rates in this case, it should  
7 implement the \$2.8 million rate reduction recommended by OCA.

**VIII. SUMMARY OF RECOMMENDATIONS**

8 **Q: WHAT DO YOU RECOMMEND WITH RESPECT TO PGW'S APPLICATION?**

9 A: I recommend that the Commission either reject the Company's application as insufficient  
10 and implement no change in the Company's tariffs at this time, or adopt the \$2.8 million  
11 rate reduction set forth in this testimony.

**IX. CONCLUSION**

12 **Q: DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

13 A: Yes. It does.

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Statement of Income**  
**(Thousands)**

	<b>FPFTY BUDGET 2020-21</b>	<b>Reference</b>	<b>Adjustments</b>	<b>OCA FPFTY 2020-21</b>
	<b>OPERATING REVENUES</b>			
1	Non-Heating	\$ 21,466		\$ 21,466
2	Gas Transport Service	67,767		67,767
3	Heatng	576,418		576,418
4	Revenue Adjustment [TED/BUS Rate]	400		400
5	Revenue Enhancement / Cost Reduction	70,000	1.880	(2,800)
6	Weather Nomalization Adjustment	-	1.712	-
7	Appropriation for Uncollectible Reserve	(33,101)		(20,471)
8	Unbilled Adjustment	(36)		(36)
9	Total Gas Revenues	\$ 702,914		\$ 642,744
10	Appliance Repair & Other Revenues	7,964		7,964
11	LNG Project Revenues	-		-
12	Other Operating Revenues	12,161		11,161
13	Total Other Operating Revenues	20,125		19,125
14	<b>Total Operating Revenues</b>	<b>723,039</b>		<b>661,869</b>
	<b>OPERATING EXPENSES</b>			
15	Natural Gas	191,548		191,548
16	Other Raw Material	10		10
17	Sub-Total Fuel	191,558		191,558
18	<b>CONTRIBUTION MARGINS</b>	531,481		470,311
19	Gas Processing	21,740		21,740
20	Field Operations	86,412		83,904
21	Collection	4,430		4,430
22	Customer Service	15,751		15,751
23	Account Management	9,245		9,245
24	Marketing	4,916		4,916
25	Administrative & General	86,167		76,949
26	Health Insurance	27,151	(9,218)	27,151
27	Environmental	1,059		1,059
28	Capitalized Fringe Benefits	(8,969)		(8,969)
29	Capitalized Administrative Charges	(22,707)		(22,707)
30	Amortization of Restructuring Costs	-		-
31	Pensions	23,577		23,577
32	Taxes	9,435		9,435
33	Other Post Emoloyment Benefits	25,422		25,422
34	Proposed Bond Refunding Savings	(589)		(589)
35	Cost / Labor Savings	(164)		(164)
36	Sub-Total Other Operating & Maintenance	282,876		271,150
37	Depreciation	67,934		67,934
38	Cost of Removal	4,500		4,500
39	To Clearing Accounts	-		-
40	Net Depreciation	72,434		72,434
41	Sub-Total Other Operating Expenses	355,310		343,584
42	<b>TOTAL OPERATING EXPENSES</b>	<b>546,868</b>		<b>535,142</b>
43	<b>OPERATING INCOME</b>	176,171		126,727
44	Interest Gain / (Loss) and Other Income	7,400		7,400
45	<b>INCOME BEFORE INTEREST</b>	183,571		134,127
46	<b>INTEREST</b>			
47	Long-Term Debt	54,442		54,442
48	Other	(9,612)		(9,612)
49	AFUDC	(2,212)		(2,212)
50	Loss From Extinguishment of Debt	4,460		4,460
51	Total Interest	47,078		47,078
52	<b>NET INCOME</b>	136,493		87,049
53	City Payment	18,000		18,000
54	<b>NET EARNINGS</b>	<b>118,493</b>		<b>69,049</b>



**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Cash Flow Statement**  
**(Thousands)**

	<b>FPFTY BUDGET 2020-21</b>	<b>Reference</b>	<b>Adjustments</b>	<b>OCA FPFTY 2020-21</b>
<b><u>SOURCES</u></b>				
1	\$ 136,493		\$ (49,444)	\$ 87,049
2	63,079			63,079
3	(4,708)			(4,708)
4				-
5	(37,907)			(37,907)
6	\$ 156,957		\$ (49,444)	\$ 107,513
7	78,084			78,084
8				-
9				-
10				-
11				-
12	<b>\$ 235,041</b>		<b>\$ (49,444)</b>	<b>\$ 185,597</b>
<b><u>USES</u></b>				
14	\$ 154,084		\$ (30,000)	\$ 124,084
15	-			-
16	54,956			54,956
17	-			-
18	-			-
19	18,000			18,000
20				-
21	(3,470)			(3,470)
22	\$ 223,570		\$ (30,000)	\$ 193,570
23	\$ 11,471		\$ (19,444)	\$ (7,973)
24	<b>\$ 235,041</b>		<b>\$ (49,444)</b>	<b>\$ 185,597</b>
25	\$ 101,805			\$ 101,805
26	11,471		(19,444)	(7,973)
27	\$ 113,276		\$ (19,444)	\$ 93,832
28	\$ -		\$ -	\$ -
29	-		-	-
30	35,000			35,000
31	41,000			41,000
32	<b>\$ 76,000</b>		<b>\$ -</b>	<b>\$ 76,000</b>

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Debt Service Coverage**  
**(Thousands)**

	<b>FPPTY BUDGET 2020-21</b>	<b>Reference</b>	<b>Adjustments</b>	<b>OCA FPPTY 2020-21</b>
1	<b>FUNDS PROVIDED</b>			
2	\$ 702,914		\$ (60,170)	\$ 642,744
3	20,125		(1,000)	19,125
4	<u>\$ 723,039</u>		<u>\$ (61,170)</u>	<u>\$ 661,869</u>
5	2,692			2,692
6	-			-
7	2,212			2,212
8	<u>\$ 727,943</u>		<u>\$ (61,170)</u>	<u>\$ 666,773</u>
9	<b>FUNDS APPLIED</b>			
10	\$ 191,558		\$ -	\$ 191,558
11	355,310		(11,726)	343,584
12	<u>\$ 546,868</u>		<u>\$ (11,726)</u>	<u>\$ 535,142</u>
13	69,157			69,157
14	<u>\$ 477,711</u>		<u>\$ (11,726)</u>	<u>\$ 465,985</u>
15	250,232		(49,444)	200,788
16	-		-	-
17	<u>-</u>		<u>-</u>	<u>-</u>
18	\$ 250,232		\$ (49,444)	\$ 200,788
19	-			-
20	<u>\$ 250,232</u>		<u>\$ (49,444)</u>	<u>\$ 200,788</u>
21	\$ 106,790			\$ 106,790
22	-			-
23	<u>\$ 106,790</u>		<u>\$ -</u>	<u>\$ 106,790</u>
24	2.34			1.88
25	\$ 143,442		\$ (49,444)	\$ 93,998
26	\$ -			\$ -
27	\$ -		\$ -	\$ -
28	\$ 106,790		\$ -	\$ 106,790
29	2.34			1.88
30	2.17			1.71

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Balance Sheet**  
**(Thousands)**

	<b>FPFTY BUDGET 2020-21</b>	<b>Reference</b>	<b>Adjustments</b>	<b>OCA FPFTY 2020-21</b>
<b>ASSETS</b>				
1 Utility Plant Net	\$1,591,691		\$ (30,000)	\$1,561,691
2 Leasehold Asset	852			852
3 Sinking Fund Reserve	127,803			127,803
4 Capital Improvement Fund	169,798			169,798
5 Capital Expenditures	-			-
6 Worker Compensation Fund				-
7 & Health Insurance Escrow	2,759			2,759
8 Cash	113,276		(19,444)	93,832
9 <b>Accounts Receivable:</b>				-
10 Gas Receivable	140,392			140,392
11 Other	1,825			1,825
12 Accrued Gas Revenues	5,528			5,528
13 Reserve for Uncollectible	(65,565)			(65,565)
14 Accounts Receivable Net	\$ 82,180		\$ -	\$ 82,180
15 Materials & Supplies	50,851			50,851
16 Other Current Assets	3,160			3,160
17 Deferred Debits	12,940			12,940
18 Unamortized Bond Issueance Expense	209			209
19 Unamortized Extraordinary Loss	27,471			27,471
20 Deferred Environmental	47,108			47,108
21 Deferred Pension Outflows	8,590			8,590
22 Deferred OPEB Outflows	52,091			52,091
23 Other Assets	28,934			28,934
24 <b>TOTAL ASSETS</b>	<u>\$2,319,713</u>		<u>\$ (49,444)</u>	<u>\$2,270,269</u>
<b>EQUITY &amp; LIABILITIES</b>				
25				
26 City Equity	\$ 380,096		\$ (49,444)	\$ 330,652
27 <b>Long-Term Debt:</b>				
28 Revenue Bonds	1,116,650			1,116,650
29 Unamortized Discount	(48)			(48)
30 Unamortized Premium	78,577			78,577
31 Lease Obligations	852			852
32 Notes Payable	-			-
33 <b>Accounts Payable:</b>				
34 Natural Gas	14,488			14,488
35 General	54,281			54,281
36 Customer Deposits	2,828			2,828
37 Other Current Liabilities	4,647			4,647
38 Pension Liability	244,675			244,675
39 OPEB Liability	293,105			293,105
40 Deferred Credits	4,013			4,013
41 Deferred Pension Inflows	6,344			6,344
42 Deferred OPEB Inflows	22,099			22,099
43 <b>Accured Credits:</b>				
44 Interest	7,073			7,073
45 Taxes & Wages	4,222			4,222
46 Distribution to City	3,000			3,000
47 Other Liabilities	82,810			82,810
48 <b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>\$2,319,712</u>		<u>\$ (49,444)</u>	<u>\$2,270,268</u>
49 Debt to Equity	75.87%			78.33%

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Adjustments**  
**(Thousands)**

<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Amount</b>
1	Bad Debt Expense	Exhibit MG-5.1	\$ (12,630)
2	Field Operations	Exhibit MG-5.2	(2,508)
	Administrative & General		
3	Payroll Cost	Exhibit MG-5.3	(4,600)
4	Lobbying Expense	Exhibit MG-5.4	(105)
5	Rate Case Expense	Exhibit MG-5.5	(94)
6	Executive Incentive Plan	Exhibit MG-5.6	(105)
7	Goal Based Compensation	Exhibit MG-5.6	(442)
8	Risk Management	Exhibit MG-5.7	(3,325)
9	Purchased Services Expense	Exhibit MG-5.8	<u>(548)</u>
10	Total Administrative & General Adjustments		<u>\$ (9,218)</u>
11	Total Expense Adjustments		<u>\$ (24,356)</u>

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Bad Debt Expense**  
**(Thousands)**

Line No.	Description	Reference	Amount
	<u>Rate Revene</u>		
1	Non-Heating	Exhibit JFG-2, FPFTY, Line 1	\$ 21,466
2	Gas Transport Service	Exhibit JFG-2, FPFTY, Line 2	67,767
3	Heating	Exhibit JFG-2, FPFTY, Line 3	576,418
4	Revenue Adjustment (TED/BUS Rate)	Exhibit JFG-2, FPFTY, Line 4	400
5	Revenue Enhancement / Cost Reduction - FY2021	Exhibit MG-2, OPC, Line 5	(2,800)
6	Other Operating Revenues	Exhibit MG-2, OPC, Line 13	19,125
7	Total Operating Revenues		<u>\$ 682,376</u>
8	OCA Recommended Uncollectible Rate	BIE RE 17, FY 2019 net write-offs	<u>3.00%</u>
9	OCA Recommended Uncollectible Expense		\$ 20,471
10	PGW Requested Bad Debt Expense	Exhibit JFG-2, FPFTY, Line 7	<u>33,101</u>
11	OCA Adjustment to Bad Debt Expense		<u><u>\$ (12,630)</u></u>

	Actual 2016-17	Actual 2017-18	Actual 2018-19	Estimated 2019-20	Budget 2020-21	Budget+ 2020-21
<b>Source: BIE-RE-18</b>						
<b><u>Accounts Receivable</u></b>						
12	<b>\$ 144,480</b>	<b>\$ 141,611</b>	<b>\$ 144,310</b>	<b>\$ 147,793</b>	<b>\$ 146,049</b>	<b>\$ 142,577</b>
13	621,273	684,844	682,294	672,320	665,575	665,575
14						70,000
15	26,141	28,003	27,645	29,227	30,078	31,124
16	<b>647,414</b>	<b>712,847</b>	<b>709,939</b>	<b>701,547</b>	<b>695,653</b>	<b>766,699</b>
17	(613,239)	(685,057)	(685,607)	(673,485)	(667,826)	(736,031)
18	0.94721	0.96102	<b>0.9657</b>	0.96000	0.96000	0.96000
19	2,112	4,558	8,668	1,763	5	
20	(39,156)	(29,647)	(29,517)	(31,570)	31,304	(34,501)
21	(650,283)	(710,146)	(706,456)	(703,292)	(636,517)	(770,532)
22	<b>141,611</b>	<b>144,310</b>	<b>147,793</b>	<b>146,049</b>	<b>142,577</b>	<b>142,217</b>
23	Net Write-Offs % of Total Billed Rev.	-5.72%	-3.52%	<b>-2.94%</b>	-4.25%	4.50%
					4.50%	-4.50%
<b><u>Bad Debt Expense</u></b>						
24	141,611	144,310	147,793	146,049	142,577	142,217
25	21.18%	21.36%	20.29%	21.18%	21.01%	23.27%
26	<b>29,992</b>	<b>30,826</b>	<b>29,983</b>	<b>30,927</b>	<b>29,951</b>	<b>33,101</b>
27	4.8%	4.5%	4.4%	4.6%	4.5%	4.5%
28	20.4%	20.6%	19.6%	20.4%	20.2%	23.3%

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Field Operations**  
**(Thousands)**

<b>Line No.</b>	<b>Description</b>	<b>Distribution Department Amount</b>	<b>Reference</b>	<b>Field Services Department Amount</b>
1	2017-2018 Expense	\$ 47,762	PA-OB-2.pdf, pages 22, 30	\$ 39,291
2	2018-2019 Expense	42,665	PA-OB-2.pdf, pages 22, 30	35,158
3	Average FY 2018 & FY 2019	\$ 45,214		\$ 37,225
4	2019-2020 Budget	\$ 44,788	PA-OB-2.pdf, pages 22, 30	\$ 38,496
5	2019-2020 Estimate	42,562	PA-OB-2.pdf, pages 22, 30	36,975
6	Difference, Estimate less Budget	\$ (2,226)		\$ (1,521)
7	2020-21 Budget	45,639	PA-OB-2.pdf, pages 22, 30	39,307
8	Adjustments (from Average)	(426)		(2,083)
9	Field Operations Adjustment			<u>(2,508)</u>

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Payroll Expense Adjustment**  
**(Thousands)**

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<u>Year</u>	<u>Non-Union</u> (2.5% Raises)	<u>Union</u> (3% Raises)	<u>Payroll Expense</u>
FY 2018 - Actual			97,392,812
FY 2019 - Actual	35,937,522	61,913,003	97,850,525
FY 2020 - Budget			106,709,170
FY 2021 - Budget			108,040,000
FY 2019 Adjusted for Pay Raises	37,756,859	65,683,505	103,440,364
FY 2019 Adjusted for Pay Raises Compared to FY 2021			4,599,636
OCA Adjustment			<u><u>(4,600)</u></u>

Source: BIE-RE-12.A

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Lobbying Expense Adjustment**  
**(Thousands)**

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<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Amount</b>
1	Lobbying Expenses	OCA V-7	\$ 105
2	Adjustment to Exclude Lobbying Expenses		<u>\$ (105)</u>



**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Rate Case Expense Adjustment**  
**(Thousands)**

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<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Amount</b>
1	Software Training Costs	BIE-RE-47B. Attachment F, page 3	\$ 468
2	Adjustment to Remove Software Training		\$ (468)
3	Rate Case Expense Amortization Period		<u>5</u>
4	Expense Adjustment		<u>\$ (94)</u>

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Incentive Compensation Adjustment**  
**(Thousands)**

<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Amount</b>
1	Executive Incentive Plan	OCA V-6	\$ 105
2	Adjustment to Exclude Executive Incentives		<u>\$ (105)</u>
3	Goal Based Compensation	OCA XVII-1	\$ 884
4	Rate Payer Sharing Percentage		<u>50%</u>
5	Rate Payer Share		<u>\$ 442</u>
6	Adjustment to Goal Based Compensation		<u>\$ (442)</u>

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Risk Management**  
**(Thousands)**

<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Amount</b>
1	FY 2017 Non-Labor	BIE-RE-35.A	\$ 7,734
2	FY 2018 Non-Labor	BIE-RE-35.A	10,441
3	FY 2019 Non-Labor	BIE-RE-35.A	<u>6,677</u>
4	Historic Average Non-Labor Risk Management		\$ 8,284
5	FPFTY 2021 Non-Labor Risk Management Exp	BIE-RE-35.A	<u>11,609</u>
6	Adjustment to Non-Labor Risk Management Exp		<u><u>\$ (3,325)</u></u>

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Purchased Services Adjustment**  
**(Thousands)**

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<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Amount</b>
1	Current PFMC Maximum Contractual Obligation		\$ 205
2	Requested PFMC Maximum Contractual Obligation		<u>753</u>
3	Adjustment to Purchased Services		<u>\$ (548)</u>

**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Payroll Expense Adjustment Workpaper**  
**(Thousands)**

Source: BIE-RE-12.A.

<b>Line No.</b>	<b>Year</b>	<b>Payroll Exp.</b>
1	FY 2017	90,651,578
2	FY 2018	97,392,812
3	FY 2019	97,850,525
4	FY 2020	#####
5	FY 2021	#####
6	FY 2019 adjusted for 2.5% pay increases	#####
7	Difference	<u>5,235,792</u>

Capitalized Fringe Benefits

Source: BIE-RE-38.A

	Actual 2016-17	Actual 2017-18	Actual 2018-19	Estimate 2019-20	Budget 2020-21
8	Group Life Insurance*	\$ 1,785	\$ 1,661	\$ 1,629	\$ -
9	Health Insurance - Active	20,882	22,242	22,080	25,340
10	Health Insurance - Retired	27,788	23,770	27,419	29,948
11	Pension Payments	29,260	28,395	28,797	31,157
12	Legal Fund	223	248	298	300
13	Total	<u>79,938</u>	<u>76,316</u>	<u>80,223</u>	<u>86,745</u>
14					90,323
15	PGW Net Payroll	112,187	129,688	128,107	137,511
16	Labor Cost Basis %	87.35%	87.25%	87.06%	87.06%
17	Labor Cost Base	97,998	113,147	111,533	119,720
					119,924
	Application Year	2017	2018	2019	2020
18	Constr. Additive Rate	<u>83.35%</u>	<u>81.57%</u>	<u>100.92%</u>	<u>98.31%</u>
19	Payroll Tax Rate	<u>8.90%</u>	<u>9.41%</u>	<u>8.99%</u>	<u>8.86%</u>
20	Total	<u>92.25%</u>	<u>90.98%</u>	<u>109.91%</u>	<u>107.17%</u>
					81.18%
		Actual 2016-17	Actual 2017-18	Actual 2018-19	Estimate 2019-20
21	Capital Labor	<u>14,113</u>	<u>12,657</u>	<u>13,088</u>	<u>13,993</u>
22	Capital Labor as a %				
23	of Labor Base	14.40%	11.19%	11.73%	11.69%
24	Application Rate	92.25%	90.98%	109.91%	107.17%
					81.18%
25	Total Construction Additive	12,236	11,970	10,968	14,996
26	Capital Constr. Additive	<u>(1,237)</u>	<u>(1,203)</u>	<u>(1,182)</u>	<u>(1,280)</u>
27	Construction Additive	<u>10,999</u>	<u>10,767</u>	<u>9,786</u>	<u>13,716</u>
					8,969
28	Net Capital Spending	<u>102,254</u>	<u>123,427</u>	<u>110,523</u>	<u>119,673</u>
					154,084



**PHILADELPHIA GAS WORKS**  
**R-2020-3017206**  
**Payroll Expense Adjustment - Workpapers**  
**(Thousands)**

<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Amount</b>
	<b><u>Employees</u></b>		
1	Sep-19	BIE RE 11 Employee Head Counts.pdf	1,637
2	Oct-19	BIE RE 11 Employee Head Counts.pdf	1,644
3	Nov-19	BIE RE 11 Employee Head Counts.pdf	1,661
4	Dec-19	BIE RE 11 Employee Head Counts.pdf	1,664
5	Jan-20	BIE RE 11 Employee Head Counts.pdf	1,625
6	Feb-20	BIE RE 11 Employee Head Counts.pdf	1,626
7	Mar-20	BIE RE 11 Employee Head Counts.pdf	<u>1,635</u>
8	Average Number of Employees, FY 2020		1,642
9	Budgeted Employees	BIE RE 11 Employee Head Counts.pdf	<u>1,674</u>
10	Average Employees Under Budget		(32)
11	Employee Levels Under Budget		-1.93%
12	FY 2021 Labor Expense	III.21.a	\$ 108,341
13	Insurance Expense	Exhibit JFG-2, Statement of Income, Line 26	27,151
14	Capitalized Fringe Benefits	Exhibit JFG-2, Statement of Income, Line 28	(8,969)
15	Pension Expense	Exhibit JFG-2, Statement of Income, Line 31	23,577
16	OPEB Expense	Exhibit JFG-2, Statement of Income, Line 33	25,422
17	Payroll Taxes at 8.72%	Exhibit JFG-2, Statement of Income, Line 32	<u>9,435</u>
18	Total Payroll Related Costs		\$ 184,957

**MARK E. GARRETT**

**CONTACT INFORMATION:**

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(405) 239-2226

**EDUCATION:**

Juris Doctor Degree, With Honors, Oklahoma City University Law School, 1997  
Post Graduate Hours in Accounting, Finance and Economics, 1984-85:  
University of Texas at Arlington; University of Texas at Pan American;  
Stephen F. Austin State University  
Bachelor of Arts Degree, University of Oklahoma, 1978

**CREDENTIALS:**

Member Oklahoma Bar Association, 1997, License No. 017629  
Certified Public Accountant in Oklahoma, 1992, Certificate No. 11707-R  
Certified Public Accountant in Texas, 1986, Certificate No. 48514

**WORK HISTORY:**

**GARRETT GROUP, LLC – Regulatory Consulting Practice (1996 - Present)** Participates as a consultant and expert witness in electric utility, natural gas distribution company, and natural gas pipeline matters before regulatory agencies in rate case proceedings to determine just and reasonable rates. Reviews management decisions of regulated utilities regarding the reasonableness of prices paid for electric plant, gas plant, purchased power, renewable energy projects, natural gas supplies and transportation, and coal supplies and transportation. Participates in regulatory proceedings to restructure the electric and natural gas utility industries. Participates as an Instructor at NMSU Center for Public Utilities and as a Speaker at NARUC Staff Subcommittee on Accounting and Finance.

**OKLAHOMA CORPORATION COMMISSION - Coordinator of Accounting and Financial Analysis (1991 - 1994)** Planned and supervised the audits of major public utility companies doing business Oklahoma for the purpose of determining revenue requirements. Presented both oral and written testimony as an expert witness for Staff in defense of numerous accounting and financial recommendations related to cost-of-service based rates. Audit work and testimony covered all areas of rate base and operating expense. Supervised, trained and reviewed the audit work of numerous Staff CPAs and auditors. Promoted from Supervisor of Audits to Coordinator in 1992.

**FREEDOM FINANCIAL CORPORATION - Controller (1987 - 1990)** Responsible for all financial reporting including monthly and annual financial statements, cash flow statements, budget reports, long-term financial planning, tax planning and personnel development. Managed the General Ledger and Accounts Payable departments and supervised a staff of seven CPAs and accountants. Reviewed all subsidiary state and federal tax returns and facilitated the annual independent financial audit and all state or federal tax audits. Received promotion from Assistant Controller in September 1988.

**SHELBY, RUCKSDASHEL & JONES, CPAs - Auditor (1986 - 1987)** Audited the financial statements of businesses in the state of Texas, with an emphasis in financial institutions.



## Previous Experience Related to Cost-of-Service, Rate Design, Pricing and Energy-Related Issues

1. **Oklahoma Gas and Electric Company, 2020 (Oklahoma), (Cause No. PUD 202000021)** – Participating as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s Grid Enhancement Plan application. Sponsoring testimony to address the utility’s proposed cost recovery mechanism and cost of service allocations.
2. **Philadelphia Gas Works, 2020 (Pennsylvania), (Docket No. R-2020-3017206)** – Participating expert witness on behalf of Office of Consumer Advocate (“OCA”) before the Pennsylvania Public Utility Commission to address various revenue requirement issues in PGW’s rate case.
3. **Atmos MidTex (Texas), 2020 (Texas), (Dallas Annual Rate Review)** – Participating as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
4. **Southwest Gas Corporation, 2020 (Nevada) (Docket No. 20-02023)** – Participating as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
5. **El Paso Electric Company, 2019 (Texas), (Docket No. 49849)** – Participated as an expert witness on behalf of the City of El Paso in the merger of El Paso Electric Company with Sun Jupiter Holdings LLC and IIF US Holdings 2 LLP to provide recommendations to the Texas Public Utility Commission regarding the treatment of tax issues in the proposed merger agreement.
6. **Nevada Senate Bill 300 Rulemaking, 2019 (Nevada), (Docket No. 19-069008)** – Participating as an expert witness on behalf of the Southern Nevada Gaming Group before the Nevada PUC to assist with the development of alternative ratemaking regulations under SB 300.
7. **Entergy Arkansas, 2019 (Arkansas), (Docket No. 19-020-TF)** – Participating as an expert witness on behalf of the Arkansas industrial consumer group to review EAI’s application to allocate its perceived under-recovery of off-system sales margins to Arkansas customers.
8. **Public Service Company of Oklahoma, 2019 (Oklahoma) (Cause No. PUD 201900201)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for approval for the cost recovery of selected wind facilities.
9. **Oklahoma Gas & Electric Co., 2019 (Arkansas) (Docket No. 18-046-FR)** – Participating as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”)<sup>1</sup> before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on various revenue requirement, cost of service and rate design issues.
10. **Southwestern Public Service Co., (“SPS”) 2019 (Texas), (Docket No. 49831)** – Participating as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
11. **Southwestern Electric Power Company, 2019 (Arkansas), (Docket No. 19-008-U)** – Participated as an expert witness on behalf of Western Arkansas Large Energy Consumers (“WALEC”) before the

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<sup>1</sup> ARVEC is an association of industrial manufacturing facilities in northwest Arkansas.

Arkansas Public Service Commission in SWEPCO's rate case to address various revenue requirement and rate design issues.

12. **Anchorage Municipal Light and Power and Chugach Electric Association, 2019 (Alaska), (Docket No. U-19-020)** – Participating as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on pending acquisition of ML&P by Chugach to address the proposed acquisition premium and other issues associated with the public interest.
13. **Sierra Pacific Power Company, 2019 (Nevada), (Docket No. 19-06002)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
14. **Air Liquide Hydrogen Energy U.S., 2019 (Nevada), (704B Exit Application)** – Participated as an expert witness on behalf of Air Liquide before the Nevada PUC. Sponsoring written and oral testimony in Air Liquide's application to purchase energy and capacity from a provider other than NV Energy.
15. **Empire District Electric Company, 2019 (Oklahoma), (Cause No. PUD 201800133)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire's general rate case to address various revenue requirement, rate design and tax issues.
16. **Indiana Michigan Power, 2019 (Indiana), (Docket No. 45235)** – Participating as an expert witness on behalf of the Office of Utility Consumer Counselor in I&M's rate case application, sponsoring testimony to address various revenue requirement and tax issues.
17. **Puget Sound Energy, 2019 (Washington), (Docket No. 190529-30)** – Participating as an expert witness on behalf of Public Counsel in PSE's rate case application, sponsoring testimony to address various revenue requirement and tax issues.
18. **Anchorage Municipal Light and Power, 2019 (Alaska), (Docket No. U-18-102)** – Participating as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on the ratemaking treatment of ML&P's acquired interest in the Beluga River Unit gas field with ratepayer funds.
19. **Oklahoma Gas and Electric Company, 2019 (Oklahoma), (Cause No. PUD 201800140)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E's General Rate Case application. Sponsoring testimony to address the utility's overall revenue requirement and rate design proposals.
20. **Cascade Natural Gas, 2019 (Washington) (Docket No. 190210)** – Participated as an expert witness on behalf of Public Counsel in Cascade's rate case application. Sponsoring testimony to address various revenue requirement and tax issues.
21. **CenterPoint Energy Houston Electric, 2019 (Texas) (Docket No. 49421)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy's rate case application to provide testimony on various revenue requirement issues.
22. **Oklahoma Gas & Electric Co., 2018 (Arkansas) (Docket No. 18-046-FR)** – Participated as an

expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”)<sup>2</sup> before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on various revenue requirement, cost of service and rate design issues.

23. **Southwest Gas Corporation, 2018 (Nevada) (Docket No. 18-05031)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
24. **Puget Sound Energy, 2018 (Washington) (Docket No. UE 18089)** - Participated as an expert witness on behalf of Public Counsel in PSE’s Emergency Rate Relief proceeding. Sponsoring testimony to address the application itself and various revenue requirement and TCJA issues.
25. **Public Service Company of Oklahoma, 2018 (Oklahoma) (Cause No. PUD 201800097)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
26. **Entergy Texas Inc., 2018 (Texas) (PUC Docket No. 48371)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
27. **Atmos Energy Corp., Mid-Tex Division, 2018 (Texas) (Docket No. GUD No. 10779)** – Participated as an expert witness on behalf of the Atmos Texas Municipalities to review the utility’s requested revenue requirement including TCJA adjustments.
28. **CenterPoint Energy Houston Electric, LLC, 2018 (Texas) (Docket No. 48226)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy’s application for approval to amend its distribution cost recovery factor (DCRF) to address the utility’s treatment of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
29. **NV Energy, 2018 (Nevada) (Docket No. 17-10001)** – Participated as an expert witness on behalf of the Energy Choice Initiative (“ECI”) before the Governor’s Committee on Energy Choice, in an investigatory docket of an Issue of Public Importance Regarding the Pending Energy Choice Initiative and the Possible Restructuring of Nevada’s Energy Industry.
30. **Southwestern Electric Power Company, 2018 (Texas) (PUC Docket No. 48233)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPSCO’s application to implement base rate reductions as result of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
31. **Oncor Electric Delivery Company (Texas), 2018 (PUC Docket No. 48325)** – Participated as an expert witness before the Texas Public Utility Commission in Oncor’s application for authority to decrease rates based on the Tax Cuts and Jobs Act of 2017 (“TCJA”).
32. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2018 (Cause No. PUD 201800019)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application regarding ADIT under the Tax Cuts and Jobs Act of 2017 (“TCJA”).
33. **Oklahoma Natural Gas Company, 2018 (Cause No. PUD 201800028)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission in ONG’s Performance

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<sup>2</sup> ARVEC is an association of industrial manufacturing facilities in northwest Arkansas.

Based Rate Change Tariff, to address issues involving the impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”).

34. **Oklahoma Gas & Electric Co. (Arkansas), 2018 (Docket No. 18-006-U** – Participated as an expert on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in the matter of an Investigation of the Effect on Revenue Requirements Resulting from Changes to Corporate Income Tax Rates under the Tax Cuts and Jobs Act of 2017 (“TCJA”).
35. **Texas Gas Service, 2018** – Participated as a consulting expert on behalf of the City of El Paso regarding implementation of rate changes related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
36. **Sierra Pacific Power Company (Nevada), 2018 (Docket No. 18-02011 and 18-02015)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers<sup>3</sup> before the Nevada PUC in SPPC’s application related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
37. **Nevada Power Company (Nevada), 2018 (Docket No. 18-02010 and 18-02014)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group before the Nevada PUC in NPC’s application related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
38. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2017 (Cause No. PUD 201700572)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application to examine the impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
39. **Empire District Electric Company (“EPE”) (Oklahoma), 2018 (Cause No. PUD 201700471)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s application to add 800MW of wind. Sponsoring testimony to address the various ratemaking and tax issues.
40. **Oklahoma Gas and Electric Company (“OG&E”), (Oklahoma), 2018 (Cause No. PUD 201700496)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
41. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2017 (Cause No. PUD 201700276)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s Wind Catcher case to provide testimony on various ratemaking and tax issues.
42. **Southwestern Public Service Co. (“SPS”) (Texas), 2017 (PUC Docket No. 47527)** – Participating as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
43. **Southwestern Electric Power Company, (“SWEPCO”) (Texas), 2017 (PUC Docket No. 47461)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s Wind Catcher case proceeding to provide testimony on various ratemaking and tax issues.
44. **Atmos MidTex (Texas), 2017 (Docket No. 10640)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review

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<sup>3</sup> The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.

("DARR") proceeding. Sponsoring testimony on various revenue requirement issues.

45. **Avista Utilities (Washington), 2017 (Docket Nos. UE-170485/UG-170486)** – Participated as an expert witness on behalf of Public Counsel in Avista’s general rate case proceeding. Sponsoring testimony to address various revenue requirement issues and Avista’s requested attrition adjustments.
46. **Nevada Power Company (Nevada), 2017 (Docket No. 17-06003)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC in NPC’s general rate case proceeding. Sponsoring testimony on various revenue requirement, depreciation, and rate design issues.
47. **Anchorage Municipal Light and Power (Alaska), 2017 (Docket No. U-17-008)** – Participating as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony in ML&P’s General Rate Case on various revenue requirement and rate design issues.
48. **Public Service Company of Oklahoma (Oklahoma), 2017 (Cause No. PUD 201700151)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement and rate design issues.
49. **Oncor Electric Delivery Company (Texas), 2017 (PUC Docket No. 46957)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Public Utility Commission in Oncor’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
50. **EverSource (Massachusetts), 2017 (DPU Docket No. 17-05)** – Participated as an expert witness before the Massachusetts Department of Public Utilities EverSource’s General Rate Case application on behalf of Energy Freedom Coalition of America to provide testimony to address various revenue requirement issues.
51. **El Paso Electric Company (Texas), 2017 (PUC Docket No. 46831)** – Participated as an expert witness on behalf of the City of El Paso before the Texas Public Utility Commission in El Paso’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
52. **Atmos Pipeline Texas (Texas), 2017 (Docket No. 10580)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in APT’s General Rate Case application, sponsoring testimony to address various revenue requirement proposals.
53. **Empire District Electric Company (Oklahoma), 2017 (Cause No. PUD 201600468)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
54. **Caesars Enterprise Service, LLC (Nevada), 2016 (704B Exit Application)** – Participated as an expert witness on behalf of Caesars before the Nevada PUC. Sponsoring written and oral testimony in Caesar’s application to purchase energy and capacity from a provider other than Nevada Power.
55. **Southwestern Electric Power Company (Texas), 2016 (PUC Docket No. 46449)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s general rate case proceeding to provide testimony on various revenue requirement issues.
56. **CenterPoint Texas, 2016 (Docket No. 10567)** – Participated as an expert witness on behalf of City

of Houston before the Texas Railroad Commission in CenterPoint's general rate case application, sponsoring testimony to address the utility's overall revenue requirement and various rate design proposals.

57. **Entergy Texas, Inc., 2016 (Docket No. 46357)** – Participated as an expert witness on behalf Cities Served by Applicant before the Texas PUC in ETI's application to amend its Transmission Cost Recovery Factor.
58. **Anchorage Municipal Light and Power, 2016 (Docket No. U-16-060)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on the ratemaking treatment of ML&P's acquired interest in the Beluga River Unit gas field with ratepayer funds.
59. **Arizona Public Service Company, 2016 (Docket No. E-01345A-16-0036)** – Participated as an expert witness before the Arizona Corporation Commission in APS's General Rate Case application on behalf of Energy Freedom Coalition of America to provide written and oral testimony to address various revenue requirement issues.
60. **Oklahoma Gas & Electric Co. (Arkansas), 2016 (Docket No. 16-052-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers ("ARVEC")<sup>4</sup> before the Arkansas Public Service Commission in OG&E's general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
61. **Sierra Pacific Power Company (Nevada), 2016 (Docket No. 16-06006)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers<sup>5</sup> before the Nevada PUC in SPPC's general rate case proceeding. Sponsored testimony on various revenue requirement, depreciation, and rate design issues.
62. **Tucson Electric Power, 2016 (Docket No. E-01933A-15-0322)** – Participated as an expert witness before the Arizona Corporation Commission in TEP's General Rate Case application, on behalf of Energy Freedom Coalition of America providing written and oral testimony to address the utility's cost of service study and rate design proposals.
63. **Texas Gas Service, 2016 (Docket No. 10506)** – Participated as an expert witness on behalf of El Paso before the Texas Railroad Commission in TGS's General Rate Case application, sponsoring testimony to address the utility's overall revenue requirement and various rate design proposals.
64. **Texas Gas Service, 2016 (Docket No. 10488)** – Participated as an expert witness on behalf of South Jefferson County Service Area ("SJCSA") before the Texas Railroad Commission in TGS's General Rate Case application, sponsoring testimony to address the utility's overall revenue requirement and various rate design proposals.
65. **Oklahoma Gas and Electric Company, 2016 (Cause No. PUD 201500273)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers ("OIEC") before the Oklahoma Corporation Commission in OG&E's General Rate Case application. Sponsoring testimony to address the utility's overall revenue requirement and rate design proposals.
66. **Oklahoma Gas & Electric Company, 2016 (Cause No. PUD 201500273)** – Participated as an expert witness on behalf of The Alliance for Solar Choice ("TASC") before the Oklahoma

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<sup>4</sup> ARVEC is an association of industrial manufacturing facilities in northwest Arkansas.

<sup>5</sup> The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.

Corporation Commission to address OG&E's proposed Distributed Generation ("DG") rates for solar DG customers.

67. **Anchorage Municipal Light and Power, 2016 (Docket No. U-13-097)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on rates and tariffs proposed for customer-owned combined heat and power plant generation.
68. **Oklahoma Natural Gas Company, 2015 (Cause No. PUD 201500213)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission in ONG's General Rate Case application. Sponsored testimony to address the utility's overall revenue requirement and rate design proposals.
69. **Oklahoma Gas & Electric Company, 2015 (Cause No. PUD 201500274)** – Participated as an expert witness on behalf of The Alliance for Solar Choice ("TASC") before the Oklahoma Corporation Commission to address OG&E's proposed Distributed Generation ("DG") rates for solar DG customers.
70. **Nevada Power Company, 2015 (Docket No. 15-07004)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group ("SNHG")<sup>6</sup> before the Nevada PUC. Sponsoring written and oral testimony in NPC's 2015 Integrated Resource Plan to provide analysis of the On Line transmission line allocation, the Siverhawk plant acquisition, and the Griffith contract termination.
71. **Oklahoma Gas & Electric Company, 2015 (Docket No. 15-034-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers ("ARVEC") before the Arkansas Public Service Commission in OG&E's Act 310 application to implement a rider to recover environmental compliance costs.
72. **MGM Resorts, LLC, 2015 (Docket No. 15-05017)** – Participated as an expert witness on behalf of the MGM Resorts, LLC before the Nevada PUC. Sponsoring written and oral testimony in MGM's application to purchase energy and capacity from a provider other than Nevada Power.
73. **Entergy Arkansas, 2015 (Docket No. 15-015-U)** – Participated as an expert witness on behalf of the Hospital and Higher Education Group ("HHEG") an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in Entergy's general rate case to provide testimony on various revenue requirement issues.
74. **Public Service Company of Oklahoma, 2015 (Cause No. PUD 201500208)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO's general rate case application to provide testimony on various cost-of-service issues and on the utility's overall revenue requirement and rate design proposals.
75. **Nevada Power Company, 2014 (Docket No. 14-05003)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group ("SNHG") before the Nevada PUC. Sponsored written and oral testimony in NPC environmental compliance case, called the Emissions Reduction and Capacity Replacement case. The main focus of our testimony was our recommendation to eliminate the \$438M Moapa solar project from the compliance plan.
76. **Nevada Power Company, 2014 (Docket No. 14-05004)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC to sponsor written and oral testimony in

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<sup>6</sup>The Southern Nevada Hotel Group is comprised of Boyd Gaming, Caesars Entertainment, MGM Resorts, Station Casinos, Venetian Casino Resort, and Wynn Las Vegas.

both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.

77. **Oklahoma Gas and Electric Co., 2014 (Cause No. PUD 201400229)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) in OG&E’s Environmental Compliance and Mustang Modernization Plan before the Oklahoma Corporation Commission to provide testimony addressing the economics and rate impacts of the plan.
78. **Sourcegas Arkansas, Inc., 2014 (Docket No. 13-079-U)** Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”), an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in SGA’s general rate case to provide testimony on various revenue requirement issues.
79. **Anchorage Municipal Light and Power, 2014 (Docket No. U-13-184)** – Participated as an expert witness before the Alaska Regulatory Utility Commission on behalf of Providence Health and Services to provide testimony on various revenue requirement and cost of service issues.
80. **Public Service Company of Oklahoma, 2014 (Cause No. PUD 201300217)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
81. **Entergy Texas Inc., 2013 (PUC Docket No. 41791)** – Participated as an expert witness on behalf of the Cities<sup>7</sup> in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
82. **MidAmerican/NV Energy Merger, 2013 (Docket No. 13-07021)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored testimony to address various issues raised in the proposed acquisition of NV Energy by MidAmerican Energy Holdings Company, including capital structure and acquisition premium recovery issues.
83. **Entergy Arkansas, 2013 (Docket No. 13-028-U)** – Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”) an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in Entergy’s general rate case to provide testimony on various revenue requirement issues.
84. **Sierra Pacific Power Company, 2013 (Docket No. 13-06002)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers<sup>8</sup> before the Nevada PUC in SPPC’s general rate case proceeding to provide testimony on various cost of service and revenue requirement issues. Sponsored written and oral testimony in the depreciation phase, the revenue requirement phase and the rate design phase of these proceedings.
85. **Gulf Power Company, 2013 (Docket No. 130140-EI)** – Participated as an expert witness on behalf of the Office of Public Counsel before the Florida Commission in Gulf Power’s general rate case proceeding to provide testimony on various revenue requirement issues.
86. **Public Service Company of Oklahoma, 2013 (Cause No. PUD 201200054)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission (“OCC”) to

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<sup>7</sup> The Cities include Beaumont, Conroe, Groves, Houston, Huntsville, Orange, Navasota, Nederland, Pine Forest, Pinehurst, Port Arthur, Port Neches, Rose City, Shenandoah, Silsbee, Sour Lake, Vidor, and West Orange.

<sup>8</sup> The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.



provide testimony in PSO's application seeking Commission approval of its settlement agreement with EPA.

87. **Southwestern Electric Power Company, 2012 (PUC Docket No. 40443)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO's general rate case proceeding to provide testimony on various cost of service issues and on the utility's overall revenue requirement.
88. **Doyon Utilities, 2012 Alaska Rate Case (Docket No. TA7-717)** – Participated as an expert witness consultant on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.
89. **University of Oklahoma, 2012** – Participated as an expert witness on behalf of the University of Oklahoma to provide expert testimony on various revenue requirement issues in the University's general rate case with the Corix Group, which provides utility services to the University.
90. **Public Service Company of Oklahoma, 2012 (Cause No. PUD 201200079)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission to provide expert testimony addressing the utility's request to earn additional compensation on a 510MW purchased power agreement with Exelon
91. **Centerpoint Energy Texas Gas, 2012 (Docket No. GUD 10182)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Railroad Commission to provide expert testimony on various revenue requirement issues.
92. **Entergy Texas Inc., 2012 (PUC Docket No. 39896)** – Participated as an expert witness on behalf of the Cities in ETI's general rate case to provide testimony on various cost of service issues and on the utility's overall revenue requirement.
93. **Oklahoma Natural Gas Company, 2012 (Cause No. PUD 2012-029)** – Participated as an expert witness on behalf of the OIEC before the OCC in ONG's Performance Based Rate (“PBR”) application seeking Commission approval of a requested rate increase based upon formula results for 2011.
94. **University of Oklahoma, 2012** – Assisted the University of Oklahoma with an audit of the costs associated with its six utility operations and its contract with the Corix Group to provide utility services to the university.
95. **Oklahoma Gas and Electric Company, 2012 (Cause No. PUD 2011-186)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E's application seeking Commission approval of a special contract with Oklahoma State University and a wind energy purchase agreement in connection therewith.
96. **Empire Electric Company, 2011, (Cause No. PUD 11-082)** – Participated as an expert witness on behalf of Enbridge before the OCC in Empire's rate case to provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
97. **Nevada Power Company, 2011, (Docket No. 11-04010)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored written and oral testimony to address proposed changes to the Company's customer deposit rules.

98. **Nevada Power Company, 2011, (Docket No. 11-06006)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
99. **Public Service Company of Oklahoma, 2011 (Cause No. PUD 2011-106)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking rider recovery of third party SPP transmission costs and fees.
100. **Oklahoma Gas and Electric Company, 2011 (Cause No. PUD 2011-087)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s rate case to provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
101. **Oklahoma Gas & Electric Company, 2011 (Docket No. 10-109-U)** – Participated as an expert witness on behalf of Gerdau Macsteel before the Arkansas Public Service Commission in OG&E’s application to recover Smart Grid costs to make recommendations regarding the allocation of the Smart Grid costs.
102. **Oklahoma Gas & Electric Company, 2011 (Cause No. PUD 2011-027)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking to include retiree medical expense in the Company’s pension tracker mechanism.
103. **Public Service Company of Oklahoma, 2011 (Cause No. PUD 2010-50)** – Participated as an expert witness on behalf of OIEC before the Oklahoma Corporation Commission in AEP/PSO’s application to recover ice storm O&M expenses through a regulatory asset/rider mechanism to address tax impact and return issues in the proposed rider.
104. **Public Service Company of Colorado, 2011 (Docket No. 10AL-908E)** – Participated as an expert witness on behalf of the Colorado Retail Council (“CRC”) before the Colorado Public Utilities Commission providing written and live testimony to address PSCo’s proposed Environmental Tariff.
105. **Oklahoma Gas & Electric Company, 2011 (Docket No. 10-067-U)** – Participated as an expert witness on behalf of the Northwest Arkansas Industrial Energy Consumers (“NWIEC”)<sup>9</sup> before the Arkansas Public Service Commission in OG&E’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
106. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-146)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking rider recovery of third party SPP transmission costs and SPP administration fees.
107. **Massachusetts Electric Co. & Nantucket Electric Co. d/b/a National Grid, 2010 (Docket No. DPU 10-54)** – Participated as an expert witness providing both written and live testimony before the Massachusetts Department of Public Utilities on behalf of the Associated Industries of Massachusetts (“AIM”) to address the Company’s proposed participation in the 438MW Cape Wind project in Nantucket Sound.
108. **Public Service Company of Oklahoma, 2010 (Cause No. PUD 2010-50)** – Participated as an expert witness on behalf of the OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate

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<sup>9</sup> NWIEC is an association of industrial manufacturing facilities in northwest Arkansas.

design proposals.

109. **Texas-New Mexico Power Co., 2010 (Docket 38480)** – Participated as an expert witness on behalf of the Alliance of Texas Municipalities (“ATM”) before the Texas PUC in TMNP’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
110. **Southwestern Public Service Co., 2010 (PUCT Docket No. 38147)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
111. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-37)** – Participated as an expert witness on behalf of OIEC before the OCC to address the preapproval and ratemaking treatment of OG&E’s 220MW self-build wind project.
112. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-29)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking pre-approval of deployment of smart-grid technology and rider-recovery of the associated costs. Sponsored written testimony to address smart-grid deployment and time-differentiated fuel rates.
113. **Public Service Company of Oklahoma, 2010 (Cause No. PUD 2010-01)** – Participated as an expert witness on behalf of the OIEC before the OCC in the Company’s proposed Green Energy Choice Tariff. Sponsored testimony to address the pricing and ratemaking treatment of the Company’s proposed wind subscription tariff.
114. **Nevada Power Company, 2010 (Docket No. 10-02009)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC to provide testimony in NPC’s Internal Resource Plan to address the ratemaking treatment of the proposed ON Line transmission line.
115. **Entergy Texas Inc., 2010 (PUC Docket No. 37744)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
116. **El Paso Electric Company, 2010 (PUC Docket No. 37690)** – Participated as an expert witness on behalf of the City of El Paso in the EPI general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
117. **Public Service Company of Oklahoma, 2009 (Cause No. 09-196)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application for approval of DSM programs and cost recovery. Sponsored testimony to address program costs, lost revenue recovery, cost allocations and incentives.
118. **Oklahoma Gas and Electric Company, 2009 (Cause No. PUD 09-230 and 09-231)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s application to add wind resources from two purchased power contracts. Sponsored written testimony to address the proper ratemaking treatment of the contract costs and the renewable energy certificates.
119. **Oklahoma Gas and Electric Company, 2009 (Cause No. PUD 08-398)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s rate case. Provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.

120. **Nevada Power Company, 2009, (Docket No. 08-12002)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
121. **Public Service Company of Oklahoma, 2009 (Cause No. 09-031)** – Participated as an expert witness on behalf of OIEC before the OCC in PSO’s application to add wind resources from two purchased power contracts. Sponsored written testimony to address the proper ratemaking treatment of the contract costs and the renewable energy certificates.
122. **Oklahoma Natural Gas Co., 2009 (Cause No. PUD 08-348)** – Participated as an expert witness on witness on behalf of the OIEC before the OCC in ONG’s application to establish a Performance Based Rate tariff. Sponsored both written and oral testimony to address the merits of the utility’s proposed PBR.
123. **Rocky Mountain Power, 2009 (Docket No. 08-035-38)** – Participated as an expert witness on behalf of the Division of Public Utilities (Staff) in PacifiCorp’s general rate case to provide testimony on various revenue requirement issues.
124. **Texas-New Mexico Power Co., 2008 (Docket 36025)** – Participated as an expert witness on behalf of the Alliance of Texas Municipalities (“ATM”) before the Texas PUC in TMNP’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
125. **Public Service Company of Oklahoma, 2008 (Cause No. 08-144)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s general rate case application to address revenue requirement and rate design issues to establish prospective cost-of-service based rates.
126. **Public Service Company of Oklahoma, 2008 (Cause No. 08-150)** – Participated as an expert witness on behalf of the OIEC before the OCC to address PSO’s calculation of its Fuel Clause Adjustment for 2008.
127. **Oklahoma Gas and Electric Company, 2008 (Cause No. PUD 08-059)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking authorization of its Demand Side Management (“DSM”) programs and the establishment of a DSM Rider to recover program costs, lost revenues and utility incentives.
128. **Entergy Gulf States, 2008 (PUC Docket No. 34800, SOAH Docket No. 473-08-0334)** – Participated as an expert witness on behalf of the Cities in EGSI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
129. **Public Service Company of Oklahoma, 2008 (Cause No. 07-465)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application to recover the pre-construction costs of the cancelled Red Rock coal generation facility.
130. **Oklahoma Gas and Electric Company, 2008 (Cause No. 07-447)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking authorization to recover the pre-construction costs of the cancelled Red Rock coal generation facility using proceeds from sales of excess SO<sub>2</sub> allowances.
131. **Rocky Mountain Power, 2008 (Docket No. 07-035-93)** – Participated as an expert witness on behalf of Division of Public Utilities (Staff) in PacifiCorp’s general rate case to provide testimony on

various revenue requirement issues.

132. **Public Service Company of Oklahoma, 2008 (Cause No. PUD 07-449)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking authorization of its Demand Side Management (“DSM”) programs and the establishment of a DSM Rider to recover program costs, lost revenues and utility incentives.
133. **Public Service Company of Oklahoma, 2008 (Cause No. PUD 07-397)** – Participated as an expert witness on behalf of OIEC before the OCC in PSO’s application seeking authorization to defer storm damage costs in a regulatory asset account and to recover the costs using the proceeds from sales of excess SO<sub>2</sub> allowances.
134. **Oklahoma Gas & Electric Co., 2007 (Cause No. PUD 07-012)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s application seeking pre-approval to construct the Red Rock coal plant to address the Company’s proposed rider recovery mechanism.
135. **Oklahoma Natural Gas Co., 2007 (Cause No. PUD 07-335)** – Participated as an expert witness on behalf of the OIEC before the OCC in ONG’s application proposing alternative cost recovery for the Company’s ongoing capital expenditures through the proposed Capital Investment Mechanism Rider (“CIM Rider”). Sponsored testimony to address ONG’s proposal.
136. **Public Service Company of Oklahoma, 2007 (Cause No. PUD 06-030)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking a used and useful determination for its planned addition of the Red Rock coal plant to address the Company’s use of debt equivalency in the competitive bidding process for new resources.
137. **Public Service Company of Oklahoma, 2006 (Cause No. PUD 06-285)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
138. **Nevada Power Company, 2007, (Docket No. 07-01022)** - Participated as an expert witness on behalf of the MGM MIRAGE before the Nevada PUC in Nevada Power Company’s deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
139. **Nevada Power Company, 2006, (Docket No. 06-11022)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
140. **Southwestern Public Service Co., 2006 (PUCT Docket No. 37766)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application. Provided testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsored the Accounting Exhibits on behalf of AXM.
141. **Atmos Energy Corp., Mid-Tex Division, 2006 (Texas GUD 9676)** – Participated as an expert witness in the Atmos Mid-Tex general rate case application on behalf of the Atmos Texas Municipalities (“ATM”). Provided written and oral testimony before the Railroad Commission of Texas regarding the revenue requirements of Mid-Tex including various rate base, operating expense, depreciation and tax issues. Sponsored the Accounting Exhibits for ATM.
142. **Nevada Power Company, 2006 (Docket No. 06-06007)** – Participated as an expert witness on behalf of the MGM MIRAGE in the Sinatra Substation Electric Line Extension and Service Contract

case. Provided both written and oral testimony before the Nevada Public Utility Commission to provide the Commission with information as to why the application is consistent with the line extension requirements of Rule 9 and why the cost recovery proposals set forth in the application provide a least cost approach to adding necessary new capacity in the Las Vegas strip area.

143. **Public Service Co. of Oklahoma, 2006 (Cause No. PUD 05-00516)** - Participated as an expert witness on behalf of the OIEC to review PSO's application for a "used and useful" determination of its proposed peaking facility.
144. **Oklahoma Gas and Electric Co., 2006 (Cause No. PUD 06-00041)** – Participated as an expert witness on behalf of the OIEC in OG&E's application to propose an incentive sharing mechanism for SO<sub>2</sub> allowance proceeds.
145. **Chermac Energy Corporation, 2006 (Cause No. PUD 05-00059 and 05-00177)** – Participated as an expert witness on behalf of the OIEC in Chermac's PURPA application. Sponsored written responsive and rebuttal testimony to address various rate design issues arising under the application.
146. **Oklahoma Gas and Electric Co., 2006 (Cause No. PUD 05-00140)** – Participated as an expert witness on behalf of the OIEC in OG&E's 2003 and 2004 Fuel Clause reviews. Sponsored written testimony to address the purchasing practices of the Company, its transactions with affiliates, and the prices paid for natural gas, coal and purchased power.
147. **Nevada Power Company, 2006, (Docket No. 06-01016)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written testimony in NPC's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
148. **Oklahoma Gas and Electric Co., 2005 (Cause No. PUD 05-151)** – Participated as an expert witness on behalf of the OIEC in OG&E's general rate case application. Sponsored both written and oral testimony before the OCC to address various revenue requirement and rate design issues for the purpose of setting prospective cost-of-service based rates.
149. **Oklahoma Natural Gas Co., 2005 (Cause No. PUD 04-610)** – Participated as an expert witness on behalf of the Attorney General of Oklahoma. Sponsored written and oral testimony to address numerous rate base, operating expense and depreciation issues for the purpose of setting prospective cost-of-service based rates.
150. **CenterPoint Energy Arkla, 2004 (Cause No. PUD 04-0187)** – Participated as an expert witness on behalf of the Attorney General of Oklahoma: Sponsored written testimony to provide the OCC with analysis from an accounting and ratemaking perspective of the Co.'s proposed change in depreciation rates from an Average Life Group to an Equal Life Group methodology. Addressed the Co.'s proposed increase in depreciation rates associated with increased negative salvage value calculations.
151. **Public Service Co. of Oklahoma, 2004 (Cause No. PUD 02-0754)** – Participated as an expert witness on behalf of the OIEC. Sponsored written testimony (1) making adjustments to PSO's requested recovery of an ICR programming error, (2) correcting errors in the allocation of trading margins on off-system sales of electricity from AEP East to West and among the AEP West utilities and (3) recommending an annual rather than a quarterly change in the FAC rates.
152. **PowerSmith Cogeneration Project, 2004 (Cause No. PUD 03-0564)** - **Participated** as an expert witness on behalf of the OIEC to provide the OCC with direction in setting an avoided cost for the PowerSmith Cogeneration project under PURPA requirements. Provided both written and oral testimony on the provisions of the proposed contract under PURPA:

153. **Electric Utility Rules for Affiliate Transactions, 2004 (Cause No. RM 03-0003)** – Participated as a consultant on behalf of the OIEC to draft comments to assist the OCC in developing rules for affiliate transactions. Assisted in drafting the proposed rules. Successful in having the Lower of Cost or Market rule adopted for affiliate transactions in Oklahoma.
154. **Nevada Power Company, 2003, (Docket No. 03-10001)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
155. **Nevada Power Company, 2003, (Docket No. 03-11019)** - Participated as an expert witness on behalf of the MGM MIRAGE before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
156. **Public Service Company of Oklahoma, 2003 (Cause No. PUD 03-0076)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
157. **Oklahoma Gas & Electric Co., 2003 (Cause No. PUD 03-0226)** – Participated as an expert witness on behalf of the OIEC. Provided both written and oral testimony before the OCC to determine the appropriate level to include in rates for natural gas transportation and storage services acquired from an affiliated company.
158. **Nevada Power Company, 2003 (Docket No. 02-5003-5007)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC. Sponsored written and oral testimony to calculate the appropriate exit fee in MGM Mirage's 661 Application to leave the system.
159. **McCarthy Family Farms, 2003** – Participated as a consultant to assist McCarthy Family Farms in converting a biomass and biosolids composting process into a renewable energy power producing business in California.
160. **Bice v. Petro Hunt, 2003 (ND, Supreme Court No. 20030306)** - Participated as an expert witness in a class certification proceeding to provide cost-of-service calculations for royalty valuation deductions for natural gas gathering, dehydration, compression, treatment and processing fees in North Dakota.
161. **Nevada Power Company, 2003 (Docket No. 03-11019)** - Participated as a consulting expert on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power. Provided written and oral testimony on the reasonableness of the cost allocations to the utility's various customer classes.
162. **Wind River Reservation, 2003 (Fed. Claims Ct. No. 458-79L, 459-79L)** – Participated as a consulting expert on behalf of the Shoshone and Arapaho Tribes to provide cost-of-service calculations for royalty valuation deductions for gathering, dehydration, treatment and compression of natural gas and the reasonableness of deductions for gas transportation.
163. **Oklahoma Gas & Electric Co., 2002 (Cause No. PUD 01-0455)** – Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored written and oral testimony on numerous revenue requirement issues including rate base, operating expense and rate design issues to establish prospective cost-of-service based rates.

164. **Nevada Power Company, 2002 (Docket No. 02-11021)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power and to make recommendations with respect to rate design.
165. **Nevada Power Company, 2002 (Docket No. 01-11029)** - Participated as a consulting expert on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power included in the Company's \$928 million deferred energy balances.
166. **Nevada Power Company, 2002 (Docket No. 01-10001)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
167. **Chesapeake v. Kinder Morgan, 2001 (CIV-00-397L)** - Participated as an expert witness on behalf of Chesapeake Energy in a gas gathering dispute. Sponsored testimony to calculate and support a reasonable rate on the gas gathering system. Performed necessary calculations to determine appropriate levels of operating expense, depreciation and cost of capital to include in a reasonable gathering charge and developed an appropriate rate design to recover these costs.
168. **Southern Union Gas Company, 2001** - Participated as a consultant to the City of El Paso in its review of SUG's gas purchasing practices, gas storage position, and potential use of financial hedging instruments and ratemaking incentives to devise strategies to help shelter customers from the risk of high commodity price spikes during the winter months.
169. **Nevada Power Company, 2001** - Participated as an expert witness on behalf of the MGM-Mirage, Park Place and Mandalay Bay Group before the Nevada Public Utility Commission to review NPC's Comprehensive Energy Plan (CEP) for the State of Nevada and make recommendations regarding the appropriate level of additional costs to include in rates for the Company's prospective power costs associated with natural gas and gas transportation, coal and coal transportation and purchased power.
170. **Bridenstine v. Kaiser-Francis Oil Co. et al., 2001 (CJ-95-54)** - Participated as an expert witness on behalf of royalty owner plaintiffs in a valuation dispute regarding gathering, dehydration, metering, compression, and marketing costs. Provided cost-of-service calculations to determine the reasonableness of the gathering rate charged to the royalty interest. Also provided calculations as to the average price available in the field based upon a study of royalty payments received on other wells in the area.
171. **Klatt v. Hunt et al., 2000 (ND)** - Participated as an expert witness and filed report in United States District Court for the District of North Dakota in a natural gas gathering contract dispute to calculate charges and allocations for processing, sour gas compression, treatment, overhead, depreciation expense, use of residue gas, purchase price allocations, and risk capital.
172. **Oklahoma Gas and Electric Co., 2000 (Cause No. PUD 00-0020)** - Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored testimony on OG&E's proposed Generation Efficiency Performance Rider (GEPR). Provided a list of criteria with which to measure a utility's proposal for alternative ratemaking. Recommended modifications to the Company's proposed GEPR to bring it within the boundaries of an acceptable alternative ratemaking formula.
173. **Oklahoma Gas and Electric Co., 1999** - Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored testimony on OG&E's proposed Performance Based Ratemaking (PBR)



proposal including analysis of the Company's regulated return on equity, fluctuations in the capital investment and operating expense accounts of the Company and the impact that various rate base, operating expense and cost of capital adjustments would have on the Company's proposal.

174. **Nevada Power Company, 1999 (Docket No. 99-7035)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony addressing the appropriate ratemaking treatment of the Company's deferred energy balances, prospective power costs for natural gas, coal and purchased power and deferred capacity payments for purchased power.
175. **Nevada Power Company, 1999 (Docket No. 99-4005)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony to unbundle the utility services of the NPC and to establish the appropriate cost-of-service allocations and rate design for the utility in Nevada's new competitive electric utility industry.
176. **Nevada Power Company, 1999 (Docket No. 99-4005)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony to establish the cost-of-service revenue requirement of the Company.
177. **Nevada Power/Sierra Pacific Merger, 1998 (Docket No. 98-7023)** - Participated as an expert witness on behalf of the Mirage and MGM Grand before the Nevada PUC. Sponsored written and oral testimony to establish (1) appropriate conditions on the merger (2) the proper sequence of regulatory events to unbundle utility services and deregulate the electric utility industry in Nevada (3) the proper accounting treatment of the acquisition premium and the gain on divestiture of generation assets. The recommendations regarding conditions on the merger, the sequence of regulatory events to unbundle and deregulate, and the accounting treatment of the acquisition premium were specifically adopted in the Commission's final order.
178. **Oklahoma Natural Gas Company, 1998 (Cause No. PUD 98-0177)** - Participated as an expert witness in ONG's unbundling proceedings before the OCC. Sponsored written and oral testimony on behalf of Transok, LLC to establish the cost of ONG's unbundled upstream gas services. Substantially all of the cost-of-service recommendations to unbundle ONG's gas services were adopted in the Commission's interim order.
179. **Public Service Company of Oklahoma, 1997 (Cause No. PUD 96-0214)** - Audited both rate base investment and operating revenue and expense to determine the Company's revenue requirement and cost-of-service. Sponsored written testimony before the OCC on behalf of the OIEC.
180. **Oklahoma Natural Gas /Western Resources Merger, 1997 (Cause No. PUD 97-0106)** - Sponsored testimony on behalf of the OIEC regarding the appropriate accounting treatment of acquisition premiums resulting from the purchase of regulated assets.
181. **Oklahoma Gas and Electric Co., 1996 (Cause No. PUD 96-0116)** - Audited both rate base investment and operating income. Sponsored testimony on behalf of the OIEC for the purpose of determining the Company's revenue requirement and cost-of-service allocations.
182. **Oklahoma Corporation Commission, 1996** - Provided technical assistance to Commissioner Anthony's office in analyzing gas contracts and related legal proceedings involving ONG and certain of its gas supply contracts. Assignment included comparison of pricing terms of subject gas contracts to portfolio of gas contracts and other data obtained through annual fuel audits analyzing ONG's gas purchasing practices.
183. **Tenkiller Water Company, 1996** - Provided technical assistance to the Attorney General of

Oklahoma in his review of the Company's regulated cost-of-service for the purpose of setting prospective utility rates.

- 184. Arkansas Oklahoma Gas Company, 1995 (Cause No. PUD 95-0134)** - Sponsored written and oral testimony before the OCC on behalf of the Attorney General of Oklahoma regarding the price of natural gas on AOG's system and the impact of AOG's proposed cost of gas allocations and gas transportation rates and tariffs on AOG's various customer classes.
- 185. Enogex, Inc., 1995 (FERC 95-10-000)** - Analyzed Enogex's application before the FERC to increase gas transportation rates for the Oklahoma Independent Petroleum Association and made recommendations regarding revenue requirement, cost-of-service and rate design on behalf of independent producers and shippers.
- 186. Oklahoma Natural Gas Company, 1995 (Cause No. PUD 94-0477)** - Analyzed a portfolio of ONG's gas purchase contracts in the Company's Payment-In-Kind (PIC) gas purchase program and made recommendations to the OCC Staff on behalf of Terra Nitrogen, Inc. regarding the inappropriate profits made by ONG on the sale of the gas commodity through the PIC program pricing formula. Also analyzed the price of gas on ONG's system, ONG's cost-of-service based rates, and certain class cross-subsidizations in ONG's existing rate design.
- 187. Arkansas Louisiana Gas Company, 1994 (Cause No. PUD 94-0354)** - Planned and supervised the rate case audit for the OCC Staff and reviewed the workpapers and testimony of the other auditors on the case. Sponsored cost-of-service testimony on cash working capital and developed policy recommendations on post test year adjustments.
- 188. Empire District Electric Company, 1994 (Cause No. PUD 94-0343)** - Planned and supervised the rate case audit for the OCC Staff and reviewed the workpapers and testimony of other auditors. Sponsored cost-of-service testimony on rate base investment areas including cash working capital.
- 189. Oklahoma Natural Gas Company, 1992 through 1993 (Cause No. PUD 92-1190)** - Planned and supervised the rate case audit of ONG for the OCC Staff. Reviewed all workpapers and testimony of the other auditors on the case. Sponsored written and oral testimony on numerous cost-of-service adjustments. Analyzed ONG's gas supply contracts under the Company's PIC program.
- 190. Oklahoma Gas and Electric Company, 1991 through 1992 (Cause No. PUD 91-1055)** - Audited the rate base, operating revenue and operating expense accounts of OG&E on behalf of the OCC Staff. Sponsored written and oral testimony on numerous revenue requirement adjustments to establish the appropriate level of costs to include for the purpose of setting prospective rates.

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-2020-3017206  
 :  
 Philadelphia Gas Works :

VERIFICATION

I, Mark E. Garrett, hereby state that the facts above set forth in my Direct Testimony, OCA Statement No. 2, are true and correct and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: June 15, 2020  
\*2898789

Signature:

  
Mark E. Garrett

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Edmond, Oklahoma 73013