

# FARUKI IRELAND & COX P.L.L. 30

ATTORNEYS AT LAW

500 Courthouse Plaza, S.W. 10 North Ludlow Street Dayton, Ohio 45402 937-227-3700 Fax 937-227-3717

R. Holtzman Hedrick  
(937) 227-3727  
rhedrick@ficlaw.com

February 10, 2009

**VIA FEDERAL EXPRESS**

Public Utilities Commission of Ohio  
Attention: Renee Jenkins  
Docketing Division  
180 E. Broad Street, 10th Floor  
Columbus, OH 43215

RECEIVED-DOCKETING DIV  
2009 FEB 11 AM 10:02  
PUCO

RE: DP&L ESP Filing, Case No. 08-1094-EL-SSO

Dear Ms. Jenkins:

Enclosed is the deposition transcript of Kevin C. Higgins for filing in the above-captioned matter. This deposition was received today by DP&L, and is being filed pursuant to DP&L's Notice of Filing Depositions, which was filed on February 6, 2009.

Very truly yours,

*R. Holtzman Hedrick*

R. Holtzman Hedrick

RHH/tes  
Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician SM Date Processed FEB 11 2009



TRUSTED WISDOM. EXTRAORDINARY RESULTS.

ficlaw.com

BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO

-O-

IN THE MATTER OF THE APPLICATION	)	
OF DAYTON POWER AND LIGHT	)	
COMPANY FOR APPROVAL OF ITS	)	Case No. 08-1094-EL-SSO
ELECTRIC SECURITY PLAN	)	

IN THE MATTER OF THE APPLICATION	)	
OF DAYTON POWER AND LIGHT	)	
COMPANY FOR APPROVAL OF	)	Case No. 08-1095-EL-ATA
REVISED TARIFFS	)	

IN THE MATTER OF THE APPLICATION	)	
OF DAYTON POWER AND LIGHT	)	
COMPANY FOR APPROVAL OF	)	Case No. 08-1096-EL-AAM
CERTAIN ACCOUNTING AUTHORITY	)	
PURSUANT TO OHIO REV. CODE §4905.13	)	

IN THE MATTER OF THE APPLICATION	)	
OF DAYTON POWER AND LIGHT	)	
COMPANY FOR APPROVAL OF ITS	)	Case No. 08-1097-EL-UNC
AMENDED CORPORATE SEPARATION PLAN	)	

Deposition of:  
KEVIN C. HIGGINS

-O-

Place:	Energy Strategies, LLC
	215 South State Street
	Suite 200
	Salt Lake City, Utah 84111

Date:	February 6, 2009
-------	------------------

Reporter:	Clark Edwards, CSR/RPR
-----------	------------------------

-O-

## APPEARANCES

For the Dayton Power and Light Company:

Mr. Jeffrey S. Sharkey  
FARUKI IRELAND & COX P.L.L.  
10 North Ludlow Street  
Dayton, Ohio 45402  
(937) 227-3700  
(937) 227-2717  
jsharkey@ficlaw.com

For the Kroger Company:

Mr. Mark S. Yurick  
CHESTER WILLCOX & SAXBE LLP  
65 East State Street  
Suite 1000  
Columbus, Ohio 43215  
(614) 221-4000  
(614) 221-4012 (fax)  
myurick@cwslaw.com

KEVIN C. HIGGINS,  
called as a witness, being first duly sworn, was  
deposed and testified as follows:

## EXAMINATION

BY MR. SHARKEY:

Q. Good afternoon, Mr. Higgins. I guess it's  
still morning there perhaps.

A. Hello, Mr. Sharkey.

Q. As you know, my name is Jeff Sharkey. I  
represent the Dayton Power and Light Company in this  
matter. The first question I have for you is how you  
came to be an expert witness on behalf of the Kroger  
Company. Just curious because of your address being  
in Salt Lake City, Utah.

A. Well, I'm an independent consultant. I do  
regulatory consulting work around the United States.  
And I've done quite a bit of consulting on behalf of  
the Kroger Company since 2000.

Q. When you say you've done consulting, is  
that advising them regarding energy-related matters?

A. Yes, and also preparing expert testimony  
on their behalf in regulatory proceedings.

Q. And what jurisdictions have you offered  
testimony in behalf of the Kroger Company?

## INDEX

KEVIN C. HIGGINS Page  
Examination by Mr. Sharkey ..... 4

## EXHIBITS

(No Exhibits Marked)

A. Arkansas, Colorado, Georgia, Idaho,  
Illinois, Indiana, Kansas, Kentucky, Michigan, Nevada,  
New Mexico, Oregon, South Carolina, Texas, Virginia,  
Washington, West Virginia. And I've filed affidavits  
at the Federal Energy Regulatory Commission on behalf  
of Kroger as well.

Q. So that's all been done since 2000?

A. Correct. Ohio as well. I omitted Ohio.

Q. I figured that one out.

Have you previously provided testimony in  
any DP&L proceeding?

A. No, I have not.

Q. Okay. Your testimony, looking at page  
two, line 15, identifies an AEP IGCC cost recovery  
proceeding that you testified in?

A. Yes.

Q. What was that about?

A. That was about AEP's proposal to gain  
approval for a cost recovery mechanism for an IGCC  
power plant that they had proposed to construct.

It was a proposal in front of the Ohio  
Commission, involved authorization to proceed with the  
project in various cost recovery mechanisms.

Q. Okay. Your organization Is Energy  
Strategies, LLC?

1 A. Yes.  
 2 Q. Your testimony says you are a principal.  
 3 How many principals are there?  
 4 A. There are four principals.  
 5 Q. Does that mean each of the four of you are  
 6 equal owners?  
 7 A. No.  
 8 Q. How many employees does it have?  
 9 A. Do you want an approximate number or do  
 10 you want a specific number? I can do a count in  
 11 about, you know, a minute and a half.  
 12 Q. An approximate number.  
 13 A. We have approximately, including the  
 14 principals, approximately 20 employees.  
 15 Q. Okay. Your responsibilities for Energy  
 16 Strategies, LLC, do you principally do consulting work  
 17 or do you principally provide testimony or some other  
 18 task?  
 19 A. Principally I provide consulting work that  
 20 includes a large percentage of preparation of expert  
 21 testimony. So I guess --  
 22 I mean, I consider expert testimony to be  
 23 consulting work, if you will, but the regulatory  
 24 practice area, we call it, is my principal area of  
 25 responsibility here at the firm.

1 Q. Okay. Do you do some what I'd call  
 2 consulting work that doesn't involve testimony?  
 3 A. Yes.  
 4 Q. Okay. How much of that do you do?  
 5 A. Well, it varies from time to time but  
 6 probably over the course of the year maybe 20 percent  
 7 of my time is spent on consulting that does not  
 8 involve a regulatory proceeding.  
 9 Q. Okay. Your testimony says you completed  
 10 the course work and a field examination for a Ph.D. in  
 11 economics.  
 12 Am I right in assuming that you have not  
 13 received the Ph.D. or done a dissertation?  
 14 A. That is correct.  
 15 Q. What is your undergraduate degree in?  
 16 A. Education.  
 17 Q. What materials did you review to prepare  
 18 your testimony?  
 19 A. I reviewed the company's application along  
 20 with the -- its testimony filed by its witnesses,  
 21 exhibits. I also reviewed the Amended Substitute  
 22 S.B. 221. Those were the primary materials that I  
 23 reviewed.  
 24 Q. Did you review any of the historic  
 25 stipulations that the Dayton Power & Light Company has

1 entered into?  
 2 A. Yes, I did. Those were included with the  
 3 application.  
 4 Q. Okay. You reviewed just the ones that  
 5 were included with the application?  
 6 A. Yes.  
 7 Q. Do you have a copy of the Notice of  
 8 Deposition available to you?  
 9 A. Yes, I do.  
 10 Q. Okay. The notice requests, among other  
 11 things, documents that you have cited to or relied  
 12 upon for your testimony?  
 13 A. Yes.  
 14 Q. We haven't received any documents and I  
 15 want to know if there are such documents other than  
 16 details filing that you've described.  
 17 A. No, other than, again, Amended Substitute  
 18 S.B. 221.  
 19 Q. Do you have, either in paper copy or  
 20 electronically, any calculations, spreadsheets, work  
 21 papers, things like that?  
 22 A. No.  
 23 Q. What was that?  
 24 A. No.  
 25 Q. Okay. I didn't hear you clearly. We were

1 speaking at the same time.  
 2 Do you have available to you a copy of our  
 3 Revised Code 4928.143?  
 4 A. Yes, I do.  
 5 Q. Is that one of the items you reviewed in  
 6 preparing your testimony?  
 7 A. Yes.  
 8 Q. Can you turn to Subsection D of that  
 9 section?  
 10 A. Yes. I have it.  
 11 Q. Okay. In the first sentence after the  
 12 comma, that section says that it applies to an  
 13 electric distribution utility that has a rate plan  
 14 that extends beyond December 31, 2008.  
 15 Do you see that?  
 16 A. Yes.  
 17 Q. Do you know if the Dayton Power and Light  
 18 Company has a rate plan that extends beyond  
 19 December 31, 2008?  
 20 A. Yes. That's my understanding.  
 21 Q. And do you know whether any utility in  
 22 Ohio besides DP&L had such a rate plan at the time the  
 23 statute was enacted?  
 24 MR. YURICK: I'll object, relevance, but  
 25 you can go ahead and answer.

1 THE WITNESS: I'm not aware of any other  
2 utility that had a rate plan extending beyond that  
3 date.

4 BY MR. SHARKEY:

5 Q. Okay. So, the best of your knowledge,  
6 this subsection would apply to DP&L and DP&L only?

7 A. To the best of my knowledge it applies to  
8 DP&L. You know, I hadn't assessed whether it may or  
9 may not have applied to other utilities.

10 Q. If you refer to the second sentence of  
11 Subsection D that begins with the word: "However..."

12 A. Yes.

13 Q. Would you take a moment to read that?

14 A. Sure. Yes. I have read it.

15 Q. Okay. Are you familiar with Section  
16 4928.141 of the Revised Code?

17 A. Yes, I am.

18 Q. Do you understand that that's the section  
19 that obligates utilities to provide a standard service  
20 offer?

21 MR. YURICK: Again, I'll object. You can  
22 go ahead and answer, Kevin. I'm just going to object  
23 on the basis that the statute speaks for itself.

24 You can go ahead, though.

25 THE WITNESS: Yes.

1 BY MR. SHARKEY:

2 Q. Would you agree that fuel costs are a cost  
3 DP&L will incur to provide a standard service offer?

4 A. Yes.

5 Q. Are you aware of any other cost item that  
6 has increased significantly that DP&L would incur to  
7 provide a standard service offer other than fuel?

8 A. I am not aware of any.

9 Q. As to DP&L's request for a fuel deferral,  
10 did you consider any factors or matters that are not  
11 discussed in your testimony?

12 A. No.

13 Q. You opine in your testimony that DP&L  
14 should not be permitted to defer fuel costs pursuant  
15 to the 2005 RSP stipulation; is that correct?

16 A. That is correct.

17 Q. Do you believe that the General Assembly  
18 was unaware of DP&L's 2005 RSP stipulation when it  
19 enacted Subsection D that we were just looking at?

20 MR. YURICK: Objection, but you can go  
21 ahead and answer.

22 THE WITNESS: I imagine there's a  
23 reasonable chance that they were aware of that  
24 stipulation. I really don't know.

25 BY MR. SHARKEY:

1 Q. Do you know whether the General Assembly  
2 considered the argument you've articulated in your  
3 testimony relating to whether the 2005 RSP stipulation  
4 would permit DP&L to recover -- rather, to defer fuel  
5 costs?

6 MR. YURICK: Objection again, but you can  
7 go ahead and answer to the extent you can.

8 THE WITNESS: I don't know.

9 BY MR. SHARKEY:

10 Q. Do you have a copy of the 2005 RSP  
11 stipulation available to you?

12 A. Yes. It will take me a moment to call it  
13 up here on my computer.

14 Q. Okay. Let me know when you're ready.

15 A. I had it all set up to go. While we were  
16 talking it logged me out. It's a new computer, so I  
17 need to change that default.

18 Q. That's fine.

19 A. It will just take me another second to get  
20 it ready here.

21 MR. YURICK: Do you have a case number on  
22 that by any chance?

23 MR. SHARKEY: I do. It's Case Number  
24 05-276-EL-AIR --

25 MR. YURICK: Thank you.

1 BY MR. SHARKEY: -- for the Public  
2 Utilities Commission of Ohio.

3 MR. YURICK: Appreciate it. Thank you.

4 THE WITNESS: Yes. I have it now. Thank  
5 you.

6 BY MR. SHARKEY:

7 Q. Would you agree that that stipulation is  
8 silent on the subject of deferrals?

9 A. Well, without rereading the entire thing,  
10 I can tell you that the first time that I read it I  
11 was looking to see if it explicitly addressed  
12 deferrals and I did not see any reference to that, so  
13 I would agree with that.

14 Q. And in your testimony, page line 13, line  
15 14, you quote Section II.F of that stipulation?

16 A. Yes, I do.

17 Q. Is that correct?

18 A. Yes.

19 Q. Can you tell me why?

20 A. Yes. Pardon me one second. I've got  
21 something that keeps popping up here.

22 I quoted it because this section indicates  
23 that the parties have an obligation to make a good  
24 faith effort to preserve the essential economic  
25 relationships established according to stipulation if,

1 among other things, it's modified by the Ohio General  
2 Assembly.

3 And so it seemed to me that as DP&L is  
4 relying upon an action of the Ohio General Assembly to  
5 change what I believe is a component of the essential  
6 economic relationship established in the stipulation,  
7 it appeared to be a relevant passage.

8 Q. Do you know whether the Kroger Company was  
9 a signatory party to the 2005 stipulation?

10 A. To my knowledge they were not.

11 Q. Okay. Is it your belief nonetheless that  
12 the Kroger Company has some right to enforce or rely  
13 upon that section?

14 A. I can't give you a legal opinion about  
15 that. I know that the Commission considered the  
16 balance of interests involved with the stipulation and  
17 considered the overall public interest which includes  
18 Kroger in approving the stipulation.

19 So, even though Kroger is not a party to  
20 the stipulation, the balance of interests was  
21 certainly considered by the Commission in adopting the  
22 stipulation in putting the plan in place that was  
23 recommended by the stipulation.

24 Q. You understand, don't you, that Senate  
25 Bill 221 creates a number of new obligations for Ohio

1 you would agree that, to the extent there's new net  
2 costs in Senate Bill 221, the Commission should do  
3 something to preserve the economic relationships  
4 established in the 2005 RSP stipulation?

5 A. If the Commission determines that these  
6 additional obligations in S.B. 221 affect the  
7 essential economic relationships in the stipulation  
8 then I believe the company's interests and costs  
9 should be considered in implementing these additional  
10 provisions.

11 You know, it's not necessarily clear to me  
12 on its face that a law that gets adopted that requires  
13 Dayton Power and Light Company to procure alternative  
14 energy necessarily, you know, impacts the stipulation.  
15 It may but, you know, I don't know that it necessarily  
16 does.

17 In the context of my testimony, that's in  
18 some ways maybe a moot point because I recognized that  
19 irrespective of the stipulation, the law creates  
20 certain obligations for Dayton Power and Light Company  
21 beyond the provision of the standard service offer  
22 and, you know, I believe that it's reasonable that if  
23 a utility is given additional responsibilities that it  
24 have a reasonable opportunity to recover the costs  
25 associated with implementing those responsibilities.

1 electric utilities including establishing certain  
2 energy efficiency targets and certain alternative  
3 energy targets?

4 A. Yes, I am.

5 Q. If the net effect of Senate Bill 221 was  
6 to impose due net costs upon the Dayton Power and  
7 Light Company, would you agree that under the section  
8 of the RSP stipulation that you've quoted, the  
9 Commission should modify the 2005 RSP stipulation to  
10 put DP&L back in the same position it would have been  
11 before Senate Bill 221?

12 A. Not necessarily. However, let me add that  
13 to the extent that the provisions in S.B. 221 to which  
14 you refer are viewed as impacting the essential  
15 economic relationship of the stipulation then I  
16 believe that an effort should be made to preserve  
17 those essential economic relationships on behalf of  
18 the company which I believe is also reflected in my  
19 recommendations on your ESP proposal.

20 That is, I think that there is a  
21 distinction between allowing the company to recover  
22 costs it incurs in enacting these additional  
23 provisions of S.B. 221 from the provisions in 221 that  
24 speak to the standard service offer.

25 Q. Just so I'm sure I understand your answer,

1 So, to me the issue of whether Dayton  
2 Power and Light Company is entitled to recover costs  
3 associated with the government mandate stands on its  
4 own. So, I hope that's an answer to your question.

5 Q. It does. You offered an opinion that the  
6 alternative energy segment of the Senate Bill 221  
7 likely or may not affect essential economic  
8 relationships.

9 Do you have the same opinions regarding  
10 the alternative energy requirements and in particular  
11 the fact that that statute requires DP&L to incur  
12 certain costs that would have the purpose of reducing  
13 DP&L's own sales?

14 A. Let me ask for a clarification,  
15 Mr. Sharkey. In your question you directed me to  
16 respond to the alternative energy programs, and I  
17 thought maybe you were going to ask me about the  
18 energy efficiency programs.

19 Q. You're correct. If I said alternative  
20 energy I misspoke and I meant to say the energy  
21 efficiency program, so you're dead-on right.

22 A. Okay. It may be the case that the energy  
23 efficiency programs that are required by the law, you  
24 know, may or may not affect the essential economic  
25 relationships in the stipulation.

1 I mean, again, I didn't base my  
2 recommendation in my testimony on whether or not it  
3 affected that essential economic relationship because,  
4 again, I believe that if the company is asked to incur  
5 certain costs in response to the statute that then the  
6 company is entitled to recover the costs it incurs on  
7 its own merit.

8 I imagine that someone could make an  
9 argument that undertaking the energy efficiency  
10 programs required in the law could affect the economic  
11 relationships in the stipulation.

12 And, you know, I would certainly be open  
13 to considering myself that argument but, you know, I  
14 hadn't formulated an opinion as to whether it did or  
15 not.

16 Q. Let me ask you some questions about the  
17 1.8 cent figure that DP&L uses as the base for  
18 calculating the deferral.

19 A. Sure.

20 Q. You have testimony on pages I think 14 and  
21 15 that you don't believe that 1.8 cents is the  
22 correct base. And what I'm hoping is that you can  
23 elaborate on that because I'm not sure I understood  
24 your testimony.

25 A. Sure. As I understood the company's

1 testimony, the company proposes to use 1.8 cents per  
2 kilowatt hour as the base fuel cost, if you will,  
3 based on a calibration exercise which went back and  
4 looked at the fuel cost that was the fuel charge that  
5 was in place, you know, a number of years ago, in  
6 fact, specifically the fuel charge that was in place  
7 in 1999.

8 And then a company assigned another five  
9 mills per kilowatt hour to that based on certain  
10 decisions that occurred in the intervening period with  
11 respect to the company's rate stabilization plan.

12 And the discussion in my testimony is  
13 that, well, you know, that's a calibration exercise  
14 but it doesn't really tell the Commission what the  
15 fuel costs are that Dayton Power and Light is  
16 incurring.

17 And it doesn't say whether or not the  
18 company's current generation-related revenues that it  
19 recovers from customers recover the company's fuel and  
20 purchase power costs or not because in order to do  
21 that you would have to look at all the costs that are  
22 incurred by the company for generation service both  
23 for fuel and purchase power and for non-fuel costs and  
24 look at the revenues collected.

25 And you would have to look at the totals

1 to see whether or not the company is under-recovering  
2 or over-recovering its generation costs and whether as  
3 part of that it's over-recovering or under-recovering  
4 its fuel and purchase power costs.

5 Q. So, correct me if I'm wrong but your  
6 testimony is that the Commission should take a broader  
7 look at DP&L's generation costs as a whole as opposed  
8 to just its fuel costs?

9 A. My testimony is that if the Commission  
10 were to consider allowing for a fuel deferral, you  
11 know, if my first argument is not persuasive to the  
12 Commission, then in order to do that it is necessary  
13 to look at the company's total generation costs and  
14 the company's total generation revenues in order to  
15 determine whether or not incremental rate relief is  
16 necessary.

17 And obviously there would also have to be  
18 information provided on just what the fuel and  
19 purchase power costs are of course.

20 Q. If that exercise were performed and it  
21 showed that DP&L's total generation costs had  
22 increased since 2005 -- and again, we're assuming the  
23 Commission rejects your first argument -- would you  
24 then believe that the comparison --

25 Let me strike that.

1 What base would you use to determine the  
2 amount of the deferral?

3 A. I believe that it would be necessary to  
4 look at the total generation costs, identify what  
5 portion of those costs are fuel and purchase power  
6 related, to look at the generation revenues collected  
7 by the company, and also to consider  
8 non-jurisdictional sales margins.

9 And to the extent that there is a  
10 difference between the costs incurred and the revenues  
11 collected in total then there would be an argument  
12 that some portion of that is, you know, fuel and  
13 purchase and power related.

14 So that you would be looking at any  
15 incremental cost that's being incurred relative to the  
16 revenues that are being collected, again, net of  
17 off-system sales margins.

18 So that would be, you know, a necessary  
19 part of the exercise.

20 Q. Do you know how DP&L's current generation  
21 rates -- let me strike that.

22 Do you know about DP&L's 1991 rate case?

23 Are you familiar with that case?

24 A. The 1991 rate case?

25 Q. Correct.

1 A. I can't recall it. I mean, I may have  
2 seen it referred to in passing in some of the  
3 materials that I've reviewed but I don't have -- you  
4 know, I can't recall details of it.

5 Q. Do you know whether that was DP&L's last  
6 base rate case?

7 A. Under what one might call traditional  
8 regulation?

9 Q. Correct.

10 A. I don't know. It may be. I don't have  
11 reason to doubt that. I have seen reference to a fuel  
12 clause case in 1999 but I imagine you're making a  
13 distinction between base rate and the fuel clause case  
14 in your question.

15 Q. I was.

16 A. Okay. Well, I accept, you know, that it  
17 would have been in 1991 based on your representation.

18 Q. And are you familiar with DP&L's 1999  
19 electric transition plan case?

20 A. I have some familiarity with it only  
21 because I assisted Kroger in 2000 in reviewing the  
22 various cases that had been filed.

23 You know, it was a number of years ago, so  
24 I don't have firsthand, I mean, or clear recollection  
25 of the details but at one time I did look at the

1 filing. And as I recall, that was -- I believe that  
2 that was resolved through a stipulation.

3 Q. It was. Do you remember how DP&L's rates  
4 were unbundled in that case?

5 A. I don't recall with specificity. I mean,  
6 I'm familiar with much of the bundling that occurred  
7 in Ohio, so I imagine it might not be different from  
8 other unbundling but I can't recall specifically  
9 with -- you know, in the case of DP&L.

10 Q. And you have at least some familiarity  
11 with the rate stabilization charge, right, because  
12 you've testified about the rate stabilization  
13 stipulation from 2005?

14 A. Well, yes, it's referenced in this  
15 testimony.

16 Q. Okay. Do you dispute the testimony of  
17 Donna Seger-Lawson that the amount of cost recovery in  
18 DP&L's currently-existing rates that's associated with  
19 fuel is 1.8 cents?

20 A. To a certain extent I do, yes. I mean,  
21 just as stated in my testimony, I don't dispute the  
22 math exercise that Ms. Seger-Lawson went through to  
23 derive the 1.8 cent number.

24 I mean, again, I would describe that as a  
25 calibration exercise. It's an attempt to use numbers

1 that were previously approved to impute a fuel charge  
2 equivalent to current rates.

3 It's not an evaluation of the company's  
4 actual fuel and purchase power costs and it does not  
5 include a full reconciliation of the company's  
6 generation-related revenues and its generation-related  
7 costs.

8 I believe that that type of full  
9 reconciliation would be necessary to, you know,  
10 proceed with an argument that the company ought to be  
11 allowed to defer incremental fuel costs.

12 Q. Let me see if I have got your opinion  
13 correctly and you tell me if I'm misstating it.

14 You don't deny that DP&L is recovering 1.8  
15 cents associated with fuel in its current rates but  
16 you believe the Commission should take a broader look  
17 at DP&L's total generation-related revenue and total  
18 generation-related costs in ruling upon DP&L's request  
19 for a fuel deferral?

20 A. Not exactly. Again, I think that the  
21 Commission ought to be able to rule upon the company's  
22 request for a fuel deferral without going through this  
23 exercise based on the point we discussed previously in  
24 my testimony; namely, that a fuel deferral changes the  
25 essential economic relationships of the stipulation.

1 However, if the Commission decides that  
2 that concern of mine, notwithstanding, that it wants  
3 to explore whether or not the company should be  
4 allowed to defer fuel costs then I believe that it  
5 would be necessary to evaluate the entirety of the  
6 company's generation-related revenues and its  
7 generation-related costs net of off-system sales  
8 margins in order to determine whether or not there is  
9 a shortfall in cost recovery in the first instance.

10 And, you know, moreover, the 1.8 cent per  
11 kilowatt hour figure quoted by the company in my  
12 opinion is an imputation of base fuel charges and does  
13 not necessarily represent the appropriate baseline for  
14 comparison for determining whether there ought to be  
15 fuel deferral or not.

16 Q. Suppose the Commission disagreed with your  
17 opinion, both your opinion about the RSP stipulation  
18 and your opinion about looking at the total revenues  
19 and total costs, generation related of the company,  
20 and instead concluded it should determine the amount  
21 of fuel recovery that is included in DP&L's existing  
22 rate plan to set a base.

23 In that instance, do you have any basis  
24 for disagreeing with Donna Seger-Lawson's testimony  
25 that that number is 1.8 cents?



1 A. If the Commission had gotten to that point  
2 and disagreed with, again, yes, those first two points  
3 I had made then I would agree that the number that  
4 Ms. Seger-Lawson derives would be a way to measure the  
5 fuel and purchase power cost recovery in current  
6 rates. You know, I don't know that it would be the  
7 only way to do so but it would be one way to do it.

8 Q. Can you give me any other ways?

9 A. Well, it seems to me that it would also be  
10 important to consider non-jurisdictional sales margins  
11 in allowing any fuel deferral.

12 And so it would be necessary to consider  
13 the relationship of non-jurisdictional sales margins  
14 with respect to that 1.8 cent number; namely, whether  
15 or not they were included originally in the 1999  
16 number. So, you know, it would be another factor that  
17 would need to be taken into account.

18 Q. Let me ask about your testimony about  
19 non-jurisdictional sales.

20 First of all, I would assume you would  
21 agree it would be appropriate for DP&L to purchase  
22 power, rather, in those instances when it's economical  
23 to do so to serve retail base-load customers, correct?

24 A. Yes.

25 Q. And you also understand, don't you, that

1 reestablished in which case there might be a new  
2 revenue requirement determined under traditional rate  
3 making that would reflect the margins from these  
4 non-jurisdictional sales.

5 But, you know, at least at the present  
6 time it would seem to me that when the company makes  
7 these sales it's a benefit to the company.

8 Q. Are you aware of any state public utility  
9 commission that has allocated profits for utilities  
10 made on off-system non-jurisdictional sales to retail  
11 customers?

12 A. Yes.

13 MR. YURICK: Objection. You can go ahead  
14 and answer to the extent you can.

15 THE WITNESS: Yes. It's the norm.

16 So, I mean, I could go down and -- I guess  
17 state by state as I'm familiar with the decisions that  
18 different commissions have made.

19 But in traditional rate making it's the  
20 norm for either 100 percent of the margin from  
21 off-system sales to be assigned to customer benefits  
22 or at least a significant portion of those benefits to  
23 be assigned to customers.

24 Would you like specific examples?

25 BY MR. SHARKEY:

1 there are instances in which DP&L doesn't need all of  
2 its generating assets to provide service to its  
3 customers and sales generation into the market?

4 A. Correct.

5 Q. I assume you have no objection to the  
6 Dayton Power and Light Company selling its power into  
7 the market, correct?

8 A. Certainly not.

9 Q. And, in fact, retail customers are better  
10 off if DP&L does sell because a percentage of DP&L's  
11 fixed generating asset costs are then allocated to  
12 those sales as opposed to retail customers, correct?

13 A. Well, in a rate case that would be the  
14 case. I mean, at this point, as I understand it, the  
15 rates are set per plan.

16 So I assume that DP&L's ability to make  
17 non-jurisdictional sales was a factor in the company  
18 agreeing to the rate plan that's currently in effect.

19 So, I mean, I don't dispute that as a  
20 general proposition, allowing utility to make  
21 off-system sales, you know, benefits the utility and  
22 the customers generally.

23 However, at any point in time the benefits  
24 from those sales might actually be flowing entirely to  
25 shareholders until the point at which rates get

1 Q. Please.

2 A. Sure. That's the case, for example, in  
3 Utah. In Utah when there is a rate proceeding the  
4 utility determines what portion of its -- what its  
5 projected off-system sales margins are in calculating  
6 its net power cost and 100 percent of that is credited  
7 against the revenue requirement collected from  
8 customers. So 100 percent of the benefit flows to  
9 customers.

10 Similarly, that is done in Oregon. That  
11 is also done in Arizona. That is also done in the  
12 state of Washington.

13 It's also done when rates are set in  
14 West Virginia. Certainly in the AEP territory in  
15 West Virginia there is a flow-through of off-system  
16 sales margins to the benefit of customers there.

17 I don't recall off the top of my head if  
18 it's 100 percent or if it's a sharing mechanism but  
19 certainly it's recognized.

20 It's recognized in Kentucky when rates are  
21 set; that is, there is a customer benefit from  
22 off-system sales margins that flows to customers.

23 You know, I could I guess go back to the  
24 list of states I've testified in and further  
25 describe -- it's recognized in Montana.

1 It's -- well, those are the ones in which  
2 I have testified in which I have, you know, firsthand  
3 recollection of those determinations.

4 It's also recognized in New Mexico. It's  
5 not necessarily 100 percent but at least 75 percent of  
6 the benefit goes to customers.

7 Q. What incentive to utilities in those  
8 states that you've identified where 100 percent is  
9 allocated to retailers, what incentive do they have to  
10 make off-system sales?

11 A. Well, it differs from state to state.

12 If the state does not have a fuel adjustor  
13 mechanism then what happens is when rates are set and  
14 100 percent of the margin goes to customers, that is  
15 built into rates.

16 Once that's built into rates then the  
17 company has every incentive to make off-system sales  
18 margins because the incremental or decremental impact  
19 of doing so or not doing so flows to the company's  
20 bottom line.

21 So, in other words, you know, you set  
22 rates and within the rate you take into consideration  
23 the off-system sales margin.

24 Then once that is done the utility has  
25 every incentive to make off-system sales because it

1 reflected in the fuel adjustor.

2 So each state has a little bit different  
3 take on it. Arizona has a fuel adjustor for Arizona  
4 Public Service Company, and that fuel adjustor is a  
5 90/10 split; that is, 90 percent of the fuel costs  
6 above base costs are paid by customers. Ten percent  
7 is absorbed by the company.

8 And similarly, there's a symmetrical 90/10  
9 split from the off-system sales margins; that is, 90  
10 percent of the benefit goes to customers. Ten percent  
11 goes to the utility.

12 So, you know, there's more examples of  
13 that if you'd like but those are examples of ways in  
14 which the utility retains an incentive to make  
15 off-system sales.

16 Q. For those states in which there was no EFC  
17 mechanism that you had described, do customers pay  
18 100 percent of the fixed costs of the utility  
19 including a rate of return on the utility's assets?

20 A. In the states I have described rates are  
21 set -- these are all states in which rates are set  
22 under what we might call traditional cost-of-service  
23 regulation.

24 In those states rates are set such that  
25 the utility is given a reasonable opportunity to

1 flows directly to the utility.

2 You know, it's not as if the day-to-day  
3 changes in revenues necessarily flow to customers. In  
4 fact, they don't if you don't have a fuel adjustor.

5 And let me just pause one moment and  
6 mention that I also recall -- I'm trying to think of  
7 states near Ohio.

8 Indiana provides for customer recovery of  
9 off-system sales margins that are built into rates.  
10 That's the case for the Duke Indiana territory.

11 Now, for states that have fuel clauses, it  
12 may be the case that all of the margins may flow to  
13 customers. It depends. It varies from state to  
14 state. In Indiana there is a provision for sharing of  
15 off-system sales margins between the company and  
16 customers.

17 As I recall, I believe it's a -- more than  
18 50 percent of the benefit goes to customers. I don't  
19 recall the exact split.

20 In Kentucky, my understanding is that  
21 there's a 50/50 split in the fuel adjustor.

22 So, again, you set rates and assign the  
23 full off-system sales margin to customers in rates but  
24 then as you go forward in the fuel adjustor there is a  
25 sharing mechanism of incremental margins that are

1 recover its fixed costs including a return on its  
2 assets. Of course there is no guarantee that the  
3 rates will allow the utility to do that but that is  
4 the target that is set when rates are established.

5 Q. And are you familiar with Ohio's pattern  
6 of using a jurisdictional allocator to allocate fixed  
7 assets to jurisdictional and non-jurisdictional sales?

8 A. I assume that in the calculations. I  
9 mean, that's not unusual.

10 Q. For those states that permit 100 percent  
11 recovery of off-system sales in the rate setting  
12 mechanism, do they use a jurisdictional allocator on  
13 the same method?

14 A. Well, it may not be exactly the same  
15 method. They do use a jurisdictional allocator.

16 The jurisdictional allocator typically  
17 distinguishes the state jurisdictional sales from what  
18 we might call FERC jurisdictional sales obligations  
19 which is distinct from most off-system sales which  
20 are, you know, often described as opportunity sales or  
21 economy energy, that sort of thing.

22 The upshot being is that there is  
23 typically not a jurisdictional or typically not a  
24 specific allocation that is assigned to the off-system  
25 sales that produced the margins that are assigned to

1 retail customers.

2 Does that help? I mean, what I'm saying  
3 is, there's typically not -- even though other states  
4 have jurisdictional allocators that they use to  
5 delineate the state jurisdictional sales, there is  
6 typically not a separate category of cost allocation  
7 for the off-system sales that produce the margins that  
8 are credited to retail customers.

9 Q. Okay. I think I understand but let me  
10 discuss this a different way to make sure I'm  
11 understanding you correctly. I guess it's the same  
12 idea but going at it a different way.

13 You're familiar with the principle that a  
14 utility is entitled to a reasonable return on its  
15 assets, correct?

16 A. Correct.

17 Q. Okay. And for the purpose of this  
18 question, let's assume that that's ten percent.

19 And I realize that number can vary from  
20 case to case and from matter to matter but let's  
21 assume it's ten percent.

22 A. Okay.

23 Q. If in Ohio a utility had a million dollars  
24 in assets and half of its sales were jurisdictional,  
25 it would be entitled, as I understand it, to a ten

1 percent return on \$500,000 to be included in its  
2 rates. Is that consistent with your understanding?

3 A. Not necessarily because, you know, it  
4 seems to me that Ohio these days is operating under an  
5 entirely different paradigm.

6 Q. Well, fair enough. But just if we go back  
7 historically how rates had been set before  
8 deregulation.

9 A. If we go back historically to how rates  
10 were set before deregulation, quite frankly, I would  
11 have to do a more detailed review of a rate order, you  
12 know, from an Ohio case back in the 1990s, say, to  
13 definitively answer that question.

14 Q. Okay. And if I'm understanding you  
15 correctly, in a state like Utah under that  
16 circumstance the customers would pay a ten percent  
17 return on the full million dollars in assets but  
18 they'd also get the benefits of the off-system sales  
19 credited to them.

20 Am I understanding you correctly?

21 A. Yes, generally, yes, for purposes of this  
22 discussion, that's a reasonable depiction.

23 Q. Okay. Do you know whether DP&L's  
24 generation assets are operated pursuant to a  
25 Commission-approved corporate separation plan?

1 A. My understanding is that that is the case,  
2 that these corporate separation plans were plans that  
3 the Commission has approved or at least reviewed for  
4 the various Ohio utilities.

5 I mean, I'm familiar with the fact that  
6 DP&L has filed a second amended corporate separation  
7 plan. So I take it, based on that, there's already a  
8 corporate separation plan in place.

9 Q. Do you know whether DP&L's existing  
10 corporate separation plan gives retail customers any  
11 superior rights to the generation assets than other  
12 customers have?

13 MR. YURICK: Objection. You can go ahead  
14 and answer if you can.

15 THE WITNESS: I don't know.

16 BY MR. SHARKEY:

17 Q. You propose in your testimony,  
18 Mr. Higgins, page 16, line 18, that DP&L not be  
19 permitted to recover carrying charges or a tax  
20 gross-up if the fuel deferral was authorized?

21 A. That is correct.

22 Q. Would you agree that if there are no  
23 carrying charges and no tax gross-up that DP&L would  
24 not recover revenue sufficient to cover the amount of  
25 the fuel deferral?

1 A. No, not necessarily.

2 Q. Why wouldn't you agree?

3 A. Because this question has as a premise  
4 that a fuel deferral has been awarded.

5 Q. Right.

6 A. And, you know, as we discussed earlier  
7 today, I have raised some concerns as to whether or  
8 not, if a fuel deferral is awarded, whether or not the  
9 incremental costs to the company would be measured  
10 correctly.

11 And so it's certainly possible, for  
12 example, if the Commission were to disagree with my  
13 recommendations with respect to the 1.8 cent and the  
14 need to look at total company generation revenues and  
15 costs before awarding a fuel deferral, it's entirely  
16 possible that the company would be fully recovering  
17 its costs and still have a fuel deferral mechanism.

18 So, now, if we have as a premise of this  
19 question that the Commission had determined to award a  
20 fuel deferral, you know, with my first objection  
21 notwithstanding, and then had gone through an analysis  
22 similar to the one I described and as part of that  
23 kind of analysis had determined that there was an  
24 incremental cost being incurred by the company that  
25 the company ought to be able to differ then, you know,

1 I would agree that the company would not be  
2 recovering, say, the opportunity cost of the delay in  
3 recovering this incremental cost.

4 But of course, as you see in my testimony,  
5 since I believe that this recovery in the first  
6 instance is really analogous to a windfall in light of  
7 the stipulation, the 2005 stipulation, I believe it's  
8 reasonable that there not be any recovery of this  
9 opportunity cost.

10 Q. Assuming the Commission established a  
11 methodology for setting the deferral, whether you  
12 agreed with that methodology or not, would you agree  
13 that typical Commission practice would be to permit  
14 the recovery of carrying charges and a tax gross-up on  
15 the amounts the Commission permitted to be deferred?

16 A. Not necessarily. I'm thinking about the  
17 first energy fuel deferral that was permitted a couple  
18 of years ago.

19 And my recollection is that the carrying  
20 charges on that fuel deferral are different from the  
21 carrying charges permitted on other regulatory assets  
22 that FirstEnergy has, specifically that the carrying  
23 charges on the fuel deferral I believe are lower.

24 I believe they are limited to the  
25 company's cost of debt.

1 So, I don't agree that in Ohio it's always  
2 or necessarily generally the case that a fuel deferral  
3 is allowed to recover the kind of carrying charges  
4 proposed by the company with the tax gross-up.

5 Q. At least FirstEnergy permitted a tax  
6 gross-up as well?

7 A. I don't recall off the top of my head.  
8 Since the recovery was limited to the cost of debt and  
9 it did not include the cost of equity, it may not have  
10 included a tax gross-up.

11 But I don't know specifically without  
12 going back and reviewing the details in that case.

13 Q. Are you aware of any commission precedent  
14 that followed your proposal that no carrying charges  
15 whatsoever be permitted?

16 A. Not off the top of my head, no. Let me  
17 just say not in Ohio off the top of my head.

18 And I do recall in other states there have  
19 been determinations of no carrying charges allowed in  
20 certain instances but I couldn't site them to you  
21 right now in terms of which states they were and what  
22 cases they were but I know it's occurred.

23 Q. Do you recall in those situations why  
24 carrying charges were denied to the utility?

25 A. Again, since I can't recall the specifics,

1 I mean, I'd be speculating, but, you know, it  
2 generally speaks to the equities of the circumstance  
3 the Commission's addressing.

4 Q. Let me turn to your testimony about DP&L's  
5 request for lost revenue associated with its DCEM  
6 programs.

7 A. Mr. Sharkey, do you have a page you'd like  
8 to refer me to?

9 Q. Your testimony is generally on pages 17  
10 through 20.

11 A. Got it.

12 Q. And my first question to you is, are you  
13 aware that the statute, specifically 4928.143(B)(2)(h)  
14 that is cited in your testimony on pages 17 and 18  
15 permits in some situations the recovery of the lost  
16 revenue?

17 A. Yes, with respect to infrastructure  
18 modernization.

19 Q. And that's your understanding of what that  
20 statutory section permits?

21 A. Yes.

22 Q. Do you oppose DP&L's recovery of lost  
23 revenue that results from infrastructure improvements?

24 A. Not necessarily but it really would depend  
25 on what type of -- it would depend on the calculation

1 the company was making and whether or not the  
2 calculation of lost revenue was truly associated with  
3 infrastructure improvement or whether it was  
4 associated with some other activity.

5 I mean, it seems to me that the law allows  
6 recovery of lost revenue on infrastructure on  
7 modernization. It doesn't indicate necessarily that  
8 it must be provided.

9 So I believe it would have to be reviewed  
10 on a case-by-case basis as to its merit.

11 Q. What type of infrastructure improvements  
12 could or would result in lost revenue for a utility?

13 A. Well, there are certain kinds of  
14 investments in the SmartGrid, for example, that can  
15 allow for reductions in line losses. At least, I have  
16 seen certain discussions along those lines.

17 And if line losses are reduced then that  
18 may result in fewer sales through the meter, you know,  
19 to the company, so, a volumetric reduction in sales as  
20 a result of reducing line losses.

21 And so that's an example of a potential  
22 revenue loss that might come from infrastructure  
23 improvement. It's a fairly I would say narrow type of  
24 revenue loss.

25 Q. Would you agree that the company would

1 need to make significant infrastructure modernization  
2 and improvements to be able to implement time-of-use  
3 rates, peak-time rebates and critical peak pricing?

4 A. It really depends. I mean, many utilities  
5 already have the metering in place. They do  
6 time-of-use pricing.

7 You know, it really depends case by case,  
8 utility by utility as to how much investment -- how  
9 much new investment would be required to be able to  
10 implement those kinds of programs.

11 And so I'll leave it at that.

12 Let me put it this way. For example, a  
13 number of these programs don't necessarily result in  
14 lost revenues. I mean, for example, time-of-use  
15 pricing may not result in lost revenues to the  
16 utility.

17 So there may be a cost involved in putting  
18 in the meters to implement time-of-use pricing but  
19 there's not necessarily a revenue lost to the company  
20 from implementing time-of-use pricing.

21 Q. Why not?

22 A. Well, because time-of-use pricing involves  
23 setting prices higher in certain times of the day and  
24 lower in other times of the day. And usually the  
25 design is developed to be revenue neutral to the

1 utility.

2 So, you know, you have a current flat  
3 energy charge, say, and you look at the pattern of  
4 usage under that charge and you design a rate that  
5 says, well, I'm going to collect more of this revenue  
6 on peak and less of it off peak and when I'm done I'm  
7 going to collect the same amount of revenue.

8 Now, it may be that customers respond to  
9 the time-of-use pricing in such a way as to reduce  
10 revenues to the utility but that, you know, remains to  
11 be seen. It's not necessarily what would happen.

12 Q. Would you agree that programs like DP&L's  
13 proposed programs that would result in replacement of  
14 inefficient light bulbs or inefficient appliances  
15 result in a modernization of the assets used in DP&L's  
16 service territory?

17 A. Well, it might be a modernization of the  
18 appliances used by customers. I do not consider that  
19 to be infrastructure modernization because, you know,  
20 in my view, infrastructure modernization occurs on the  
21 utility's assets.

22 And, you know, improving, for example, the  
23 energy efficiency of light bulbs and appliances in  
24 people's homes are energy efficiency investments that  
25 occur on the customer premises.

1 So, does it improve society's energy  
2 efficiency? Yes, I would certainly agree with that.

3 But, you know, the examples you gave I  
4 believe are distinct from infrastructure modernization  
5 and are examples of customer energy efficiency.

6 Q. You testified earlier that you didn't  
7 believe time-of-use rates would result in a lost  
8 revenue for the company.

9 A. Can I make a correction, please?

10 I said it would not necessarily result in  
11 lost revenue and then I went on to describe a  
12 circumstance in which it could. So, I certainly  
13 didn't say it would not result in lost revenue.

14 Q. Could time-of-use rates result in lost  
15 revenue for a company?

16 A. It could in the example that I described a  
17 few minutes ago. It would depend on -- you know, it  
18 would depend on how the rates were designed, whether  
19 the design of the rate was revenue neutral to the  
20 utility or not, and it would depend on the degree of  
21 customer responsiveness to the time-of-use rates.

22 And it would also, of course, depend on  
23 the utility's ability to have rates reset by the  
24 Commission pursuant to a rate order of some kind at  
25 another point in the future.

1 Q. As to peak-time rebates and critical peak  
2 pricing, what are your opinions as to whether or not  
3 those could or would lead to a revenue reduction for a  
4 company?

5 A. Well, in terms of reductions in sales  
6 revenue to the company, it may or may not impact sales  
7 revenues or it may not impact sales revenues very  
8 much. I mean, it depends on how the programs are  
9 structured.

10 For example, you know, if a company is  
11 sending, you know, a critical peak price signal to  
12 customers, you know, it may be that customers avoid  
13 using or reduce the usage, their usage of energy in  
14 those critical peak periods but then, you know, use  
15 energy at another time of the day.

16 They would pay less at that other time  
17 than they would have paid during the critical peak.

18 But whether that's a net change in revenue  
19 from what the utility would have otherwise collected  
20 without the program remains to be seen.

21 You know, it could be more recovery, it  
22 could be the same or it could be less.

23 Q. Let me ask you about your testimony  
24 regarding shared savings on page 20.

25 A. Sure.

1 Q. If I understand your opinions, you believe  
2 that a shared savings shouldn't be permitted under any  
3 circumstances to be recovered?

4 Let me state that differently. You  
5 believe that the utilities shouldn't be entitled to a  
6 share of the savings under any circumstances?

7 A. No. Actually, that's not what my  
8 testimony says. If you look at line 19 of page 20, I  
9 say that:

10 "...if lost revenue is not  
11 included in cost recovery, then  
12 100 percent of the cost reductions  
13 experienced by the utility should be  
14 passed through to customers on a  
15 going-forward basis at such times  
16 that SSO rates are reset by the  
17 Commission."

18 Which means that until SSO rates are reset  
19 by the Commission, 100 percent of the cost reductions  
20 would be retained by shareholders.

21 Again, that's in the case in which lost  
22 revenue is not included in cost recovery.

23 So, you know, I hope that makes sense to  
24 you. I mean, I can explain further if you'd like.

25 Q. No. I understand.

1 So the utility would be entitled to shared  
2 savings under your proposal only if, A, it's denied  
3 lost revenue and, B, only during the period of time in  
4 between SSO proceedings?

5 A. Correct.

6 Q. What's the basis of your opinion that  
7 recovery or, I'm sorry, that shared savings should be  
8 permitted only if lost revenue is not granted?

9 A. Because it seems to me that first -- I  
10 mean, as you're aware, I object to the recovery of  
11 lost revenue in the energy efficiency program.

12 And it seems to me that if you are  
13 charging customers for the full cost of the program to  
14 start with; that is, the direct cost, and the  
15 customers are also paying the utility for revenues the  
16 utility alleges it has lost as a result of conducting  
17 the energy efficiency programs then it doesn't seem to  
18 me that the utility has done anything to warrant the  
19 kind of shared savings that's being proposed here.

20 The customers foot all the costs. The  
21 customers pay the utility for revenues they  
22 otherwise -- you know, are being lost per the  
23 company's calculation, and the utility wants a share  
24 of the benefit, you know, 50 percent of the benefit,  
25 no less, on top of that.

1 I think that that's inequitable.

2 So that's the basis for my opinion.

3 Q. And what's the basis for your opinion  
4 regarding the timetable meaning it be permitted only  
5 between SSO proceedings?

6 A. Well, that's a case in which there is no  
7 lost revenue recovery. And in that situation it's  
8 analogous to the way rates are set generally.

9 That is, you set rates from time to time.

10 And in between the rate-setting exercises the utility  
11 maybe at risk for certain cost recovery and it also  
12 stands to benefit if it is very efficient and can  
13 recover revenues that are significantly above it's  
14 costs. And so the situation I'm describing here is  
15 analogous to that.

16 You put out a program. The customers are  
17 paying the direct cost of that program. That program  
18 results in the utility being able to avoid certain  
19 fixed costs that it would otherwise have to incur  
20 because you're saving energy.

21 But rates are set. And so the benefit of  
22 avoiding that fixed cost incurrence that the utility  
23 would otherwise have to experience I believe can  
24 reasonably be retained by the utility.

25 It's sort of -- you know, it's like, in

1 between rate cases the utility's entitled to recover  
2 or it's entitled to the benefit of efficiency gains in  
3 between rate cases so long as it's also exposed to the  
4 risks of inefficiencies between rate cases.

5 And so, in my view what I'm describing on  
6 lines 19 to 22 of page 20 is analogous to that  
7 traditional type of arrangement.

8 Q. You opine on page 22 that customers should  
9 get access to their own metering data if DP&L's  
10 infrastructure investment rider is approved, right?

11 A. Yes, I do.

12 Q. Now, if granting that access would cause  
13 the utility to incur a cost, would you agree the  
14 customer should pay that cost?

15 A. I would -- I mean, to the extent that  
16 there is a cost incurred in providing the information,  
17 it ought to be part of the overall program cost.

18 In other words, if you're going to go  
19 through this very significant expense which this AMI  
20 program is, then it's important to provide the  
21 information to customers that can allow them to make  
22 wise energy choices.

23 And you don't want to have any unnecessary  
24 barriers to customers to getting that information.

25 So if you're going to go through all this

1 trouble and expense, then do it in a way that provides  
2 the customers with information that allows them to  
3 make good decisions and include that incremental  
4 expense in the cost of the program.

5 Q. Let's go back to the shared savings.

6 Do you know, in the states that have  
7 implemented programs similar to Dayton Power & Light,  
8 similar to Senate Bill 221 that include energy  
9 efficiency and demand reduction targets, do those  
10 states typically permit utilities to retain some or  
11 all of the shared savings?

12 A. It varies on a case-by-case basis. You  
13 know, I don't think one can say that it's typically  
14 done one way or another way.

15 There are various types of program  
16 parameters that have been set up over the years for  
17 energy efficiency programs.

18 Q. Do you know why some states have permitted  
19 the recovery of shared savings?

20 A. Yes. Utilities have argued that they have  
21 a disincentive to promote energy efficiency because of  
22 the way their rates are set and because of the fact  
23 that utilities often or typically recover part of  
24 their fixed cost through volumetric sales.

25 And in response to these arguments by

1 utilities, some commissions have permitted recovery of  
2 various types of incentives to utilities to encourage  
3 them to promote energy efficiency.

4 Q. And is that the same reason -- let me step  
5 back. Have states other than Ohio permitted utilities  
6 to recover lost revenue?

7 A. The lost revenue argument is typically  
8 made in the framework that I just described.

9 MR. SHARKEY: Let's go off the record for  
10 a bit.

11 (The proceedings were at recess from 12:50  
12 p.m. to 13:04 p.m.)

13 BY MR. SHARKEY:

14 Q. So, let's go back on the record.

15 Do you have accessible to you again the  
16 Revised Code Section 4928.143(D)?

17 A. Yes.

18 Q. Okay. We talked earlier about the second  
19 sentence of that statute that permits the incremental  
20 recovery or the deferral of costs not being recovered  
21 under DP&L's current rate plan that it incurs to  
22 comply with 4928.141.

23 My question to you, what test would you  
24 propose the Commission use to determine whether to  
25 authorize recovery under that sentence?

1 A. The first test would be for the Commission  
2 to refer to Section II.F of the stipulation in 2005  
3 and to also review that part of the stipulation in the  
4 context of its order approving the stipulation and to  
5 ascertain whether any change in rates or allowance of  
6 deferral is necessary or appropriate in light of that  
7 information.

8 Should the Commission determine that some  
9 recognition of incremental cost or cost deferral is  
10 appropriate after considering that provision in the  
11 stipulation then I believe the Commission ought to  
12 look at the company's total generation revenue and  
13 total generation cost as well as the company's fuel  
14 and purchase power cost along the lines described in  
15 my testimony and along the lines we discussed earlier  
16 today. That information ought to be considered by the  
17 Commission in making a determination.

18 So, the kinds of things that I describe in  
19 my testimony on this topic and which we discussed  
20 previously are the things I think the Commission  
21 should consider if they determine that incremental  
22 cost recovery or a deferral is justified.

23 Q. Next topic. Does your testimony address  
24 whether DP&L should implement AMI or SmartGrid?

25 A. No.

1 Q. Have you discussed with anyone whether  
2 4928.143(D) was intended to permit DP&L to recover  
3 fuel costs?

4 A. No.

5 Q. Have you discussed with anyone ever  
6 whether DP&L was intended to be permitted to recover  
7 some costs under that section?

8 A. No.

9 Q. Did you discuss the meaning of that  
10 section with anybody as to any cost?

11 A. Well, when you say "discuss," I mean,  
12 obviously I have provided my testimony to counsel for  
13 Kroger and they reviewed it.

14 But, you know, outside of my  
15 communications with counsel, I have not had any  
16 discussions with anybody on that.

17 Q. Okay. And as to your discussions with  
18 counsel, can you describe for me what was discussed  
19 about 4928.143(D)?

20 MR. YURICK: There will be an objection,  
21 but you can go ahead and answer to the extent that you  
22 can if you can recall.

23 THE WITNESS: Yes. I'm sitting here  
24 trying to recall. I don't recall a specific, you  
25 know, discussion on the point.

1 You know, I sent my testimony to counsel  
2 and received comments back and the -- I don't recall a  
3 specific discussion on that --

4 Well, hold on. I think -- I'm trying to  
5 reflect back on this case and the kinds of discussions  
6 we had. Yes, I think I probably have discussed it  
7 with counsel and I expressed my view that the --

8 It appeared that Dayton Power and Light  
9 was relying on this change in the statute to basically  
10 change the balance of the equities in the settlement  
11 agreement that it had entered into in 2005 and my view  
12 that I didn't think that was reasonable nor consistent  
13 with the terms of the stipulation.

14 And, you know, I certainly did not have --  
15 counsel for Kroger certainly did not challenge that  
16 view.

17 BY MR. SHARKEY:

18 Q. Did you discuss whether that section was  
19 intended to implement that change from the RSP  
20 stipulation?

21 MR. YURICK: One minute here. You know,  
22 I'm going to object and I'm going to state the basis  
23 for my objection on the record. And this would go for  
24 the previous question too.

25 I want to make it clear that I'm not

1 waiving any attorney-client privilege should it apply.  
2 I'm also not waiving any work product privilege should  
3 that apply. So I'm going to object to the form of the  
4 question. I'm going to let the witness answer to the  
5 extent that he can.

6 THE WITNESS: I don't have any  
7 recollection of anyone telling me that this provision  
8 in the law was intended to allow DP&L to recover  
9 certain specific costs.

10 BY MR. SHARKEY:

11 Q. Did anybody ever tell you it was intended  
12 to permit DP&L to recover some costs?

13 A. No.

14 Q. Did you consider whether that section was  
15 intended to permit DP&L to recover some costs?

16 A. Well, the language is called out by DP&L  
17 in its own application.

18 And so it occurred to me that it wasn't  
19 any coincidence that DP&L was referencing this  
20 language. And it occurred to me that perhaps DP&L  
21 viewed that language as a special deal that allowed  
22 them to change the terms of its stipulation.

23 And that's about as far as my thought  
24 process went on it. I mean, it occurred to me that  
25 maybe DP&L had reason to believe it could change the

1 stipulation it agreed to by virtue of this language  
2 but I didn't have any other indication that that was  
3 the case.

4 Q. Did you inquire from Kroger's counsel as  
5 to whether that was the intent?

6 MR. YURICK: Let there be an objection,  
7 the same grounds. You can go ahead and answer to the  
8 extent that you can.

9 THE WITNESS: I don't think I did.

10 BY MR. SHARKEY:

11 Q. Why not?

12 MR. YURICK: Objection. You can go ahead  
13 and answer to the extent that you can.

14 THE WITNESS: Well, again, it occurred to  
15 me that DP&L might have believed this was a special  
16 deal for DP&L.

17 And I figured that if there was a special  
18 understanding that was common knowledge that this was  
19 for DP&L, A, you know, that might be mentioned to me;  
20 B, it might not be --

21 It might not really affect the arguments  
22 in my testimony anyway since Section II.F of the  
23 stipulation appeared to anticipate actions of the Ohio  
24 General Assembly that might affect the stipulation and  
25 still had a standard for retaining the benefits in the

1 stipulation.

2 So, it seemed to me that even if DP&L felt  
3 this was special language for it, there was still a  
4 threshold question that the Commission needed to  
5 consider about whether the stipulation anticipated  
6 things might be changed down the line and had a path  
7 forward for resolving it.

8 So, it seemed to me it didn't affect the  
9 argument that I was making in the first instance.

10 BY MR. SHARKEY:

11 Q. Let me ask you about the  
12 non-jurisdictional opportunity sales made by the  
13 Dayton Power & Light Company.

14 A. Sure.

15 Q. Are you familiar with FERC's jurisdiction?

16 A. Generally, yes.

17 Q. Do you know whether those sales made by  
18 the Dayton Power and Light Company are subject to FERC  
19 jurisdiction?

20 A. I'm sure they are.

21 Q. And do you know whether FERC regulates the  
22 rates that the Dayton Power and Light Company can  
23 charge in those sales?

24 A. I'm sure FERC does. I mean, even sales  
25 that are at market prices are still made at market



1 prices subject to FERC regulatory authority and  
2 approval. So I would be very surprised if they were  
3 not made subject to FERC regulation.

4 Q. You testified earlier that DP&L may  
5 experience lost revenue as a result of line losses.

6 Can you explain how that would happen?

7 A. Well, my understanding is that it wasn't  
8 really as a result of line losses. It was as a result  
9 of reducing line losses.

10 Q. I apologize. That is what you testified  
11 to. That is what I meant to say.

12 A. No problem. My understanding is that  
13 there are certain SmartGrid investments that can be  
14 made that would allow the distribution system to  
15 operate in such a way that line losses are reduced.

16 Q. Okay. That I understand.

17 A. Okay. And, you know, I'm an engineer.  
18 I'm not an electrical engineer and so I can't tell you  
19 from memory what, you know, specific investment  
20 activities occur to make that possible.

21 But, you know, as an economist I'm aware  
22 that this engineering claim is made that this can  
23 occur. And so that's, basically, my understanding  
24 without going back and kind of rereading some of the  
25 materials on SmartGrid, that it can allow the grid to

1 be utilized in a way that cuts back on line losses.

2 Q. I understand that and I understand that  
3 DP&L's testimony here suggests that the technology  
4 will reduce line losses.

5 A. Okay.

6 Q. What I don't understand is how reducing  
7 line losses can result in lost revenue.

8 A. Oh, I'm sorry. Okay. If line losses are  
9 reduced then there is fewer sales through the meter to  
10 the customer. So in a way, reduction of line losses  
11 is akin to an energy efficiency improvement.

12 You are able to -- you know, you're able  
13 to improve the final output with fewer losses coming  
14 off the system but, you know, it might result in fewer  
15 sales. I mean, at least that was my take-away from  
16 reading the company's testimony on it.

17 Now, perhaps, you know, I have misspoke in  
18 indicating that that could lead to lost revenue but  
19 that was my initial take-away when I read the  
20 company's testimony.

21 Q. Now, I'm not an electrical engineer  
22 either, Mr. Higgins, but my understanding of reducing  
23 line losses, the same amount of generation goes  
24 through the customer's meter and is used by the  
25 customer but the company generates less electricity to

1 produce that power and to get it to the meter.

2 A. Yes. I can see that. And so, you know, I  
3 would, you know, upon reflection on that would agree  
4 that that's what would occur. And so there may not be  
5 any lost revenue in that particular instance.

6 Q. Okay. Are there any circumstances in  
7 which you can think of that infrastructure  
8 improvements would result in lost revenue?

9 A. Well, I mean, I'm just sitting here  
10 reflecting, I mean, anything of course that would  
11 result in fewer sales as a result of that investment.  
12 And so, you know, if the investment caused fewer sales  
13 then, you know, that would result in lost revenues.

14 Now, I don't have an example off the top  
15 of my head but, you know, I guess I'd have to reflect  
16 a while on that.

17 Q. Well, let me come back to that because I'm  
18 going to ask you the same question again after you've  
19 had a few minutes to reflect on it.

20 A. Sure.

21 Q. The last piece of your testimony deals  
22 with generation aggregation.

23 If I understand your proposal, you're  
24 suggesting that Kroger should be able to aggregate its  
25 various stores within the DP&L service territory and

1 purchase as one customer rather than as many?

2 A. Well, it's not exactly that, Mr. Sharkey.  
3 It's really -- it's similar to that but it's not quite  
4 purchasing as one customer.

5 It's really more along the lines of having  
6 the customer's demand for billing purposes measured on  
7 a coincident basis over all its facilities rather than  
8 being measured on an individual basis as it's done  
9 now.

10 Q. Okay. And the purpose of that would be to  
11 reduce the demand charge to Kroger?

12 A. Well, it would generally -- it wouldn't  
13 reduce the demand charge but it would reduce the  
14 amount of demand that's being billed to any customer  
15 whose load was measured this way.

16 So the charge itself, when I refer to  
17 charge, I mean the rate itself wouldn't change but the  
18 amount of demand that is measured would change because  
19 it would be measured by viewing all the facilities  
20 operating simultaneously rather than individually.

21 I mean, the basis being that right now  
22 that each individual facility may experience its peak  
23 usage at any particular time during the month and that  
24 becomes the basis for its billing demand.

25 And of course these different facilities

1 may be peaking at different times during the month.  
 2 And so right now the total billing demand  
 3 paid by the customer is the sum of all these  
 4 individual peaks whereas if they are measured at the  
 5 same time, the basis of the -- the demand being billed  
 6 would be each facility's share of that peak billing  
 7 demand in that month.

8 And so that would be the basis for  
 9 charging the customer for its demand usage.

10 Q. Do you know if DP&L's existing rate plan  
 11 permits for generation aggregation as you have  
 12 described it?

13 A. I'm not aware. I'm not aware of it  
 14 allowing it.

15 Q. Then let's return to the question I told  
 16 you I was going to return to; namely, whether  
 17 infrastructure improvements could result in lost  
 18 revenue. And you said you wanted to have an  
 19 opportunity to think about that.

20 A. Sure.

21 Q. I know I've been busy peppering you with  
 22 questions on other subjects, but having had a few more  
 23 moments, are there any circumstances in which lost  
 24 revenue -- are there any circumstances of which you're  
 25 aware that lost revenue could result from

1 those applications customer usage could be changed.

2 Q. There's nothing associated with  
 3 infrastructure improvements of which you are aware  
 4 that would ordinarily be expected to result in lost  
 5 revenue?

6 A. Again, I mean, it depends on how the  
 7 company intends to implement SmartGrid and what the  
 8 company intends to do with it.

9 Q. I understand.

10 A. Okay.

11 Q. I'm just trying to figure out if there's  
 12 something -- for example, if a company implements a  
 13 program where they are replacing inefficient light  
 14 bulbs with efficient light bulbs, obviously the  
 15 purpose and intent is to result in a lower usage which  
 16 will result in expected declining sales.

17 A. Correct.

18 Q. That's the whole point of the program.

19 I'm trying to figure out if there's some  
 20 similar, typical and expected result of SmartGrid that  
 21 would result in a declining usage.

22 A. Well, when you say "typical," we have to  
 23 bear in mind that SmartGrid is not at this point  
 24 typical. SmartGrid is new.

25 Q. Fair enough.

1 infrastructure improvements?

2 A. Well, I believe that, you know, if the  
 3 infrastructure investment is directly associated with  
 4 SmartGrid and if the SmartGrid investment causes  
 5 customer usage to change, then you could have a  
 6 revenue loss, you know, so called, associated with the  
 7 SmartGrid investment. It would have to affect  
 8 customer usage.

9 But, you know, as I read the company's  
 10 SmartGrid proposal, it may affect customer usage in  
 11 certain ways. So, I imagine there could be some lost  
 12 revenues associated with, you know, the implementation  
 13 of SmartGrid.

14 Q. In what way would you expect SmartGrid to  
 15 affect customer usage?

16 A. If the company takes actions through its  
 17 SmartGrid implementation that shut customer usage off  
 18 at certain times, you know, if through SmartGrid the  
 19 customer usage is curtailed, I imagine that that could  
 20 be a lost revenue to the company.

21 You know, I mean, the company's advocacy  
 22 of SmartGrid and its explanation of SmartGrid  
 23 anticipates, you know, a number of different  
 24 applications and I imagine that it's certainly  
 25 possible that as some -- you know, as part of some of

1 A. And so the company describes various  
 2 applications and others, not just Dayton Power and  
 3 Light but others have described various applications  
 4 of SmartGrid and the various benefits that could be  
 5 provided by SmartGrid. And among them include, you  
 6 know, better information and communications.

7 And, you know, I believe I've seen  
 8 references in some of these discussions to SmartGrid,  
 9 you know, allowing for customer usage patterns to be  
 10 changed, you know, either directly by the utility or  
 11 by a program that gets implemented because SmartGrid  
 12 is available.

13 And so it's certainly possible that as a  
 14 part of implementing SmartGrid that there are  
 15 implications for customer usage patterns and therefore  
 16 the revenues paid by customers.

17 So, you know, so I can't say anything is  
 18 typical at this point but I do believe that that's a  
 19 part of what is envisioned with SmartGrid  
 20 implementation.

21 MR. SHARKEY: Okay. I have no further  
 22 questions at this time.

23 I believe our court reporter wanted us to  
 24 make our order on the record.

25 So, I'll state for the record that I would

1 like a copy of the transcript e-mailed to me by close  
2 of business Monday to the e-mail address I gave off  
3 the record.

4 MR. YURICK: And I'd like the same.  
5 (The deposition was concluded at 1:35 p.m.)

6 \* \* \*

1 Reporter's Certificate  
2 State of Utah )  
County of Salt Lake )

3  
4 I, Clark Edwards, Certified Shorthand  
5 Reporter, Registered Professional Reporter, and Notary  
6 Public for the State of Utah, do hereby certify;

7 THAT the foregoing proceedings were taken  
8 before me at the time and place set forth herein; that  
9 the witness was duly sworn to tell the truth, the  
10 whole truth, and nothing but the truth; and that the  
11 proceedings were taken down by me in shorthand and  
12 thereafter transcribed into typewriting under my  
13 direction and supervision;

14 THAT the foregoing pages contain a true  
15 and correct transcription of my said shorthand notes  
16 so taken.

17 IN WITNESS WHEREOF, I have subscribed my  
18 name and affixed my seal this \_\_\_\_ day of  
19 \_\_\_\_\_, 2009.

20  
21 \_\_\_\_\_  
Notary Public

22 My commission expires  
23 October 22, 2011

<b>A</b>	38:12 39:1 41:25 43:12 44:2 49:13 60:3 <b>agreed</b> 38:12 56:1 <b>agreeing</b> 27:18 <b>agreement</b> 54:11 <b>ahead</b> 9:25 10:22 10:24 11:21 12:7 28:13 36:13 53:21 56:7,12 <b>akin</b> 59:11 <b>alleges</b> 47:16 <b>allocate</b> 33:6 <b>allocated</b> 27:11 28:9 30:9 <b>allocation</b> 33:24 34:6 <b>allocator</b> 33:6,12 33:15,16 <b>allocators</b> 34:4 <b>allow</b> 33:3 41:15 49:21 55:8 58:14 58:25 <b>allowance</b> 52:5 <b>allowed</b> 24:11 25:4 39:3,19 55:21 <b>allowing</b> 15:21 20:10 26:11 27:20 62:14 65:9 <b>allows</b> 41:5 50:2 <b>alternative</b> 15:2 16:13 17:6,10,16 17:19 <b>amended</b> 1:13 7:21 8:17 36:6 <b>AMI</b> 49:19 52:24 <b>amount</b> 21:2 23:17 25:20 36:24 43:7 59:23 61:14,18 <b>amounts</b> 38:15 <b>analogous</b> 38:6 48:8,15 49:6 <b>analysis</b> 37:21,23 <b>answer</b> 9:25 10:22 11:21 12:7 15:25 17:4 28:14 35:13 36:14 53:21 55:4	56:7,13 <b>anticipate</b> 56:23 <b>anticipated</b> 57:5 <b>anticipates</b> 63:23 <b>anybody</b> 53:10,16 55:11 <b>anyway</b> 56:22 <b>apologize</b> 58:10 <b>appeared</b> 14:7 54:8 56:23 <b>appliances</b> 43:14 43:18,23 <b>application</b> 1:4,6,9 1:12 7:19 8:3,5 55:17 <b>applications</b> 63:24 64:1 65:2,3 <b>applied</b> 10:9 <b>applies</b> 9:12 10:7 <b>apply</b> 10:6 55:1,3 <b>Appreciate</b> 13:3 <b>appropriate</b> 25:13 26:21 52:6,10 <b>approval</b> 1:5,7,10 1:13 5:19 58:2 <b>approved</b> 24:1 36:3 49:10 <b>approving</b> 14:18 52:4 <b>approximate</b> 6:9 6:12 <b>approximately</b> 6:13,14 <b>area</b> 6:24,24 <b>argued</b> 50:20 <b>argument</b> 12:2 18:9,13 20:11,23 21:11 24:10 51:7 57:9 <b>arguments</b> 50:25 56:21 <b>Arizona</b> 29:11 32:3 32:3 <b>Arkansas</b> 5:1 <b>arrangement</b> 49:7 <b>articulated</b> 12:2 <b>ascertain</b> 52:5	<b>asked</b> 18:4 <b>Assembly</b> 11:17 12:1 14:2,4 56:24 <b>assessed</b> 10:8 <b>asset</b> 27:11 <b>assets</b> 27:2 32:19 33:2,7 34:15,24 35:17,24 36:11 38:21 43:15,21 <b>assign</b> 31:22 <b>assigned</b> 19:8 28:21 28:23 33:24,25 <b>assisted</b> 22:21 <b>associated</b> 16:25 17:3 23:18 24:15 40:5 41:2,4 63:3,6 63:12 64:2 <b>assume</b> 26:20 27:5 27:16 33:8 34:18 34:21 <b>assuming</b> 7:12 20:22 38:10 <b>attempt</b> 23:25 <b>attorney-client</b> 55:1 <b>authority</b> 1:10 58:1 <b>authorization</b> 5:22 <b>authorize</b> 51:25 <b>authorized</b> 36:20 <b>available</b> 8:8 9:2 12:11 65:12 <b>avoid</b> 45:12 48:18 <b>avoiding</b> 48:22 <b>award</b> 37:19 <b>awarded</b> 37:4,8 <b>awarding</b> 37:15 <b>aware</b> 10:1 11:5,8 11:23 28:8 39:13 40:13 47:10 58:21 62:13,13,25 64:3	58:24 59:1 60:17 <b>balance</b> 14:16,20 54:10 <b>barriers</b> 49:24 <b>base</b> 18:1,17,22 19:2 21:1 22:6,13 25:12,22 32:6 <b>based</b> 19:3,9 22:17 24:23 36:7 <b>baseline</b> 25:13 <b>base-load</b> 26:23 <b>basically</b> 54:9 58:23 <b>basis</b> 10:23 25:23 41:10 46:15 47:6 48:2,3 50:12 54:22 61:7,8,21 61:24 62:5,8 <b>bear</b> 64:23 <b>begins</b> 10:11 <b>behalf</b> 4:13,18,23 4:25 5:5 15:17 <b>belief</b> 14:11 <b>believe</b> 11:17 14:5 15:16,18 16:8,22 18:4,21 20:24 21:3 23:1 24:8,16 25:4 31:17 38:5,7 38:23,24 41:9 44:4,7 46:1,5 48:23 52:11 55:25 63:2 65:7,18,23 <b>believed</b> 56:15 <b>benefit</b> 28:7 29:8 29:16,21 30:6 31:18 32:10 47:24 47:24 48:12,21 49:2 <b>benefits</b> 27:21,23 28:21,22 35:18 56:25 65:4 <b>best</b> 10:5,7 <b>better</b> 27:9 65:6 <b>beyond</b> 9:14,18 10:2 16:21 <b>Bill</b> 14:25 15:5,11 16:2 17:6 50:8
		<b>B</b>		
		<b>B</b> 47:3 56:20 <b>back</b> 15:10 19:3 29:23 35:6,9,12 39:12 50:5 51:5 51:14 54:2,5		

<b>billed</b> 61:14 62:5	<b>cause</b> 49:12	<b>cited</b> 8:11 40:14	4:19,25 7:25 9:18	<b>construct</b> 5:20
<b>billing</b> 61:6,24 62:2 62:6	<b>caused</b> 60:12	<b>City</b> 1:19 4:15	14:8,12 15:7,18	<b>consultant</b> 4:16
<b>bit</b> 4:18 32:2 51:10	<b>causes</b> 63:4	<b>claim</b> 58:22	15:21 16:13,20	<b>consulting</b> 4:17,18 4:20 6:16,19,23 7:2,7
<b>bottom</b> 30:20	<b>cent</b> 18:17 23:23 25:10 26:14 37:13	<b>clarification</b> 17:14	17:2 18:4,6 19:1,8	<b>contain</b> 67:14
<b>broader</b> 20:6 24:16	<b>cents</b> 18:21 19:1 23:19 24:15 25:25	<b>Clark</b> 1:22 67:4	19:22 20:1 21:7	<b>context</b> 16:17 52:4
<b>built</b> 30:15,16 31:9	<b>certain</b> 1:10 15:1,2 16:20 17:12 18:5	<b>clause</b> 22:12,13	24:10 25:3,11,19	<b>copy</b> 8:7,19 9:2 12:10 66:1
<b>bulbs</b> 43:14,23 64:14,14	<b>clear</b> 16:11 22:24 54:25	<b>clauses</b> 31:11	27:6,17 28:6,7	<b>corporate</b> 1:13 35:25 36:2,6,8,10
<b>bundling</b> 23:6	<b>clearly</b> 8:25	<b>clear</b> 16:11 22:24 54:25	30:17 31:15 32:4	<b>correct</b> 5:8 7:14 11:15,16 13:17 17:19 18:22 20:5 21:25 22:9 26:23 27:4,7,12 34:15 34:16 36:21 47:5 64:17 67:15
<b>business</b> 66:2	<b>close</b> 66:1	<b>Code</b> 1:11 9:3 10:16 51:16	32:7 37:9,14,16	<b>correction</b> 44:9
<b>busy</b> 62:21	<b>Certificate</b> 67:1	<b>coincidence</b> 55:19	37:24,25 38:1	<b>correctly</b> 24:13 34:11 35:15,20 37:10
<b>C</b>	<b>Certified</b> 67:4	<b>coincident</b> 61:7	39:4 41:1,19,25	<b>cost</b> 5:14,19,23 11:2,5 19:2,4 21:15 23:17 25:9 26:5 29:6 34:6 37:24 38:2,3,9,25 39:8,9 42:17 46:11,12,19,22 47:13,14 48:11,17 48:22 49:13,14,16 49:17 50:4,24 52:9,9,13,14,22 53:10
<b>C</b> 1:15 2:1 3:2 4:1	<b>challenge</b> 54:15	<b>collect</b> 43:5,7	42:19 44:8,15	<b>costs</b> 11:2,14 12:5 15:6,22 16:2,8,24 17:2,12 18:5,6 19:15,20,21,23 20:2,4,7,8,13,19 20:21 21:4,5,10 24:4,7,11,18 25:4 25:7,19 27:11 32:5,6,18 33:1 37:9,15,17 47:20 48:14,19 51:20 53:3,7 55:9,12,15
<b>calculating</b> 18:18 29:5	<b>chance</b> 11:23 12:22	<b>collected</b> 19:24 21:6,11,16 29:7 45:19	45:4,6,10 57:13	<b>cost-of-service</b>
<b>calculation</b> 40:25 41:2 47:23	<b>change</b> 12:17 14:5 45:18 52:5 54:9 54:10,19 55:22,25 61:17,18 63:5	<b>Colorado</b> 5:1	57:18,22 59:25	
<b>calculations</b> 8:20 33:8	<b>changed</b> 57:6 64:1 65:10	<b>Columbus</b> 2:9	63:16,20 64:7,8 64:12 65:1	
<b>calibration</b> 19:3,13 23:25	<b>changes</b> 24:24 31:3	<b>come</b> 41:22 60:17	<b>company's</b> 7:19 16:8 18:25 19:11 19:18,19 20:13,14 24:3,5,21 25:6 30:19 38:25 47:23 52:12,13 59:16,20 63:9,21	
<b>call</b> 6:24 7:1 12:12 22:7 32:22 33:18	<b>charge</b> 19:4,6 23:11 24:1 43:3,4 57:23 61:11,13,16 61:17	<b>coming</b> 59:13	<b>comparison</b> 20:24 25:14	
<b>called</b> 4:2 55:16 63:6	<b>charges</b> 25:12 36:19,23 38:14,20 38:21,23 39:3,14 39:19,24	<b>comma</b> 9:12	<b>completed</b> 7:9	
<b>Carolina</b> 5:3	<b>charging</b> 47:13 62:9	<b>comments</b> 54:2	<b>comply</b> 51:22	
<b>carrying</b> 36:19,23 38:14,19,21,22 39:3,14,19,24	<b>CHESTER</b> 2:8	<b>commission</b> 1:2 5:5 5:22 13:2 14:15 14:21 15:9 16:2,5 19:14 20:6,9,12 20:23 24:16,21 25:1,16 26:1 28:9 36:3 37:12,19 38:10,13,15 39:13 44:24 46:17,19 51:24 52:1,8,11 52:17,20 57:4 67:22	<b>component</b> 14:5	
<b>case</b> 1:5,7,10,13 12:21,23 17:22 21:22,23,24 22:6 22:12,13,19 23:4 23:9 27:13,14 28:1 29:2 31:10 31:12 34:20,20 35:12 36:1 39:2 39:12 42:7,7 46:21 48:6 54:5 56:3	<b>choices</b> 49:22	<b>commissions</b> 28:18 51:1	<b>computer</b> 12:13,16	
<b>cases</b> 22:22 39:22 49:1,3,4	<b>circumstance</b> 35:16 40:2 44:12	<b>Commission's</b> 40:3	<b>concern</b> 25:2	
<b>case-by-case</b> 41:10 50:12	<b>circumstances</b> 46:3 46:6 60:6 62:23 62:24	<b>Commission-app...</b> 35:25	<b>concerns</b> 37:7	
<b>category</b> 34:6		<b>common</b> 56:18	<b>concluded</b> 25:20 66:5	
		<b>communications</b> 53:15 65:6	<b>conducting</b> 47:16	
		<b>company</b> 1:5,7,10 1:13 2:2,7 4:11,14	<b>consider</b> 6:22 11:10 20:10 21:7 26:10 26:12 43:18 52:21 55:14 57:5	
			<b>consideration</b> 30:22	
			<b>considered</b> 12:2 14:15,17,21 16:9 52:16	
			<b>considering</b> 18:13 52:10	
			<b>consistent</b> 35:2 54:12	

32:22 <b>counsel</b> 53:12,15 53:18 54:1,7,15 56:4 <b>count</b> 6:10 <b>County</b> 67:2 <b>couple</b> 38:17 <b>course</b> 7:6,10 20:19 33:2 38:4 44:22 60:10 61:25 <b>court</b> 65:23 <b>cover</b> 36:24 <b>COX</b> 2:3 <b>creates</b> 14:25 16:19 <b>credited</b> 29:6 34:8 35:19 <b>critical</b> 42:3 45:1 45:11,14,17 <b>CSR/RPR</b> 1:22 <b>curious</b> 4:14 <b>current</b> 19:18 21:20 24:2,15 26:5 43:2 51:21 <b>currently</b> 27:18 <b>currently-existing</b> 23:18 <b>curtailed</b> 63:19 <b>customer</b> 28:21 29:21 31:8 43:25 44:5,21 49:14 59:10,25 61:1,4 61:14 62:3,9 63:5 63:8,10,15,17,19 64:1 65:9,15 <b>customers</b> 19:19 26:23 27:3,9,12 27:22 28:11,23 29:8,9,16,22 30:6 30:14 31:3,13,16 31:18,23 32:6,10 32:17 34:1,8 35:16 36:10,12 43:8,18 45:12,12 46:14 47:13,15,20 47:21 48:16 49:8 49:21,24 50:2 65:16	<b>customer's</b> 59:24 61:6 <b>cuts</b> 59:1 <hr/> <b>D</b> <b>D</b> 9:8 10:11 11:19 <b>data</b> 49:9 <b>date</b> 1:20 10:3 <b>day</b> 42:23,24 45:15 67:18 <b>days</b> 35:4 <b>Dayton</b> 1:4,7,9,12 2:2,4 4:11 7:25 9:17 15:6 16:13 16:20 17:1 19:15 27:6 50:7 54:8 57:13,18,22 65:2 <b>day-to-day</b> 31:2 <b>DCEM</b> 40:5 <b>dead-on</b> 17:21 <b>deal</b> 55:21 56:16 <b>deals</b> 60:21 <b>debt</b> 38:25 39:8 <b>December</b> 9:14,19 <b>decides</b> 25:1 <b>decisions</b> 19:10 28:17 50:3 <b>declining</b> 64:16,21 <b>decremental</b> 30:18 <b>default</b> 12:17 <b>defer</b> 11:14 12:4 24:11 25:4 <b>deferral</b> 11:9 18:18 20:10 21:2 24:19 24:22,24 25:15 26:11 36:20,25 37:4,8,15,17,20 38:11,17,20,23 39:2 51:20 52:6,9 52:22 <b>deferrals</b> 13:8,12 <b>deferred</b> 38:15 <b>definitively</b> 35:13 <b>degree</b> 7:15 44:20 <b>delay</b> 38:2 <b>delineate</b> 34:5 <b>demand</b> 50:9 61:6	61:11,13,14,18,24 62:2,5,7,9 <b>denied</b> 39:24 47:2 <b>deny</b> 24:14 <b>depend</b> 40:24,25 44:17,18,20,22 <b>depends</b> 31:13 42:4 42:7 45:8 64:6 <b>depiction</b> 35:22 <b>deposed</b> 4:3 <b>deposition</b> 1:15 8:8 66:5 <b>deregulation</b> 35:8 35:10 <b>derive</b> 23:23 <b>derives</b> 26:4 <b>describe</b> 23:24 29:25 44:11 52:18 53:18 <b>described</b> 8:16 32:17,20 33:20 37:22 44:16 51:8 52:14 62:12 65:3 <b>describes</b> 65:1 <b>describing</b> 48:14 49:5 <b>design</b> 42:25 43:4 44:19 <b>designed</b> 44:18 <b>detailed</b> 35:11 <b>details</b> 8:16 22:4,25 39:12 <b>determination</b> 52:17 <b>determinations</b> 30:3 39:19 <b>determine</b> 20:15 21:1 25:8,20 51:24 52:8,21 <b>determined</b> 28:2 37:19,23 <b>determines</b> 16:5 29:4 <b>determining</b> 25:14 <b>developed</b> 42:25 <b>differ</b> 37:25 <b>difference</b> 21:10	<b>different</b> 23:7 28:18 32:2 34:10 34:12 35:5 38:20 61:25 62:1 63:23 <b>differently</b> 46:4 <b>differs</b> 30:11 <b>direct</b> 47:14 48:17 <b>directed</b> 17:15 <b>direction</b> 67:13 <b>directly</b> 31:1 63:3 65:10 <b>disagree</b> 37:12 <b>disagreed</b> 25:16 26:2 <b>disagreeing</b> 25:24 <b>discuss</b> 34:10 53:9 53:11 54:18 <b>discussed</b> 11:11 24:23 37:6 52:15 52:19 53:1,5,18 54:6 <b>discussion</b> 19:12 35:22 53:25 54:3 <b>discussions</b> 41:16 53:16,17 54:5 65:8 <b>disincentive</b> 50:21 <b>dispute</b> 23:16,21 27:19 <b>dissertation</b> 7:13 <b>distinct</b> 33:19 44:4 <b>distinction</b> 15:21 22:13 <b>distinguishes</b> 33:17 <b>distribution</b> 9:13 58:14 <b>documents</b> 8:11,14 8:15 <b>doing</b> 30:19,19 <b>dollars</b> 34:23 35:17 <b>Donna</b> 23:17 25:24 <b>doubt</b> 22:11 <b>DP&amp;L</b> 5:11 9:22 10:6,6,8 11:3,6,13 12:4 14:3 15:10 17:11 18:17 23:9 24:14 26:21 27:1	27:10 36:6,18,23 52:24 53:2,6 55:8 55:12,15,16,19,20 55:25 56:15,16,19 57:2 58:4 60:25 <b>DP&amp;L's</b> 11:9,18 17:13 20:7,21 21:20,22 22:5,18 23:3,18 24:17,18 25:21 27:10,16 35:23 36:9 40:4 40:22 43:12,15 49:9 51:21 59:3 62:10 <b>due</b> 15:6 <b>Duke</b> 31:10 <b>duly</b> 4:2 67:9 <hr/> <b>E</b> <b>E</b> 2:1,1 <b>earlier</b> 37:6 44:6 51:18 52:15 58:4 <b>East</b> 2:8 <b>economic</b> 13:24 14:6 15:15,17 16:3,7 17:7,24 18:3,10 24:25 <b>economical</b> 26:22 <b>economics</b> 7:11 <b>economist</b> 58:21 <b>economy</b> 33:21 <b>Education</b> 7:16 <b>Edwards</b> 1:22 67:4 <b>EFC</b> 32:16 <b>effect</b> 15:5 27:18 <b>efficiency</b> 15:2 17:18,21,23 18:9 43:23,24 44:2,5 47:11,17 49:2 50:9,17,21 51:3 59:11 <b>efficient</b> 48:12 64:14 <b>effort</b> 13:24 15:16 <b>either</b> 8:19 28:20 59:22 65:10 <b>elaborate</b> 18:23
--	---	--	--	---

<p>15:1 22:19  <b>electrical</b> 58:18  59:21  <b>electricity</b> 59:25  <b>electronically</b> 8:20  <b>employees</b> 6:8,14  <b>enacted</b> 9:23 11:19  <b>enacting</b> 15:22  <b>encourage</b> 51:2  <b>energy</b> 1:17 5:5,24  6:15 15:2,3 16:14  17:6,10,16,18,20  17:20,22 18:9  33:21 38:17 43:3  43:23,24 44:1,5  45:13,15 47:11,17  48:20 49:22 50:8  50:17,21 51:3  59:11  <b>energy-related</b>  4:21  <b>enforce</b> 14:12  <b>engineer</b> 58:17,18  59:21  <b>engineering</b> 58:22  <b>entered</b> 8:1 54:11  <b>entire</b> 13:9  <b>entirely</b> 27:24 35:5  37:15  <b>entirety</b> 25:5  <b>entitled</b> 17:2 18:6  34:14,25 46:5  47:1 49:1,2  <b>envisioned</b> 65:19  <b>equal</b> 6:6  <b>equities</b> 40:2 54:10  <b>equity</b> 39:9  <b>equivalent</b> 24:2  <b>ESP</b> 15:19  <b>essential</b> 13:24 14:5  15:14,17 16:7  17:7,24 18:3  24:25  <b>established</b> 13:25  14:6 16:4 33:4  38:10  <b>establishing</b> 15:1</p>	<p><b>evaluate</b> 25:5  <b>evaluation</b> 24:3  <b>exact</b> 31:19  <b>exactly</b> 24:20 33:14  61:2  <b>examination</b> 3:3  4:5 7:10  <b>example</b> 29:2 37:12  41:14,21 42:12,14  43:22 44:16 45:10  60:14 64:12  <b>examples</b> 28:24  32:12,13 44:3,5  <b>exercise</b> 19:3,13  20:20 21:19 23:22  23:25 24:23  <b>exercises</b> 48:10  <b>exhibits</b> 3:5,6 7:21  <b>existing</b> 25:21 36:9  62:10  <b>expect</b> 63:14  <b>expected</b> 64:4,16  64:20  <b>expense</b> 49:19 50:1  50:4  <b>experience</b> 48:23  58:5 61:22  <b>experienced</b> 46:13  <b>expert</b> 4:13,22 6:20  6:22  <b>expires</b> 67:22  <b>explain</b> 46:24 58:6  <b>explanation</b> 63:22  <b>explicitly</b> 13:11  <b>explore</b> 25:3  <b>exposed</b> 49:3  <b>expressed</b> 54:7  <b>extending</b> 10:2  <b>extends</b> 9:14,18  <b>extent</b> 12:7 15:13  16:1 21:9 23:20  28:14 49:15 53:21  55:5 56:8,13  <b>e-mail</b> 66:2  <b>e-mailed</b> 66:1</p> <p style="text-align: center;"><b>F</b></p>	<p><b>face</b> 16:12  <b>facilities</b> 61:7,19,25  <b>facility</b> 61:22  <b>facility's</b> 62:6  <b>fact</b> 17:11 19:6  27:9 31:4 36:5  50:22  <b>factor</b> 26:16 27:17  <b>factors</b> 11:10  <b>fair</b> 35:6 64:25  <b>fairly</b> 41:23  <b>faith</b> 13:24  <b>familiar</b> 10:15  21:23 22:18 23:6  28:17 33:5 34:13  36:5 57:15  <b>familiarity</b> 22:20  23:10  <b>far</b> 55:23  <b>FARUKI</b> 2:3  <b>fax</b> 2:10  <b>February</b> 1:20  <b>Federal</b> 5:5  <b>felt</b> 57:2  <b>FERC</b> 33:18 57:18  57:21,24 58:1,3  <b>FERC's</b> 57:15  <b>fewer</b> 41:18 59:9  59:13,14 60:11,12  <b>field</b> 7:10  <b>figure</b> 18:17 25:11  64:11,19  <b>figured</b> 5:9 56:17  <b>filed</b> 5:4 7:20 22:22  36:6  <b>filing</b> 8:16 23:1  <b>final</b> 59:13  <b>fine</b> 12:18  <b>firm</b> 6:25  <b>first</b> 4:2,12 9:11  13:10 20:11,23  25:9 26:2,20  37:20 38:5,17  40:12 47:9 52:1  57:9  <b>FirstEnergy</b> 38:22  39:5</p>	<p><b>firsthand</b> 22:24  30:2  <b>five</b> 19:8  <b>fixed</b> 27:11 32:18  33:1,6 48:19,22  50:24  <b>flat</b> 43:2  <b>flow</b> 31:3,12  <b>flowing</b> 27:24  <b>flows</b> 29:8,22 30:19  31:1  <b>flow-through</b> 29:15  <b>followed</b> 39:14  <b>follows</b> 4:3  <b>foot</b> 47:20  <b>foregoing</b> 67:7,14  <b>form</b> 55:3  <b>formulated</b> 18:14  <b>forth</b> 67:8  <b>forward</b> 31:24 57:7  <b>four</b> 6:4,5  <b>framework</b> 51:8  <b>frankly</b> 35:10  <b>front</b> 5:21  <b>fuel</b> 11:2,7,9,14  12:4 19:2,4,4,6,15  19:19,23 20:4,8  20:10,18 21:5,12  22:11,13 23:19  24:1,4,11,15,19  24:22,24 25:4,12  25:15,21 26:5,11  30:12 31:4,11,21  31:24 32:1,3,4,5  36:20,25 37:4,8  37:15,17,20 38:17  38:20,23 39:2  52:13 53:3  <b>full</b> 24:5,8 31:23  35:17 47:13  <b>fully</b> 37:16  <b>further</b> 29:24 46:24  65:21  <b>future</b> 44:25</p> <p style="text-align: center;"><b>G</b></p> <p><b>gain</b> 5:18</p>	<p><b>gains</b> 49:2  <b>general</b> 11:17 12:1  14:1,4 27:20  56:24  <b>generally</b> 27:22  35:21 39:2 40:2,9  48:8 57:16 61:12  <b>generates</b> 59:25  <b>generating</b> 27:2,11  <b>generation</b> 19:22  20:2,7,13,14,21  21:4,6,20 25:19  27:3 35:24 36:11  37:14 52:12,13  59:23 60:22 62:11  <b>generation-related</b>  19:18 24:6,6,17  24:18 25:6,7  <b>Georgia</b> 5:1  <b>getting</b> 49:24  <b>give</b> 14:14 26:8  <b>given</b> 16:23 32:25  <b>gives</b> 36:10  <b>go</b> 9:25 10:22,24  11:20 12:7,15  28:13,16 29:23  31:24 35:6,9  36:13 49:18,25  50:5 51:9,14  53:21 54:23 56:7  56:12  <b>goes</b> 30:6,14 31:18  32:10,11 59:23  <b>going</b> 10:22 17:17  24:22 34:12 39:12  43:5,7 49:18,25  54:22,22 55:3,4  58:24 60:18 62:16  <b>going-forward</b>  46:15  <b>good</b> 4:7 13:23 50:3  <b>gotten</b> 26:1  <b>government</b> 17:3  <b>granted</b> 47:8  <b>granting</b> 49:12  <b>grid</b> 58:25  <b>gross-up</b> 36:20,23</p>
---	--	--	--	--

38:14 39:4,6,10  
**grounds** 56:7  
**guarantee** 33:2  
**guess** 4:7 6:21  
 28:16 29:23 34:11  
 60:15

## H

**half** 6:11 34:24  
**happen** 43:11 58:6  
**happens** 30:13  
**head** 29:17 39:7,16  
 39:17 60:15  
**hear** 8:25  
**Hello** 4:9  
**help** 34:2  
**Higgins** 1:15 3:2  
 4:1,7 36:18 59:22  
**higher** 42:23  
**historic** 7:24  
**historically** 35:7,9  
**hold** 54:4  
**homes** 43:24  
**hope** 17:4 46:23  
**hoping** 18:22  
**hour** 19:2,9 25:11

## I

**Idaho** 5:1  
**idea** 34:12  
**identified** 30:8  
**identifies** 5:14  
**identify** 21:4  
**IGCC** 5:14,19  
**ILF** 13:15 52:2  
 56:22  
**Illinois** 5:2  
**imagine** 11:22 18:8  
 22:12 23:7 63:11  
 63:19,24  
**impact** 30:18 45:6  
 45:7  
**impacting** 15:14  
**impacts** 16:14  
**implement** 42:2,10  
 42:18 52:24 54:19  
 64:7

**implementation**  
 63:12,17 65:20  
**implemented** 50:7  
 65:11  
**implementing** 16:9  
 16:25 42:20 65:14  
**implements** 64:12  
**implications** 65:15  
**important** 26:10  
 49:20  
**impose** 15:6  
**improve** 44:1 59:13  
**improvement** 41:3  
 41:23 59:11  
**improvements**  
 40:23 41:11 42:2  
 60:8 62:17 63:1  
 64:3  
**improving** 43:22  
**imputation** 25:12  
**impute** 24:1  
**incentive** 30:7,9,17  
 30:25 32:14  
**incentives** 51:2  
**include** 24:5 39:9  
 50:3,8 65:5  
**included** 8:2,5  
 25:21 26:15 35:1  
 39:10 46:11,22  
**includes** 6:20 14:17  
**including** 6:13 15:1  
 32:19 33:1  
**increased** 11:6  
 20:22  
**incremental** 20:15  
 21:15 24:11 30:18  
 31:25 37:9,24  
 38:3 50:3 51:19  
 52:9,21  
**incur** 11:3,6 17:11  
 18:4 48:19 49:13  
**incurred** 19:22  
 21:10,15 37:24  
 49:16  
**incurrence** 48:22  
**incurring** 19:16  
**incurs** 15:22 18:6

51:21  
**independent** 4:16  
**INDEX** 3:1  
**Indiana** 5:2 31:8,10  
 31:14  
**indicate** 41:7  
**indicates** 13:22  
**indicating** 59:18  
**indication** 56:2  
**individual** 61:8,22  
 62:4  
**individually** 61:20  
**inefficiencies** 49:4  
**inefficient** 43:14,14  
 64:13  
**inequitable** 48:1  
**information** 20:18  
 49:16,21,24 50:2  
 52:7,16 65:6  
**infrastructure**  
 40:17,23 41:3,6  
 41:11,22 42:1  
 43:19,20 44:4  
 49:10 60:7 62:17  
 63:1,3 64:3  
**initial** 59:19  
**inquire** 56:4  
**instance** 25:9,23  
 38:6 57:9 60:5  
**instances** 26:22  
 27:1 39:20  
**intended** 53:2,6  
 54:19 55:8,11,15  
**intends** 64:7,8  
**intent** 56:5 64:15  
**interest** 14:17  
**interests** 14:16,20  
 16:8  
**intervening** 19:10  
**investment** 42:8,9  
 49:10 58:19 60:11  
 60:12 63:3,4,7  
**investments** 41:14  
 43:24 58:13  
**involve** 7:2,8  
**involved** 5:22 14:16  
 42:17

**involves** 42:22  
**IRELAND** 2:3  
**irrespective** 16:19  
**issue** 17:1  
**item** 11:5  
**items** 9:5

## J

**Jeff** 4:10  
**Jeffrey** 2:3  
**jsharkey@ficlaw...**  
 2:6  
**jurisdiction** 57:15  
 57:19  
**jurisdictional** 33:6  
 33:7,12,15,16,17  
 33:18,23 34:4,5  
 34:24  
**jurisdictions** 4:24  
**justified** 52:22

## K

**Kansas** 5:2  
**keeps** 13:21  
**Kentucky** 5:2  
 29:20 31:20  
**Kevin** 1:15 3:2 4:1  
 10:22  
**kilowatt** 19:2,9  
 25:11  
**kind** 37:23 39:3  
 44:24 47:19 58:24  
**kinds** 41:13 42:10  
 52:18 54:5  
**know** 4:10 6:11  
 8:15 9:17,21 10:8  
 11:24 12:1,8,14  
 14:8,15 16:11,14  
 16:15,15,22 17:24  
 18:12,13 19:5,13  
 20:11 21:12,18,20  
 21:22 22:4,5,10  
 22:16,23 23:9  
 24:9 25:10 26:6,6  
 26:16 27:21 28:5  
 29:23 30:2,21  
 31:2 32:12 33:20

35:3,12,23 36:9  
 36:15 37:6,20,25  
 39:11,22 40:1  
 41:18 42:7 43:2  
 43:10,19,22 44:3  
 44:17 45:10,11,12  
 45:14,21 46:23  
 47:22,24 48:25  
 50:6,13,18 53:14  
 53:25 54:1,14,21  
 56:19 57:17,21  
 58:17,19,21 59:12  
 59:14,17 60:2,3  
 60:12,13,15 62:10  
 62:21 63:2,6,9,12  
 63:18,21,23,25  
 65:6,7,9,10,17  
**knowledge** 10:5,7  
 14:10 56:18  
**Kroger** 2:7 4:13,19  
 4:25 5:6 14:8,12  
 14:18,19 22:21  
 53:13 54:15 60:24  
 61:11  
**Kroger's** 56:4

## L

**Lake** 1:19 4:15  
 67:2  
**language** 55:16,20  
 55:21 56:1 57:3  
**large** 6:20  
**law** 16:12,19 17:23  
 18:10 41:5 55:8  
**lead** 45:3 59:18  
**leave** 42:11  
**legal** 14:14  
**let's** 34:18,20 50:5  
 51:9,14 62:15  
**light** 1:4,7,9,12 2:2  
 4:11 7:25 9:17  
 15:7 16:13,20  
 17:2 19:15 27:6  
 38:6 43:14,23  
 50:7 52:6 54:8  
 57:13,18,22 64:13  
 64:14 65:3



<b>limited</b> 38:24 39:8 <b>line</b> 5:14 13:14,14 30:20 36:18 41:15 41:17,20 46:8 57:6 58:5,8,9,15 59:1,4,7,8,10,23 <b>lines</b> 41:16 49:6 52:14,15 61:5 <b>list</b> 29:24 <b>little</b> 32:2 <b>LLC</b> 1:17 5:25 6:16 <b>LLP</b> 2:8 <b>load</b> 61:15 <b>logged</b> 12:16 <b>long</b> 49:3 <b>look</b> 19:21,24,25 20:7,13 21:4,6 22:25 24:16 37:14 43:3 46:8 52:12 <b>looked</b> 19:4 <b>looking</b> 5:13 11:19 13:11 21:14 25:18 <b>loss</b> 41:22,24 63:6 <b>losses</b> 41:15,17,20 58:5,8,9,15 59:1,4 59:7,8,10,13,23 <b>lost</b> 40:5,15,22 41:2 41:6,12 42:14,15 42:19 44:7,11,13 44:14 46:10,21 47:3,8,11,16,22 48:7 51:6,7 58:5 59:7,18 60:5,8,13 62:17,23,25 63:11 63:20 64:4 <b>lower</b> 38:23 42:24 64:15 <b>Ludlow</b> 2:4	25:8 26:10,13 28:3 29:5,16,22 30:18 31:9,12,15 31:25 32:9 33:25 34:7 <b>Mark</b> 2:7 <b>Marked</b> 3:6 <b>market</b> 27:3,7 57:25,25 <b>materials</b> 7:17,22 22:3 58:25 <b>math</b> 23:22 <b>matter</b> 1:4,6,9,12 4:12 34:20,20 <b>matters</b> 4:21 11:10 <b>mean</b> 6:5,22 18:1 22:1,24 23:5,20 23:24 27:14,19 28:16 33:9 34:2 36:5 40:1 41:5 42:4,14 45:8 46:24 47:10 49:15 53:11 55:24 57:24 59:15 60:9,10 61:17,21 63:21 64:6 <b>meaning</b> 48:4 53:9 <b>means</b> 46:18 <b>meant</b> 17:20 58:11 <b>measure</b> 26:4 <b>measured</b> 37:9 61:6,8,15,18,19 62:4 <b>mechanism</b> 5:19 29:18 30:13 31:25 32:17 33:12 37:17 <b>mechanisms</b> 5:23 <b>memory</b> 58:19 <b>mention</b> 31:6 <b>mentioned</b> 56:19 <b>merit</b> 18:7 41:10 <b>meter</b> 41:18 59:9 59:24 60:1 <b>metering</b> 42:5 49:9 <b>meters</b> 42:18 <b>method</b> 33:13,15 <b>methodology</b> 38:11	38:12 <b>Mexico</b> 5:3 30:4 <b>Michigan</b> 5:2 <b>million</b> 34:23 35:17 <b>mills</b> 19:9 <b>mind</b> 64:23 <b>mine</b> 25:2 <b>minute</b> 6:11 54:21 <b>minutes</b> 44:17 60:19 <b>misspoke</b> 17:20 59:17 <b>misstating</b> 24:13 <b>modernization</b> 40:18 41:7 42:1 43:15,17,19,20 44:4 <b>modified</b> 14:1 <b>modify</b> 15:9 <b>moment</b> 10:13 12:12 31:5 <b>moments</b> 62:23 <b>Monday</b> 66:2 <b>Montana</b> 29:25 <b>month</b> 61:23 62:1,7 <b>moot</b> 16:18 <b>morning</b> 4:8 <b>myurick@cwsla...</b> 2:11	<b>net</b> 15:5,6 16:1 21:16 25:7 29:6 45:18 <b>neutral</b> 42:25 44:19 <b>Nevada</b> 5:2 <b>new</b> 5:3 12:16 14:25 16:1 28:1 30:4 42:9 64:24 <b>non-fuel</b> 19:23 <b>non-jurisdictional</b> 21:8 26:10,13,19 27:17 28:4,10 33:7 57:12 <b>norm</b> 28:15,20 <b>North</b> 2:4 <b>Notary</b> 67:5,21 <b>notes</b> 67:15 <b>notice</b> 8:7,10 <b>notwithstanding</b> 25:2 37:21 <b>number</b> 6:9,10,12 12:21,23 14:25 19:5 22:23 23:23 25:25 26:3,14,16 34:19 42:13 63:23 <b>numbers</b> 23:25	<b>occurs</b> 43:20 <b>October</b> 67:23 <b>offer</b> 10:20 11:3,7 15:24 16:21 <b>offered</b> 4:24 17:5 <b>off-system</b> 21:17 25:7 27:21 28:10 28:21 29:5,15,22 30:10,17,23,25 31:9,15,23 32:9 32:15 33:11,19,24 34:7 35:18 <b>Oh</b> 59:8 <b>Ohio</b> 1:2,11 2:4,9 5:8,8,21 9:22 13:2 14:1,4,25 23:7 31:7 34:23 35:4 35:12 36:4 39:1 39:17 51:5 56:23 <b>Ohio's</b> 33:5 <b>Okay</b> 5:13,24 6:15 7:1,4,9 8:4,10,25 9:11 10:5,15 12:14 14:11 17:22 22:16 23:16 34:9 34:17,22 35:14,23 51:18 53:17 58:16 58:17 59:5,8 60:6 61:10 64:10 65:21 <b>omitted</b> 5:8 <b>once</b> 30:16,24 <b>ones</b> 8:4 30:1 <b>open</b> 18:12 <b>operate</b> 58:15 <b>operated</b> 35:24 <b>operating</b> 35:4 61:20 <b>opine</b> 11:13 49:8 <b>opinion</b> 14:14 17:5 18:14 24:12 25:12 25:17,17,18 47:6 48:2,3 <b>opinions</b> 17:9 45:2 46:1 <b>opportunity</b> 16:24 32:25 33:20 38:2 38:9 57:12 62:19
--	--	---	---	--

oppose 40:22  
 opposed 20:7 27:12  
 order 19:20 20:12  
   20:14 25:8 35:11  
   44:24 52:4 65:24  
 ordinarily 64:4  
 Oregon 5:3 29:10  
 organization 5:24  
 originally 26:15  
 ought 24:10,21  
   25:14 37:25 49:17  
   52:11,16  
 output 59:13  
 outside 53:14  
 overall 14:17 49:17  
 over-recovering  
   20:2,3  
 owners 6:6

### P

P 2:1,1  
 page 3:2 5:13 13:14  
   36:18 40:7 45:24  
   46:8 49:6,8  
 pages 18:20 40:9  
   40:14 67:14  
 paid 32:6 45:17  
   62:3 65:16  
 paper 8:19  
 papers 8:21  
 paradigm 35:5  
 parameters 50:16  
 Pardon 13:20  
 part 20:3 21:19  
   37:22 49:17 50:23  
   52:3 63:25 65:14  
   65:19  
 particular 17:10  
   60:5 61:23  
 parties 13:23  
 party 14:9,19  
 passage 14:7  
 passed 46:14  
 passing 22:2  
 path 57:6  
 pattern 33:5 43:3  
 patterns 65:9,15

pause 31:5  
 pay 32:17 35:16  
   45:16 47:21 49:14  
 paying 47:15 48:17  
 peak 42:3 43:6,6  
   45:1,11,14,17  
   61:22 62:6  
 peaking 62:1  
 peaks 62:4  
 peak-time 42:3  
   45:1  
 people's 43:24  
 peppering 62:21  
 percent 7:6 28:20  
   29:6,8,18 30:5,5,8  
   30:14 31:18 32:5  
   32:6,10,10,18  
   33:10 34:18,21  
   35:1,16 46:12,19  
   47:24  
 percentage 6:20  
   27:10  
 performed 20:20  
 period 19:10 47:3  
 periods 45:14  
 permit 12:4 33:10  
   38:13 50:10 53:2  
   55:12,15  
 permits 40:15,20  
   51:19 62:11  
 permitted 11:14  
   36:19 38:15,17,21  
   39:5,15 46:2 47:8  
   48:4 50:18 51:1,5  
   53:6  
 persuasive 20:11  
 Ph.D 7:10,13  
 piece 60:21  
 place 1:17 14:22  
   19:5,6 36:8 42:5  
   67:8  
 plan 1:5,13 9:13,18  
   9:22 10:2 14:22  
   19:11 22:19 25:22  
   27:15,18 35:25  
   36:7,8,10 51:21  
   62:10

plans 36:2,2  
 plant 5:20  
 please 29:1 44:9  
 point 16:18 24:23  
   26:1 27:14,23,25  
   44:25 53:25 64:18  
   64:23 65:18  
 points 26:2  
 popping 13:21  
 portion 21:5,12  
   28:22 29:4  
 position 15:10  
 possible 37:11,16  
   58:20 63:25 65:13  
 potential 41:21  
 power 1:4,7,9,12  
   2:2 4:11 5:20  
   7:25 9:17 15:6  
   16:13,20 17:2  
   19:15,20,23 20:4  
   20:19 21:5,13  
   24:4 26:5,22 27:6  
   27:6 29:6 50:7  
   52:14 54:8 57:13  
   57:18,22 60:1  
   65:2  
 practice 6:24 38:13  
 precedent 39:13  
 premise 37:3,18  
 premises 43:25  
 preparation 6:20  
 prepare 7:17  
 preparing 4:22 9:6  
 present 28:5  
 preserve 13:24  
   15:16 16:3  
 previous 54:24  
 previously 5:10  
   24:1,23 52:20  
 price 45:11  
 prices 42:23 57:25  
   58:1  
 pricing 42:3,6,15  
   42:18,20,22 43:9  
   45:2  
 primary 7:22  
 principal 6:2,24

principally 6:16,17  
   6:19  
 principals 6:3,4,14  
 principle 34:13  
 privilege 55:1,2  
 probably 7:6 54:6  
 problem 58:12  
 proceed 5:22 24:10  
 proceeding 5:11,15  
   7:8 29:3  
 proceedings 4:23  
   47:4 48:5 51:11  
   67:7,11  
 process 55:24  
 procure 16:13  
 produce 34:7 60:1  
 produced 33:25  
 product 55:2  
 Professional 67:5  
 profits 28:9  
 program 17:21  
   45:20 47:11,13  
   48:16,17,17 49:17  
   49:20 50:4,15  
   64:13,18 65:11  
 programs 17:16,18  
   17:23 18:10 40:6  
   42:10,13 43:12,13  
   45:8 47:17 50:7  
   50:17  
 project 5:23  
 projected 29:5  
 promote 50:21 51:3  
 proposal 5:18,21  
   15:19 39:14 47:2  
   60:23 63:10  
 propose 36:17  
   51:24  
 proposed 5:20 39:4  
   43:13 47:19  
 proposes 19:1  
 proposition 27:20  
 provide 6:17,19  
   10:19 11:3,7 27:2  
   49:20  
 provided 5:10  
   20:18 41:8 53:12

65:5  
 provides 31:8 50:1  
 providing 49:16  
 provision 16:21  
   31:14 52:10 55:7  
 provisions 15:13,23  
   15:23 16:10  
 public 1:2 13:1  
   14:17 28:8 32:4  
   67:6,21  
 purchase 19:20,23  
   20:4,19 21:5,13  
   24:4 26:5,21  
   52:14 61:1  
 purchasing 61:4  
 purpose 17:12  
   34:17 61:10 64:15  
 purposes 35:21  
   61:6  
 pursuant 1:11  
   11:14 35:24 44:24  
 put 15:10 42:12  
   48:16  
 putting 14:22 42:17  
 P.L.L 2:3  
 p.m 51:12,12 66:5

### Q

question 4:12 17:4  
   17:15 22:14 34:18  
   35:13 37:3,19  
   40:12 51:23 54:24  
   55:4 57:4 60:18  
   62:15  
 questions 18:16  
   62:22 65:22  
 quite 4:18 35:10  
   61:3  
 quote 13:15  
 quoted 13:22 15:8  
   25:11

### R

R 2:1  
 raised 37:7  
 rate 9:13,18,22  
   10:2 19:11 20:15

21:22,24 22:6,13 23:11,12 25:22 27:13,18 28:2,19 29:3 30:22 32:19 33:11 35:11 43:4 44:19,24 49:1,3,4 51:21 61:17 62:10 <b>rates</b> 21:21 23:3,18 24:2,15 26:6 27:15,25 29:13,20 30:13,15,16,22 31:9,22,23 32:20 32:21,24 33:3,4 35:2,7,9 42:3 44:7 44:14,18,21,23 46:16,18 48:8,9 48:21 50:22 52:5 57:22 <b>rate-setting</b> 48:10 <b>read</b> 10:13,14 13:10 59:19 63:9 <b>reading</b> 59:16 <b>ready</b> 12:14,20 <b>realize</b> 34:19 <b>really</b> 11:24 19:14 38:6 40:24 42:4,7 56:21 58:8 61:3,5 <b>reason</b> 22:11 51:4 55:25 <b>reasonable</b> 11:23 16:22,24 32:25 34:14 35:22 38:8 54:12 <b>reasonably</b> 48:24 <b>rebates</b> 42:3 45:1 <b>recall</b> 22:1,4 23:1,5 23:8 29:17 31:6 31:17,19 39:7,18 39:23,25 53:22,24 53:24 54:2 <b>received</b> 7:13 8:14 54:2 <b>recess</b> 51:11 <b>recognition</b> 52:9 <b>recognized</b> 16:18 29:19,20,25 30:4 <b>recollection</b> 22:24	30:3 38:19 55:7 <b>recommendation</b> 18:2 <b>recommendations</b> 15:19 37:13 <b>recommended</b> 14:23 <b>reconciliation</b> 24:5 24:9 <b>record</b> 51:9,14 54:23 65:24,25 66:3 <b>recover</b> 12:4 15:21 16:24 17:2 18:6 19:19 33:1 36:19 36:24 39:3 48:13 49:1 50:23 51:6 53:2,6 55:8,12,15 <b>recovered</b> 46:3 51:20 <b>recovering</b> 24:14 37:16 38:2,3 <b>recovers</b> 19:19 <b>recovery</b> 5:14,19 5:23 23:17 25:9 25:21 26:5 31:8 33:11 38:5,8,14 39:8 40:15,22 41:6 45:21 46:11 46:22 47:7,10 48:7,11 50:19 51:1,20,25 52:22 <b>reduce</b> 43:9 45:13 59:4 61:11,13,13 <b>reduced</b> 41:17 58:15 59:9 <b>reducing</b> 17:12 41:20 58:9 59:6 59:22 <b>reduction</b> 41:19 45:3 50:9 59:10 <b>reductions</b> 41:15 45:5 46:12,19 <b>reestablished</b> 28:1 <b>refer</b> 10:10 15:14 40:8 52:2 61:16 <b>reference</b> 13:12	22:11 <b>referenced</b> 23:14 <b>references</b> 65:8 <b>referencing</b> 55:19 <b>referred</b> 22:2 <b>reflect</b> 28:3 54:5 60:15,19 <b>reflected</b> 15:18 32:1 <b>reflecting</b> 60:10 <b>reflection</b> 60:3 <b>regarding</b> 4:21 17:9 45:24 48:4 <b>Registered</b> 67:5 <b>regulates</b> 57:21 <b>regulation</b> 22:8 32:23 58:3 <b>regulatory</b> 4:17,23 5:5 6:23 7:8 38:21 58:1 <b>rejects</b> 20:23 <b>related</b> 21:6,13 25:19 <b>relating</b> 12:3 <b>relationship</b> 14:6 15:15 18:3 26:13 <b>relationships</b> 13:25 15:17 16:3,7 17:8 17:25 18:11 24:25 <b>relative</b> 21:15 <b>relevance</b> 9:24 <b>relevant</b> 14:7 <b>relied</b> 8:11 <b>relief</b> 20:15 <b>rely</b> 14:12 <b>relying</b> 14:4 54:9 <b>remains</b> 43:10 45:20 <b>remember</b> 23:3 <b>replacement</b> 43:13 <b>replacing</b> 64:13 <b>reporter</b> 1:22 65:23 67:5,5 <b>Reporter's</b> 67:1 <b>represent</b> 4:11 25:13 <b>representation</b>	22:17 <b>request</b> 11:9 24:18 24:22 40:5 <b>requests</b> 8:10 <b>required</b> 17:23 18:10 42:9 <b>requirement</b> 28:2 29:7 <b>requirements</b> 17:10 <b>requires</b> 16:12 17:11 <b>rereading</b> 13:9 58:24 <b>reset</b> 44:23 46:16 46:18 <b>resolved</b> 23:2 <b>resolving</b> 57:7 <b>respect</b> 19:11 26:14 37:13 40:17 <b>respond</b> 17:16 43:8 <b>response</b> 18:5 50:25 <b>responsibilities</b> 6:15 16:23,25 <b>responsibility</b> 6:25 <b>responsiveness</b> 44:21 <b>result</b> 41:12,18,20 42:13,15 43:13,15 44:7,10,13,14 47:16 58:5,8,8 59:7,14 60:8,11 60:11,13 62:17,25 64:4,15,16,20,21 <b>results</b> 40:23 48:18 <b>retail</b> 26:23 27:9,12 28:10 34:1,8 36:10 <b>retailers</b> 30:9 <b>retain</b> 50:10 <b>retained</b> 46:20 48:24 <b>retaining</b> 56:25 <b>retains</b> 32:14 <b>return</b> 32:19 33:1 34:14 35:1,17	62:15,16 <b>REV</b> 1:11 <b>revenue</b> 24:17 28:2 29:7 36:24 40:5 40:16,23 41:2,6 41:12,22,24 42:19 42:25 43:5,7 44:8 44:11,13,15,19 45:3,6,18 46:10 46:22 47:3,8,11 48:7 51:6,7 52:12 58:5 59:7,18 60:5 60:8 62:18,24,25 63:6,20 64:5 <b>revenues</b> 19:18,24 20:14 21:6,10,16 24:6 25:6,18 31:3 37:14 42:14,15 43:10 45:7,7 47:15,21 48:13 60:13 63:12 65:16 <b>review</b> 7:17,24 35:11 52:3 <b>reviewed</b> 7:19,21 7:23 8:4 9:5 22:3 36:3 41:9 53:13 <b>reviewing</b> 22:21 39:12 <b>Revised</b> 1:8 9:3 10:16 51:16 <b>rider</b> 49:10 <b>right</b> 7:12 14:12 17:21 23:11 37:5 39:21 49:10 61:21 62:2 <b>rights</b> 36:11 <b>risk</b> 48:11 <b>risks</b> 49:4 <b>RSP</b> 11:15,18 12:3 12:10 15:8,9 16:4 25:17 54:19 <b>rule</b> 24:21 <b>ruling</b> 24:18 <hr/> <b>S</b> <hr/> <b>S</b> 2:1,3,7 <b>sales</b> 17:13 21:8,17
---	--	---	---	---

25:7 26:10,13,19 27:3,12,17,21,24 28:4,7,10,21 29:5 29:16,22 30:10,17 30:23,25 31:9,15 31:23 32:9,15 33:7,11,17,18,19 33:20,25 34:5,7 34:24 35:18 41:18 41:19 45:5,6,7 50:24 57:12,17,23 57:24 59:9,15 60:11,12 64:16 <b>Salt</b> 1:19 4:15 67:2 <b>saving</b> 48:20 <b>savings</b> 45:24 46:2 46:6 47:2,7,19 50:5,11,19 <b>SAXBE</b> 2:8 <b>saying</b> 34:2 <b>says</b> 6:2 7:9 9:12 43:5 46:8 <b>seal</b> 67:18 <b>second</b> 10:10 12:19 13:20 36:6 51:18 <b>section</b> 9:9,12 10:15,18 13:15,22 14:13 15:7 40:20 51:16 52:2 53:7 53:10 54:18 55:14 56:22 <b>SECURITY</b> 1:5 <b>see</b> 9:15 13:11,12 20:1 24:12 38:4 60:2 <b>seen</b> 22:2,11 41:16 43:11 45:20 65:7 <b>Seger-Lawson</b> 23:17,22 26:4 <b>Seger-Lawson's</b> 25:24 <b>segment</b> 17:6 <b>sell</b> 27:10 <b>selling</b> 27:6 <b>Senate</b> 14:24 15:5 15:11 16:2 17:6 50:8	<b>sending</b> 45:11 <b>sense</b> 46:23 <b>sent</b> 54:1 <b>sentence</b> 9:11 10:10 51:19,25 <b>separate</b> 34:6 <b>separation</b> 1:13 35:25 36:2,6,8,10 <b>serve</b> 26:23 <b>service</b> 10:19 11:3 11:7 15:24 16:21 19:22 27:2 32:4 43:16 60:25 <b>set</b> 12:15 25:22 27:15 29:13,21 30:13,21 31:22 32:21,21,24 33:4 35:7,10 48:8,9,21 50:16,22 67:8 <b>setting</b> 33:11 38:11 42:23 <b>settlement</b> 54:10 <b>share</b> 46:6 47:23 62:6 <b>shared</b> 45:24 46:2 47:1,7,19 50:5,11 50:19 <b>shareholders</b> 27:25 46:20 <b>sharing</b> 29:18 31:14,25 <b>Sharkey</b> 2:3 3:3 4:6 4:9,10 10:4 11:1 11:25 12:9,23 13:1,6 17:15 28:25 36:16 40:7 51:9,13 54:17 55:10 56:10 57:10 61:2 65:21 <b>shortfall</b> 25:9 <b>shorthand</b> 67:4,11 67:15 <b>showed</b> 20:21 <b>shut</b> 63:17 <b>signal</b> 45:11 <b>signatory</b> 14:9 <b>significant</b> 28:22	42:1 49:19 <b>significantly</b> 11:6 48:13 <b>silent</b> 13:8 <b>similar</b> 37:22 50:7 50:8 61:3 64:20 <b>similarly</b> 29:10 32:8 <b>simultaneously</b> 61:20 <b>site</b> 39:20 <b>sitting</b> 53:23 60:9 <b>situation</b> 48:7,14 <b>situations</b> 39:23 40:15 <b>SmartGrid</b> 41:14 52:24 58:13,25 63:4,4,7,10,13,14 63:17,18,22,22 64:7,20,23,24 65:4,5,8,11,14,19 <b>society's</b> 44:1 <b>sorry</b> 47:7 59:8 <b>sort</b> 33:21 48:25 <b>South</b> 1:18 5:3 <b>speak</b> 15:24 <b>speaking</b> 9:1 <b>speaks</b> 10:23 40:2 <b>special</b> 55:21 56:15 56:17 57:3 <b>specific</b> 6:10 28:24 33:24 53:24 54:3 55:9 58:19 <b>specifically</b> 19:6 23:8 38:22 39:11 40:13 <b>specificity</b> 23:5 <b>specifics</b> 39:25 <b>speculating</b> 40:1 <b>spent</b> 7:7 <b>split</b> 31:19,21 32:5 32:9 <b>spreadsheets</b> 8:20 <b>SSO</b> 46:16,18 47:4 48:5 <b>stabilization</b> 19:11 23:11,12	<b>standard</b> 10:19 11:3,7 15:24 16:21 56:25 <b>stands</b> 17:3 48:12 <b>start</b> 47:14 <b>state</b> 1:18 2:8 28:8 28:17,17 29:12 30:11,11,12 31:13 31:14 32:2 33:17 34:5 35:15 46:4 54:22 65:25 67:2 67:6 <b>stated</b> 23:21 <b>states</b> 4:17 29:24 30:8 31:7,11 32:16,20,21,24 33:10 34:3 39:18 39:21 50:6,10,18 51:5 <b>statue</b> 18:5 51:19 <b>statute</b> 9:23 10:23 17:11 40:13 54:9 <b>statutory</b> 40:20 <b>step</b> 51:4 <b>stipulation</b> 11:15 11:18,24 12:3,11 13:7,15,25 14:6,9 14:16,18,20,22,23 15:8,9,15 16:4,7 16:14,19 17:25 18:11 23:2,13 24:25 25:17 38:7 38:7 52:2,3,4,11 54:13,20 55:22 56:1,23,24 57:1,5 <b>stipulations</b> 7:25 <b>stores</b> 60:25 <b>Strategies</b> 1:17 5:25 6:16 <b>Street</b> 1:18 2:4,8 <b>strike</b> 20:25 21:21 <b>structured</b> 45:9 <b>subject</b> 13:8 57:18 58:1,3 <b>subjects</b> 62:22 <b>subscribed</b> 67:17 <b>subsection</b> 9:8 10:6	10:11 11:19 <b>Substitute</b> 7:21 8:17 <b>sufficient</b> 36:24 <b>suggesting</b> 60:24 <b>suggests</b> 59:3 <b>Suite</b> 1:18 2:9 <b>sum</b> 62:3 <b>superior</b> 36:11 <b>supervision</b> 67:13 <b>Suppose</b> 25:16 <b>sure</b> 10:14 15:25 18:19,23,25 29:2 34:10 45:25 57:14 57:20,24 60:20 62:20 <b>surprised</b> 58:2 <b>sworn</b> 4:2 67:9 <b>symmetrical</b> 32:8 <b>system</b> 58:14 59:14 <b>S.B</b> 7:22 8:18 15:13 15:23 16:6
<b>T</b>				
<b>take</b> 10:13 12:12,19 20:6 24:16 30:22 32:3 36:7 <b>taken</b> 26:17 67:7 67:11,16 <b>takes</b> 63:16 <b>take-away</b> 59:15,19 <b>talked</b> 51:18 <b>talking</b> 12:16 <b>target</b> 33:4 <b>targets</b> 15:2,3 50:9 <b>TARIFFS</b> 1:8 <b>task</b> 6:18 <b>tax</b> 36:19,23 38:14 39:4,5,10 <b>technology</b> 59:3 <b>tell</b> 13:10,19 19:14 24:13 55:11 58:18 67:9 <b>telling</b> 55:7 <b>ten</b> 32:6,10 34:18 34:21,25 35:16 <b>terms</b> 39:21 45:5				

54:13 55:22 <b>territory</b> 29:14 31:10 43:16 60:25 <b>test</b> 51:23 52:1 <b>testified</b> 4:3 5:15 23:12 29:24 30:2 44:6 58:4,10 <b>testimony</b> 4:22,25 5:10,13 6:2,17,21 6:22 7:2,9,18,20 8:12 9:6 11:11,13 12:3 13:14 16:17 18:2,20,24 19:1 19:12 20:6,9 23:15,16,21 24:24 25:24 26:18 36:17 38:4 40:4,9,14 45:23 46:8 52:15 52:19,23 53:12 54:1 56:22 59:3 59:16,20 60:21 <b>Texas</b> 5:3 <b>Thank</b> 12:25 13:3,4 <b>they'd</b> 35:18 <b>thing</b> 13:9 33:21 <b>things</b> 8:11,21 14:1 52:18,20 57:6 <b>think</b> 15:20 18:20 24:20 31:6 34:9 48:1 50:13 52:20 54:4,6,12 56:9 60:7 62:19 <b>thinking</b> 38:16 <b>thought</b> 17:17 55:23 <b>threshold</b> 57:4 <b>time</b> 7:5,5,7 9:1,22 13:10 22:25 27:23 28:6 45:15,16 47:3 48:9,9 61:23 62:5 65:22 67:8 <b>times</b> 42:23,24 46:15 62:1 63:18 <b>timetable</b> 48:4 <b>time-of-use</b> 42:2,6 42:14,18,20,22 43:9 44:7,14,21	<b>today</b> 37:7 52:16 <b>told</b> 62:15 <b>top</b> 29:17 39:7,16 39:17 47:25 60:14 <b>topic</b> 52:19,23 <b>total</b> 20:13,14,21 21:4,11 24:17,17 25:18,19 37:14 52:12,13 62:2 <b>totals</b> 19:25 <b>traditional</b> 22:7 28:2,19 32:22 49:7 <b>transcribed</b> 67:12 <b>transcript</b> 66:1 <b>transcription</b> 67:15 <b>transition</b> 22:19 <b>trouble</b> 50:1 <b>true</b> 67:14 <b>truly</b> 41:2 <b>truth</b> 67:9,10,10 <b>trying</b> 31:6 53:24 54:4 64:11,19 <b>turn</b> 9:8 40:4 <b>two</b> 5:14 26:2 <b>type</b> 24:8 40:25 41:11,23 49:7 <b>types</b> 50:15 51:2 <b>typewriting</b> 67:12 <b>typical</b> 38:13 64:20 64:22,24 65:18 <b>typically</b> 33:16,23 33:23 34:3,6 50:10,13,23 51:7	<b>understanding</b> 9:20 31:20 34:11 35:2,14,20 36:1 40:19 56:18 58:7 58:12,23 59:22 <b>understood</b> 18:23 18:25 <b>undertaking</b> 18:9 <b>under-recovering</b> 20:1,3 <b>United</b> 4:17 <b>unnecessary</b> 49:23 <b>unusual</b> 33:9 <b>upshot</b> 33:22 <b>usage</b> 43:4 45:13 45:13 61:23 62:9 63:5,8,10,15,17 63:19 64:1,15,21 65:9,15 <b>use</b> 19:1 21:1 23:25 33:12,15 34:4 45:14 51:24 <b>uses</b> 18:17 <b>usually</b> 42:24 <b>Utah</b> 1:19 4:15 29:3,3 35:15 67:2 67:6 <b>utilities</b> 1:2 10:9,19 13:2 15:1 28:9 30:7 36:4 42:4 46:5 50:10,20,23 51:1,2,5 <b>utility</b> 9:13,21 10:2 16:23 27:20,21 28:8 29:4 30:24 31:1 32:11,14,18 32:25 33:3 34:14 34:23 39:24 41:12 42:8,8,16 43:1,10 44:20 45:19 46:13 47:1,15,16,18,21 47:23 48:10,18,22 48:24 49:13 65:10 <b>utility's</b> 32:19 43:21 44:23 49:1 <b>utilized</b> 59:1	<b>V</b> <b>varies</b> 7:5 31:13 50:12 <b>various</b> 5:23 22:22 36:4 50:15 51:2 60:25 65:1,3,4 <b>vary</b> 34:19 <b>view</b> 43:20 49:5 54:7,11,16 <b>viewed</b> 15:14 55:21 <b>viewing</b> 61:19 <b>Virginia</b> 5:3,4 29:14,15 <b>virtue</b> 56:1 <b>volumetric</b> 41:19 50:24	56:14 67:9,17 <b>witnesses</b> 7:20 <b>word</b> 10:11 <b>words</b> 30:21 49:18 <b>work</b> 4:17 6:16,19 6:23 7:2,10 8:20 55:2 <b>wouldn't</b> 37:2 61:12,17 <b>wrong</b> 20:5
				<b>Y</b> <b>year</b> 7:6 <b>years</b> 19:5 22:23 38:18 50:16 <b>Yurick</b> 2:7 9:24 10:21 11:20 12:6 12:21,25 13:3 28:13 36:13 53:20 54:21 56:6,12 66:4
				<b>S</b> <b>\$500,000</b> 35:1
				<b>0</b> <b>05-276-EL-AIR</b> 12:24 <b>08-1094-EL-SSO</b> 1:5 <b>08-1095-EL-ATA</b> 1:7 <b>08-1096-EL-AAM</b> 1:10 <b>08-1097-EL-UNC</b> 1:13
				<b>1</b> <b>1.8</b> 18:17,21 19:1 23:19,23 24:14 25:10,25 26:14 37:13 <b>1:35</b> 66:5 <b>10</b> 2:4 <b>100</b> 28:20 29:6,8,18 30:5,8,14 32:18 33:10 46:12,19

1000 2:9	51:22			
12:50 51:11	4928.143 9:3			
13 13:14	4928.143(B)(2)(h)			
13:04 51:12	40:13			
14 13:15 18:20	4928.143(D) 51:16			
15 5:14 18:21	53:2,19			
16 36:18				
17 40:9,14	5			
18 36:18 40:14	50 31:18 47:24			
19 46:8 49:6	50/50 31:21			
1990s 35:12				
1991 21:22,24	6			
22:17	61:20			
1999 19:7 22:12,18	614 2:10,10			
26:15	65 2:8			
2	7			
20 6:14 7:6 40:10	75 30:5			
45:24 46:8 49:6	8			
200 1:18	84111 1:19			
2000 4:19 5:7 22:21	9			
2005 11:15,18 12:3	90 32:5,9			
12:10 14:9 15:9	90/10 32:5,8			
16:4 20:22 23:13	937 2:5,5			
38:7 52:2 54:11				
2008 9:14,19				
2009 1:20 67:19				
2011 67:23				
215 1:18				
22 49:6,8 67:23				
221 7:22 8:18 14:25				
15:5,11,13,23,23				
16:2,6 17:6 50:8				
221-4000 2:10				
221-4012 2:10				
227-2717 2:5				
227-3700 2:5				
3				
31 9:14,19				
4				
4 3:3				
43215 2:9				
45402 2:4				
4905.13 1:11				
4928.141 10:16				