

**RESPONSE TO REQUEST FOR QUOTATION FOR
CONSULTING SERVICES ON
REVENUE REQUIREMENT ISSUES
IN RATE FILING OF
FIRSTENERGY'S WEST VIRGINIA UTILITIES, MONONGAHELA
POWER AND POTOMAC EDISON
PSC CASE NO. _____**

SEALED BID

REQUEST FOR QUOTATION NO. PSC14535

**BID OPENING DATE: MARCH 27, 2014
BID OPENING TIME: 1:30 PM**

SUBMITTED TO:

**Dean Wingerd
Department of Administration
Purchasing Division
2019 Washington Street, East
P.O. Box 50130
Charleston, WV 25305-0130**

SUBMITTED BY:

**Larkin & Associates, PLLC
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March 27, 2014

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Attachments Bound with Proposal:

Appendix I – Resumes and Qualifications of Larkin & Associates, PLLC Personnel

Appendix II – Recent Electric Utility Case Summaries for Larkin & Associates PLLC

Appendix III – Required Forms

- Signed “Request for Solicitation”
- “Consulting Bid Form”
- Signed “Vendor Preference Certificate”
- Signed and notarized “Purchasing Affidavit”
- Signed “Solicitation Addendum No. 1”
- Signed “Addendum Acknowledgement Form”
- Signed “Certification and Signature Page”

I. COMPANY PROFILE

Larkin & Associates, PLLC ("Larkin") is a firm of certified public accountants and regulatory consultants, with offices at 15728 Farmington Road, Livonia, Michigan 48154. The firm is organized as a PLLC in the state of Michigan.

In April 1970, the certified public accounting firm of Larkin, Chapski & Co., was formed by former employees of Peat, Marwick, Mitchell & Co., then a "big eight" accounting and auditing concern. In addition to the auditing, accounting, and tax work typical of CPA firms, Larkin, Chapski & Co., specialized in the area of utility regulation. In September 1982 the firm was reorganized into Larkin & Associates, a certified public accounting and consulting firm with Hugh Larkin, Jr., as senior partner. As such, Mr. Larkin has primary responsibility for all regulatory consulting work performed by the firm. Larkin performs a wide variety of auditing and accounting services, but concentrates in the area of utility regulation and ratemaking. The firm has performed regulatory consulting services for an abundant number of clients.

Larkin & Associates performs independent regulatory consulting primarily for public service/utility commission staffs and consumer interest groups (public counsels, public advocates, consumer counsels, attorneys general, etc.).

Larkin & Associates currently employs eight professional staff members. Of these eight professional staff members, there are three senior professionals, four regulatory analysts (two of which are CPAs), and one research associate. The firm also employs secretarial/word processing personnel.

Hugh Larkin, Jr., CPA, is founder and senior partner of Larkin. As such, Mr. Larkin has ultimate responsibility for all regulatory consulting work performed by the firm. For this project, he will be available to provide advice and guidance to the project team.

There are two senior regulatory consultants on the Larkin project team: Messrs. Smith and Schultz. These individuals have extensive experience in a variety of public utility regulatory engagements. Each of our senior regulatory consultants is a CPA and frequently presents expert testimony before utility regulatory commissions on a regular basis. Each has at least ten years experience testifying on revenue requirement issues involving regulated utilities. Mr. Smith has filed testimony and/or testified before the West Virginia PSC on behalf of the Consumer Advocate Division in several proceedings.

The other members of our professional staff are regulatory analysts/research associates. They are extensively utilized in regulatory engagements reviewing prior Commission decisions, verifying schedules and workpapers, preparing, reviewing and tracking data requests, and assisting in the preparation of reports and testimony under the supervision of the firm's senior professionals.

Resumes for Larkin's professionals participating on this project are attached to this proposal as Appendix I.

II. PROJECT SUMMARY

Approach to Scope of Work

Per the Request for Quotation ("RFQ"), the Consumer Advocate Division is retaining consultant(s) to review the joint general rate case filing of FirstEnergy's ("FE") West Virginia electric utilities, Monongahela Power Company ("Mon Power") and Potomac Edison Company ("PE"), (collectively "Mon Power/PE" or "Companies"). Although Mon Power and PE are separate entities, for the purpose of this case, their rates are unified. Mon Power and PE are expected to file their West Virginia rate case in April 2014.

Background on Mon Power and PE

In 2011, FirstEnergy merged with Allegheny Energy, which served 1.6 million customers in Pennsylvania, West Virginia (which included Monongahela Power Company and Potomac Edison Company), Maryland, and Virginia. The merger had the effect of more than doubling FirstEnergy's coal capacity. FirstEnergy is now one of the nation's largest investor owned electric systems based on the number of customers served.

Monongahela Power provides generation, transmission and distribution services in 13,000 square miles of northern West Virginia. As of December 2013, Mon Power owned or contractually controlled 3,580 miles of generation capacity that is supplied to its electric utility business. Mon Power is also under contract to provide Potomac Edison Power to meet its load obligations in West Virginia.

Potomac Edison provides transmission and distribution services in 5,500 square miles area in portions of Maryland, Virginia and West Virginia.

Some of the more important recent regulatory developments affecting FE, Mon Power, and PE are summarized below:

Generation Asset Swap Applications

On November 16, 2012, Mon Power and PE, or FirstEnergy filed a joint petition for approval of a generation resource transaction (Case No. 12-1571-E-PC). FE anticipated a large deficit in generation capacity needed to serve their customers. They proposed this transaction to increase Mon Power's installed capacity by 1,476 megawatts. The main piece of the transaction was Mon Power's acquisition of the 79.46% ownership interest in the Harrison Power Station held by Allegheny Energy Supply Company, LLC ("AE Supply"). In exchange, AE Supply would acquire Mon Power's 7.69% interest in the Pleasants Power Station.

As proposed by FE, the net investment of this transaction for Mon Power was to be over \$1.1 billion. FE requested a temporary transaction surcharge be implemented at the closing of the transaction that would remain in place until new base rates were implemented. The rate impact of the surcharge, in combination with the rate decrease from the last Expanded Net Energy Cost ("ENEC") proceeding, would result in a net decrease of 1.3% in rates.

On May 29-31, 2013, the Commission conducted an evidentiary hearing in Charleston. On August 21, 2013, a Joint Stipulation and Agreement for Settlement was submitted to the Commission. The stipulation recommended the Companies be allowed to purchase the Harrison Power Station for less than originally requested. The reduced purchase cost, coupled with other measures that reduced the rate impact of the transaction, resulted in no immediate rate increase. Additionally, the Companies agreed to increase their commitment to energy efficiency/demand response measures, and the parties to the stipulation recommended the Companies not file an ENEC proceeding this year.

The Commission conducted a further hearing on September 13, 2013, to take evidence related to the stipulation. On October 7, 2013, the Commission entered an Order that modified and adopted the Joint Stipulation.

On November 6, 2013, the West Virginia Citizens Action Group ("WVCAG") filed an appeal of the Commission's Final Order before the Supreme Court of Appeals of West Virginia. The Supreme Court scheduled the matter for oral argument on March 5, 2014.

FirstEnergy Expanded Net Energy Cost

As part of the stipulation in Case No. 12-1571-E-PC, the parties to the Joint Stipulation agreed First Energy would not file an ENEC proceeding this year. The ENEC rate review is a special purpose rate proceeding for electric utilities that allows cost recovery for the prudently incurred costs for obtaining fuel, purchased power costs, purchased transmission costs, and construction costs for specific projects. The Companies filed a petition to request the Commission excuse the Companies from the yearly ENEC filing requirement (Case No. 13-1272-E-PW). On October 7, 2013, the Commission entered an Order in Case No. 12-1571-E-PC that adopted the Joint Stipulation and excused the Companies from the yearly ENEC filing requirement. This case is pending before the Commission.

Work Scope and Objectives

The purpose of this contract will be to have Larkin & Associates, PLLC provide technical assistance to the West Virginia Consumer Advocate Division ("CAD") by performing a comprehensive analysis of Mon Power/PE's requested increase in base rates. Larkin proposes to address all revenue requirement issues, with the exception of any issues that CAD wishes to have CAD analysts address. In other proceedings, CAD internal analysts have addressed issues such as normalized payroll, cash working capital, etc. We would expect to address revenue requirement issues including rate base, revenues, expenses, service company billings, taxes and operating income, along with all of the sub-areas that fall into these categories. We will coordinate with any issues that CAD would like to have addressed or handled by CAD internal staff.

The ultimate objective of this project involves presenting our conclusions and recommendations, in the form of oral testimony before the West Virginia Public Service Commission ("Commission" or "WV Commission"). We will assess, in light of the CAD's regulatory philosophies and goals, an appropriate revenue requirement for Mon Power/PE, which will be finalized at the hearing. Thus, we will determine a revenue

requirement that can be effectively and convincingly supported at the proceeding. Our recommended revenue requirement will incorporate the impact of other CAD witnesses' recommendations on working cash, payroll, and any additional areas addressed internally by the CAD in this case. We have worked with the CAD in several past cases and have incorporated the impact of their recommendations in our revenue requirement calculations and recommendations.

In order to meet these objectives, we will perform a thorough review of the Companies' filing and supporting workpapers underlying the request for an increase in rates. From this initial review, we will develop discovery which will extensively question the Companies' representations in the filing, as well as the underlying methodologies and philosophies. Due to the increasing ability to send and receive information electronically, we do not anticipate an on-site review being necessary as part of our audit at this time. However, if based on responses to discovery it is determined that an on-site review may be needed in this case, we will discuss this with the CAD staff assigned to the project. All information obtained through discovery, along with other publicly available information, will not only address the issues set forth in the Company's filing and testimony, but also identify other issues that could have an impact on West Virginia ratepayers.

Our findings will be presented first in the form of discussions with the CAD staff and counsel working on the project. Upon completion of the analytical work, we will prepare and submit to the appropriate personnel, drafts of testimony. Subsequent to discussions with these persons, and following their approval, our findings will be presented to the Commission in the form of written testimony and exhibits. This will be followed with direct oral testimony and cross-examination at the hearings. In order to present a convincing and accurate case to the Commission, we will utilize to the fullest extent possible, our accumulated expertise in accounting, taxation and utility ratemaking.

Testimony in West Virginia Cases

We will use our recent experience with previous West Virginia cases to help focus on important issues. Mr. Smith has testified in several West Virginia cases in recent years, including the merger between FirstEnergy Corporation and Allegheny Power. Testimony in West Virginia cases are listed below – copies of testimony can be provided if desired:

West Virginia Utility	Case Number	Testimony	Status
West Virginia-American Water Company rate case	12-1649-W-42T	Direct	Settled; Order Issued
Mountaineer Gas Company rate case	11-1627-G-42T	Direct	Litigated; Order Issued
West Virginia-American Water Company rate case	10-0920-W-42T	Direct	Litigated; Order Issued
Appalachian Power Company and Wheeling Power Company rate case	10-0699-E-42T	Direct and Rebuttal	Settled; Order Issued
Allegheny Power and FirstEnergy Corp. merger	10-0713-E-PC	Direct	Settled; Order Issued
Mountaineer Gas Company rate case	09-0878-G-42T	Direct	Settled; Order Issued
Hope Gas D/B/A Dominion Hope rate case	08-1783-G-42T	Direct; Supplemental Direct; Surrebuttal	Litigated; Order Issued
Hope Gas D/B/A Dominion Hope acquisition	08-1761-G-PC	Direct; Supplemental Direct; Surrebuttal	Litigated; Order Issued

Specific Tasks/Procedural Work Plan

The work on this project will be divided into multiple tasks that provide a sensible, chronological series of expected activities encompassing the required work areas within the established time constraints. The major tasks described below represent the anticipated approach to the overall scope of work. Interaction with CAD Staff is expected to coincide with all tasks, to provide for substantial input by these persons for the purpose of optimizing project team performance.

1. We will discuss with the CAD Staff assigned to the project, the specific approach that the CAD wishes to follow in this case. This preliminary discussion will cover the areas that are of particular concern to Staff in this case and the time line for all project deadlines. We will coordinate our work with areas being covered by CAD analysts/witnesses to avoid duplication of effort and to assure an integrated and internally consistent final work product.
2. We will perform a detailed review of the Companies' filing in the current case and all related testimony and supporting workpapers, as well as any updates and revisions to any of the information filed. We will determine if any new issues are raised by reviewing the Order in the prior merger case. This will include a thorough analysis, review, and evaluation of all pertinent evidence filed on behalf of all parties in the current case. Based on this analysis, we will advise and recommend an approach to each specific issue that will have an impact on the Companies' customers. As we

have assisted the CAD and testified on behalf of the CAD in several rate cases, this background will aid us greatly in assisting in this case.

3. We will conduct discovery of Mon Power/PE, sufficient to make a complete analysis of the Company's case. We will develop Company specific data requests to clarify issues, pinpoint problem areas, obtain follow-up information, and address issues and quantifications unique to these Companies and rate case.
4. We will carefully analyze and evaluate the information received in steps 1 through 3, along with responses to discovery submitted by the CAD in this case. Detailed analyses and evaluations will consider all possible material issues, which affect ratepayers. Based on this evaluation, we will discuss our findings with the CAD Staff to determine which items should form the basis for proposed adjustments as part of our formal testimony.
5. We will submit drafts of testimony and exhibits in advance of the filing date to provide CAD Staff and Counsel assigned to the project ample time for review.
6. We will thoroughly review, verify, and correct the draft testimony and exhibits to meet the satisfaction of the CAD in order to have finished copies ready for filing prior to the filing date.
7. We will assist in the drafting of cross-examination questions, as requested by counsel. The primary goal of such cross-examination will be to demonstrate weaknesses and/or errors in the utilities' case, and to elicit agreement from the utilities' witnesses concerning appropriate ratemaking theory.
8. We will prepare and present direct oral testimony and stand cross-examination on same. As a result of our extensive experience presenting expert testimony before regulatory boards, we believe that the best preparation for responding to cross-examination by others is to present well conceived, clearly worded and thoroughly verifiable prefiled written testimony at the onset.
9. We will analyze the written and oral testimony of other witnesses, and will prepare oral and/or written rebuttal/surrebuttal as appropriate and as allowed for in the procedural schedule.
10. We will respond to discovery directed to us.
11. We will provide technical assistance subsequent to the hearing in order to assist the CAD in the preparation of post-hearing briefs and the evaluation of issues for possible rehearing, as requested.

Substantive Work Plan

This section of our work plan addresses our overall approach to addressing electric utility rate case filings. This approach will be modified to address the specifics included in the actual filing of the Company after we begin our detailed review of the filing.

As part of our review, we will review and analyze all of the adjustments being proposed by the Companies, with the exception of those specifically being addressed by the CAD. We will also review and analyze areas for which the Companies have not proposed specific adjustments in this case.

1. Rate Base

We would expect to perform the following analysis pertaining to the determination of the rate base:

Analyze the adjustments proposed by the Companies to ensure that there is a proper synchronization of rate base with revenue and expense levels. Consideration of West Virginia ratemaking policy will be applied to additions proposed and whether they are known and measurable and/or growth related.

Review the Companies' accounting data to assure that the per-book balances included in the rate base are stated appropriately. Also assure that all major balance sheet accounts have, in some way, been accounted for through either the rate base or capital structure ratemaking components.

Review all projections, methodologies, assumptions, budget developments, and any supporting studies or analyses to ensure the reasonableness of the data providing the basis for the test year.

Review all pro forma rate base additions requested by the Companies, including post-test year additions reflected in the Companies' filing. We will review each of these adjustments and evaluate if the addition of these post-test year additions are appropriate.

Analyze sources of non-investor supplied capital. Determine whether all non-investor supplied capital has either been appropriately deducted from the rate base, or included in the capital structure at zero cost. Balances that should be appropriately deducted from rate base include:

- A. Accumulated deferred income taxes ("ADIT"), reflecting the fact that this represents non-investor supplied capital. We will review ADIT for these items: (1) impact of repairs deductions; (2) impact from bonus tax depreciation; (3) impact from FirstEnergy federal net operating loss ("NOL") carryforwards; and (4) any claims of "uncertain" income tax positions asserted by the utility. During 2013, FirstEnergy settled a claim with the IRS for approximately \$1.0 billion of additional accelerated (bonus) depreciation deductions for certain generation property for the 2010 taxable year, which resulted in a carryback refund of approximately \$110 million, an increase

in the NOL carryforward of approximately \$65 million, with a corresponding increase to accumulated deferred income taxes for this temporary tax item and an overall decrease to FirstEnergy's effective tax rate of approximately \$2 million for adjustments to interest resulting from the settlement. Income tax and ADIT issues could be important and material in the current Mon Power/PE rate case.

- B. Determine whether customer advances or contributions in aid of construction are present on the Companies' books and propose recommendations accordingly. Review proposed plant additions, and recommend that customer advances that are to be received on proposed plant additions, be deducted from rate base. We will also consider any possible contributions from the state resulting from the State highway improvement projects.
- C. Review the balance sheet for any other types of non-investor supplied capital, which should be deducted from rate base. These would include reserves for items such as injuries and damages, property damage, self-insurance, etc.

Review all Company adjustments to rate base to assure their propriety. Rate base value adjustments are normally made to update items such as plant in service to a specified date, to adjust working capital and depreciation reserve so that they correspond with adjusted expenses, and to also include adjustments to deferred tax offsets to the rate base. Any adjustments must meet the requirements of being known and measurable. We will propose alternative adjustments and explain through testimony, reasons for rejecting Company adjustments, when said adjustments are believed to be inappropriate.

Review the work orders of each pro forma plant-in-service addition to evaluate the expenditures made to date, the need for such expenditures, the cost/benefit of such investment, and determine if such investment was the result of customer growth. Pro forma plant-in-service additions will be cross-referenced with CWIP balances to ensure that there are no items double counted.

Ensure that components of rate base are determined on a consistent basis with components of capital employed (e.g., 13 month averages, beginning and end of year average balances).

If prepaid balances are included, we will ensure that the Companies' accounting for these items is proper. We will investigate the interrelationship of prepaid balances with the determination of cash working capital under the lead/lag study approach, to ensure that no double counting is included in the rate base.

We will ensure that any inclusion of deferred debits is appropriate, and deferred credits will be reviewed so that we may determine whether any accounts or individual sub-accounts are proper as offsets to the rate base.

Evaluate the level of M&S inventory included in rate base, and then determine whether the period used to compute the M&S inventory amount represents a normal level of inventory based on a historical review.

Construction Work in Progress/Allowance for Funds Used During Construction. We will review and analyze the Companies' rate base and income amounts relating to this issue.

The Companies may request inclusion of Plant Held for Future Use (PHFFU) in rate base. We will analyze the items requested for inclusion by the Companies. This entails verifying dollar amounts, as well as the existence of a definite plan of use within a reasonable time frame for each piece of property held for future use included in rate base. We will then determine whether or not each specific item merits inclusion in rate base.

2. Operating Income and Expense

In general, we will review operating income and expenses, including going-level and pro forma adjustments. Our review of the operating income statement will include the following areas:

A. Revenues and Sales in the Test Year

Ensure that current revenues reflect the revenues which should be generated based on the rates currently in effect. This will be done by verifying billing determinants to historical experience.

Analyze the Companies' filing to determine if test year sales and revenues are representative of normal going-forward conditions, and propose any necessary adjustments.

Operating revenues will be analyzed to ensure that the proper levels of revenue are reflected in these accounts. We will consider adjustments to annualize sales for year-end customer levels and usage, or weather normalization adjustments after review.

We will closely examine the impact of any large industrial or commercial customers closing operations or adding new operations in the Companies' service territory. We will evaluate whether or not any such reductions are supported and reasonable. Likewise, we will also review to determine if any other existing or new large customers have substantially increased their usage either during or shortly after the test year in this case to ensure a balanced approach is taken on this issue.

The components of "other revenues" will be reviewed to ensure that an appropriate level of each type has been reflected in the test year.

Uncollectible accounts will be analyzed to ensure that the adjusted test year balance is representative of normal conditions. We will review the correlation of uncollectibles to revenues. Test year uncollectibles will be compared to historical results. Additionally, we will:

1. Examine the historical results experienced by the Companies in the past in order to determine whether the proposed uncollectibles rate is reasonable, and whether it will likely reflect future occurrences.
2. Examine the method the Companies used to calculate uncollectibles for reasonableness and compliance with Commission policy.
3. Determine an appropriate provision for uncollectibles in conjunction with the calculation of the gross revenue conversion factor.
4. Evaluate the level of uncollectibles by computing uncollectibles-to-sales ratios, comparing to historical experience.

We will review test year late payment charge revenues. This review will be coordinated with an analysis of uncollectibles.

Determine if a weather normalization adjustment is necessary.

B. Operation and Maintenance Expenses

Operations and maintenance expense will be examined to ensure that the test year does not include unusual or non-recurring maintenance, which should be amortized over a longer period for rate case purposes. Review O&M expense categories for inflation. We will review the calculations and the data being used to derive the normalized level. We will also evaluate whether or not a three-year average level is reflective of "normal" conditions or whether a longer period, such as five-years, is more appropriate. We will take Commission precedent into consideration in evaluating the time frame to be used.

Review O&M expenses for the impact of new plant additions. We will evaluate each of these proposed cost increases and the supporting documentation and projections. We will also review for any potential offsetting cost savings that may result.

Evaluate adjustments for chemical and power costs for whether they are known and measureable, and appropriately quantified.

We will review Mon Power/PE's pension expense in the Companies' adjusted case.

Review the Companies' accounting for legal expense to ensure that unusual or inappropriate costs are not charged to retail ratepayers. The test year should reflect a normal level of legal expense. Remove any penalties or unusual settlements from test year expenses, which should reflect normal operations. Consider deferral of large legal expenditures for litigation in progress concerning questionable areas, e.g., lawsuits against officers and directors for alleged imprudence.

Review dues for membership in industry associations. Remove lobbying and institutional advertising portion of such dues. Obtain data concerning benefits of association programs to the Companies. Review other membership dues for appropriateness as test year expenses.

Analyze test year advertising and marketing expenses. Determine which programs and activities benefit ratepayers and provide a recommendation based on this determination for recovery of advertising and marketing expenses.

Analyze operating and maintenance accounts by primary and sub-accounts to determine whether any significant increases or decreases in these accounts have occurred. Investigate and document the reasons for any significant changes in operating and maintenance expenses. Recommend adjustments for inappropriate increases and for unexplained or unjustified cost increases.

Review to determine whether there were any unusual or non-recurring write-offs made by the Companies during the test year that should be either excluded or amortized for ratemaking purposes.

C. Taxes Other than Income Taxes

Analyze other taxes by type to determine that the tax expense is related only to the test period under consideration.

Verify tax rates to current state statutes. Evaluate trend in property taxes and tax-assessed valuation over a representative historical period.

Analyze the rate used by the Company to determine whether the use of that rate is appropriate for state and municipal taxes.

Examine the tax rates for the major components of state and municipal taxes to ensure that there has been no decrease in state and municipal taxes, which should be reflected in the period being examined.

D. Below-the-Line Revenues and Expenses

Analyze revenues and expenses in so-called "below-the-line" accounts. Examine these accounts with the intention of determining that these revenues and expenses are properly excluded from the cost of service.

Determine whether the Companies have sold any property during the test year or before, and realized a gain on such sales. Determine whether sold property was previously included in rate base to earn a return, or in depreciation expense or property taxes, i.e., included in rates. Consider whether any gain on the sale of such property should accrue to the benefit of the ratepayers.

E. Income Taxes

Review all tax computations in the rate filing. During the fourth quarter of 2012, the Allegheny Energy ("AE") companies reduced reserves for unrecognized tax benefits related to various tax positions, including the IRS's agreement on AE's deduction of merger-related expenses, with a total reduction to the effective tax rate of approximately \$7 million.

Review the Companies' federal tax returns with particular emphasis on Schedule M adjustments.

Review the Companies' deferred income taxes, focusing on any Company proposed normalization treatment deviating from established Commission policy and procedures. Review the development of ADIT accumulated by Mon Power/PE for repairs deductions.

Ensure that the income tax expense rates used by the Company are the correct rates.

Ensure that the deduction for domestic production activities ("DPAD") is reflected accurately in the Companies' filing if it would be available for the test year. Consider how the DPAD has been derived in affiliate rate cases.

As appropriate, reflect the impact of consolidated federal income tax savings as a reduction to income tax expense. We are familiar with the calculation of the consolidated tax savings adjustment ("CTA") from other utility rate cases.

F. Depreciation and Amortization Expense

Analyze the Companies' calculation of test year depreciation expenses to ensure that the depreciation rates used have been approved by the Commission.

Ensure that the depreciable assets used in calculating the depreciation expense agree with the books and records of the Companies, or are based on reasonable projections of plant to be in service.

Ensure proper "matching" between depreciation expense reflected in adjusted net operating income and net plant amounts reflected in the rate base, paying particular attention to new additions to rate base. Depreciation Expense can have a major impact on the revenue requirement. We will review the Companies' calculation of depreciation rates and related depreciation expense and accumulated depreciation associated with the plant adjustments contained in the case. The cost of removal/negative net salvage component can have a significant impact and be the source of controversy and potential need for adjustment. We will ensure each of these adjustments are calculated correctly and synchronize any recommendations with our recommended treatment of the various plant addition adjustments proposed by the Companies.

Review each item being amortized as test year expense. Remove amortizations which will be completed prior to rates set in this proceeding going into effect.

G. Administrative and General Expenses

Ascertain the reasonableness of the Companies' test year claims for administrative and general expenses. Examine the individual items by account and sub-account detail, to determine whether such amounts properly relate to the provision of water service to ratepayers.

Examine all membership association dues and the related expenses to ascertain the benefit to ratepayers.

Examine all adjustments made by the Companies to the test year expenses for reasonableness. Where we find that such adjustments seem unreasonable and do not reflect actual past experience, we will provide alternative amounts to be included as expenses.

Examine all costs associated with Companies sponsored programs in order to determine whether such amounts are reasonable, and whether the benefits to ratepayers are commensurate with the cost of the programs.

H. Affiliated Service Company Expenses

We will address FirstEnergy Service Company ("FESC") and Allegheny Energy Service Corporation ("AESC") charges to Mon Power/PE in detail. We will examine the individual items by account and sub-account detail, to determine whether such amounts properly relate to the provision of water service to ratepayers, and will make appropriate adjustments.

Review the components of and the allocation of charges to Mon Power/PE from FESC and AESC, including but not limited to business development, pension costs, and other FESC and AESC charges.

3. Revenue Requirement

We will review the revenue requirement projected by the Companies, and in light of all the recommended adjustments to the Companies presentation, independently develop a revenue requirement. The revenue level should be sufficient to enable the utility to recover all of its prudently incurred costs found to be includable in the adjusted test year, plus an adequate return on its capital invested in used and useful assets devoted to the provision of jurisdictional utility service. In other words, total allowed revenues should equal total operating expenses, plus depreciation and an adequate return on investment. This is inclusive of a sufficient level of income taxes to provide the utility an opportunity to earn such return on an after-tax basis.

We will reflect the impact of the recommendations of internal CAD Staff sponsoring adjustments in this case. We will also include the CAD's recommended rate of return in our calculations. If CAD is not presenting its own cost of capital witness in the Mon Power/PE rate case, we will calculate the revenue requirement using a range of two ROE points, selected by the CAD after discussion. A similar approach has been used in other recent West Virginia rate cases.

Work Products

Upon completion of the major work elements described above, Larkin & Associates, PLLC will submit the following work products:

1. The Consumer Advocate Division's desired number of copies of written direct and surrebuttal testimony prior to the time and date that it must be filed. In addition, we will provide copies of draft testimony prior to the filing date.
2. Oral testimony and technical support at the hearings.
3. Copies of all data requests.

III. QUALIFICATIONS

Larkin & Associates, PLLC meets the requirements specified in the RFQ and the proposed project team is highly qualified to perform this engagement for the West Virginia Consumer Advocate Division. Larkin has extensive experience in the utility regulatory field as expert witnesses in over 600 regulatory proceedings regarding a variety of issues involving numerous electric, gas, water and sewer, and telephone utilities. Senior members of Larkin & Associates regularly provide written and oral testimony in regulatory proceedings.

Larkin's proposed project team is highly qualified to perform this engagement for the West Virginia CAD. Members of the Larkin project team have extensive experience providing consulting expertise in public utility regulation to regulatory agencies. Our team includes expert consultants and CPAs who are thoroughly familiar with all aspects of utility regulation.

Larkin has also represented the CAD in previous rate case proceedings, making us familiar with West Virginia ratemaking policies and principles, along with CAD preferences.

Appendix II presents a summary of recent electric utility regulatory engagements in which Larkin professionals have performed work similar to that required in this project. Each case summary conveniently lists the name of the client and a summary of the scope of work performed, and indicates the professional personnel who participated in the engagement.

Conflict Statement

Larkin's project manager, Mr. Smith, and other members of our project team, have presented testimony on behalf of the CAD in prior West Virginia regulatory proceedings, including testimony for the CAD in the proceeding involving the merger of FirstEnergy and Allegheny Power, Case No. 10-0713-E-PC, noted on page 5, above. **Larkin has not and is not engaging in any cases that would be in conflict with this case. None of Larkin & Associates, PLLC's past cases would be in conflict with this case.**

IV. PERSONNEL

Larkin & Associates, PLLC's professional staff assigned to this project would bring to this engagement over 150 years cumulative business, public accounting and utility related experience. Larkin & Associates has extensive experience in the utility regulatory field as expert witnesses in over 600 regulatory proceedings, including numerous electric, gas, water and sewer, and telephone utilities. Thus, in performing our work for the Commission on this project, we will draw on knowledge gained through comparable studies performed in other utility cases. In order to present well-supported recommendations, we will utilize to the fullest extent possible our accumulated expertise in accounting, auditing, taxation and utility regulation.

Each of our senior project team members, as well as our proposed case manager and expert witness in this case, are CPAs and have over ten years experience testifying as expert witnesses on rate making and regulatory matters, as well as possess a 4-year accounting degree, consistent with the RFQ requirements.

As senior partner of Larkin & Associates, Hugh Larkin, Jr., CPA, will assume ultimate responsibility for the completion of each phase of the project and the quality of the resulting work product. Mr. Larkin has worked in the regulatory field for over 41 years and has testified in over 300 regulatory proceedings. Mr. Larkin's regulatory experience includes rate cases, management audits, and litigation assistance. On this project, Mr. Larkin will function in an advisory role. He has been included in the project team in case any issues arise where his advice on regulatory policy will be beneficial.

Helmuth W. Schultz, CPA, is a senior consultant and has over 39 years of experience with regulatory issues. Mr. Schultz has supervised many projects and presented testimony on numerous occasions. He will assist in this project on an as-needed basis.

Ralph Smith, CPA, is a senior consultant and has over 34 years of experience as a regulatory consultant. Mr. Smith is also an attorney a Certified Financial PlannerTM professional, and a certified rate of return analyst. Mr. Smith has been a key member and presented testimony in numerous regulatory engagements involving electric, gas, and water and sewer utilities, including testifying in a number of recent rate cases involving electric utilities operating in other states.

We propose that Mr. Smith serve as project manager and lead consultant on the case. He has well over thirty years of experience testifying on revenue requirement issues involving regulated utilities, and has a Bachelor of Science in Administration in Accounting, as well as a Master of Science in Taxation, thus meeting the requirement specified in the Request for Qualifications. The project manager coordinates the work efforts of all professional staff, monitors the progress of the project and ensures that all deadlines are met. The project manager will also serve as the expert witness in the case.

Mark Dady, CPA, Jill Zhao, CPA, John Defever and Tina Miller are regulatory analysts. They have prepared calculations, performed analyses and prepared schedules, exhibits, and reports on several Larkin & Associates' engagements. Mr. Dady has also filed

testimony in several recent regulatory engagements and has experience assisting in West Virginia cases on behalf of the CAD. It is anticipated that Mr. Dady and Ms. Zhao will perform analytical work, prepare data requests and exhibits, draft and edit written reports, and verify data. Mr. Defever and Ms. Miller may help with the work on this project on an as-needed, as-available basis.

Dawn Bisdorf is a research associate with Larkin & Associates. Ms. Bisdorf assists with the review and analysis of regulatory filings by preparing computer spreadsheets and models, and performing accounting and regulatory research. Ms. Bisdorf will provide technical assistance on this project. She has worked on several prior West Virginia rate cases and regulatory consulting projects.

Resumes detailing the education and experience are being provided for each of our project team members as Appendix I, attached to this proposal.

V. PRICE PROPOSAL

Larkin & Associates, PLLC proposes to complete the revenue requirement project for a price not to exceed \$54,980. This includes all professional fees and expenses. The hourly rate of the project manager/expert witness on this case is \$150. Consistent with the RFQ, the hourly rate includes all expenses, including travel.

For billing purposes, we will use the following hourly rates for each of our professional Staff. We will not bill separately for expenses or secretarial costs, as expenses have been factored into the hourly rates presented below.

Our proposed prices are as follows:

Professional	Title	Hours	Hourly Rate	Total
Smith*/Schultz/Larkin	Senior/Principal/Expert Witness	180	\$150	\$ 27,000
Dady*/Miller*/Zhao*/Defever	Regulatory Analysts	224	\$95	\$ 21,280
Bisdorf*	Research Associate	134	\$50	\$ 6,700
Total Rate Case Project Bid		<u>538</u>		<u>\$ 54,980</u>

*Anticipated to work on the case; others may participate on an as-available, as-needed basis.

In Appendix III, attached to this proposal, we have included the "Consulting Bid Form" that was provided with the RFQ, containing the above pricing information.

APPENDIX I
BACKGROUND & QUALIFICATIONS - RESUMES OF
KEY PROJECT PERSONNEL

The personnel Larkin & Associates proposes for this project are ideally suited to the project's requirements. The project team includes professionals with educational backgrounds in accounting, finance, economics, statistics, business management, taxation, law and computers as well as expertise in addressing regulatory issues for water carrier, gas, electric, telecommunications, and water and sewer utilities.

Members of this team have extensive experience providing consulting to regulatory agencies concerning a wide range of issues affecting public utilities. The professionals proposed for this project have worked as consultants on numerous projects for regulatory commission staffs and intervenors, and have provided litigation assistance on behalf of law firms representing utilities and others. Our team includes expert consultants and CPAs who are thoroughly familiar with the issues in utility regulatory consulting engagements.

Resumes detailing our extensive regulatory and utility industry experience, for the professionals proposed for this project follow:

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HUGH LARKIN, JR., CPA.....	1
RALPH C. SMITH, CPA	11
HELMUTH W. SCHULTZ, III, CPA.....	27
MARK S. DADY, CPA	33
TINA MILLER	36
JILL ZHAO, CPA.....	39
JOHN DEFEVER.....	44
DAWN BISDORF	46

HUGH LARKIN, JR., CPA

Mr. Larkin is a certified public accountant, founder and senior partner of Larkin & Associates. He is thoroughly versed in independent auditing, as well as the design and review of accounting systems and the presentation of data for management and financial reporting. Mr. Larkin is licensed in the states of Michigan and Florida.

For over 41 years, Mr. Larkin has concentrated in the field of public utility regulation. He has served as project leader for numerous financial and compliance audits and regulatory consulting engagements, and has testified as an expert witness on issues dealing with public utility management and regulation in over 300 proceedings. His testimony has been sponsored by public utility/service commission staffs, state attorneys general, groups of municipalities, a district attorney, people's counsel, public counsel, and other such entities. Jurisdictions in which Mr. Larkin has presented expert testimony include: Alabama, Alaska, Arizona, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kentucky, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, South Dakota, Texas, Vermont, Utah, Washington, Wisconsin, West Virginia, FERC and Canada.

Relevant Regulatory Experience

Following are examples of electric, gas, telephone and water regulatory cases in which Mr. Larkin has participated.

Electric Cases

- Project Member in the review of Avista Utilities application for a rate increase. Issues addressed in testimony included: production property adjustment, labor (non-executive), labor (executive), capital additions, asset management, information services, CDA Tribe Settlement costs, Colstrip Mercury O&M, incentive compensation, O&M plant expense, insurance expense, Board of Directors meeting costs, Board of Directors fees, customer deposits, injuries and damages reserve, and interest synchronization.
- Project Member in the review of Tampa Electric Company's request for an increase in rates. Issues addressed in Mr. Larkin's testimony included: transmission base rate adjustment clause, annualization of plant-in-service, plant in service projections, CIS upgrades, dredging O&M amortization, plant held for future use, construction work in progress, working capital, storm damage accrual, uncollectible expense, and capital structure.
- Project Member in the review of Florida Public Utilities Company's review of 2007 electric infrastructure storm hardening plan filed pursuant to Rule 25-6.0342. Issues addressed in Mr. Larkin's testimony included: other property and investments, cash, special deposits-electric, customer accounts receivable, accumulated provision for uncollectibles, prepaid insurance, unbilled revenue, regulatory asset-retirement plan, temporary services, deferred debits-rate case expense, regulatory treatment of over and under recovery of fuel and conservation costs, storm reserve, interest accrued-customer deposits, forfeited discounts, rate case expense, other informational advertising, tree replacement, inspection and testing of substation equipment, economic development expense, postage expense, supervisory training expense, travel for compliance accountant, BDO Seidman increase, uncollectible accounts, revisions to projection factors, staff audit findings, storm hardening expenses, and taxes.
- Project Member in the review of Entergy Gulf States, Inc. ("EGS-La") and Entergy Louisiana, Inc.'s (ELI) d/b/a Entergy Louisiana, LLC (ELL) (collectively referred to as "the Companies") request for interim and permanent recovery in rates of costs related to Hurricanes Katrina and Rita. Larkin & Associates addressed the appropriate methodology for determining the amount to be recovered from customers. Issues addressed in Mr. Larkin's testimony included: incremental cost recovery method, insurance proceeds, Community Block Development Grants, and storm recovery cost cut-off date.

Resume of Hugh Larkin, Jr., CPA continued

- Project Member in the review of Florida Power & Light Company's request for recovery of storm restoration costs. Larkin & Associates addressed the appropriate methodology for determining the amount to be recovered from customers. Issues addressed in testimony included: Company's accounting for storm damage costs, the use of variances or estimates of costs included in rate base, financial statements, Company's method of cost recovery, Company's budget process, lost revenue, other costs which should be excluded from storm cost recovery, storm restoration request, payroll, labor, items covered under warranty, remaining contingencies, joint use poles, plant repair estimates, advertising and communications costs, capital items, proceeds received for loan of personnel and equipment, and cut-off date. Project Member in the review of Gulf Power's petition for cost recovery for storm damages. Issues addressed in Mr. Larkin's testimony included: incremental cost recovery method, voluntary addition to storm reserve, true-up, 2005 storm cost recovery date, servicing and administrative fees, and accounting entries associated with storm-recovery financing.
- Project Member in the review of Appalachian Power Company and Wheeling Power Company's rate request. Issues addressed by Larkin & Associates in testimony included: utility plant held for future use, prior period accumulated depreciation, prepayments, cash working capital, inactive to zero usage material and supplies inventory, self funded reserve accruals, rate base related asset retirement obligation adjustments, pole rental expense, remodeling expense, airplane costs, club initiation fees, written off obsolete inventory, incentive compensation, rate case expense, life insurance premiums, public relations expense, Edison Electric Institute Dues, Other Membership Dues, Three-Year Amortization from Loss on Sale of Bluefield and Wheeling Office Buildings, Amortization of Deferred RTO Formation, Service Company Billings, Institutional Advertising Expense, Interest on Customer Deposits, Expanded Net Energy Cost (ENEC), T&D Management, Consolidated Income Taxes, Interest Synchronization, Depreciation & Amortization Related to Asset Retirement Obligations, Maintenance of Boiler Plant Account 512, Maintenance of Electric Plant Account 513, and Income Tax Expense.
- Project Leader and Expert Witness in a review of Central Hudson Company's request for an increase in electric rates. Issues addressed in testimony filed by Larkin and Associates included pension expense, other post employment benefits expense, site investigation and remediation costs for manufactured plant, right of way maintenance/storm damage expense.
- Project Leader and Expert Witness in a review of New York State Electric & Gas Company's request for an increase in electric rates. Issues addressed in testimony filed by Larkin and Associates included payroll, capital expenditures, pension expense, other post employment benefits expense, supplemental executive retirement plan, hydraulic power generation, legal services, regulatory commission expense, rent expense allocated from USSC, outside services, tree trimming, and stray voltage.
- Project Leader in the review of Louisiana Generating, LLC's accounting expenditures for construction projects at the Big Cajun II Generating Plant in association with the provisions in the Clean Air Act.
- Project Leader in the review of Alabama Power Company's accounting expenditures for construction projects at the James M. Barry, Ernest C. Gaston, William Crawford Gorgas and Greene County Electric Generating Plants in association with the provisions in the Clean Air Act.
- Project Leader in Civil Action No. 2:05cv0885 where Larkin & Associates was retained by the State of Pennsylvania to review Allegheny Power's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project Leader in Civil Action No. 5:07-CV-75 where Larkin & Associates was retained by the U.S. Department of Justice to review Kentucky Utilities' accounting expenditures for construction

Resume of Hugh Larkin, Jr., CPA continued

projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.

- Project Leader in Civil Action No. C2-05-360 where Larkin & Associates was retained by the U.S. Department of Justice to review American Electric Power Company's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project Leader in Civil Action No. 04-34-KSF where Larkin & Associates was retained by the U.S. Department of Justice to review East Kentucky Power Cooperative's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project Leader in Civil Action No. IP99-1693 C-M/S where Larkin & Associates was retained by the U.S. Department of Justice to review Cinergy Corporation's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project Leader in Civil Action No. C2-99-1182, C2-99-1250 (consolidated) where Larkin & Associates was retained by the U.S. Department of Justice to review American Electric Power Company's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project Leader in Civil Action No. 1:00 CV 1262 where Larkin & Associates was retained by the U.S. Department of Justice to review Duke Power Company's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project Leader in Civil Action No. C2-99-1181 where Larkin & Associates was retained by the U.S. Department of Justice to review Ohio Edison Company's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project Manager in a review of the 2004 Cost of Service Application of San Diego Gas and Electric Company as it pertained to the Company's electric operations. Issues addressed in testimony included: miscellaneous revenues, employee level and compensation, pensions, employee benefits, directors and officers liability insurance, workers compensation, injuries and damages, accumulated deferred income taxes, customer advances for construction, capitalization policy changes and allocated corporate center costs.
- Project Director in the review of Florida Power & Light Company's proposed revenue requirement. The case settled prior to filing testimony and the firm actively assisted in settlement discussions.
- Key Project Member in the review of Florida Power & Light Company's earnings, including effects of a proposed acquisition of Florida Power Corporation by Carolina Power & Light. Issues presented in testimony included an overall recommendation and a capital structure-CR3 Adjustment, merger synergies/acquisition adjustment, closed business offices, and operating income adjustments: miscellaneous service revenues, other electric revenues, salaries and wages expense, employee benefits-medical expense, FAS 106, FAS 112, miscellaneous benefits-change in control cash payment, power marketing expense, general advertising expense, nuclear property and liability insurance credits, nuclear materials and supply inventory, rate case expense, nuclear energy institute dues-lobbying, Tiger Bay regulatory asset, nuclear decommissioning expense, property tax expense and effects of Company updates to its filing.
- Project Director in a review of the application of PacifiCorp for approval of its proposed electric rate schedules and electric service regulations. Issues addressed in testimony included:

Resume of Hugh Larkin, Jr., CPA continued

incentive compensation, payroll, pensions/post-retirement benefits, working capital, Bridger Coal Company Rate Base, Environmental Settlements, Revenue Normalization Correction, Distribution Expense Correction, Accounting Write-Offs, Assets under construction write-off, Cholla Assets Under Construction Write-Off, Additional Assets Under Construction Written Off, Obsolete Inventory Write-Offs/Reserve, FERC Contingency Write-Off, Blue Sky Program, Steel Rives Pricing Settlement, Transition Team Costs, Miscellaneous Outside Service Expense, Annualization of Contract Cost Savings, Dave Johnston (Glenrock) mine closure, systems applications and products software (SAP), re-engineering, 1997 computer software write-down, Company's proposed 1999 software write-off, uncollectible expense, and potential updates (pending additional information from the Company).

- Project Director in an investigation of over-earnings by the Connecticut Light & Power Company. Issues presented in testimony included: over-earning standards, cause of over earnings, treatment of over-earnings, impact of over-earnings on conditions of NU/ConEd Merger, and the Company's proposed initiatives.
- Project Director and expert witness in the analysis of the submission of PacifiCorp dba Utah Power & Light Company's semi-annual report for the year ended December 31, 1997. Mr. Larkin recommended a reduction in UP&L's rates, along with a recommended refund of past over-earnings, as the revenues collected during 1997 were set as interim by the Utah legislature. Mr. Larkin investigated issues and presented testimony. Larkin & Associates filed testimony on the following issues: refund calculation methodology; out-of-period adjustments for a future mine closure, mine reclamation costs, software write-down, re-engineering program, future dam removal and computer mainframe write-downs; plant held for future use; cash working capital; prepaid interest; employee costs including payroll, incentive compensation, FAS 112 and FAS 106; advertising; solar amortization; environmental settlement handled by an affiliated company; uncollectibles; relocation expense; black lung excise taxes; property taxes; and income taxes.
- Project Director and expert witness in charge of addressing revenue requirement issues presented in the June 1998 filing by Georgia Power Company (GPC). Larkin & Associates' testimony addressed the determination of Staff's adjusted rate base and net operating income for GPC, and the adjustments to GPC's rate base and net operating income being proposed by Staff. Issues addressed in testimony included: accelerated amortization of gain/loss on reacquired debt, accelerated amortization of vacation pay "regulatory asset", accelerated amortization of OPEB "regulatory asset", depreciation expense, revenues based on sales forecast, uncollectibles expense, contract labor, Year 2000 Project expense, non-recurring costs charged to GPC from affiliates, performance divided plan, performance pay plan and performance incentive plan, Commission-ordered adjustments, expiring amortizations, rate case expense normalization, promotional load building program, Rocky Mountain pumped storage plant disallowance, payroll tax expense, cash working capital and interest synchronization.
- Project Director in the review of the revenue requirement aspects of the Application for Approval of Alternative Regulatory Plan presented by Virginia Electric Power Company. Conducted a review of Virginia Power's 1995 and 1996 earnings, with particular focus on the revenue requirement for Virginia Power in each of those years. Mr. Larkin determined that the Company received excess earnings in each of those years. Recommended a refund of past over-earnings and recommended a reduction in the Company's rates. Mr. Larkin also recommended accounting methods to be employed during a proposed three-year rate freeze period. Adjustments which impacted revenue requirement were addressed in the following areas: projected plant-in-service; deferred capacity expense; payroll; incentive compensation; vision 2000 plan cost savings; employee benefits including pensions and OPEB; outside directors' stock accumulation plan; lost margins on wholesale sales; EVANTAGE affiliate allocations; credit support payments from affiliates; lease expense; advertising; storm damage; dues expense; outside consulting fees; depreciation expense; and deferred capacity mechanism. The case was ultimately settled subsequent to the filing of direct testimony. The settlement resulting in a significant rate decrease, substantial refunds and an alternative regulatory plan incorporating rate freeze provisions.

Resume of Hugh Larkin, Jr., CPA continued

- Project Director in the review of the application and filing made by Nevada Power Company for an increase in its base tariff energy rates to reflect increased fuel and purchased energy costs and for a reduction in its deferred energy accounting adjustment credits for clearance of its deferred energy accounts. Mr. Larkin's testimony addressed fuel and purchased power cost, including coal and gas supply contracts and spot market purchases. Specific issues and recommended adjustments included: over-pricing of supplier "F" gas purchases, diesel costs (current) for Sunrise and Sunpeak gas turbines, unpaid gas cost accrual expense, May 1997 start-up fees and sale of emission allowances.
- Project Director on behalf of the Department of the Navy to provide answers to specific questions raised by the Hawaiian Public Utilities Commission in its pre-hearing order and to respond to the direct testimony of the witnesses of the utilities. The purpose of the case was to address whether or not the Hawaiian public utilities should be permitted to establish a self-insured property damage reserve and, if so, how such reserve should be treated for both financial and regulatory purposes. Main issues addressed included: whether or not a reserve should be established; alternatives to a self-funded reserve; appropriate accounting if a reserve is established; whether or not amounts collected should be funded; treatment of reserve for tax purposes; and appropriate qualifications on use of the reserves.
- Project Director in the review of specific issues pertinent to Entergy Gulf States' filing for an increase in base rates. Specifically, Larkin & Associates was retained to review costs directly charged and allocated by Entergy Services, Inc. (ESI) and Entergy Operations, Inc. (EOI) to Entergy Gulf States. ESI and EOI are nonregulated affiliates of Entergy Gulf States. In addition, Larkin & Associates was retained to review the weather normalization adjustment calculated by Entergy Gulf States.
- Project Director retained by the New Jersey Division of Ratepayers Advocate to participate in the examination of issues related to the recovery of capacity costs in base rates and in the Levelized Energy Adjustment Clause.
- Project Director in the review of the rate increase request by the Monongahela Power Company. Mr. Larkin investigated issues including revenue requirement, rate base, scrubber O&M expenses, Clean Air Act Amendment compliance and costs, storm damage expense, cash working capital, salary expenses, savings plan expenses, right of way maintenance, medical expense, pension (FAS 87) expense and meter socket expense.
- Project Director on behalf of Energy Consumers for Choice in Mississippi in a generic docket before the Mississippi Public Service Commission to consider competition in the provision of retail electric service. Mr. Larkin performed analytical work on this project, prepared written testimony and testified at hearings. His testimony addressed criteria that should be in place upon implementation of competition and the position that competition can be beneficial to all ratepayers and the Company if it is structured and implemented appropriately. Mr. Larkin also took the position that stranded costs should not automatically be flowed 100% to ratepayers, rather, a sharing between ratepayers and shareholders should be considered. Mr. Larkin has filed numerous comments to the Commission regarding specific electric industry restructuring issues.
- Project Director in the review of the rate increase request by the Potomac Edison Company. Mr. Larkin analyzed issues including revenue requirement, rate base, scrubber O&M expenses, Clean Air Act Amendment compliance and costs, customer deposits, salary expenses, right of way maintenance, medical expense, payroll incentive awards and pension expense.
- Project Director in the review of the administrative and general expenses encompassed within Southern California Edison Company's general rate case. His testimony addressed the following issues: severance payments, environmental litigation expense, regulatory commission expense, medical malpractice insurance, blanket crime insurance, directors' retirement plan, miscellaneous

Resume of Hugh Larkin, Jr., CPA continued

Board of Directors expense, employee volunteer program, High Five Service Program, employee meetings expense, EEl dues, and franchise fees.

- Project Director retained by the Mississippi Public Service Commission to review the rate increase filing made by Mississippi Power and Light Company. He reviewed rate base, revenues and expenses. Mr. Larkin's participation in the settlement discussions led to the resolution of this case.
- Project Director retained by the Connecticut Office of Consumer Counsel to review the rate increase request by the Connecticut Light and Power Company. Issues addressed in his testimony included: nuclear plant phase-ins, nuclear performance enhancement program costs, cash working capital, KWH sales, transmission revenues, fossil/hydro outage costs, merger costs, salaries and wages including benefits, CIAC deferral, capacity costs, and depreciation.
- Project Director hired by the Florida Office of Public Counsel to review the Tampa Electric Company's request for an increase in rates. Areas he analyzed were: CWIP, plant in service, accumulated depreciation, plant held for future use, working capital, tree trimming expense, advertising expense, rate case expense, payroll, fringe benefits, supplemental executive retirement program, depreciation expense, FAS 106, and interest synchronization.
- Project Director in the review of the rate increase request by the United Illuminating Company. Issues reviewed by Mr. Larkin included: working capital, accrued vacations, sales, late payment charges, transmission revenues, operating rents, electric property, transmission charges, generating expense, Steel Point Decommissioning, Seabrook Unit 1 - expenses, Connecticut Yankee expense, Millstone Unit 3 expense, payroll, 401(K), group health and life insurance expenses, post retirement benefits, pension expense, rate case expense, lease expense, inflation adjustment, and property taxes.
- Project Director in the review of the rate increase request filed by Florida Power Company. Major issues discussed in his testimony included: CWIP, flight equipment, revenues, tree trimming expense, advertising expense, payroll, fringe benefit expense, and Performance Reward.
- Project Director in the comprehensive review of the Hawaiian Electric Company's application for an increase in revenues. Subjects addressed in testimony included: projected work force growth, employee benefits, integrated resource planning expense, rate case expense, affiliated charges, plant additions, property held for future use, fuel oil inventory, accounts payable related to electric materials and supplies.
- Lead Consultant retained by the Florida Office of Public Counsel to review the issue related to Florida Power Corporation's inclusion of a hypothetical income tax cost in the cost-plus fuel charges which Florida Power Corporation pays to an affiliate, Electric Fuels Corporation.
- Project Director in the review of System Energy Resources, Inc., tax accounting and allocation methods used and the resulting impacts of such methods on rates.
- Lead Consultant retained by the Illinois Office of Public Counsel to evaluate and make recommendations on Central Illinois Lighting Company's ratemaking treatment of costs associated with coal tar clean-up.
- Key project team member in the evaluation of Central Vermont Public Service Corporation's request for an increase in rates. Mr. Larkin analyzed capital structure, cost of capital - short term debt, common equity component of capital structure, capital stock expense, Allied Power and Light Company adjustment, non-utility investment, rate base - accumulated deferred income tax, accumulated depreciation, Poultney 3-bay Garage, CWIP, working capital allowance, operating expense - transmission station expenditures, salaries and wages, 401(K) match, management incentive plan, pensions, EEl committee meetings, property taxes, outside services, depreciation

Resume of Hugh Larkin, Jr., CPA continued

expense, conservation and load management, utility incentives, income taxes, gross revenues and fuel gross receipts tax.

- Project Director in the review of the rate increase filing of the Southern California Edison Company. Post retirement benefits other than pensions and property taxes were the primary issues in this case.
- Project Director in the comprehensive review of costs allocated by Systems Energy Resources, Inc. to its utility ratepayers located in the states of Mississippi, Louisiana, and Arkansas. The review focused on the appropriate funding period over which to allocate decommissioning expenses, the propriety of transferring inventory costs from Grand Gulf Unit 2, an abandoned nuclear plant, to Grand Gulf Unit 1, and the appropriate method to compute rent expense charged to ratepayers.
- Key project team member in the review of cost of service and rate base analysis of Green Mountain Power Corporation. Specific issues addressed included: budget variances, post-retirement benefits, power costs, advertising, plant additions, CWIP in rate base, investments in affiliates, the appropriateness of the amortization and rate base treatment of various projects and demand side management programs.
- Project Director in the review of the rate case of Wheeling Power Company. Specific issues examined included: other operating revenue, including rent from electric property, forfeited discounts, storm damage expense, injuries and damages expense, postage expense, uncollectible expense, rate case expense, inflation adjustment, EEI-Media Communication Fund, advertising expense and income taxes.
- Project Director in the review of the Hawaiian Electric Company's rate filing package. Issues addressed included: Operating income: Advertising Expense; Uncollectibles; Employee Benefits; Employee Discounts on electric Service; Performance or Incentive Bonuses; Depreciation Expense; Wage Rollback; Projected Work Force Growth; Integrated Resources Plan; Customer Deposit Interest. Rate Base: Plant in Service; Joint Pole Contributions; Depreciation; PHFFU; Materials and Supplies; CIAC; Customer Advances; Customer Deposits; ADIT; Unamortized Investment Tax Credit; Accounts Payable Related to Electric Materials and Supplies; Accounts Payable Related to Construction Work in Progress; Gain on Sale of Utility Property; Cash Working Capital.
- Project Director in the review of Jersey Central Power & Light Company's rate filing. Issues included: normalized revenues, revenue-based taxes and assessments, expenses for customer growth, non-pension post retirement benefits, depreciation expense, decommissioning expense, nuclear O&M expense, depreciation expense, amortization of deferred capacity cost, TMI fault settlement cost annuity, design basis documentation cost, loan management programs, gain on disposition of rate base property, association dues, affiliate allocations, storm damage expense, rate case expense, donations, T&D information management system, income tax expense, plant in service, accumulated deferred income taxes, accumulated depreciation and working capital.
- Project Director in the analysis of Gulf Power Company's filing in regard to a proper revenue requirement. Issues addressed in the direct testimony of Mr. Larkin include: plant in service, depreciation, JDITC balance, non-electric plant, PHFFU, acquisition adjustment, unit power and retail sales and interest synchronization.
- Project Director in the examination of the petition of the Philadelphia Electric Company for a rate increase. Issues addressed included: Measure of Value: Limerick 1 Early Window Cost in Measure of Value; Fuel Inventory; Materials and Supplies; Cash Working Capital Requirement; Accumulated Deferred Income Taxes. Operating Income: Revenue Annualization; Building Rental Income; Limerick 1 Early Window Amortization; Amortization of Damaged Fuel; EEI Media Communications Advertising; Industry Association Dues; Pension Expense; Uncollectibles; Payroll; Stockholders Meeting Expense; Management Audit Cost Amortization; Loss on Retired

Resume of Hugh Larkin, Jr., CPA continued

Computer Facilities; Decommissioning Cost; Pennsylvania Job Creation Tax Credit; Research & Development Expense; Rent Expense; Electric T&D Expenses; Financial Department O&M Overbudgeting; Interest Synchronization; Unprotected Deferred Income Taxes.

- Project Director in the analysis of the settlement agreement between United Illuminating Company and Consumer parties. Issues involved: cash working capital, FCA credits overstated, nuclear fuel expense, overstatement of fuel costs, capacity sales, transmission charges, payroll overstatement, pension expense, overhaul expense, rate case expense, professional fees, advertising expense, inflation adjustment, EPRI dues, conservation costs, storm damage expense, DFIS computer system, personal use of company automobiles, depreciation expense, property tax and tax expense.
- Project Director in the examination of the rate case filing of Central Maine Power Company. Issued included: Net Operating Income; Customer Service System; Pension Expense; Storm Cost Normalization; Energy Management Program Expenses; Wages and Salaries; Union Actual vs. Contract Increases; Incentive Bonus Plan; Payroll Taxes; Employee Benefits; EPRI; Gains on Property that Had Been in Rate Base; Excess Deferred Income Taxes. Rate Base: Customer Service System; Employee Residences; PHFFU; Cash Working Capital; Unamortized Balances.
- Lead Consultant in the examination of the filing by the Puget Sound Power & Light Company to increase rates. Issues specifically addressed include: property sales, late payment charges, lease income, conservation program additions, retirement plan, investment in nuclear project, and tax benefits.
- Project Director in the analysis of Jersey Central Power & Light Company. Included in the analysis were the following: fuel clause filing, capacity adjustment clause and (1) whether three purchased power contracts were in the public interest and reasonably necessary to provide adequate and proper service to JCP&L's customers, (2) whether the costs associated with the purchases under the three contracts are reasonably and prudently incurred, and (3) whether the PJM/GPU reserve capacity charges and the capacity costs associated with the three contracts should receive deferred accounting treatment with subsequent recovery of deferred costs in a rate case. Mr. Larkin also presented testimony on ratemaking principles for capacity additions.
- Project Director in the review of Gulf States Utilities Company filing to increase rates. Issues included: River Bend costs, electric sales, calculation of revenues, electric sales to other utilities, fuel over/under recovery, nuclear fuel cost included in 1987 projections, and O&M expenses, excluding payroll and employee benefits.
- Project Director in the detailed review of Georgia Power Company's rate case filing. Our task involved performing a detailed review of Georgia Power Company's operating budget for fiscal year 1987 and for the budgetary test year used in conjunction with the Company's rate case. The scope of our task involved focusing not only upon the process used for resource planning and budgeting at Georgia Power Company, but also examining the costs contained in the operating budget. With respect to costs included in the budget, we attempted to ascertain what support existed for the inclusion of such costs in the budget, to obtain an understanding of why the Company had included specified costs in its budget, and, to the extent possible from the information provided by the Company, to evaluate such costs for reasonableness and for the effective use of personnel, materials, and other inputs in order to produce, transmit and distribute electricity to the retail consumer at the lowest price consistent with reliable service.
- Project Director in the examination of Long Island Lighting Company for a basis for rate relief. Areas examined included: austerity program, LILCO's cash flow projections, adjusted cash flow projections, cash available at beginning of rate year, understatement of cash balance, omission of dividends, New York gross earnings - dividend tax, increase in sales, interest savings during rate year, prepayment of bank debt, increase in interest payments, additional self-help measures, research and development programs, wage and salary freeze, NEIL insurance, "Golden Parachute Program", officers' salaries, cost of center for stress and pain, directors and officers

Resume of Hugh Larkin, Jr., CPA continued

liability insurance, Federal income taxes, possibility of an imminent LILCO bankruptcy, late payment charge, storm damage reserve, refinancing and rate relief recommendation.

- Project Director in the review of Carolina Power & Light Company's request for an increase in rates. Major issues addressed included: application of the terms of FASB Statement No. 92 to the Utility's Harris Nuclear Plant capacity buy-back levelization plan, appropriate value of pre-commercial test energy produced, proper coal inventory level, pension expense recoverable under FASB Statement No. 87 and reduction to test year payroll costs resulting from work force reductions and abnormal overtime.
- Project Director in the examination of El Paso Electric Company's request for a rate increase. Issues addressed in Mr. Larkin's testimony were as follows: revenue surplus, capital structure, reallocation of common facilities, assignment of PV Unit 2 Texas AFUDC credits as an offset to plant in service, removal of penalties from plant in service, accumulated depreciation, nuclear fuel in process and CWIP, deferred carrying costs and adjustment to deferred income tax liability, unbilled revenues, O&M expense, purchased power expense, salaries and wages, pension expense, employee benefits, nonrecurring expense, account 567, advertising expense, outside service, insurance expense, directors and officers liability and excess liability insurance, regulatory commission expense, city rate case expense, ANPP prudence audit costs, prudence hearing expenses, general advertising expense, line of credit fees, employees transferred to Pasotex Corporation, non-recurring expenses, other O&M expense, miscellaneous expense, deferred O&M expense, deferred Palo Verde Unit 2 lease payments and sale leaseback transaction costs, depreciation expenses, amortization of deferred carrying costs, interest of customer deposits, property taxes, deferred Palo Verde taxes, NRC reactor fee, Texas franchise tax, FICA taxes, Federal income tax expense, Federal income tax expense, sale and leaseback of Palo Verde Unit 2, accounting adjustments to incorporate recommendations of MHB Technical Associates and Ben Johnson Associates, Inc. and revenue surplus with a 50% disallowance of Palo Verde costs.
- Lead Consultant retained by the Illinois Office of Public Counsel to present schedules showing the fixed charge revenue requirement of Byron 1 under two different scenarios: (1) fixed charge revenue requirements based on as-built scenario with an in-service date of October 31, 1985, and (2) a rate base adjustment reflecting the AFUDC method with an in-service date of June 30, 1984 for the Commonwealth Edison Company.
- Project Director in the review and analysis of the filing of Gulf Power Company for a rate increase. The following issues were addressed in testimony by Mr. Larkin: plant in service, depreciation, non-electric plant, unit power sales, CWIP, retail sales, budgeting process, labor costs, plant expenses, transmission line rental, uncollectibles, renovations, and obsolete materials.

Previous Positions

- Employed by the international certified public accounting firm Peat, Marwick, Mitchell and Company from 1963 through 1969. Supervised major audits of the Detroit office.
- Partner in the public accounting firm of Tischler & Lipson, 1969-1970.
- Formed the certified public accounting firm of Larkin, Chapski and Company in 1970 (reorganized in 1982 as Larkin & Associates).

Education

- Bachelor of Science, Accounting, Michigan State University, East Lansing, Michigan, 1960.
- Certified Public Accountant, 1966.
- Continuing professional education necessary to maintain CPA license.

Professional Affiliations

- Michigan Association of Certified Public Accountants.

Resume of Hugh Larkin, Jr., CPA continued

- American Institute of Certified Public Accountants.

References

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RALPH C. SMITH, CPA

Mr. Smith's professional credentials include being a certified financial planner™ professional, a licensed certified public accountant and an attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving gas, telephone, electric, and water and sewer utilities.

Over the past 34 years, Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New York, Nevada, North Dakota, Ohio, Pennsylvania, South Carolina, South Dakota, Texas, Vermont, Washington, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Relevant Regulatory Experience

Following are examples of water carrier, electric, gas, telephone and water regulatory cases in which Mr. Smith has participated.

Electric Cases

- Project Manager in the review of UNS Electric, Inc.'s request for a rate increase. Issues addressed in Mr. Smith's testimony included: Post Test Year Plant Not in Service; Removal of One-Half of Prepaid D&O Insurance; Depreciation and Property Tax Expense on Post Test Year Plant Not in Service; Post Test Year Pay Increases; Rate Case Expense; Incentive Compensation Expense; Injuries and Damages; Directors and Officers' Liability Insurance; Edison Electric Institute and Industry Association Dues; Allocated Cost of TEP's New Headquarters Building to UNSE; Interest Synchronization; Depreciation Rates – Dismantlement Cost; Base Cost of Fuel and Purchased Power; and Purchased Power and Fuel Adjustment Clause.
- Project Manager in the review of Duke Energy Inc.'s request for approval of an ongoing review progress report to reflect costs incurred for its IGCC Generating Facility. Mr. Smith's testimony addressed the Commission ordered refund and carrying costs on ratepayer monies being held by the Company.
- Project Manager in the review of Georgia Power Company's request for a rate increase. Issues in testimony included: ECCR Tariff revenue deficiency; DSM Tariff revenue deficiency, Alternative rate plan (2014-2016) revenue deficiency; Municipal Franchise Fee Tariff; steam and other production O&M expense; transmission and distribution O&M expense; wholesale capacity sales revenue; proceeds from sales of scrap material; cash working capital; miscellaneous items/executive financial planning; property tax; interest synchronization; depreciation expense and reserve; Plant Hammond Mercury and Air Toxins Standards (MATS) Project; Plant Branch depreciation; Plant McDonough Unit 6 depreciation; prepaids and deferred debits; operating reserves and deferred credits; Plant Branch Units 1, 3, and 4 net book value; ADIT for deferred nuclear outage cost; ADIT for Purchase Power Agreement (PPA) levelization; pole attachment revenues; revenue for rental of electric property; SERP expense; pension expense; PSC Staff IRP consultant expense; solar implementation and operating expense; income tax expense – state clean energy credit; hydro tax credit; update SCS allocation factors to use 2012 statistics; GPC charges to Southern Power; stock options and stock based compensation; Southern Company Services (SCS) charges to GPC; Southern Nuclear Company charges to GPC; affiliate PPAs/capital leases with Southern Power Company; GPC charges to other affiliates; GPC charges to Southern Power; GPC charges to Southern Company Services for Atlanta

Resume of Ralph C. Smith, CPA continued

Headquarters Building; GPC charges to SouthernLINC; Section 199 Manufacturing Deduction; FIN 48 uncertain tax positions; performance pay plan; step increase approach; costs resulting from the Plant Bowen incident; and earnings test and earnings sharing.

- Project Manager in Chugach Electric Association, Inc.'s review of its development of the transmission tariff and COSS/Rate Design. Issues in testimony included: Duplication of Revenue Requirement in Chugach's Proposed Rate Schedules T-7 and T-8 with Rate Schedule T-1; "Wheel Through" Transactions; Chugach's Proposed Wheeling Rates; Treatment of Revenue from Off-System Wheeling Transactions; Discounting of Transmission and Ancillary Service Rates; Chugach's Unreliable Test Year Demand Data; Application of Transmission Rates and "Free Rider" Issue; Split Tier; and Changes to the Labor-Based Allocator.
- Project Manager in Potomac Electric Power Company's review of its rate request. Issues in Mr. Smith's testimony included: Increase in base distribution rates; test year ending December 31, 2012, consisting of 12 months of actual results; adjustments to the test year data for known and measurable changes; rate base; cash working capital allowance; lead-lag study; operating expenses; depreciation rates; are Pepco's depreciation rates computed with the appropriate District of Columbia book reserve; is Pepco's accumulated depreciation reserve computed accurately based on D.C.'s jurisdictional amounts; is Pepco correctly recording its gross salvage value in accordance with FERC's uniform system of accounts; net salvage/net removal cost; comparison of Pepco's requested cost of removal for D.C. distribution plant with the amount allowed in Order No. 15710; comparison of Pepco's requested cost of removal with other alternatives; actual cost of removal; evaluation of Pepco's proposed negative net salvage percentages; and rebuttal to Pepco's witness Spanos's June 17, 2013 supplemental testimony.
- Project Manager in the review of Virginia Electric and Power Company's presentation of its prospective revenue requirement. Issues in testimony included: 2011 and 2012 Biennial Review Period Earnings; Prospective Revenue Sufficiency; Correction of Income Tax Expense for Taxable Income Addition for Lobbying Dues; Capital Investment for Five Capacity Up-Rating Projects; July 2011 Impairment Write-Down for emission Allowances; Normalize Nuclear Refueling Outage O&M Expense; Normalize Major Storm Expense; Warren Count CWIP; Conforming Changes to Interest Synchronization; 2010-2011 Long-Term Incentive Plan Performance Award Costs Recorded During 2011 That Exceeded a Payout of 100 Percent; Amortization of Regulatory Asset for 2011-2012 Combined Under-Earnings; and Income Tax Expense.
- Project Manager in the review of Georgia Power Company's 2013 Integrated Resource Plan. Issues in testimony included: Requests for Cost Recovery Should be Addressed in Other Forums Where the Company's Earnings and Risk are Considered, Rather than in the 2013 IRP Proceeding; Georgia Power's Requested Accounting Reclassifications and Amortizations should be Addressed in a Forum Which Considers Georgia Power's Costs and Earnings.
- Project Manager in the review of Duke Energy Inc.'s request for recovery of related costs and credits through its IGCC generating facility cost recovery. Mr. Smith's testimony addressed: Cost of Delay Related to the Company's Requested Revenue Requirement for CWIP-Related Financing Costs/Return on Investment; Cost of Delay Related to the Company's Requested Accrual of AFUDC; Other Costs of Delay; AFUDC Rate of Return; Commission Ordered Refund and Carrying Costs on Ratepayer Monies Being Held by the Company; Portion of Edwardsport that was Placed "In Service" for Federal Income Tax Purposes in August 2012 and Impact on IGCC-10 Period Deferred Income Taxes.
- Project Manager in Potomac Electric Power Company's review of its rate request. Issues in testimony included: Grid Resiliency Surcharge; Vegetation Management/Tree Trimming; Undergrounding of Existing Distribution Lines; Priority Feeder Program; Pepco's Financial Resources/Financing Cost Component; and Incentives and Penalties.

Resume of Ralph C. Smith, CPA continued

- Project Manager in Arizona Public Service Company, Docket No. E-01345-11-0224. Issues addressed in testimony filed by Larkin & Associates included: post test year plant additions end of test year construction work in progress, accumulated depreciation, accumulated deferred income taxes, working capital, cash working capital, other rate base updates, revenues, amortization of deferred pension and OPEB costs, SERP, stock compensation, update adjustment to sync up transformers excluded from the FERC formula rate, forensic investigation of grant funded projects, general advertising expense, property tax expense, depreciation expense, interest synchronization, base cost of fuel and purchased power, payroll expense adjustment, amortization of 2010 severance costs, D&O liability insurance, annual incentive compensation, fossil non plant maintenance expense, EEI dues, depreciation rates, special ratemaking treatment for impact of APS' acquisition of SCE's ownership interest in Four Corners units 4 and 5.
- Project Manager in the review of Tucson Electric Power Company's General Rate Application. Issues addressed by Larkin & Associates included: Sahuarita-Nogales Transmission Line, Working Capital, Cash Working Capital – Lead Lag Study, Prepaid Directors and Officers' Liability Insurance, Fuel Inventory, UniSource Energy Headquarters Building, Sahuarita-Nogales Transmission Line Amortization Expense, Incentive Compensation (PEP) Program Expense, Overhaul and Outage Expense, Interest Synchronization, Base Cost of Fuel and Purchased Power, Rate Case Expense, Directors and Officers' Liability Insurance, Edison Electric Institute and Industry Association Dues, Property Tax Expense, Property Tax and Depreciation Expense – New Headquarters Building, Other Operating Revenue: Reimbursed Operating Expenses for Springerville Units 3 and 4, Springerville Unit 1 Levelized Expense, Day Nite Design Branding/Marketing/General Corporate Advertising, Lime Expense, Depreciation Rates, Post-Test Year Plant, ADIT – Impact of Net Operating Loss Carryforward Attributable to Tax Depreciation, and Green Watts.
- Project Manager in the review of Ohio Power Company and Columbus Southern Power Company's capacity charges. Issues addressed by Larkin & Associates included: Return on Equity and Rate of Return; CWIP; Plant Held for Future Use; Cash Working Capital; Prepayments; ADIT; Operating and Maintenance expense; Payroll and benefits for eliminated positions; AEP 2010 Severance program cost; Income Tax expense; Capacity equalization revenue; Ancillary Services revenue; Energy sales margin and Ancillary Services Receipts; and Proof of service.
- Project Manager in the review of South Carolina Electric & Gas' rate request. Issues addressed by Larkin & Associates included: Electric Weather Normalization Adjustment (E-WNA), Storm Reserve Fund, Storm Insurance Premiums, and Federal Income Tax Expense – Impact from §199 Deduction for Domestic Production Activities.
- Project Manager in the review of Dominion North Carolina Power's rate request. Issues addressed by Larkin & Associates included: Impact of Nucor's recommended rate of return, normalize expense for obsolete inventory write-offs, purchased power demand expenses – adjust for PJM capacity rate, annual incentive plan expense, emission allowance impairment, Bear Garden costs after commercial operation date, costs associated with plant abandonment, Company requested regulatory assets for plant abandonment and emission allowance write-off, voluntary separation program costs, income tax expense – impact of operating expense adjustments, and income tax expense – interest synchronization.
- Project Manager in the review of Commonwealth Edison Company's reconciliation of its formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: ADIT related to operating reserves – accrued vacation pay, merger costs, plant additions for new business and billing determinants, and carrying costs.
- Project Manager in the review of Ameren Illinois Company's reconciliation of its formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: deduct accrued vacation from rate base, FIN-48 – rate base treatment of uncertain tax positions, federal

Resume of Ralph C. Smith, CPA continued

investment tax credit, estimated ADIT impact from tax over book depreciation on 2012 plant additions for bonus tax depreciation, corporate "branding" and E-Store expense, image building advertising – "Focused Energy. For Life", image building corporate sponsorships in Account 930.1, impact of changes in State Corporate Income Tax Rate on deferred State Income Tax expense, use of average calendar year rate base for annual reconciliations, and carrying cost for under- or over-collected balances.

- Project Manager in the review of Duke Energy Inc.'s request for approval of an ongoing review progress report to reflect costs incurred for its IGCC Generating Facility. Issues addressed in testimony include: Total project cost – estimating, recovery and disallowance; cost recovery and disallowance – the timing issue; cost recovery and disallowance – the AFUDC and CWIP issues; accounting, tax and ratemaking implications of in service criteria and timing; and elimination of deferred tax incentive.
- Project Manager in the review of Delmarva Power & Light Company's rate increase request. Issues addressed by Larkin & Associates in testimony included remove CWIP from rate base, cash working capital – revenue collection lag, CWC – expense adjustments, reliability closings – 2011 – accumulated depreciation and ADIT, reliability closings – January 2012 – accumulated depreciation and ADIT, reliability closings – February-June 2012 – accumulated depreciation and ADIT, credit facilities costs, rate case expense, remove AFUDC, uncollectible expense, postage expense, directors and officers liability insurance expense, non-executive incentive expense, pension expense, interest synchronization, expense for new customer information system, reliability investment recovery mechanism, and advance metering infrastructure ratemaking.
- Project Manager in the review of Ameren Illinois Company's formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: deduct accrued vacation from rate base, remove ADIT on deferred compensation, FIN-48 – rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2011 and 2012 plant additions for bonus tax depreciation, "branding" expense, E-Store expense, athletic events expenditures, corporate sponsorship, Edison Electric Institute dues – lobbying expense, interest synchronization, use of average calendar year rate base for annual reconciliations, and carrying cost for under- or over-collected balances.
- Project Manager in the review of Commonwealth Edison Company's formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: accrued vacation expense, ADIT, FIN 48 - rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2011 and 2012 plant additions for bonus tax depreciation, "branding expense", E-store expense, athletic events expenditures, corporate sponsorship, EEI dues-lobbying expense, interest synchronization, and calculation of annual reconciliations.
- Project Manager in the review of Colorado Public Service Company's rate increase request. Issues addressed by Larkin & Associates in testimony included: recovery of deferred costs related to the expiration of the Black Hills Wholesale Power Sales agreement, plant held for future use and corporate aircraft.
- Project Manager in the review of Appalachian Power Company's rate request. Issues addressed by Larkin & Associates in testimony included: plant in service, construction work in progress, accumulated depreciation and amortization, materials and supplies other than coal inventory, customer deposits, accumulated deferred income taxes, coal inventory, cash working capital, accounts receivable factoring, pension asset net or related ADIT, average rate year, net VA retail jurisdictional distribution CWIP additions, capacity equalization payments, incentive compensation, stock based compensation, supplemental executive retirement plan, payroll tax expense, obsolete inventory, severance cost amortization, charitable contributions, interest synchronization, depreciation expense, property tax expense, central machine shop base salaries net of billings to affiliates, administrative expense for AEPSC Washington DC office, miscellaneous 2010 expense over charges, interest on prepaid pension asset, uncollectibles

Resume of Ralph C. Smith, CPA continued

correction of amounts related to off-system sales margin, estimated future emissions allowance sales gain and income tax expense.

- Project Manager and Expert Witness in the review of Hawaiian Electric Company Inc.'s rate filing package. Issues addressed in testimony included: rate base for December 31, 2010 recorded amounts, adjust rate base for revised December 31, 2011 estimated amounts, other rate base components, cash working capital, fully reflect tax savings from major tax accounting change for repairs, vegetation management expense, remove labor expense for positions beyond the test year, generation department vacancies, emission fee, uncollectibles, community service activities expense, income taxes-interest synchronization, depreciation and amortization, depreciation expenses-D&O, customer deposit interest, employee benefits and pensions, average test year employees-vacancy adjustment, O&M associated with capital, A&G capitalization study, electric discount benefit replacement, cost containment measures, AES outside legal and reliability standards working group, bargaining unit wage increase, board of directors fees and expenses, software expense, renewable energy planning, airport distributed generation, environmental management information system, Honolulu Unit 9 overhaul, Kalaeloa and Barbers Point Harbor pipelines, city water, Clean Island Council, etc., and HECO's proposed deferred software cost recovery provision.
- Project Manager in the review of Georgia Power Company's affiliate, income tax, and incentive compensation costs included in its revenue requirement filing. Issues addressed in Mr. Smith's testimony included: affiliate charges to GPC and GPC charges to affiliates, Section 1999 manufacturing deduction, FIN 48 rate base addition for uncertain tax position and incentive compensations.
- Project Manager in the review and verification of preconstruction costs recorded by Mississippi Power Company related to the Kemper County Integrated Gas Combined Cycle plant. Larkin & Associates reviewed a stratified sample of MPC's \$50,470,935 recorded preconstruction costs. Larkin's review revealed that \$4,470,098 of the preconstruction costs were inadequately documented, questionable or inappropriate and recommended removal from the Company's preconstruction regulatory deferral account balance. Some of the costs Larkin recommended removing were related to MPC's service company affiliate Southern Company Services. The Commission adopted Larkin's recommended adjustment in its April 29, 2010 Order.
 - Project Manager in the review of Appalachian Power Company's rate request. Issues addressed by Larkin & Associates in testimony included: prior period accumulated depreciation. Plant held for future use, cash working capital, Amos Unit No. 2 and 3 FGD scrubber facilities, Amos Unit No. 2 reheater and turbine modifications, Wheeling network improvements, prepaid pension asset, payroll annualization, group medical and dental insurance expense, group life insurance expense, group long term disability insurance, incentive compensation, savings plan related to incentive compensation expense, reversal of payroll expense related adjustments, stock-based compensation, supplemental executive retirement plan, executive compensation, normalized pension expense for ratemaking purposes, interest synchronization, depreciation expense related to Amos Unit No. 2 and 3 modifications and wheeling network improvements, test year and projected generation O&M production expense, promotional, institutional and corporate advertising, normalize PJM administrative charges included in base rates, associated business development net margins, consolidated income tax savings adjustment, amortization of severance expense and income tax expense.
- Project Manager in a research project for the Arkansas Public Service Commission Staff regarding innovative approaches to rate base, rate of return ratemaking. Larkin & Associates analysis focused on annual earnings reviews, formula rates, recovery of extraordinary storm damage expenses, plant acquisitions and construction costs of new facilities.
- Project Manager and Expert Witness in the review of Puget Sound Energy's application for an increase in rates. Issues addressed in Mr. Smith's testimony were: Wild Horse Expansion Project, ADIT associated with 2009 Bonus Tax Depreciation associated with the Wild Horse

Resume of Ralph C. Smith, CPA continued

Expansion Project, Tax Benefits of American Recovery and Reinvestment Act ("ARRA"), significant change in tax accounting, pension expense and supplemental executive retirement plan expense.

- Project Manager and Expert Witness in the an investigation of issues presented in Entergy Arkansas, Inc.'s (EAI or Company) proposed Annual Earnings Review Procedure Tariff (Rider AER). Issues discussed in Mr. Smith's testimony included: No Separate Capacity Acquisition Rider, Annual filing and review process, Nature of the Rate Adjustment, Determination of the AER Rate, Reevaluations for the cost rate for common equity, Provisions for Other Rate Changes, Term of Rider AER, Calculation of the Revenue Deficiency or Excess, Rate of Return and other differences.
- Project Manager and Expert Witness in the Investigation of Entergy Arkansas Inc.'s March 2006 Entergy Cost Recovery Rider Annual Update. Mr. Smith provided additional information concerning EAI's dispute with one of the railroads concerning delivery of coal from the Powder River Basin (PRB) in Wyoming to EM'S Arkansas generating plants and comment on other issues raised by the Arkansas Attorney General ("AG") and the Arkansas Electric Energy Consumers, Inc. ("AEEC"). Mr. Smith also addressed the continuation of EAI's Energy Cost Recovery Rider ("ECR") in his testimony.
- Project Manager and Expert Witness in the investigation of issues presented in Entergy Arkansas, Inc.'s (EAI or Company) request for approval of the acquisition of new capacity to serve its retail customers. Mr. Smith's testimony addressed the following issues relevant to this phase of the Docket: Recovery of Capacity Costs and EAI'S proposal for a Capacity Acquisition Rider (Rider CA), EAI'S proposed modification of Rider ECR to include costs for a Long-Term Service Agreement (LTSA).
- Project Manager and Expert Witness in the investigation of selected issues presented in Entergy Arkansas, Inc.'s (EM) rate case application. Mr. Smith's testimony addressed the following issues: Recovery of Capacity Costs and EAI's proposal for a Capacity Management Rider, EAI's Energy Cost Recovery Rider, and Affiliate Charges to EM from Entergy Services, Inc.
- Project Manager and Expert Witness in the review of energy policy issues pertaining to EAI. One of the projects involved a review of EAI's fuel procurement, including the supply of coal to EAI's White Bluff and Independence Steam Electric Station generating units. The Commission established this docket to investigate the Interim Revision to the Energy Cost Recovery Rider filed by Entergy previously in Docket 96-360-U.
- Project Manager in an engagement to address energy policy issues. Larkin & Associates assisted with the preparation of comments before the Commission which included a general discussion of the major issues and some specific recommendations on the Commission's Proposed Resource Planning Guidelines (Guidelines) in the form of a mark-up to those Guidelines.
- Project Manager in the review of Southwest Power Pool's (SPP) Application for a Certificate of Public Convenience and Necessity (CCN) and waiver of certain Arkansas statutes and other issues relating to the operation of SPP as an RTO, including the Cost-Benefit Analysis that SPP submitted in this proceeding. In addition, the project team reviewed the filings of Oklahoma Gas and Electric Company (OG&E), Southwestern Electric Power Company (SWEPCO), and The Empire District Electric Company (Empire) in Docket Nos. 04-111-U, 04-143-U, and 05-132-U, respectively, i.e., to participate in the SPP RTO and transfer functional control of certain transmission assets to SPP which were consolidated with this docket. Testimony filed by Larkin & Associates addressed SPP's request for a CCN and waiver of certain Arkansas Statutes and a discussion of the Cost-Benefit Analysis that SPP submitted and various nonquantitative Factors related to SPP's functioning as an RTO and transfer of functional control of certain transmission assets to SPP.

Resume of Ralph C. Smith, CPA continued

- Project Manager in an engagement to assist the Arkansas General Staff with developing comprehensive resource planning guidelines for electric utilities. Larkin & Associates reviewed comments filed by the other parties before the Federal Energy Regulatory Commission and participated in collaborative meetings with the Public Service Commission Staff
- Project Manager and Expert Witness in Appalachian Power Company's application for an increase in rates. Issues addressed in Mr. Smith's testimony included: self-funded reserve accruals, rate base update, materials and supplies, customers deposits, deferred fuel balance, ADIT, prepaid pension asset, fuel stock inventory, plant held for future use, accounts receivable factoring, mountaineer carbon capture demonstration project, blanket funded capital projects, third-party transmission service revenue, capacity equalization expense, environmental consumables, transmission equalization expense credit, transmission reliability expense, distribution reliability expense, PJM administrative and ancillary fees, emission allowances, Edison Electric Institute dues, obsolete inventory, interest synchronization, New Source Review Settlement, pension expense, interest on customer deposits, depreciation expense, property tax expense, legal expense related to AEP subsidiaries, charitable contributions, stock awards, non-fuel production O&M expense and income tax expense.
- Project Manager and Expert Witness in the review of Hawaiian Electric Company Inc.'s rate filing package. Issues addressed in testimony included: customer information system, cash working capital, accumulated deferred income taxes, general inflation, Ward Base Yard capitalization, vehicle fuel cost, expiring amortization, community service activities expense, income taxes, depreciation and amortization, average test year employees, pension and OPEB cost, normalize research and development expenses, research and development tax credit, FUTA tax reduction, international financial reporting standards, rent expense and emission fees.
- Project Manager and Expert Witness in the review of Arizona Public Service Company's Application for an Interim Increase in rates. Issues addressed in Mr. Smith's testimony in the interim rate relief requested by APS were: criteria for interim rate relief, ordinary regulatory lag does not justify APS' requested interim rate relief, alleged emergency circumstances, whether APS requires an interim rate increase during the processing of its general rate case, an alternative basis for determining an amount of interim rate increase for APS should the Commission be inclined to grant an increase, and rate design.
- Project Manager and Expert Witness in the review of Tucson Electric Power Company's application for a rate increase. Issues addressed in Mr. Smith's testimony included: Depreciation Rates, Plant Held for Future Use, Luna Plant Facility, Luna Plant Facility Accumulated Deferred Income Taxes, "Implementation Cost Regulatory Asset", Working Capital, Fuel Inventory, Accumulated Depreciation and ADIT Related to Cost of Removal, Accumulated Depreciation Related to Unauthorized Depreciation Rate Changes, Miscellaneous Accumulated Deferred Income Tax, Account 190, Other Deferred Credits, Customer Care & Billing System, Springerville Unit 1, Luna Facility Depreciation and Property Tax Expense, San Juan Coal Contract, Bad Debt Expense, Edison Electric Institute Dues, Incentive Compensation, Supplemental Executive Retirement Program Expense, Workers' Compensation Expense, Short-Term Sales, Wholesale Trading Activity, Gain on Sale of SO2 Emission Allowances, Property Tax Expense Interest Synchronization, Depreciation Rates Adjustment, Customer Care & Billing System, Markup Above Cost for Charges from Affiliate, Southwest Energy Services, PPFAC Adjustment, Postage Expense, Miscellaneous Service Revenue, Cash Working Capital, Normalize Affiliate Charges to TEP, Legal Expense Related to Motion to Amend Decision No. 62103, Legal Expense Related to California Proceedings, West Connect Charges Related to Regulatory Asset, Other TEP Changes to Operating Income and Rate Base, Purchased Power and Fuel Adjustment Clause, TEP's Historical Misuse of Previous Fuel Adjustment Mechanism, Staffs Proposed PPFAC, TEP's Proposed PPFAC, Costs to Be Included in the PPFAC, Credits to PPFAC Costs Effective Date for PPFAC, PPFAC Forward-Looking and True-Up Components, Carwing Costs on PPFAC bank balance, Filing and Reporting Requirements, Whether Sharing and Cap Provisions Should be Imposed, and Requirement for Commission approval of PPFAC, rate changes.

Resume of Ralph C. Smith, CPA continued

- Project Manager and Expert Witness in the review of UNS Electric's revenue requirement and selected other issues, including new depreciation rates, and rules and regulation changes proposed by the Company. Issues discussed in Mr. Smith's testimony included construction work-in-process, plant in service addition subject to reimbursement, cash working capital, accumulated deferred income tax, revenue adjustment for CARES discount, depreciation and property taxes for CWIP, depreciation and property taxes for CWIP found to be in service in the test year, fleet fuel expense, postage expense, normalize injuries and damages, incentive compensation, supplemental executive retirement program expense, stock based compensation, property tax expense, rate case expense, Edison Electric Institute Dues, other membership and industry association dues, interest synchronization, depreciation rates correction, emergency bill assistance expense, markup above cost for charges from affiliate, Southwest Energy Services, depreciation rates, changes to purchased power and fuel adjustment clause, and the Company's proposed ratemaking treatment for a new peaking unit, Black Mountain Generating Station.
- Project Manager in a review of the nature of the probable impact of Southwestern Electric Power Company's ("SWEPCO") proposed Hempstead project in Hempstead County, Arkansas. Synapse conducted a number of economic modeling runs and summarized the results in its testimony. Also discussed in testimony were the appropriate carbon dioxide emission allowance prices in use in evaluating proposed electric generation projects.
- Project Manager and Expert Witness in the review of Appalachian Power Company and Wheeling Power Company's rate request. Issues addressed by Larkin & Associates in testimony included: utility plant held for future use, prior period accumulated depreciation, prepayments, cash working capital, inactive to zero usage material and supplies inventory, self funded reserve accruals, rate case related asset retirement obligation adjustments, pole rental expense, remodeling expense, airplane costs, club initiation fees, written off obsolete inventory, incentive compensation, rate case expense, life insurance premiums, public relations expense, Edison Electric Institute Dues, Other Membership Dues, Three-Year Amortization from Loss on Sale of Bluefield and Wheeling Office Buildings, Amortization of Deferred RTO Formation, Service Company Billings, Institutional Advertising Expense, Interest on Customer Deposits, Expanded Net Energy Cost (ENEC), T&D Management, Consolidated Income Taxes, Interest Synchronization, Depreciation & Amortization Related to Asset Retirement Obligations, Maintenance of Boiler Plant Account 512, Maintenance of Electric Plant Account 513, and Income Tax Expense.
- Project Manager and Expert Witness in Delmarva Power and Light Company's Application for Approval of a Change in Electric Distribution Base Rates and Miscellaneous Tariff Changes. Mr. Smith's testimony focuses on Delmarva's proposed depreciation rates for Distribution Plant. Issues addressed in testimony included: objective of depreciation expense, book depreciation expense, depreciable utility plant, accumulated depreciation, impact on the company's revenue requirement, negative net salvage, FAS 143 regulatory liability, remaining life depreciation, whole life depreciation rate, excessive depreciation rate, asset retirement obligations (AROs), FERC Order 631, cost of removal, plant in service, five-year average net salvage allowance approach, and five year rolling average.
- Project Manager and Expert Witness in a review of Arizona Public Service Company's (APS) application for an emergency interim rate increase. Issues addressed in Mr. Smith's testimony included: the \$776.2 million cap on recovery of fuel and purchased power expenses, the emergency relief requested by APS and whether APS is experiencing a "financial emergency", and whether requirements should be placed on the Company as conditions for approval of all or part of its emergency request, operation of the PSA as it relates to APS' request for an emergency rate increase.
- Project Manager for Larkin & Associates, acting as a subcontractor to Energy Ventures Analysis, Inc. on the Financial and Management/Performance Audit of the Fuel and Purchased Power Rider of the Cincinnati Gas & Electric Company (CG&E). Larkin & Associates performed the Financial Audit portion of the project covering CG&E's quarterly FPP filings for January through

Resume of Ralph C. Smith, CPA continued

June 2005, in a joint report dated October 7, 2005, and Mr. Smith sponsored Chapter 5 of the report in expert testimony at hearings before the Public Utilities Commission of Ohio on November 1, 2005.

- Project Manager of a multi-firm and multi-disciplinary team investigating fuel procurement of Entergy Arkansas, Inc. on behalf of the Arkansas Public Service Commission Staff. Primary focus of the investigation is on coal procurement of EAI's White Bluff and Independence Steam Electric Stations.
- Project Manager of a multi-firm and multi-disciplinary team investigating issues involving the proposed transfer of operational control of transmission facilities by the Arkansas PSC jurisdictional utilities to the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) including evaluation of the SPP's cost-benefit study and individual utility information.
- Project Manager in the review of a series of Fuel Cost Recovery (FCR) Allowance filings by Georgia Power Company (GPC). Issues addressed by Mr. Smith in his testimony included: Projected Fuel Costs, Projected Recovery of Fuel Costs from Wholesale Customers, Opportunity Energy Sales Profits, Financing Costs, Projected Retail Sales for the Test Period, Derivation of the New FCR Rate, Significant Unplanned Outages and Cost of Replacement Power, GPC's Gas and Oil Hedging Program, the Amount of Fuel and Purchase Power Cost GPC Is Requesting, and the Projection Period Used By GPC.
- Project Manager in the review of a series of Fuel Cost Recovery (FCR) Allowance filings by Savannah Electric & Power Company (SEPCO). Issues addressed in Mr. Smith's testimony included: the Company's Proposed FCR Allowance, Financing Charges, Deferred Fuel Balance and Amortization Period, Fuel Transloader, SEPCO's Gas Hedging Program, the Amount of Fuel and Purchase Power Cost SEPCO Is Requesting, Other Non-Fuel Costs, Coal Cost Increases, The Projection Period Used By SEPCO, SEPCO's Request for Clarification of NOX Allowances, and SEPCO's Residential Rate Differential Proposal.
- Project Manager the review of the rate case reopener for Connecticut Light & Power Company. Issues addressed in Mr. Smith's brief included: CL&P's claim for unrecognized pension gain, Incentive Compensation, and Affiliate Rent Expense.
- Project member in a project where Larkin & Associates was retained by the New Jersey Department of Law and Public Safety to assist in submitting comments to the Environmental Protection Agency regarding the EPA's proposed rule published on December 31, 2002 at 67 Federal Register 80290 entitled, "Prevention of Significant Deterioration (PSD) and Non-attainment New Source Review (NSR): Routine Maintenance, Repair and Replacement." L&A assisted the NJ Department of Law with research and drafting of the comments submitted to the EPA.
- Project Manager the Traditional Standard Offer reopener case for Connecticut Light & Power Company. Issues addressed in Mr. Smith's brief included: Specific Corrections to CL&P's Filing and Mitigation Measures Recommended by OCC, Financing Costs Should Be Calculated on Net-of-Tax Balances, the Cost Rate CL&P Uses To Compute Financing Charges Is Too High, the Devon 7 and 8 RMR Costs Included By CL&P for 2005 Were for a Contract that Terminated on September 30, 2004, and Should Be Removed, CL&P's Current 2005 Sales Forecast Should Be Used to Develop 2005 Rates, the CTA Rate Should Be Temporarily Reduced To the Level Needed To Finance Rate Reduction Bonds, the 2004 CTA and SBC Over-Recoveries Should Be Used to Mitigate the Rate Increase, the Distribution Over-Earnings for 2004 Should Be Used to Mitigate the Rate Increase Scheduled for May 1, 2005 When An Existing CTA Credit Expires, CL&P's Deferred 2003 FMCC Costs and Under-Collected Nonbypassable 2004, FMCC Costs Should Not Be Allowed Into Rates Until Such Costs Are Audited, CL&P Has Access to Financing Necessary to Finance OCC's Recommended Mitigation Measures, the Increase in FMCCs Should Be Subject To A Detailed Review, CL&P's Rates Should Not Be Increased At This Time For Additional RMR Contracts Filed at FERC That Have Not Yet Been Approved, the Proper Use

Resume of Ralph C. Smith, CPA continued

of the EAC Requires Distinct Procedural and Substantive Requirements which the Department Has Not Met, the DPUC Should Examine CL&P's TSO Energy Procurement Process More Closely, and CL&P's Latest Request for a Transmission Rate "Tracker" Should Be Rejected.

- Project Manager in the review of South Carolina Electric & Gas Company's Application for an Increase in its Electric Rates and Charges. A brief submitted by Mr. Smith on behalf of the Department of the Navy addressed the following issues: the Company's request for retail rate recovery of GridSouth costs, fossil fuel inventory, long-term disability (FAS 112) amortization, annualize account 924, A&G expense-property insurance, new internal positions for compliance with new NERC standards, and levelized allowance for other major maintenance expense.
- Project Manager in an engagement where Larkin & Associates assisted the Arkansas Public Service Commission Staff with developing comprehensive resource planning guidelines for electric utilities. Larkin & Associates reviewed comments filed by the other parties before the Federal Energy Regulatory Commission and participated in collaborative meetings with the Public Service Commission Staff.
- Participated in a project where Larkin & Associates was retained by the New Jersey Department of Law and Public Safety to assist in submitting comments to the Environmental Protection Agency regarding the EPA's proposed rule published on December 31, 2002 at 67 Federal Register 80290 entitled, "Prevention of Significant Deterioration (PSD) and Non-attainment New Source Review (NSR): Routine Maintenance, Repair and Replacement." L&A assisted the NJ Department of Law with research and drafting of the comments submitted to the EPA.
- Project Manager in the proceeding involving Southern California Edison Company's (E-3338-E) Application for Authority to Institute a Rate Stabilization Plan with a Rate Increase and End of Rate Freeze tariffs, Docket No. 00-11-038, Pacific Gas and Electric Company's Emergency Application to Adopt a Rate Stabilization Plan, Docket No. 00-11-056, and The Utility Reform Network's Petition for Modification of Resolution E-3527, Docket No. 00-10-028. Testimony submitted by Mr. Smith addressed whether it was reasonable to provide the utilities further interim rate relief based on the outcome of the auditors' (KPMG and Barrington-Wellesley Group) reports and the reasonableness of using net generation revenues to offset the procurement cost and appropriate tracking of transition cost through the TCBA and TRA.
- Project Member in the review of Connecticut Light & Power Company's request for an amendment in rates for the period 2004 through 2007. Issues specifically addressed in testimony included: adjustments to CL&P's proposed initiatives, deferred assets, Storm Damage Accrual reserves, working capital, revenues, recovery of six specific items identified by the Company as exogenous costs under its Incentive Rate Plan. Larkin & Associates testimony first addressed the appropriate definition and specific qualifications for items to be considered as exogenous costs under the Company's incentive rate plan. The testimony then addressed the following six specific items for which the Company was requesting an increase in rates for exogenous cost recovery: uncollectible expense, pension expense, other post retirement benefit expense, personal property taxes, raise in Connecticut Corporate Business Tax rate and Three-Way Payment Plan deferrals.
- Project Manager in the review of Chesapeake Electric Corporation's application for approval of a cost accounting manual and code of conduct. Mr. Smith submitted testimony summarizing his conclusions regarding the Company's code of conduct and cost accounting manual as well as a recommended code of conduct and a suggested corporate organizational structure for study and evaluation by the Company.
- Project Manager in United Illuminating Company's rate case. Larkin & Associates was retained by the Connecticut Office of Consumer Counsel to address the calculation of the revenue requirement and adjustments to the calculations of rate base and net operating income presented in UI's filing. Larkin & Associates also addressed the sharing proportions that should be applied if the Department adopts a multi-year rate plan for UI in this proceeding. Issues discussed in

Resume of Ralph C. Smith, CPA continued

testimony included rate plan, over-earnings sharing proportions, subsidiary income tax expense, starting point for 2002 rate year rate base, customer deposits, materials and supplies, rate-a-meter timers, injuries and damages reserve, severance expense, rate case expense, other O&M expense increase, ADIT on pension liability and Bad Debt reserve, accrued vacation and related ADIT, Steel Point remediation, depreciation expense, income tax expense correction, interest synchronization, property tax expense, accelerated amortization.

- Project Manager in the review of Georgia Power Company's application to increase the fuel cost recovery allowance. Mr. Smith analyzed financing charges, recovery of deferred fuel balance, amortization period, major factors which contributed to an increase in the deferred balance, adjustments to the deferred balance to be amortized, GPC fuel and purchased power cost projection, cost of summer energy strips, coal and gas cost increases, change in intercompany interchange contract and other changes in GPC's filing.
- Project Manager in the review of Savannah Electric & Power Company's application to increase the fuel cost recovery allowance. Mr. Smith investigated financing charges, recovery of deferred fuel balance, amortization period, major factors which contributed to an increase in the deferred balance, adjustments to the deferred balance to be amortized, SEPC fuel and purchased power cost projection, cost of summer energy strips, gas cost increases, gas cost volatility, change in intercompany interchange contract and other changes in SEPC's filing.
- Project Manager in the review of Georgia Power Company's M&S inventory. Mr. Smith reviewed monthly reports, issued data requests, reviewed responses to data requests, had discussions with Staff, and reviewed an inventory turnover analysis prepared by Staff under our direction. Mr. Smith issued a report discussing relevant issues including: Turnover Analysis – Follow Through on Zero and Low Turnover Inventories (Fossil Plant Inventories, Nuclear Inventories, CT and Hydro Inventory), and Inventory Sharing/Transactions With Affiliates. Two reports were issued to Staff. Portions of the analysis became the basis for adjustments to the M&S balance in a GPC rate case.
- Project Manager in the investigation of GPC/SEPC's fuel and purchased power procurement practices. The analysis included testing FCR cost calculations and following up on differences discovered, investigating GPC/SEPC coal and gas purchases, investigating purchased power including summer energy strips, system purchases, and off-system purchases, off system sales, coal and gas price increases, gas price volatility, and changes to system agreements. We are also reviewing the results of Staff conducted analyses (SEPC/GPC FCR rates used on bills, invoices, intern prepared calculations), and investigating other issues from FCR cases and GPC rate cases affecting fuel and purchase power cost, and the exclusion of non-retail items, etc.
- Project Manager in the review of Upper Peninsula Power Company's application for a Supply Cost Recovery Plan and Authorization of Monthly Power Supply Cost Recovery Factors for the Calendar Year 2001. Testimony presented by Mr. Smith addressed projected hydro generation, replacement power for a hydro unit outage, economic dispatch and various reductions to the Company's proposed 2001 power costs, affiliated purchase power contracts, and recommendations concerning competitive bidding procedures for power purchases.
- Project Manager in the review of Wisconsin Public Service Corporation's application for a Supply Cost Recovery Plan and Authorization of Monthly Power Supply Cost Recovery Factors for the Calendar Year 2001. Mr. Smith's testimony addressed adjustments to the energy loss factor, additional coal costs for new coal contracts, forecast and historical analysis of hydro plant generation, and DOE Decontamination and Decommissioning Expense.
- Project Manager in the review of SEPC's proposal for a natural gas procurement and natural gas/oil risk management program to reduce and manage exposure to gas price volatility. Mr. Smith investigated issues including hedging, physical purchases versus financial instruments, and the benefits of hedging, limits on hedging activities, and incentives to promote effective

Resume of Ralph C. Smith, CPA continued

hedging. After a number of rounds of discussions, SEPC revised its hedging proposal to address Staff's concerns and resubmitted a hedging proposal that Staff endorsed.

- Project Manager in the review of Citizens Utilities Company, Kauai Electric Division's rate filing package as it relates to the operating income, rate base, and overall revenue requirement in this case. Larkin & Associates formulated an opinion concerning the reasonableness of amounts included within the Company's application for rate increases. Special emphasis was placed on addressing deferrals made by the Company as a result of a major hurricane, Hurricane Iniki. Hurricane related deferrals addressed in testimony include: AFUDC on Restoration plant; AFUDC rate, cut-off date and on inventory; Iniki related bonuses; shareholder responsibility for restoration plant; deferred expenses; lost gross margins; uncollectibles; joint pole contributions; and accumulated deferred income taxes. Non-hurricane related issues addressed in testimony include: other operating revenues; DSM/IRP expenses on related sales reductions; payroll; incentive compensation; benefits; non-pension postretirement benefits; training expense - Target: Excellence; internal legal and audit costs; rate case expense; administrative office charges; rent expense; disaster recovery inventory; accounts payable related to materials and supplies; and check clearing lag in cash working capital.
- Project Manager in the analysis of Consolidated Edison Company. We were responsible for summarizing all of CPB's proposed adjustments. Mr. Smith addressed and incorporated adjustments on the following issues: Mid-Hudson Generating Site; Accumulated Depreciation; Materials & Supplies projection; Plant Held for Future Use; Accumulated Deferred Income Taxes; Cash Working Capital; labor cost projection and productivity offset; Management Incentive Compensation; Strike Contingency cost; General Escalation and inflation rates used; Alliance for a New New York (ANNY) expense; ratemaking treatment for Indian Point Steam Generators; Con Edison's proposals for accelerated amortization of Plant; ratemaking treatment for the Net Unrecovered Cost of Certain Generating Units; Payroll Taxes; Environmental Protection Agency (EPA) Auction Proceeds; Write-Off of Obsolete M&S; Site Remediation/environmental expense; Real Estate Taxes; Employee Welfare Expenses; Nuclear Decommissioning cost estimates and current expense levels; Unbilled Revenue; Miscellaneous Expenses; IPP Purchases and NUG Buy-Outs; Federal Income Tax Audit Adjustments; and Amortization of Excess Taxes Accrued.
- Project Manager in the review of Central Maine Power Company. Mr. Smith addressed the following issues: Rate Base; Cash Working Capital; O&M Expense Lag; Net Operating Income; Severance Payments; Incentive Compensation; Directors' Pension Plan Expense; Retirement of Company Officer; Employee Residences; Advertising Expense; Miscellaneous Expenses; Edison Electric Institute Dues.
- Project Manager in the review of Metropolitan Edison Company. Larkin & Associates was hired by the Pennsylvania OCA to review Metropolitan Edison Company's (Met-Ed) request to increase its rates. We prepared testimony supporting adjustments to Met-Ed's rate base, including: plant held for future use; plant in service; construction work in progress; materials and supplies; and fuel inventories. We recommended adjustments to net operating income, including: non-pension postretirement benefits; charitable contributions; EEI dues; payroll expense; employee benefits; pilot customer assistance program; and depreciation expense.
- Project Manager in the review of Long Island Lighting Company. Larkin & Associates provided comprehensive technical and consulting assistance to the New York Consumer Protection Board ("CPB") in analyzing issues relating to a request for a \$114.6 million increase in electric rates filed by the Long Island Lighting Company ("LILCO" or "Company"). Our review focused heavily on O&M expenses, such as R&D, other employee compensation, insurance, payroll inflation, and property tax expense. In addition, we reviewed rate base issues including plant in service, accumulated depreciation, fuel inventory, and accumulated deferred income taxes.
- Project Manager retained by the Department of the Navy and all Other Federal Executive Agencies to assist in the development of comments related to the Transition Costs of Nevada's Vertically Integrated Electric Utilities. Mr. Smith was responsible for analyzing and commenting

Resume of Ralph C. Smith, CPA continued

on types of potential transition costs such as generation assets, qualifying facilities contracts and renewable resource generation, assets associated with potentially competitive services, regulatory assets and liabilities, corporate structure and organization, allocation issues, implementation costs and workforce impacts due to restructuring. Larkin & Associates also analyzed and rendered comments on the following issues: determining recoverable costs, accounting issues and methods of cost recovery.

- Project Manager in the review of revenue requirement issues presented in the June 1998 filing by Georgia Power Company (GPC). Issues addressed in testimony included: accelerated amortization of gain/loss on reacquired debt, accelerated amortization of vacation pay "regulatory asset", accelerated amortization of OPEB "regulatory asset", depreciation expense, revenues based on sales forecast, uncollectibles expense, contract labor, Year 2000 Project expense, non-recurring costs charged to GPC from affiliates, performance divided plan, performance pay plan and performance incentive plan, Commission-ordered adjustments, expiring amortizations, rate case expense normalization, promotional load building program, Rocky Mountain pumped storage plant disallowance, payroll tax expense, cash working capital and interest synchronization.
- Project Manager in the review of revenue requirement issues relative to the financial and operational review of Connecticut Light & Power Company (CL&P) by the Department of Public Utility Control. Based upon the analysis performed, Larkin & Associates adjusted for the removal of the Millstone replacement power and a number of other above average expenses. After applying a reasonable rate of return, it was apparent that CL&P had a substantial excess revenue. Issues addressed in testimony included: Millstone replacement power and outage related expenses, Millstone non-used and useful plant, transmission repair costs, EPRI dues, telephone expense, sales promotion expense, normalization of management audit cost, outside services expense, pension expense, fuel inventory build-up related to Millstone outages, Connecticut State corporation income tax reduction and interest synchronization. Larkin & Associates' review in this case resulted in the Company having to file a rate case.
- Project Manager in the review of Delaware Electric Cooperative's Restructuring Plan for Retail Competition. Larkin & Associates was retained by the Delaware Public Service Commission (DPSC) to provide consulting services to the Hearing Examiner of the DPSC. Duties included: review of filings and briefs of the parties, review of the transcript of the hearing, summarize the positions of the parties, and assist in the preparation of the Hearing Examiners Report.
- Project member in the review of Delmarva Power & Light's billing system conversion problems. Consulting services were provided to the Hearing Examiner of the Delaware Public Service Commission. Relevant issues addresses included: compensation and economic damages to customers, proration, arbitration procedures. Non-economic issues included: "reaching back" problem, budget plans, tariff rates on bills, high bill parameters, PriceWaterhouseCoopers audit report, payment posting sequence, emergency phone number, issue list, lost customers, walk-in offices, and a summit for unresolved issues.
- Project Manager retained by Delaware Public Service Commission to assist the Hearing Examiner in his review of Delmarva Power & Light Company's application seeking approval of a Cost Accounting Manual and Code of Conduct. These proposals recognized the expansion of Delmarva and/or its affiliates into competitive markets. Larkin & Associates reviewed these proposals to ensure that the procedures would prevent cross-subsidization of Delmarva's competitive ventures by its regulated business and that Delmarva's status as a regulated utility would afford its competitive activities no unfair advantages in competitive markets. Additional responsibilities included summarizing all testimony filed by Delmarva and other parties, summarizing the issues for the Hearing Examiner, attending the hearing and developing bench requests and drafting the technical sections of the Commission Order.
- Larkin & Associates was retained by the Department of the Navy to participate in several phases of the California electric industry restructuring proceedings. Mr. Smith presented expert written

Resume of Ralph C. Smith, CPA continued

testimony in Phases 1 and 2 of the proceedings. Phase 1 discussed the appropriate definition of items to be included in the Transition Costs in general terms and discussed certain qualifications that should be placed on the determination of market valuation and items to be included in the transition costs. Phase 2 addressed company specific items which the utilities sought to include in the statement of eligible transition costs, addressing both the appropriateness of inclusion of certain items along with actual calculations. Testimony also addressed whether the items for which the utilities were seeking recovery through the transition charges met the requirements set forth in prior phases, previous Commission statements and Assembly Bill 1890 of the California legislature.

- Project Leader in the electric industry restructuring proceedings in Arizona on behalf of the Navy and Department of Defense. Mr. Smith's testimony addressed several issues in regards to competition in the provision of retail electric service throughout the state of Arizona. The questions addressed included: Should the electric competition rules be modified regarding stranded costs and, if so, how? When should "Affected Utilities" be required to make a stranded cost filing? What costs should be included as part of stranded costs and how should these costs be calculated? Should there be a limitation on the time frame over which stranded costs are calculated? Should there be a limitation on the recovery time frame for stranded costs? Should there be a true-up mechanism and, if so, how should it be calculated? Should there be price caps or a rate freeze imposed as part of the development of a stranded cost recovery program and, if so, how should it be calculated? What factors should be considered for "mitigation" of stranded costs? Mr. Smith prepared testimony in regards to these issues and provided recommendations for each.
- Project Manager in Larkin & Associates' analysis of PECO Energy Company's application, including its testimony, exhibits and workpapers. Mr. Smith presented testimony on behalf of the Navy representing the Department of Defense and all other Federal Executive Agencies to address PECO Energy Company's claim for stranded costs, competitive transition charge ("CTC") and adjustments to PECO's claimed amounts. Also addressed PECO's mitigation efforts and the need for additional mitigation to reduce PECO's stranded cost claim and the CTC included in the Company's filing. Specific stranded cost issues addressed include: net investment in existing generating plants, SFAS No. 109 deferred tax asset, nuclear design basis documentation, Limerick & Peach Bottom Chemistry systems, FAS 106 and Pension (FAS 87) over and underfunding, compensated absences, nuclear decommissioning and fossil plant decommissioning. We also addressed the following in testimony: accounts receivable financing, adjusted return for stranded generation-related assets, reserve accounts, market valuation, depreciation reserve shift and mitigation efforts.
- Larkin & Associates was retained to provide technical assistance to the Residential Utility Consumer Office, and subsequently by the Arizona Corporation Commission Staff, by performing a comprehensive analysis of the application filed by Citizens Utilities Company and its affiliates that requested an alteration to the Arizona Corporation Commission's Decision No. 58360, and requests approval of Citizens' proposed procedure for computing an Allowance for Funds Used During Construction ("AFUDC") and for accrual of AFUDC on unspent balances of Industrial Development Revenue Bond funding, pursuant to FERC Accounting Release No. 13 ("AR-13"). It was our responsibility to assess an appropriate method of computing AFUDC for Citizens. Our review thoroughly analyzed Citizen's proposed method of accruing AFUDC and AR-13 costs, and resulted in proposing preferable alternatives from the perspective of CUC's ratepayers. Mr. Smith testified in this case.
- Key project team member in Larkin & Associates' review of Citizens Utilities Company, Arizona Electric Division's request for an increase in rates. Specific issues addressed in Mr. Smith's testimony included: construction work in progress; Stamford Administrative Office common plant balance; materials and supplies; cash working capital; accumulated deferred income taxes; demand side management costs; revenue annualizations; purchased power costs; payroll expense; incentive compensation; employee benefits expense; FAS 106 expense; property taxes; rate case expense; CARES program; Target: Excellence expense; insurance expense; injuries

Resume of Ralph C. Smith, CPA continued

and damages expense; rent expense; Stamford Administrative Office expenses; Phoenix Administrative Office expense; lump sum pension expense; uncollectible accounts expense; income tax expense and investment tax credit amortization. Mr. Smith also addressed Citizens' purchased power and fuel adjustment clause.

- Key project team member in the review of specific issues pertinent to Entergy Gulf States' filing for an increase in base rates. Specifically, Larkin & Associates was retained to review costs directly charged and allocated by Entergy Services, Inc. (ESI) and Entergy Operations, Inc. (EOI) to Entergy Gulf States. ESI and EOI are nonregulated affiliates of Entergy Gulf States. In addition, Larkin & Associates was retained to review the weather normalization adjustment calculated by Entergy Gulf States.

Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, Mr. Smith was involved in utility regulatory consulting, tax planning and research for businesses and individuals, tax return preparation and review, independent auditing, review and preparation of financial statements. Installed computerized accounting system for a realty management firm.

Education

- Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.
- Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.
- Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.
- Continuing education required to maintain CPA license and CFP certificate.
- Received CPA certificate in 1981 and certified Financial Planning certificate in 1983.
- Admitted to Michigan and Federal bars in 1986.
- Certified Rate of Return Analyst (CRRRA) 1995

Professional Affiliations

- Michigan Association of Certified Public Accountants, Committee on Management Consulting Services.
- Michigan Bar Association
- American Bar Association, sections on public utility law and taxation
- Society of Utility and Regulatory Financial Analysts

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HELMUTH W. SCHULTZ, III, CPA

Helmuth W. ("Bill") Schultz, a certified public accountant and management consultant, was employed with Larkin & Associates' predecessor firm, Larkin, Chapski & Company, in 1975. He is presently a Larkin & Associates partner and, as such, is responsible for all the accounting and much of the auditing work done by the firm. Mr. Schultz has evaluated numerous issues affecting regulated public utilities including capital structure, cost of capital, rate base, sales, fuel and purchased power expenses, O&M expenses, taxes of all types, and management controls over operations and expenses. He has made projections in the areas of sales, required generation, capital structure, rate base, overhead, O&M expenses, taxes, and cost of debt.

Mr. Schultz had performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, counties and consumer groups concerning regulatory matters before regulatory agencies in Alaska, Arizona, California, Connecticut, Florida, Georgia, Iowa, Kentucky, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New York, Nevada, North Dakota, Ohio, Pennsylvania, Texas, Vermont, and Virginia. Mr. Schultz has testified as an expert witness in numerous regulatory proceedings.

Relevant Regulatory Experience

Following are examples of electric, gas, telephone and water regulatory cases in which Mr. Schultz has participated.

Electric Cases

- Project team member in Potomac Electric Power Company's review of its rate request. Issues in Mr. Schultz's testimony included: accumulated depreciation of historical plant; general and/or specific projects completed in the test year; reliability projects completed in the test year; post-test year additions; ADIT; bonus tax depreciation; impacts of District of Columbia and federal tax regulation; operating expenses; payroll; and employee health and welfare.
- Project Manager and Expert Witness in the review of Progress Energy Florida's application for an increase in rates. Issues addressed in Mr. Schultz's testimony included: nuclear fuel balance, storm reserve accrual and reserve balance, ARO adjustment working capital, compensation, incentive pay, employee benefits, rate case expense, transmission O&M expense, distribution O&M expense, power operations O&M expense, directors and officers liability insurance, injuries and damages expense adjustment, budget analysis, O&M expense productivity adjustment and other OPC witness adjustments.
- Project Manager and Expert Witness in the review of Consolidated Edison's application for an increase in rates. Mr. Schultz's testimony addressed the following issues: labor, other compensation expense, payroll tax expense, employee welfare expense, directors' and officers' liability insurance expense, substation operations O&M programs, system & transmission O&M programs, electric operations O&M programs, shared services, customer operations, interference costs, escalation and austerity.
- Project Member in the review of Tampa Electric Utility's application for a rate increase. Issues addressed by Mr. Schultz included: payroll, benefits, incentive compensation, D&O liability, tree trimming, pole inspections, transmission inspections, substation preventive maintenance, generation maintenance, rate case expense and office supplies.
- Project Member in the review of United Illuminating Company's application for an increase in distribution rates. Issues addressed in testimony included Incremental CL&M investment, Central Facility, compensation expense, employee benefits, corporate costs, line clearance, professional services, legal services, audit and accounting expense, allocated A&G, insurance expense, reconnect service fees, security and safety expense, customer service expense, data security expense, distribution advertising expense, membership dues, uncollectibles, facility rent expense, postage increase, travel, education and training expense.

Resume of Helmuth W. Schultz III, CPA, continued

- Project Member in the review of Consolidated Edison's application for a rate increase. Mr. Schultz and Ms. (DeRonne) Ramas' testimony addressed the following issues: labor, employee welfare expense, insurance, MGP/Superfund, substation operations O&M programs, substation & transmission O&M programs, electric operations O&M programs, facilities expense, customer operations, steam operations, interference costs, storm costs, escalation and plant-in-service retirements.
- Project Member in the review of Connecticut Light & Power Company's application for an increase in rates. Issues addressed in testimony included: storm reserve and incremental expense, insurance expense, tree trimming, overhead maintenance, underground maintenance, payroll, employee and officer compensation, employee benefits, supplemental retirement 401(k) expense, non supplemental retirement 401(k) expense, payroll tax expense, and property tax expense.
- Project Member in the review of United Illuminating Company's application for an increase in distribution rates for the four year period, 2006 through 2009. Issues addressed in testimony included gross revenue conversion factor, additions to plant in service, central facility, compensation expense, medical expense, dental expense, 401(k) expense, pension expense, OPEB-Medical expense, training expense, storm expenses & reserve, DOL insurance, sublease income, membership dues, postage, advertising expense, line clearance expense, outside services-environmental costs, income tax expense, and earnings sharing plan.
- Project Manager in the rate investigation ordered by the Board in Docket No. 6946 and the rate increase requested by Central Vermont Public Service Corporation in Docket No. 6988. Issues addressed in testimony included rate base, accumulated depreciation, accumulated deferred income tax, deferred costs, power costs, unbilled revenues, payroll, payroll tax expense, medical expense, 401(k) expense, income tax expense, gross revenue and fuel gross receipts tax, uncollectible expense, regulatory commission expense, CATV pole attachment revenues, sale of CVEC, safety training costs, directors and officers liability insurance, service contract, cost savings from capital additions, department penalty, and miscellaneous expense.
- Project Manager in the review of Citizens Communications Company to sell its Vermont Electric Division (VED) distribution assets and portion of its transmission assets to the Vermont Electric Cooperative, Inc. Larkin & Associates was also retained to review Vermont Electric Cooperative, Inc.'s (VEC) petition to seek authority for the issuance of financing and related transactions necessary to effectuate the acquisition. Larkin & Associates performed a detailed review of the purchase and sale agreement and a detailed review of the stand alone financial forecasts of VEC and VED, a consolidated financial forecast and a Schedule of Assets to be Acquired. The focus was largely on the reasonableness of the projections along with the ability of VEC to cover its costs and debt without negatively impacting the ratepayers or requiring an increase in existing rates. The project included extensive participation in settlement discussions regarding terms of the sale with a focus on the protection of the utility's customers.
- Project Member in a review of the 2004 Cost of Service Application of San Diego Gas and Electric Company as it pertained to the Company's electric operations. Issues addressed in testimony included: miscellaneous revenues, employee level and compensation, pensions, employee benefits, directors and officers liability insurance, workers compensation, injuries and damages, accumulated deferred income taxes, customer advances for construction, capitalization policy changes and allocated corporate center costs.
- Project Member in the review of Connecticut Light & Power Company's request for an amendment in rates for the period 2004 through 2007. Issues specifically addressed in testimony included: adjustments to CL&P's proposed initiatives, deferred assets, Storm Damage Accrual reserves, working capital, revenues, recovery of six specific items identified by the Company as exogenous costs under its Incentive Rate Plan. Larkin & Associates testimony first addressed the appropriate definition and specific qualifications for items to be considered as exogenous

Resume of Helmuth W. Schultz III, CPA, continued

costs under the Company's incentive rate plan. The testimony then addressed the following six specific items for which the Company was requesting an increase in rates for exogenous cost recovery: uncollectible expense, pension expense, other post retirement benefit expense, personal property taxes, raise in Connecticut Corporate Business Tax rate and Three-Way Payment Plan deferrals.

- Project Manager in a review of Citizens Utility Company's compliance with specific terms of probation established by the State of Vermont Public Service Commission. As part of the project, Larkin & Associates reviewed compliance with specific probation terms and reviewed the Special Master's reports and work products on behalf of the Department of Public Service. Larkin & Associates testimony addressed specific non-compliance with project cost terms, accuracy of accounting records, adequacy of invoices and other documentation in support of the accounting records, probation related costs and the associated accounting, and cost allocations.
- Project Member in the review of a request by PacifiCorp for an increase in rates. As part of the analysis, Larkin & Associates also reviewed and addressed the Company's request to modify the test year provisions that had long been adopted and approved by the Commission. This case settled prior to filing testimony; however, schedules and exhibits were completed and submitted in order to facilitate settlement negotiations. Larkin & Associates was actively involved in the settlement discussions. Issues addressed by Larkin & Associates in our exhibits and schedules include: major plant additions including a transmission replacement and upgrade program, accounts receivable from associated company, cash working capital, increased revenues from system expansion and upgrade, change in method of accounting for unbilled revenues, normalization of overhaul expense, payroll expense including employee level impacts, incentive compensation, employee benefits, costs of canal failure, depreciation on retired assets, write-off of canceled projects, insurance expense, property taxes, IRS audit settlement adjustments, and amortization of costs associated with early retirement of Company owned coal mine.
- Project Member in a review of the rate increase requested by Central Vermont Public Service Corporation. Issues addressed in testimony included adjustments to operating income: corrections agreed to by CVPS, payroll expense, payroll tax expense, medical expense, capital expense, regulatory commission expense, Y2K cost amortization, Hydro Quebec Ice Storm Arbitration Costs, and income tax expense, and adjustment to rate base: utility plant in service (production plant, transmission plant, distribution plant, facility plant, information systems plant, and communication plant), and working capital.
- Project Manager in Citizens Utilities Company, Docket No. 6596. Larkin & Associates was retained by the Vermont Department of Public Service to review the Company's application for a rate increase. Issues addressed in testimony included: an overall financial summary, accounting concerns, rate base (interim accumulated depreciation, rate year accumulated depreciation, used and useful, deferred income taxes, deferred costs, IRP Twenty Year Plan, PCB Costs, 1999 Windstorm and Hurricane Floyd costs, HQ Arbitration, Working capital), operating income (revenue adjustments, SAO expense, DAO expense, PSO expense, Rate Case Expense, Legal and Regulatory, Income Tax Expense, Tree Trimming) and summary of accounting problems.
- Project Manager in the review of the rate increase requested by the Gulf Power Company. Issues addressed in testimony included: an overall financial summary, Plant in service, Working Capital Adjustments (coal inventory, deferred return on third floor, Third Floor Corporate office), Budgeted test year expenses, payroll fringe benefits and payroll taxes, incentive compensation, production operation and maintenance expense, distribution expenses (cable inspection, substation maintenance, tree trimming, pole inspection, light maintenance), Property insurance, customer accounts, customer records, and rate case expense.
- Project Member in a review of the application of PacifiCorp for approval of its proposed electric rate schedules and electric service regulations. Issues addressed in testimony included: incentive compensation, payroll, pensions/post-retirement benefits, working capital, Bridger Coal Company Rate Base, Environmental Settlements, Revenue Normalization Correction, Distribution

Resume of Helmuth W. Schultz III, CPA, continued

Expense Correction, Accounting Write-Offs, Assets under construction write-off, Cholla Assets Under Construction Write-Off, Additional Assets Under Construction Written Off, Obsolete Inventory Write-Offs/Reserve, FERC Contingency Write-Off, Blue Sky Program, Stoeel Rives Pricing Settlement, Transition Team Costs, Miscellaneous Outside Service Expense, Annualization of Contract Cost Savings, Dave Johnston (Glenrock) mine closure, systems applications and products software (SAP), re-engineering, 1997 computer software write-down, Company's proposed 1999 software write-off, uncollectible expense, and potential updates (pending additional information from the Company).

- Key project team member and expert witness in the review of the rate case filing of Connecticut Light & Power Company. The Company was required to file a rate case as a result of the findings of a four year review of the Company's earnings in which it was determined that the Company was over-earning. Recommended a substantial reduction to the Company's rates. Issues specifically addressed in testimony included: problems inherent in Company's budgeting and forecasting methodologies; revenue calculation; sales margins; gain on sales of land; fiber cable revenues; payroll; employee benefits; incentive compensation; consulting fees; telephone expense; employee legal settlements; D&O liability insurance; advertising; demonstration and selling expense; EPRI dues; inflation; depreciation expense; decommissioning costs; and income taxes.
- Key project team member in the analysis of the submission of PacifiCorp dba Utah Power & Light Company's semi-annual report for the year ended December 31, 1997. Recommended a reduction in UP&L's rates, along with a recommended refund of past over-earnings, as the revenues collected during 1997 were set as interim by the Utah legislature. Larkin & Associates filed testimony on the following issues: refund calculation methodology; out-of-period adjustments for a future mine closure, mine reclamation costs, software write-down, re-engineering program, future dam removal and computer mainframe write-downs; plant held for future use; cash working capital; prepaid interest; employee costs including payroll, incentive compensation, FAS 112 and FAS 106; advertising; solar amortization; environmental settlement handled by an affiliated company; uncollectibles; relocation expense; black lung excise taxes; property taxes; and income taxes. Mr. Schultz testified as an expert witness in this case.
- Key project team member in addressing revenue requirement issues presented in the June 1998 filing by Georgia Power Company (GPC). Issues addressed by the project team included: accelerated amortization of gain/loss on reacquired debt, accelerated amortization of vacation pay "regulatory asset", accelerated amortization of OPEB "regulatory asset", depreciation expense, revenues based on sales forecast, uncollectibles expense, contract labor, Year 2000 Project expense, non-recurring costs charged to GPC from affiliates, performance divided plan, performance pay plan and performance incentive plan, Commission-ordered adjustments, expiring amortizations, rate case expense normalization, promotional load building program, Rocky Mountain pumped storage plant disallowance, payroll tax expense, cash working capital and interest synchronization.
- Key project team member in the review of the revenue requirement aspects of the Application for Approval of Alternative Regulatory Plan presented by Virginia Electric Power Company. Conducted a review of Virginia Power's 1995 and 1996 earnings. Determined that the Company received excess earnings in each of those years. Mr. Schultz's review resulted in a recommended refund of past over-earnings and a recommended reduction in the Company's rates. Mr. Schultz also recommended accounting methods to be employed during a proposed three-year rate freeze period. Adjustments which impacted revenue requirement were addressed in the following areas: projected plant-in-service; deferred capacity expense; payroll; incentive compensation; vision 2000 plan cost savings; employee benefits including pensions and OPEB; outside directors' stock accumulation plan; lost margins on wholesale sales; EVANTAGE affiliate allocations; credit support payments from affiliates; lease expense; advertising; storm damage; dues expense; outside consulting fees; depreciation expense; and deferred capacity mechanism. The case was ultimately settled subsequent to the filing of direct testimony. The settlement

Resume of Helmuth W. Schultz III, CPA, continued

resulting in a significant rate decrease, substantial refunds and an alternative regulatory plan incorporating rate freeze provisions.

- Project team member retained by the Department of the Navy to analyze PECO's application, including its testimony, exhibits and workpapers. We analyzed PECO Energy Company's ("PECO") claim for stranded costs, competitive transition charge ("CTC") and adjustments to PECO's claimed amounts. Mr. Schultz investigated PECO's mitigation efforts and the need for additional mitigation to reduce PECO's stranded cost claim and the CTC included in the Company's filing. Specific stranded cost issues addressed include: net investment in existing generating plants, FAS No. 109 deferred tax asset, nuclear design basis documentation, Limerick & Peach Bottom Chemistry systems, FAS 106 and Pension over and under-funding, compensated absences, nuclear decommissioning and fossil plant decommissioning. Larkin & Associates also addressed the following in testimony: accounts receivable financing, adjusted return for stranded generation-related assets, reserve accounts, market valuation, depreciation reserve shift and mitigation efforts.
- Project Manager in the review of a general rate case filed by Green Mountain Power Corporation ("GMP"). Issues addressed by Mr. Schultz in testimony include: payroll expense; incentive compensation; employee benefits; relocation costs; non-recurring wind project costs; preliminary survey and investigation charges; shareholder services; reserve account correction; FERC headwater amortization; transmission interconnection amortization; depreciation expense; amortizations; rent expense; income taxes; CWIP; plant additions; injuries and damages/health insurance reserves; and working capital.
- Project Manager and expert witness in Larkin & Associates' review of Citizens Utilities Company, Vermont Electric Division's compliance filing before the Vermont Public Utilities Board. Responsible for analyzing rate base and net operating income issues, quantifying adjustments, and writing testimony. Specific issues addressed in testimony included: land donation; Demand Side Management costs; deferred income taxes; materials & supplies; working capital; weather normalization; industrial revenues; payroll; employee benefits including medical, pension, nonpension postretirement benefits, incentive compensation and 401(k); Stamford and Harvey Administrative costs allocated to Vermont; Target: Excellence; relocation costs; acquisition costs; cost savings; advertising expense; property taxes and uncollectibles. The case resulted in a substantial reduction in the Company's rates and the Company being put on probation in the Vermont jurisdiction.
- Key project team member in the analysis of the Consolidated Edison Company's rate filing. Mr. Schultz analyzed issues including: Mid-Hudson Generating Site; accumulated depreciation, Material and supplies projection, plant held for future use, accumulated deferred income taxes, cash working capital, labor cost projection and productivity offset, management incentive compensation, strike contingency cost, general escalation and inflation rates used, Alliance for a New New York (ANNY) expense, ratemaking treatment for Indian Point Steam Generators, Con Edison's proposals for accelerated amortization of Plant, ratemaking treatment for the net unrecovered cost of certain generating units, payroll taxes, Environmental Protection Agency (EPA) auction proceeds, write-off of obsolete M&S, site remediation/environmental expense, real estate taxes, employee welfare expenses, nuclear decommissioning cost estimates and current expense levels, unbilled revenues, miscellaneous expenses, IPP purchases and NUG Buy-Outs, Federal income tax audit adjustment, and amortization of excess taxes accrued.
- Project Manager in the review of the cost of service and rate base analysis of the Green Mountain Power Corporation. Specific issues addressed included: budget variances, post-retirement benefits, power costs, advertising, plant additions, CWIP in rate base, investments in affiliates and the appropriateness of the amortization and rate base treatment of various projects and demand-side management programs,

Resume of Helmuth W. Schultz III, CPA, continued

Education

- Bachelor of Science in Accounting, Ferris State College, 1975.
- Certified Public Accounting Certificate, 1980.
- Continuing education required to maintain CPA license.

Professional Affiliations

- Michigan Association of Certified Public Accountants

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MARK S. DADY, CPA

As a certified public accountant and regulatory consultant with Larkin & Associates, Mr. Dady, has performed in-depth analyses of numerous utility cases, involving electric, gas, telephone and water and sewer utilities. As such, Mr. Dady assists with the review and analysis of regulatory filings, prepares computer spreadsheets and models, prepares discovery requests and performs accounting and regulatory research.

Relevant Regulatory Experience

Following are examples of recent electric, gas, telephone and water regulatory cases in which Mr. Dady has participated.

Electric Cases

- Project team member in the review of Georgia Power Company's request for a rate increase. Issues in testimony included: ECCR Tariff revenue deficiency; DSM Tariff revenue deficiency, Alternative rate plan (2014-2016) revenue deficiency; Municipal Franchise Fee Tariff; steam and other production O&M expense; transmission and distribution O&M expense; wholesale capacity sales revenue; proceeds from sales of scrap material; cash working capital; miscellaneous items/executive financial planning; property tax; interest synchronization; depreciation expense and reserve; Plant Hammond Mercury and Air Toxins Standards (MATS) Project; Plant Branch depreciation; Plant McDonough Unit 6 depreciation; prepaids and deferred debits; operating reserves and deferred credits; Plant Branch Units 1, 3, and 4 net book value; ADIT for deferred nuclear outage cost; ADIT for Purchase Power Agreement (PPA) levelization; pole attachment revenues; revenue for rental of electric property; SERP expense; pension expense; PSC Staff IRP consultant expense; solar implementation and operating expense; income tax expense – state clean energy credit; hydro tax credit; update SCS allocation factors to use 2012 statistics; GPC charges to Southern Power; stock options and stock based compensation; Southern Company Services (SCS) charges to GPC; Southern Nuclear Company charges to GPC; affiliate PPAs/capital leases with Southern Power Company; GPC charges to other affiliates; GPC charges to Southern Power; GPC charges to Southern Company Services for Atlanta Headquarters Building; GPC charges to SouthernLINC; Section 199 Manufacturing Deduction; FIN 48 uncertain tax positions; performance pay plan; step increase approach; costs resulting from the Plant Bowen incident; and earnings test and earnings sharing.
- Project team member in Potomac Electric Power Company's review of its rate request. Issues in testimony included: Increase in base distribution rates; test year ending December 31, 2012, consisting of 12 months of actual results; adjustments to the test year data for known and measurable changes; rate base; cash working capital allowance; lead-lag study; operating expenses; depreciation rates; are Pepco's depreciation rates computed with the appropriate District of Columbia book reserve; is Pepco's accumulated depreciation reserve computed accurately based on D.C.'s jurisdictional amounts; is Pepco correctly recording its gross salvage value in accordance with FERC's uniform system of accounts; net salvage/net removal cost; comparison of Pepco's requested cost of removal for D.C. distribution plant with the amount allowed in Order No. 15710; comparison of Pepco's requested cost of removal with other alternatives; actual cost of removal; evaluation of Pepco's proposed negative net salvage percentages; and rebuttal to Pepco's witness Spanos's June 17, 2013 supplemental testimony.
- Project team member in the review of Appalachian Power Company rate request. Issues discussed in testimony by Larkin & Associates included: self-funded reserve accruals, prepayments, rate base update, prepaid pension asset, inactive or zero usage materials & supplies inventory, accumulated deferred income taxes, deferred fuel balance, off-system sales margin, customer revenues for growth, interest on customer deposits, donations, written off obsolete inventory, rate case expense, environmental consumable and allowances, depreciation expense, public relations expense, Edison electric institute dues, other membership dues, service company billings, interest synchronization, adjustment to income tax expense for parent company debt, vegetation management program expense, vehicle fuel expense, normalize remodeling expense, estimated property tax increases and income tax expense.

Resume of Mark S. Dady, CPA, continued

- Project team member in the review of Appalachian Power Company and Wheeling Power Company's rate request. Issues addressed by Larkin & Associates in testimony included: utility plant held for future use, prior period accumulated depreciation, prepayments, cash working capital, inactive to zero usage material and supplies inventory, self funded reserve accruals, rate base related asset retirement obligation adjustments, pole rental expense, remodeling expense, airplane costs, club initiation fees, written off obsolete inventory, incentive compensation, rate case expense, life insurance premiums, public relations expense, Edison Electric Institute Dues, Other Membership Dues, Three-Year Amortization from Loss on Sale of Bluefield and Wheeling Office Buildings, Amortization of Deferred RTO Formation, Service Company Billings, Institutional Advertising Expense, Interest on Customer Deposits, Expanded Net Energy Cost (ENEC), T&D Management, Consolidated Income Taxes, Interest Synchronization, Depreciation & Amortization Related to Asset Retirement Obligations, Maintenance of Boiler Plant Account 512, Maintenance of Electric Plant Account 513, and Income Tax Expense.
- Key Project Member for Larkin & Associates, acting as a subcontractor to Energy Ventures Analysis, Inc. on the Financial and Management/Performance Audit of the Fuel and Purchased Power Rider of the Cincinnati Gas & Electric Company (CG&E) following the merger with Cinergy creating Duke Energy Ohio. Larkin & Associates performed the Financial Audit portion of the project covering CG&E's quarterly FPP filings for January through June 2005 (Phase I), in a joint report dated October 7, 2005, and Mr. Smith sponsored Chapter 5 of the report in expert testimony at hearings before the Public Utilities Commission of Ohio on November 1, 2005 (Phase II).
- Project Member in the review of a request by PacifiCorp for an increase in rates. As part of the analysis, Larkin & Associates also reviewed and addressed the Company's request to modify the test year provisions that had long been adopted and approved by the Commission. This case settled prior to filing testimony; however, schedules and exhibits were completed and submitted in order to facilitate settlement negotiations. Larkin & Associates was actively involved in the settlement discussions. Issues addressed by Larkin & Associates in our exhibits and schedules include: major plant additions including a transmission replacement and upgrade program, accounts receivable from associated company, cash working capital, increased revenues from system expansion and upgrade, change in method of accounting for unbilled revenues, normalization of overhaul expense, payroll expense including employee level impacts, incentive compensation, employee benefits, costs of canal failure, depreciation on retired assets, write-off of canceled projects, insurance expense, property taxes, IRS audit settlement adjustments, and amortization of costs associated with early retirement of Company owned coal mine.
- Project Member in the review of Connecticut Light & Power Company's request for an amendment in rates for the period 2004 through 2007. Issues specifically addressed in testimony included: adjustments to CL&P's proposed initiatives, deferred assets, Storm Damage Accrual reserves, working capital, revenues, recovery of six specific items identified by the Company as exogenous costs under its Incentive Rate Plan. Larkin & Associates testimony first addressed the appropriate definition and specific qualifications for items to be considered as exogenous costs under the Company's incentive rate plan. The testimony then addressed the following six specific items for which the Company was requesting an increase in rates for exogenous cost recovery: uncollectible expense, pension expense, other post retirement benefit expense, personal property taxes, raise in Connecticut Corporate Business Tax rate and Three-Way Payment Plan deferrals.
- Project team member in United Illuminating Company's rate case. Larkin & Associates was retained by the Connecticut Office of Consumer Counsel to address the calculation of the revenue requirement and adjustments to the calculations of rate base and net operating income presented in UI's filing. Larkin & Associates also addressed the sharing proportions that should be applied if the Department adopts a multi-year rate plan for UI in this proceeding. Issues discussed in testimony included rate plan, over-earnings sharing proportions, subsidiary income tax expense, starting point for 2002 rate year rate base, customer deposits, materials and

Resume of Mark S. Dady, CPA, continued

supplies, rate-a-meter timers, injuries and damages reserve, severance expense, rate case expense, other O&M expense increase, ADIT on pension liability and Bad Debt reserve, accrued vacation and related ADIT, Steel Point remediation, depreciation expense, income tax expense correction, interest synchronization, property tax expense, accelerated amortization.

- Project team member in the review of Citizens Utilities Company's application for a rate increase. Issues addressed in testimony included: an overall financial summary, accounting concerns, rate base (interim accumulated depreciation, rate year accumulated depreciation, used and useful, deferred income taxes, deferred costs, IRP Twenty Year Plan, PCB Costs, 1999 Windstorm and Hurricane Floyd costs, HQ Arbitration, Working capital), operating income (revenue adjustments, SAO expense, DAO expense, PSO expense, Rate Case Expense, Legal and Regulatory, Income Tax Expense, Tree Trimming) and summary of accounting problems.

Education

- Davenport University, Dearborn, MI
Bachelor of Business Administration: Accounting
March 2001 - Graduated with high honors
- Walsh College, Troy, MI
Master of Science: Accounting, December 2006
- Certified Public Accounting Certificate, 2007

References

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TINA MILLER

Ms. Miller is a staff accountant and regulatory analyst with Larkin & Associates. Since joining the firm in 1999, Ms. Miller has worked on a diverse range of regulatory projects under the supervision of senior members of the firm. As such, Ms. Miller prepares discovery requests, produces spreadsheets and models, assists with the review and analysis of regulatory filings, and performs regulatory and accounting research.

Relevant Regulatory Experience

Following are examples of recent electric, gas, telephone and water regulatory cases in which Ms. Miller has participated.

Electric Cases

- Project team member in Potomac Electric Power Company's review of its rate request. Issues in testimony included: Increase in base distribution rates; test year ending December 31, 2012, consisting of 12 months of actual results; adjustments to the test year data for known and measurable changes; rate base; cash working capital allowance; lead-lag study; operating expenses; depreciation rates; are Pepco's depreciation rates computed with the appropriate District of Columbia book reserve; is Pepco's accumulated depreciation reserve computed accurately based on D.C.'s jurisdictional amounts; is Pepco correctly recording its gross salvage value in accordance with FERC's uniform system of accounts; net salvage/net removal cost; comparison of Pepco's requested cost of removal for D.C. distribution plant with the amount allowed in Order No. 15710; comparison of Pepco's requested cost of removal with other alternatives; actual cost of removal; evaluation of Pepco's proposed negative net salvage percentages; rebuttal to Pepco's witness Spanos's June 17, 2013 supplemental testimony; accumulated depreciation of historical plant; general and/or specific projects completed in the test year; reliability projects completed in the test year; post-test year additions; ADIT; bonus tax depreciation; impacts of District of Columbia and federal tax regulation; payroll; and employee health and welfare.
- Project Member in the review of United Illuminating Company's application for an increase in distribution rates. Issues addressed included Incremental CL&M investment, Central Facility, compensation expense, employee benefits, corporate costs, line clearance, professional services, legal services, audit and accounting expense, allocated A&G, insurance expense, reconnect service fees, security and safety expense, customer service expense, data security expense, distribution advertising expense, membership dues, uncollectibles, facility rent expense, postage increase, travel, education and training expense.
- Project Member in the a research project for the Arkansas Public Service Commission Staff regarding innovative approaches to rate base, rate of return ratemaking. Larkin & Associates analysis focused on annual earnings reviews, formula rates, recovery of extraordinary storm damage expenses, plant acquisitions and construction costs of new facilities.
- Project Member in the review of Tampa Electric Company's request for an increase in rates. Issues addressed included: transmission base rate adjustment clause, annualization of plant-in-service, plant in service projections, CIS upgrades, dredging O&M amortization, plant held for future use, construction work in progress, working capital, storm damage accrual, uncollectible expense, and capital structure. Issues addressed by Mr. Schultz included: payroll, benefits, incentive compensation, D&O liability, tree trimming, pole inspections, transmission inspections, substation preventive maintenance, generation maintenance, rate case expense and office supplies.
- Project Member in the review of Cinergy Corporation's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.

Resume of Tina Miller, continued

- Project Member in the review of American Electric Power Company's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project Member in the review of Duke Energy Corporation's accounting expenditures for construction projects in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.
- Project team member in a review of the application of PacifiCorp for approval of its proposed electric rate schedules and electric service regulations. Issues analyzed included: incentive compensation, payroll, pensions/post-retirement benefits, working capital, Bridger Coal Company Rate Base, Environmental Settlements, Revenue Normalization Correction, Distribution Expense Correction, Accounting Write-Offs, Assets under construction write-off, Cholla Assets Under Construction Write-Off, Additional Assets Under Construction Written Off, Obsolete Inventory Write-Offs/Reserve, FERC Contingency Write-Off, Blue Sky Program, Stoel Rives Pricing Settlement, Transition Team Costs, Miscellaneous Outside Service Expense, Annualization of Contract Cost Savings, Dave Johnston (Glenrock) mine closure, systems applications and products software (SAP), re-engineering, 1997 computer software write-down, Company's proposed 1999 software write-off, uncollectible expense, and potential updates (pending additional information from the Company).
- Project team member in an investigation of over-earnings by the Connecticut Light & Power Company. Issues analyzed included: over-earning standards, cause of over earnings, treatment of over-earnings, impact of over-earnings on conditions of NU/ConEd Merger, and the Company's proposed initiatives.
- Project team member in the review of Wisconsin Public Service Corporation's application for a Supply Cost Recovery Plan and Authorization of Monthly Power Supply Cost Recovery Factors for the Calendar Year 2001. Ms. Miller assisted by analyzing issues such as additional coal costs for new coal contracts, forecast and historical analysis of hydro plant generation, and reviewing company material.
- Key project team member in the review of Delaware Electric Cooperative's Restructuring Plan for Retail Competition. Larkin & Associates was retained by the Delaware Public Service Commission (DPSC) to provide consulting services to the Hearing Examiner of the DPSC. Duties included: review of filings and briefs of the parties, review of the transcript of the hearing, summarize the positions of the parties, and assist in the preparation of the Hearing Examiners Report.
- Key project member in the review of Delmarva Power & Light's billing system conversion problems. Consulting services were provided to the Hearing Examiner of the Delaware Public Service Commission. Relevant issues addresses included: compensation and economic damages to customers, proration, arbitration procedures. Non-economic issues included: "reaching back" problem, budget plans, tariff rates on bills, high bill parameters, PriceWaterhouseCoopers audit report, payment posting sequence, emergency phone number, issue list, lost customers, walk-in offices, and a summit for unresolved issues. Duties included: review of filings and briefs of the parties, review of the transcript of the hearing, summarize the positions of the parties, and assist in the preparation of the Hearing Examiners Report.
- Project team member in the review of Delmarva Power & Light's application for Approval of a Cost Accounting Manual and a Code of Conduct. Ms. Miller assisted by reviewing filings, transcripts, The Cost Accounting Manual, Code of Conduct, and summarizing the positions of the parties, and assisting in the preparation of the Hearing Examiners Report.

Resume of Tina Miller, continued

- Key project team member in the review of Chesapeake Utilities Corporation application for Approval of a Cost Accounting Manual and a Code of Conduct. Ms. Miller reviewed filings, responses to data requests, the proposed Cost Accounting Manual, and proposed Code of Conduct. She also assisted in drafting a revised Code of Conduct and testimony.

Education

- Walsh College - Novi, MI
- Eastern Michigan University - Ypsilanti MI.
Bachelor of Business Administration: Accounting
April 1996

References

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JILL ZHAO, CPA

Jill Zhao is a certified public accountant and a staff accountant/regulatory analyst with Larkin & Associates, PLLC. As such, Ms. Zhao prepares discovery requests, produces spreadsheets and models, assists with the review and analysis of regulatory filings, and performs regulatory and accounting research.

Relevant Regulatory Experience

Following are examples of electric, gas, and water regulatory cases in which Ms. Zhao has participated.

Electric Cases

- Project team member in the review of UNS Electric's request for a rate increase. Issues in testimony included: Post Test Year Plant Not in Service; Removal of One-Half of Prepaid D&O Insurance; Depreciation and Property Tax Expense on Post Test Year Plant Not in Service; Post Test Year Pay Increases; Rate Case Expense; Incentive Compensation Expense; Injuries and Damages; Directors and Officers' Liability Insurance; Edison Electric Institute and Industry Association Dues; Allocated Cost of TEP's New Headquarters Building to UNSE; Interest Synchronization; Depreciation Rates – Dismantlement Cost; Base Cost of Fuel and Purchased Power; and Purchased Power and Fuel Adjustment Clause.
- Project team member in the review of Georgia Power Company's request for a rate increase. Issues in testimony included: ECCR Tariff revenue deficiency; DSM Tariff revenue deficiency, Alternative rate plan (2014-2016) revenue deficiency; Municipal Franchise Fee Tariff; steam and other production O&M expense; transmission and distribution O&M expense; wholesale capacity sales revenue; proceeds from sales of scrap material; cash working capital; miscellaneous items/executive financial planning; property tax; interest synchronization; depreciation expense and reserve; Plant Hammond Mercury and Air Toxins Standards (MATS) Project; Plant Branch depreciation; Plant McDonough Unit 6 depreciation; prepaids and deferred debits; operating reserves and deferred credits; Plant Branch Units 1, 3, and 4 net book value; ADIT for deferred nuclear outage cost; ADIT for Purchase Power Agreement (PPA) levelization; pole attachment revenues; revenue for rental of electric property; SERP expense; pension expense; PSC Staff IRP consultant expense; solar implementation and operating expense; income tax expense – state clean energy credit; hydro tax credit; update SCS allocation factors to use 2012 statistics; GPC charges to Southern Power; stock options and stock based compensation; Southern Company Services (SCS) charges to GPC; Southern Nuclear Company charges to GPC; affiliate PPAs/capital leases with Southern Power Company; GPC charges to other affiliates; GPC charges to Southern Power; GPC charges to Southern Company Services for Atlanta Headquarters Building; GPC charges to SouthernLINC; Section 199 Manufacturing Deduction; FIN 48 uncertain tax positions; performance pay plan; step increase approach; costs resulting from the Plant Bowen incident; and earnings test and earnings sharing.
- Project team member in Chugach Electric Association, Inc.'s review of its development of the transmission tariff and COSS/Rate Design. Issues in testimony included: Duplication of Revenue Requirement in Chugach's Proposed Rate Schedules T-7 and T-8 with Rate Schedule T-1; "Wheel Through" Transactions; Chugach's Proposed Wheeling Rates; Treatment of Revenue from Off-System Wheeling Transactions; Discounting of Transmission and Ancillary Service Rates; Chugach's Unreliable Test Year Demand Data; Application of Transmission Rates and "Free Rider" Issue; Split Tier; and Changes to the Labor-Based Allocator.
- Project team member in the review of Virginia Electric and Power Company's presentation of its prospective revenue requirement. Issues in testimony included: 2011 and 2012 Biennial Review Period Earnings; Prospective Revenue Sufficiency; Correction of Income Tax Expense for Taxable Income Addition for Lobbying Dues; Capital Investment for Five Capacity Up-Rating Projects; July 2011 Impairment Write-Down for emission Allowances; Normalize Nuclear Refueling Outage O&M Expense; Normalize Major Storm Expense; Warren Count CWIP;

Resume of Jill Zhao, CPA, continued

Conforming Changes to Interest Synchronization; 2010-2011 Long-Term Incentive Plan Performance Award Costs Recorded During 2011 That Exceeded a Payout of 100 Percent; Amortization of Regulatory Asset for 2011-2012 Combined Under-Earnings; and Income Tax Expense.

- Project team member in the review of Georgia Power Company's 2013 Integrated Resource Plan. Issues in testimony included: Requests for Cost Recovery should be Addressed in Other Forums Where the Company's Earnings and Risk are Considered, Rather than in the 2013 IRP Proceeding; Georgia Power's Requested Accounting Reclassifications and Amortizations should be Addressed in a Forum Which Considers Georgia Power's Costs and Earnings.
- Project team member in Appalachian Power Company, Docket No. PUE-2011-00037. Issues addressed in testimony filed by Larkin & Associates included: plant in service, construction work in progress, accumulated depreciation and amortization, materials and supplies other than coal inventory, customer deposits, accumulated deferred income taxes, coal inventory, cash working capital, accounts receivable factoring, pension asset net or related ADIT, average rate year, net VA retail jurisdictional distribution CWIP additions, capacity equalization payments, incentive compensation, stock based compensation, supplemental executive retirement plan, payroll tax expense, obsolete inventory, severance cost amortization, charitable contributions, interest synchronization, depreciation expense, property tax expense, central machine shop base salaries net of billings to affiliates, administrative expense for AEPSC Washington DC office, miscellaneous 2010 expense over charges, interest on prepaid pension asset, uncollectibles correction of amounts related to off-system sales margin, estimated future emissions allowance sales gain and income tax expense.
- Project team member in Arizona Public Service Company, Docket No. E-01345-11-0224. Issues addressed in testimony filed by Larkin & Associates included: post test year plant additions end of test year construction work in progress, accumulated depreciation, accumulated deferred income taxes, working capital, cash working capital, other rate base updates, revenues, amortization of deferred pension and OPEB costs, SERP, stock compensation, update adjustment to sync up transformers excluded from the FERC formula rate, forensic investigation of grant funded projects, general advertising expense, property tax expense, depreciation expense, interest synchronization, base cost of fuel and purchased power, payroll expense adjustment, amortization of 2010 severance costs, D&O liability insurance, annual incentive compensation, fossil non plant maintenance expense, EEI dues, depreciation rates, special ratemaking treatment for impact of APS' acquisition of SCE's ownership interest in Four Corners units 4 and 5.
- Project Team Member in the review of Tucson Electric Power Company's General Rate Application. Issues addressed by Larkin & Associates included: Sahuarita-Nogales Transmission Line, Working Capital, Cash Working Capital – Lead Lag Study, Prepaid Directors and Officers' Liability Insurance, Fuel Inventory, UniSource Energy Headquarters Building, Sahuarita-Nogales Transmission Line Amortization Expense, Incentive Compensation (PEP) Program Expense, Overhaul and Outage Expense, Interest Synchronization, Base Cost of Fuel and Purchased Power, Rate Case Expense, Directors and Officers' Liability Insurance, Edison Electric Institute and Industry Association Dues, Property Tax Expense, Property Tax and Depreciation Expense – New Headquarters Building, Other Operating Revenue: Reimbursed Operating Expenses for Springerville Units 3 and 4, Springerville Unit 1 Levelized Expense, Day Nite Design Branding/Marketing/General Corporate Advertising, Lime Expense, Depreciation Rates, Post-Test Year Plant, ADIT – Impact of Net Operating Loss Carryforward Attributable to Tax Depreciation, and Green Watts.
- Project Team Member in the review of South Carolina Electric & Gas' rate request. Issues addressed by Larkin & Associates included: Electric Weather Normalization Adjustment (E-WNA),

Resume of Jill Zhao, CPA, continued

Storm Reserve Fund, Storm Insurance Premiums, and Federal Income Tax Expense – Impact from §199 Deduction for Domestic Production Activities.

- Project team member in the review of Dominion North Carolina Power's rate request. Issues addressed by Larkin & Associates included: Impact of Nucor's recommended rate of return, normalize expense for obsolete inventory write-offs, purchased power demand expenses – adjust for PJM capacity rate, annual incentive plan expense, emission allowance impairment, Bear Garden costs after commercial operation date, costs associated with plant abandonment, Company requested regulatory assets for plant abandonment and emission allowance write-off, voluntary separation program costs, income tax expense – impact of operating expense adjustments, and income tax expense – interest synchronization.
- Project team member in the review of Commonwealth Edison Company's reconciliation of its formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: ADIT related to operating reserves – accrued vacation pay, merger costs, plant additions for new business and billing determinants, and carrying costs.
- Project team member in the review of Ameren Illinois Company's reconciliation of its formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: deduct accrued vacation from rate base, FIN-48 – rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2012 plant additions for bonus tax depreciation, corporate "branding" and E-Store expense, image building advertising – "Focused Energy. For Life", image building corporate sponsorships in Account 930.1, impact of changes in State Corporate Income Tax Rate on deferred State Income Tax expense, use of average calendar year rate base for annual reconciliations, and carrying cost for under- or over-collected balances.
- Project team member in the review of Delmarva Power & Light Company's rate increase request. Issues addressed by Larkin & Associates in testimony included remove CWIP from rate base, cash working capital – revenue collection lag, CWC – expense adjustments, reliability closings – 2011 – accumulated depreciation and ADIT, reliability closings – January 2012 – accumulated depreciation and ADIT, reliability closings – February-June 2012 – accumulated depreciation and ADIT, credit facilities costs, rate case expense, remove AFUDC, uncollectible expense, postage expense, directors and officers liability insurance expense, non-executive incentive expense, pension expense, interest synchronization, expense for new customer information system, reliability investment recovery mechanism, and advance metering infrastructure ratemaking.
- Project team member in the review of Ameren Illinois Company's formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: deduct accrued vacation from rate base, remove ADIT on deferred compensation, FIN-48 – rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2011 and 2012 plant additions for bonus tax depreciation, "branding" expense, E-Store expense, athletic events expenditures, corporate sponsorship, Edison Electric Institute dues – lobbying expense, interest synchronization, use of average calendar year rate base for annual reconciliations, and carrying cost for under- or over-collected balances.
- Project team member in the review of Commonwealth Edison Company's formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: accrued vacation expense, ADIT, FIN 48 - rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2011 and 2012 plant additions for bonus tax depreciation, "branding expense", E-store expense, athletic events expenditures, corporate sponsorship, EEL dues-lobbying expense, interest synchronization, and calculation of annual reconciliations.

Resume of Jill Zhao, CPA, continued

- Project team member in the review of Colorado Public Service Company's rate increase request. Issues addressed by Larkin & Associates in testimony included: recovery of deferred costs related to the expiration of the Black Hills Wholesale Power Sales agreement, plant held for future use and corporate aircraft.
- Project team member in the review of Appalachian Power Company's rate request. Issues addressed by Larkin & Associates in testimony included: plant in service, construction work in progress, accumulated depreciation and amortization, materials and supplies other than coal inventory, customer deposits, accumulated deferred income taxes, coal inventory, cash working capital, accounts receivable factoring, pension asset net or related ADIT, average rate year, net VA retail jurisdictional distribution CWIP additions, capacity equalization payments, incentive compensation, stock based compensation, supplemental executive retirement plan, payroll tax expense, obsolete inventory, severance cost amortization, charitable contributions, interest synchronization, depreciation expense, property tax expense, central machine shop base salaries net of billings to affiliates, administrative expense for AEPSC Washington DC office, miscellaneous 2010 expense over charges, interest on prepaid pension asset, uncollectibles correction of amounts related to off-system sales margin, estimated future emissions allowance sales gain and income tax expense.
- Project team member in the review of Hawaiian Electric Company Inc.'s rate filing package. Issues addressed in testimony included: rate base for December 31, 2010 recorded amounts, adjust rate base for revised December 31, 2011 estimated amounts, other rate base components, cash working capital, fully reflect tax savings from major tax accounting change for repairs, vegetation management expense, remove labor expense for positions beyond the test year, generation department vacancies, emission fee, uncollectibles, community service activities expense, income taxes-interest synchronization, depreciation and amortization, depreciation expenses-D&O, customer deposit interest, employee benefits and pensions, average test year employees-vacancy adjustment, O&M associated with capital, A&G capitalization study, electric discount benefit replacement, cost containment measures, AES outside legal and reliability standards working group, bargaining unit wage increase, board of directors fees and expenses, software expense, renewable energy planning, airport distributed generation, environmental management information system, Honolulu Unit 9 overhaul, Kalaeloa and Barbers Point Harbor pipelines, city water, Clean Island Council, etc., and HECO's proposed deferred software cost recovery provision.
- Project team member in the review of Commonwealth Edison Company's application for a rate increase. Issues addressed in testimony filed by Larkin & Associates included: cash working capital, remove capitalized restricted stock from CWIP/Accumulated depreciation, reallocation of general and intangible plant, remove capitalize disallowances, adjustment for capitalized AIP over 100 percent of target, miscellaneous accumulated deferred income taxes, other cash working capital adjustments, reserves for accrued vacation and accrued incentive pay, net of related ADIT, jurisdictional ADIT on bad debt reserve, estimated ADIT impact from tax over book depreciation on 2011 distribution plant additions, treat SERP as a net pension asset component, miscellaneous expense disallowances, restricted stock expense, legal fees related to IRS dispute-sale of fossil generating units, remove photovoltaic pilot costs, depreciation expense adjustment from G&I reallocation, adjustment for three years of Illinois distribution tax credits recorded in 2010, interest synchronization, ComEd annual incentive compensation, Exelon Business Services Affiliated Incentive Compensation Expense charged to ComEd, Carrying cost on SERP ADIT as part of net pension carrying costs, use jurisdictional allocation for property tax expense based on same methodology in Docket No. 10-0467, average calendar year rate base for annual reconciliations and carrying cost for under- or over-collected balances.

Resume of Jill Zhao, CPA, continued

Education

- Eastern Michigan University - Ypsilanti MI.
Master of Science in Accounting
April 2009
- Certified Public Accounting Certificate, 2012, Continuing Professional Education Necessary to Maintain CPA License

Professional Associations

Michigan Association of Certified Public Accountants

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- Christie Hicks
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JOHN DEFEVER

John Defever is a regulatory analyst with Larkin & Associates, PLLC. As such, Mr. Defever assists with the review and analysis of regulatory filings and the preparation of testimony, discovery requests, briefs, schedules, exhibits and reports. Mr. Defever also assists with the preparation of tax returns and the annual audit of a Michigan Railroad company.

Relevant Prior Experience

Following are examples of electric, gas, and water regulatory cases in which Mr. Defever has participated.

Electric Cases

- Project team member in the review of Pepco Maryland's request for a rate increase. Issues addressed in testimony filed by Larkin & Associates included: reliability projects, storm costs, OPEB Medicare tax subsidy, accumulated depreciation-new depreciation rates, annualization of wage increases, overtime adjustment, employees annual incentive plan, employee health and welfare costs, tree trimming, uncollectibles, incremental customer care expense, RM 43 reliability standards costs, RM contract voltage detection, current rate case costs, historic rate case costs, directors and officers liability insurance, other concerns and flow through adjustments.
- Project team member in the review of Fitchburg Gas & Electric Company's application for a rate increase. Issues addressed in testimony filed by Larkin & Associates included: establishment of a storm reserve, tree trimming expense, 2008 ice storm recovery, and 2008 ice storm investigation costs.
- Project team member in the review of Western Massachusetts Electric Company application for an increase in rates. Larkin & Associates addressed several concerns with the Company's proposed Storm Reserve Cost recovery.
- Key Project team member in a monthly review of Potomac Electric Power Company's Billing Stabilization Adjustment, on behalf of the Office of Public Counsel. Mr. Defever reviews the Company's workpapers and calculations supporting its BSA.
- Project team member in a civil action proceeding involving Louisiana Generating, LLC. On behalf of the US Department of Justice, Larkin & Associates analyzed Louisiana Generating, LLC's accounting expenditures for construction projects at the Big Cajun II Generating Plant in association with the provisions in the Clean Air Act.
- Project team member in a civil action proceeding involving Alabama Power Company. On behalf of the US Department of Justice, Larkin & Associates analyzed Alabama Power's accounting expenditures for construction projects at the James M. Barry, Ernest C. Gaston, William Crawford Gorgas and Greene County Electric Generating Plants in association with the provisions in the Clean Air Act.
- Project team member in a civil action proceeding involving Portland General Electric. On behalf of the Sierra Club, Larkin & Associates analyzed PGE's accounting expenditures for construction projects at its Boardman Plant in association with the provisions in the Clean Air Act.
- Project team member in a civil action proceeding involving Reliant Energy. On behalf of the States of New Jersey and Connecticut, Larkin & Associates analyzed the Company's accounting of expenditures for construction projects at the Portland Generating Station in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.

Resume of John Defever, continued

- Project team member in a civil action proceeding involving Detroit Energy. On behalf of the US Department of Justice, Larkin & Associates analyzed the Company's accounting of expenditures for construction projects at its Monroe Plant in association with the provisions in the Clean Air Act. Larkin & Associates issued a report detailing its finding and conclusions.

Education

- Eastern Michigan University, Ypsilanti, MI.
Bachelor of Business Administration, Major: Accounting
Graduation: May 2011
- Schoolcraft College, Livonia, MI
Associate in Applied Science
December 2000
- Passed first two parts of the CPA Exam; in process of studying for and taking the remaining two parts

References

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(860) 827-2900
- Nick Gumer
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1133 15th Street N.W., Suite 500
Washington, DC 20005
(202) 727-3071

DAWN BISDORF

Dawn Bisdorf is a research analyst with Larkin & Associates, PLLC. As such, Ms. Bisdorf assists with the review and analysis of regulatory filings by preparing computer spreadsheets and models and performing accounting and regulatory research.

Relevant Regulatory Experience

Following are examples of electric, gas, and water regulatory cases in which Ms. Bisdorf has participated.

Electric Cases

- Project team member in the review of UNS Electric's request for a rate increase. Issues in testimony included: Post Test Year Plant Not in Service; Removal of One-Half of Prepaid D&O Insurance; Depreciation and Property Tax Expense on Post Test Year Plant Not in Service; Post Test Year Pay Increases; Rate Case Expense; Incentive Compensation Expense; Injuries and Damages; Directors and Officers' Liability Insurance; Edison Electric Institute and Industry Association Dues; Allocated Cost of TEP's New Headquarters Building to UNSE; Interest Synchronization; Depreciation Rates – Dismantlement Cost; Base Cost of Fuel and Purchased Power; and Purchased Power and Fuel Adjustment Clause.
- Project team member in the review of Duke Energy Inc.'s request for approval of an ongoing review progress report to reflect costs incurred for its IGCC Generating Facility. Mr. Smith's testimony addressed the Commission ordered refund and carrying costs on ratepayer monies being held by the Company.
- Project team member in the review of Georgia Power Company's request for a rate increase. Issues in testimony included: ECCR Tariff revenue deficiency; DSM Tariff revenue deficiency, Alternative rate plan (2014-2016) revenue deficiency; Municipal Franchise Fee Tariff; steam and other production O&M expense; transmission and distribution O&M expense; wholesale capacity sales revenue; proceeds from sales of scrap material; cash working capital; miscellaneous items/executive financial planning; property tax; interest synchronization; depreciation expense and reserve; Plant Hammond Mercury and Air Toxins Standards (MATS) Project; Plant Branch depreciation; Plant McDonough Unit 6 depreciation; prepaids and deferred debits; operating reserves and deferred credits; Plant Branch Units 1, 3, and 4 net book value; ADIT for deferred nuclear outage cost; ADIT for Purchase Power Agreement (PPA) levelization; pole attachment revenues; revenue for rental of electric property; SERP expense; pension expense; PSC Staff IRP consultant expense; solar implementation and operating expense; income tax expense – state clean energy credit; hydro tax credit; update SCS allocation factors to use 2012 statistics; GPC charges to Southern Power; stock options and stock based compensation; Southern Company Services (SCS) charges to GPC; Southern Nuclear Company charges to GPC; affiliate PPAs/capital leases with Southern Power Company; GPC charges to other affiliates; GPC charges to Southern Power; GPC charges to Southern Company Services for Atlanta Headquarters Building; GPC charges to SouthernLINC; Section 199 Manufacturing Deduction; FIN 48 uncertain tax positions; performance pay plan; step increase approach; costs resulting from the Plant Bowen incident; and earnings test and earnings sharing.
- Project team member in Chugach Electric Association, Inc.'s review of its development of the transmission tariff and COSS/Rate Design. Issues in testimony included: Duplication of Revenue Requirement in Chugach's Proposed Rate Schedules T-7 and T-8 with Rate Schedule T-1; "Wheel Through" Transactions; Chugach's Proposed Wheeling Rates; Treatment of Revenue from Off-System Wheeling Transactions; Discounting of Transmission and Ancillary Service Rates; Chugach's Unreliable Test Year Demand Data; Application of Transmission Rates and "Free Rider" Issue; Split Tier; and Changes to the Labor-Based Allocator.

Resume of Dawn Bisdorf, continued

- Project team member in Potomac Electric Power Company's review of its rate request. Issues in testimony included: Increase in base distribution rates; test year ending December 31, 2012, consisting of 12 months of actual results; adjustments to the test year data for known and measurable changes; rate base; cash working capital allowance; lead-lag study; operating expenses; depreciation rates; are Pepco's depreciation rates computed with the appropriate District of Columbia book reserve; is Pepco's accumulated depreciation reserve computed accurately based on D.C.'s jurisdictional amounts; is Pepco correctly recording its gross salvage value in accordance with FERC's uniform system of accounts; net salvage/net removal cost; comparison of Pepco's requested cost of removal for D.C. distribution plant with the amount allowed in Order No. 15710; comparison of Pepco's requested cost of removal with other alternatives; actual cost of removal; evaluation of Pepco's proposed negative net salvage percentages; and rebuttal to Pepco's witness Spanos's June 17, 2013 supplemental testimony.
- Project team member in the review of Virginia Electric and Power Company's presentation of its prospective revenue requirement. Issues in testimony included: 2011 and 2012 Biennial Review Period Earnings; Prospective Revenue Sufficiency; Correction of Income Tax Expense for Taxable Income Addition for Lobbying Dues; Capital Investment for Five Capacity Up-Rating Projects; July 2011 Impairment Write-Down for emission Allowances; Normalize Nuclear Refueling Outage O&M Expense; Normalize Major Storm Expense; Warren Count CWIP; Conforming Changes to Interest Synchronization; 2010-2011 Long-Term Incentive Plan Performance Award Costs Recorded During 2011 That Exceeded a Payout of 100 Percent; Amortization of Regulatory Asset for 2011-2012 Combined Under-Earnings; and Income Tax Expense.
- Project team member in the review of Georgia Power Company's 2013 Integrated Resource Plan. Issues in testimony included: Requests for Cost Recovery should be Addressed in Other Forums Where the Company's Earnings and Risk are Considered, Rather than in the 2013 IRP Proceeding; Georgia Power's Requested Accounting Reclassifications and Amortizations should be Addressed in a Forum Which Considers Georgia Power's Costs and Earnings.
- Project team member in the review of Duke Energy Inc.'s request for recovery of related costs and credits through its IGCC generating facility cost recovery. Mr. Smith's testimony addressed: Cost of Delay Related to the Company's Requested Revenue Requirement for CWIP-Related Financing Costs/Return on Investment; Cost of Delay Related to the Company's Requested Accrual of AFUDC; Other Costs of Delay; AFUDC Rate of Return; Commission Ordered Refund and Carrying Costs on Ratepayer Monies Being Held by the Company; Portion of Edwardsport that was Placed "In Service" for Federal Income Tax Purposes in August 2012 and Impact on IGCC-10 Period Deferred Income Taxes.
- Project team member in Potomac Electric Power Company's review of its rate request. Issues in testimony included: Grid Resiliency Surcharge; Vegetation Management/Tree Trimming; Undergrounding of Existing Distribution Lines; Priority Feeder Program; Pepco's Financial Resources/Financing Cost Component; and Incentives and Penalties.
- Project team member in Appalachian Power Company, Docket No. PUE-2011-00037. Issues addressed in testimony filed by Larkin & Associates included: plant in service, construction work in progress, accumulated depreciation and amortization, materials and supplies other than coal inventory, customer deposits, accumulated deferred income taxes, coal inventory, cash working capital, accounts receivable factoring, pension asset net or related ADIT, average rate year, net VA retail jurisdictional distribution CWIP additions, capacity equalization payments, incentive compensation, stock based compensation, supplemental executive retirement plan, payroll tax expense, obsolete inventory, severance cost amortization, charitable contributions, interest synchronization, depreciation expense, property tax expense, central machine shop base salaries net of billings to affiliates, administrative expense for AEPSC Washington DC office, miscellaneous 2010 expense over charges, interest on prepaid pension asset, uncollectibles

Resume of Dawn Bisdorf, continued

correction of amounts related to off-system sales margin, estimated future emissions allowance sales gain and income tax expense.

- Project team member in Arizona Public Service Company, Docket No. E-01345-11-0224. Issues addressed in testimony filed by Larkin & Associates included: post test year plant additions end of test year construction work in progress, accumulated depreciation, accumulated deferred income taxes, working capital, cash working capital, other rate base updates, revenues, amortization of deferred pension and OPEB costs, SERP, stock compensation, update adjustment to sync up transformers excluded from the FERC formula rate, forensic investigation of grant funded projects, general advertising expense, property tax expense, depreciation expense, interest synchronization, base cost of fuel and purchased power, payroll expense adjustment, amortization of 2010 severance costs, D&O liability insurance, annual incentive compensation, fossil non plant maintenance expense, EEL dues, depreciation rates, special ratemaking treatment for impact of APS' acquisition of SCE's ownership interest in Four Corners units 4 and 5.
- Project Team Member in the review of Tucson Electric Power Company's General Rate Application. Issues addressed by Larkin & Associates included: Sahuarita-Nogales Transmission Line, Working Capital, Cash Working Capital – Lead Lag Study, Prepaid Directors and Officers' Liability Insurance, Fuel Inventory, UniSource Energy Headquarters Building, Sahuarita-Nogales Transmission Line Amortization Expense, Incentive Compensation (PEP) Program Expense, Overhaul and Outage Expense, Interest Synchronization, Base Cost of Fuel and Purchased Power, Rate Case Expense, Directors and Officers' Liability Insurance, Edison Electric Institute and Industry Association Dues, Property Tax Expense, Property Tax and Depreciation Expense – New Headquarters Building, Other Operating Revenue: Reimbursed Operating Expenses for Springerville Units 3 and 4, Springerville Unit 1 Levelized Expense, Day Nite Design Branding/Marketing/General Corporate Advertising, Lime Expense, Depreciation Rates, Post-Test Year Plant, ADIT – Impact of Net Operating Loss Carryforward Attributable to Tax Depreciation, and Green Watts.
- Project team member in the review of Ohio Power Company and Columbus Southern Power Company's capacity charges. Issues addressed by Larkin & Associates included: Return on Equity and Rate of Return; CWIP; Plant Held for Future Use; Cash Working Capital; Prepayments; ADIT; Operating and Maintenance expense; Payroll and benefits for eliminated positions; AEP 2010 Severance program cost; Income Tax expense; Capacity equalization revenue; Ancillary Services revenue; Energy sales margin and Ancillary Services Receipts; and Proof of service.
- Project Team Member in the review of South Carolina Electric & Gas' rate request. Issues addressed by Larkin & Associates included: Electric Weather Normalization Adjustment (E-WNA), Storm Reserve Fund, Storm Insurance Premiums, and Federal Income Tax Expense – Impact from §199 Deduction for Domestic Production Activities.
- Project team member in the review of Dominion North Carolina Power's rate request. Issues addressed by Larkin & Associates included: Impact of Nucor's recommended rate of return, normalize expense for obsolete inventory write-offs, purchased power demand expenses – adjust for PJM capacity rate, annual incentive plan expense, emission allowance impairment, Bear Garden costs after commercial operation date, costs associated with plant abandonment, Company requested regulatory assets for plant abandonment and emission allowance write-off, voluntary separation program costs, income tax expense – impact of operating expense adjustments, and income tax expense – interest synchronization.
- Project team member in the review of Commonwealth Edison Company's reconciliation of its formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: ADIT related to operating reserves – accrued vacation pay, merger costs, plant additions for new business and billing determinants, and carrying costs.

Resume of Dawn Bisdorf, continued

- Project team member in the review of Ameren Illinois Company's reconciliation of its formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: deduct accrued vacation from rate base, FIN-48 – rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2012 plant additions for bonus tax depreciation, corporate "branding" and E-Store expense, image building advertising – "Focused Energy. For Life", image building corporate sponsorships in Account 930.1, impact of changes in State Corporate Income Tax Rate on deferred State Income Tax expense, use of average calendar year rate base for annual reconciliations, and carrying cost for under- or over-collected balances.
- Project team member in the review of Duke Energy Inc.'s request for approval of an ongoing review progress report to reflect costs incurred for its IGCC Generating Facility. Issues addressed in testimony include: Total project cost – estimating, recovery and disallowance; cost recovery and disallowance – the timing issue; cost recovery and disallowance – the AFUDC and CWIP issues; accounting, tax and ratemaking implications of in service criteria and timing; and elimination of deferred tax incentive.
- Project team member in the review of Delmarva Power & Light Company's rate increase request. Issues addressed by Larkin & Associates in testimony included remove CWIP from rate base, cash working capital – revenue collection lag, CWC – expense adjustments, reliability closings – 2011 – accumulated depreciation and ADIT, reliability closings – January 2012 – accumulated depreciation and ADIT, reliability closings – February-June 2012 – accumulated depreciation and ADIT, credit facilities costs, rate case expense, remove AFUDC, uncollectible expense, postage expense, directors and officers liability insurance expense, non-executive incentive expense, pension expense, interest synchronization, expense for new customer information system, reliability investment recovery mechanism, and advance metering infrastructure ratemaking.
- Project team member in the review of Ameren Illinois Company's formula rate plan request. Issues addressed in testimony filed by Larkin & Associates included: deduct accrued vacation from rate base, remove ADIT on deferred compensation, FIN-48 – rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2011 and 2012 plant additions for bonus tax depreciation, "branding" expense, E-Store expense, athletic events expenditures, corporate sponsorship, Edison Electric Institute dues – lobbying expense, interest synchronization, use of average calendar year rate base for annual reconciliations, and carrying cost for under- or over-collected balances.
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- Project team member in the review of Colorado Public Service Company's rate increase request. Issues addressed by Larkin & Associates in testimony included: recovery of deferred costs related to the expiration of the Black Hills Wholesale Power Sales agreement, plant held for future use and corporate aircraft.
- Project team member in the review of Appalachian Power Company's rate request. Issues addressed by Larkin & Associates in testimony included: plant in service, construction work in progress, accumulated depreciation and amortization, materials and supplies other than coal inventory, customer deposits, accumulated deferred income taxes, coal inventory, cash working capital, accounts receivable factoring, pension asset net or related ADIT, average rate year, net VA retail jurisdictional distribution CWIP additions, capacity equalization payments, incentive compensation, stock based compensation, supplemental executive retirement plan, payroll tax expense, obsolete inventory, severance cost amortization, charitable contributions, interest

Resume of Dawn Bisdorf, continued

synchronization, depreciation expense, property tax expense, central machine shop base salaries net of billings to affiliates, administrative expense for AEPSC Washington DC office, miscellaneous 2010 expense over charges, interest on prepaid pension asset, uncollectibles correction of amounts related to off-system sales margin, estimated future emissions allowance sales gain and income tax expense.

- Project team member in the review of Hawaiian Electric Company Inc.'s rate filing package. Issues addressed in testimony included: rate base for December 31, 2010 recorded amounts, adjust rate base for revised December 31, 2011 estimated amounts, other rate base components, cash working capital, fully reflect tax savings from major tax accounting change for repairs, vegetation management expense, remove labor expense for positions beyond the test year, generation department vacancies, emission fee, uncollectibles, community service activities expense, income taxes-interest synchronization, depreciation and amortization, depreciation expenses-D&O, customer deposit interest, employee benefits and pensions, average test year employees-vacancy adjustment, O&M associated with capital, A&G capitalization study, electric discount benefit replacement, cost containment measures, AES outside legal and reliability standards working group, bargaining unit wage increase, board of directors fees and expenses, software expense, renewable energy planning, airport distributed generation, environmental management information system, Honolulu Unit 9 overhaul, Kalaeloa and Barbers Point Harbor pipelines, city water, Clean Island Council, etc., and HECO's proposed deferred software cost recovery provision.
- Project team member in the review of Commonwealth Edison Company's application for a rate increase. Issues addressed in testimony filed by Larkin & Associates included: cash working capital, remove capitalized restricted stock from CWIP/Accumulated depreciation, reallocation of general and intangible plant, remove capitalize disallowances, adjustment for capitalized AIP over 100 percent of target, miscellaneous accumulated deferred income taxes, other cash working capital adjustments, reserves for accrued vacation and accrued incentive pay, net of related ADIT, jurisdictional ADIT on bad debt reserve, estimated ADIT impact from tax over book depreciation on 2011 distribution plant additions, treat SERP as a net pension asset component, miscellaneous expense disallowances, restricted stock expense, legal fees related to IRS dispute-sale of fossil generating units, remove photovoltaic pilot costs, depreciation expense adjustment from G&I reallocation, adjustment for three years of Illinois distribution tax credits recorded in 2010, interest synchronization, ComEd annual incentive compensation, Exelon Business Services Affiliated Incentive Compensation Expense charged to ComEd, Carrying cost on SERP ADIT as part of net pension carrying costs, use jurisdictional allocation for property tax expense based on same methodology in Docket No. 10-0467, average calendar year rate base for annual reconciliations and carrying cost for under- or over-collected balances.
- Project Team Member in the review of Tucson Electric Power Company's General Rate Application. Issues addressed by Larkin & Associates included: Depreciation Rates, Plant Held for Future Use, Luna Plant Facility, Luna Plant Facility Accumulated Deferred Income Taxes, "Implementation Cost Regulatory Asset", Working Capital, Fuel Inventory, Accumulated Depreciation and ADIT Related to Cost of Removal, Accumulated Depreciation Related to Unauthorized Depreciation Rate Changes, Miscellaneous Accumulated Deferred Income Tax, Account 190, Other Deferred Credits, Customer Care & Billing System, Springerville Unit 1, Luna Facility Depreciation and Property Tax Expense, San Juan Coal Contract, Bad Debt Expense, Edison Electric Institute Dues, Incentive Compensation, Supplemental Executive Retirement Program Expense, Workers' Compensation Expense, Short-Term Sales, Wholesale Trading Activity, Gain on Sale of SO2 Emission Allowances, Property Tax Expense Interest Synchronization, Depreciation Rates Adjustment, Customer Care & Billing System, Markup Above Cost for Charges from Affiliate, Southwest Energy Services, PPFAC Adjustment, Postage Expense, Miscellaneous Service Revenue, Cash Working Capital, Normalize Affiliate Charges to TEP, Legal Expense Related to Motion to Amend Decision No. 62103, Legal Expense Related to California Proceedings, West Connect Charges Related to Regulatory Asset, Other TEP Changes to Operating Income and Rate Base, Purchased Power and Fuel Adjustment Clause, TEP's Historical Misuse of Previous Fuel Adjustment Mechanism, Staffs Proposed PPFAC, TEP's

Resume of Dawn Bisdorf, continued

Proposed PPFAC , Costs to Be Included in the PPFAC, Credits to PPFAC Costs Effective Date for PPFAC, PPFAC Forward-Looking and True-Up Components, Carrying Costs on PPFAC bank balance, Filing and Reporting Requirements, Whether Sharing and Cap Provisions Should be Imposed, and Requirement for Commission approval of PPFAC, rate changes.

- Project Member in the review of Appalachian Power Company's Application for an increase in rates. Issues addressed by Larkin & Associates included: Self-Funded Reserve Accruals, Rate Base Update, Materials and Supplies, Customer Deposits, Deferred Fuel Balance, Accumulated Deferred Income Taxes, Prepaid Pension Asset, Fuel Stock Inventory, Plant Held for Future Use, Accounts Receivable Factoring, Mountaineer Carbon Capture Demonstration Project, Blanket Funded Capital Projects, Third Party Transmission Revenue, Capacity Equalization Expense, Environmental Consumables and Allowances Expense, Transmission Equalization Expense Credit, Transmission Reliability Expense, Distribution Reliability Expense, Distribution Reliability Expense, PJM Administrative and Ancillary Fees, Emission Allowances, Edison Electric Institute Dues, Obsolete Inventory, Interest Synchronization, New Source Review Settlement, Pension Expense, Interest on Customer Deposits, Depreciation Expense, Property Tax Expense, Legal Expense Related to AEP Subsidiaries, Charitable Contributions, and Stock Awards.
- Project member in the review of Arizona Public Service Company's Application for an Interim Increase in rates. Issues addressed by Larkin & Associates included: the interim rate relief requested by APS, criteria for interim rate relief, ordinary regulatory law does not justify APS' requested interim rate relief, alleged emergency circumstances, whether APS requires an interim rate increase during the processing of its general rate case, an alternative basis for determining an amount of interim rate increase for APS should the Commission be inclined to grant an increase, and rate design.

Education

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Associates Degree: Accounting
December 2007
- Madonna University, Livonia, MI
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References

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Resume of Dawn Bisdorf, continued

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APPENDIX II
LARKIN & ASSOCIATES, PLLC
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ELECTRIC CASES

UNS Electric, Inc., Docket No. E-04204A-12-0504

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007

Contact: Terri Ford (602) 542-0858
Candrea Allen (602) 364-0235
Barbara Keene (602) 542-0853

Assignment: Larkin & Associates, PLLC, was retained by the Arizona Corporation Commission Staff to review UNS Electric's Application to approve rates. Issues addressed in Mr. Smith's testimony included: Post Test Year Plant Not in Service; Removal of One-Half of Prepaid D&O Insurance; Depreciation and Property Tax Expense on Post Test Year Plant Not in Service; Post Test Year Pay Increases; Rate Case Expense; Incentive Compensation Expense; Injuries and Damages; Directors' and Officers' Liability Insurance; Edison Electric Institute and Industry Association Dues; Allocated Cost of TEP's New Headquarters Building to UNSE; Interest Synchronization; Depreciation Rates – Dismantlement Cost; Base Cost of Fuel and Purchased Power; and Purchased Power and Fuel Adjustment Clause.

Key Participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Arizona

Contract Duration: 2013

Duke Energy, Inc., Cause No. 43114-IGCC-11

Client: Joint Intervenors:

Mullett & Associates
723 Lafayette Avenue
Columbus, IN 47202

Citizens Action Coalition of Indiana, Inc.
603 East Washington Street, Ste 502
Indianapolis, IN 46204

Contact: Mike Mullett – (812) 376-0734
Jennifer Washburn - (317) 735-7764

Assignment: Larkin & Associates, PLLC, was retained by the Joint Intervenors to in the review of Duke Energy Indiana, Inc. seeking approval of an ongoing review progress report to reflect costs incurred for its IGCC Generating Facility. Mr. Smith's testimony addressed the Commission ordered refund and carrying costs on ratepayer monies being held by the Company.

Key participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Indiana

Contract Duration: 2013

Georgia Power Company, Docket No. 36989

Client: Georgia Public Service Commission
Public Interest Advocacy Staff
244 Washington Street, SW
Atlanta, GA 30334-9052

Contact: Sheree Kernizan
(404) 656-0994

Assignment: Larkin & Associates, PLLC, was retained by the Georgia Public Service Commission Staff to review Georgia Power Company's Application to approve rates. Issues addressed in Mr. Smith's testimony included: ECCR Tariff revenue deficiency; DSM Tariff revenue deficiency; Alternative rate plan (2014-2016) revenue deficiency; Municipal Franchise Fee Tariff; steam and other production O&M expense; transmission and distribution O&M expense; wholesale capacity sales revenue; proceeds from sales of scrap material; cash working capital; miscellaneous items/executive financial planning; property tax; interest synchronization; depreciation expense and reserve; Plant Hammond Mercury and Air Toxins Standards (MATS) Project; Plant Branch depreciation; Plant McDonough Unit 6 depreciation; prepaids and deferred debits; operating reserves and deferred credits; Plant Branch Units 1, 3, and 4 net book value; ADIT for deferred nuclear outage cost; ADIT for Purchase Power Agreement (PPA) levelization; pole attachment revenues; revenue for rental of electric property; SERP expense; pension expense; PSC Staff IRP consultant expense; solar implementation and operating expense; income tax expense – state clean energy credit; hydro tax credit; update SCS allocation factors to use 2012 statistics; GPC charges to Southern Power; stock options and stock based compensation; Southern Company Services (SCS) charges to GPC; Southern Nuclear Company charges to GPC; affiliate PPAs/capital leases with Southern Power Company; GPC charges to other affiliates; GPC charges to Southern Power; GPC charges to Southern Company Services for Atlanta Headquarters Building; GPC charges to SouthernLINC; Section 199 Manufacturing Deduction; FIN 48 uncertain tax positions; performance pay plan; step increase approach; costs resulting from the Plant Bowen incident; and earnings test and earnings sharing.

Key participants: Ralph Smith
Mark Dady
Jill Zhao
Dawn Bisdorf

Geographic Location: Georgia

Contract Duration: 2013

Chugach Electric Association, Inc., Docket No. U-13-007

Client: Office of the Attorney General
Regulatory Affairs & Public Advocacy
701 W. 8th Avenue, Suite 300
Anchorage, AK 99501

Contact: Lew Craig - (907) 334-2244
Jeffery Waller (907) 269-5100

Assignment: Larkin & Associates, PLLC, was retained by the Office of the Attorney General to review Chugach's Application to review the development of the transmission tariff and COSS/Rate Design. Issues addressed in testimony included: Duplication of Revenue Requirement in Chugach's Proposed Rate Schedules T-7 and T-8 with Rate Schedule T-1; "Wheel Through" Transactions; Chugach's Proposed Wheeling Rates; Treatment of Revenue from Off-System Wheeling Transactions; Discounting of Transmission and Ancillary Service Rates; Chugach's Unreliable Test Year Demand Data; Application of Transmission Rates and "Free Rider" Issue; Split Tier; and Changes to the Labor-Based Allocator.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Alaska

Contract Duration: 2013

Potomac Electric Power Company (District of Columbia), Formal Case No. 1103

Client: Office of the People's Counsel of the District of Columbia
1133 15th Street, N.W., Ste 500
Washington, D.C. 20005-2910

Contact: Laurence Daniels - (602) 542-0858
Jason Gray and Eli Eilbott (Duncan, Weinber, Genzer &
Pembroke) - (202) 467-6370
Scott Strauss and Jeff Schwartz – (Spiegel and McDiarmid) -
(202) 393-2866

Assignment: Larkin & Associates, PLLC, was retained by the Office of People's
Counsel to review Potomac Electric Power Company's Application
to approve rates. Issues addressed in testimony included:
Increase in base distribution rates; test year ending December 31,
2012, consisting of 12 months of actual results; adjustments to the
test year data for known and measurable changes; rate base;
cash working capital allowance; lead-lag study; operating
expenses; depreciation rates; are Pepco's depreciation rates
computed with the appropriate District of Columbia book reserve;
is Pepco's accumulated depreciation reserve computed accurately
based on D.C.'s jurisdictional amounts; is Pepco correctly
recording its gross salvage value in accordance with FERC's
uniform system of accounts; net salvage/net removal cost;
comparison of Pepco's requested cost of removal for D.C.
distribution plant with the amount allowed in Order No. 15710;
comparison of Pepco's requested cost of removal with other
alternatives; actual cost of removal; evaluation of Pepco's
proposed negative net salvage percentages; rebuttal to Pepco's
witness Spanos's June 17, 2013 supplemental testimony;
accumulated depreciation of historical plant; general and/or
specific projects completed in the test year; reliability projects
completed in the test year; post-test year additions; ADIT; bonus
tax depreciation; impacts of District of Columbia and federal tax
regulation; payroll; and employee health and welfare.

Key participants: Ralph Smith
Helmuth Schultz
Mark Dady
Tina Miller
Dawn Bisdorf

Geographic Location: Washington, D.C.

Contract Duration: 2013

Virginia Electric and Power Company, Case No. PUE-2013-00020

Client: Virginia Office of the Attorney General
Division of Consumer Counsel
900 East Main Street
Richmond, VA 23219
(804) 786-2071

Contact: Meade Brower

Assignment: Larkin & Associates was retained by the Office of the Attorney
General to review the 2011 and 2012 earnings results of Virginia
Electric and Power Company and to review their presentation of
its prospective revenue requirement. Issues addressed in
testimony included: 2011 and 2012 Biennial Review Period
Earnings; Prospective Revenue Sufficiency; Correction of Income
Tax Expense for Taxable Income Addition for Lobbying Dues;
Capital Investment for Five Capacity Up-Rating Projects; July
2011 Impairment Write-Down for emission Allowances; Normalize
Nuclear Refueling Outage O&M Expense; Normalize Major Storm
Expense; Warren Count CWIP; Conforming Changes to Interest
Synchronization; 2010-2011 Long-Term Incentive Plan
Performance Award Costs Recorded During 2011 That Exceeded
a Payout of 100 Percent; Amortization of Regulatory Asset for
2011-2012 Combined Under-Earnings; and Income Tax Expense.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Virginia

Contract Duration: 2013

Georgia Power Company, Docket No. 36498

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334

Contact: Sheree Kernizan
(404) 656-0994

Assignment: Larkin & Associates was retained by the Staff of the Georgia Public Service Commission to review Georgia Power Company's 2013 Integrated Resource Plan. Issues addressed in testimony included: Requests for Cost Recovery should be Addressed in Other Forums Where the Company's Earnings and Risk are Considered, Rather than in the 2013 IRP Proceeding; Georgia Power's Requested Accounting Reclassifications and Amortizations should be Addressed in a Forum Which Considers Georgia Power's Costs and Earnings.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Georgia

Contract Duration: 2013

Duke Energy Indiana, Inc., Cause No. 43114-IGCC-10

Client: Joint Intervenors:

Mullett & Associates
723 Lafayette Avenue
Columbus, IN 47202

Citizens Action Coalition of Indiana, Inc.
603 East Washington Street, Ste 502
Indianapolis, IN 46204

Contact: Mike Mullett (812) 376-0734
Jennifer Washburn (317) 735-7764

Assignment: Larkin & Associates was retained by the Joint Intervenors to review Duke Energy's request for recovery of related costs and credits through its IGCC generating facility cost recovery adjustment. Issues addressed in testimony included: Cost of Delay Related to the Company's Requested Revenue Requirement for CWIP-Related Financing Costs/Return on Investment; Cost of Delay Related to the Company's Requested Accrual of AFUDC; Other Costs of Delay; AFUDC Rate of Return; Commission Ordered Refund and Carrying Costs on Ratepayer Monies Being Held by the Company; Portion of Edwardsport that was Placed "In Service" for Federal Income Tax Purposes in August 2012 and Impact on IGCC-10 Period Deferred Income Taxes.

Key participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Indiana

Contract Duration: 2013

Potomac Electric Power, Case No. 9311

Client: AARP

Contact: William Leibovici
802 Oak Hill Court
Baltimore, MD 21239-1320
(410) 456-7450

Assignment: Larkin & Associates was retained by AARP to review Pepco's rate request. Issues addressed in testimony included: Grid Resiliency Surcharge; Vegetation Management/Tree Trimming; Undergrounding of Existing Distribution Lines; Priority Feeder Program; Pepco's Financial Resources/Financing Cost Component; and Incentives and Penalties.

Key participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Maryland

Contract Duration: 2013

Arizona Public Service Company, Docket No. E-01345A-11-0224

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-0853

Contact: Maureen Scott

Assignment: Larkin & Associates, PLLC, was retained by the Arizona Corporation Commission Staff to review Arizona Public Service Company's Application to approve rates. Issues addressed in Mr. Smith's testimony included: post-test year plant additions, end of test year CWIP, accumulated depreciation, accumulated deferred income taxes, working capital, cash working capital, other rate base updates, forensic investigation of grant-funded projects, general advertising expense, property tax expense, post-test year depreciation and property tax expense, interest synchronization, base cost of fuel and purchased power, payroll expense, depreciation expense, prospective amortization of 201 severance costs, D&O liability insurance expense, annual incentive compensation, fossil non-plant maintenance expense, EEI dues, APS's proposed depreciation rates and special ratemaking treatment for impact of APS' acquisition of SCE's ownership interest in Four Corners Units 4 and 5.

Key Participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Arizona

Contract Duration: 2011-2012

Tucson Electric Power Company, Docket No. E-01933A-12-0291

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007

Contact: Terri Ford
(602) 542-0858

Assignment: Larkin & Associates, PLLC, was retained by the Arizona Corporation Commission Staff to review Tucson Electric Power Company's Application to approve rates. Issues addressed in Mr. Smith's testimony included: Sahuarita-Nogales Transmission Line, Working Capital, Cash Working Capital – Lead Lag Study, Prepaid Directors and Officers' Liability Insurance, Fuel Inventory, UniSource Energy Headquarters Building, Sahuarita-Nogales Transmission Line Amortization Expense, Incentive Compensation (PEP) Program Expense, Overhaul and Outage Expense, Interest Synchronization, Base Cost of Fuel and Purchased Power, Rate Case Expense, Directors and Officers' Liability Insurance, Edison Electric Institute and Industry Association Dues, Property Tax Expense, Property Tax and Depreciation Expense – New Headquarters Building, Other Operating Revenue: Reimbursed Operating Expenses for Springerville Units 3 and 4, Springerville Unit 1 Levelized Expense, Day Nite Design Branding/Marketing/General Corporate Advertising, Lime Expense, Depreciation Rates, Post-Test Year Plant, ADIT – Impact of Net Operating Loss Carryforward Attributable to Tax Depreciation, and Green Watts.

Key Participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Arizona

Contract Duration: 2012 – 2013

Ohio Power Company and Columbus Southern Power Company, Case No. 10-2929-EL-UNC

Client: Public Utilities Commission Staff
180 East Broad Street
Columbus, Ohio 43215

Contact: Dan Johnson
(614) 644-7642

Assignment: Larkin & Associates was retained by the Public Utilities Commission Staff to review Ohio Power Company and Columbus Southern Power Company's review of the capacity charges. Issues addressed in Mr. Smith's testimony included: Return on Equity and Rate of Return; CWIP; Plant Held for Future Use; Cash Working Capital; Prepayments; ADIT; Operating and Maintenance expense; Payroll and benefits for eliminated positions; AEP 2010 Severance program cost; Income Tax expense; Capacity equalization revenue; Ancillary Services revenue; Energy sales margin and Ancillary Services Receipts; and Proof of service.

Key participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Ohio

Contract Duration: 2012

South Carolina Electric & Gas, Docket No. 2012-218-E

Client: AARP
98 San Jacinto Blvd. Ste. 750
Austin, TX 78701

Contact: Janee Briesemeister
(512) 480-2426

Assignment: Larkin & Associates was retained by BBRS (Nucor) to review SC&G's rate request. Issues addressed in testimony included: Electric Weather Normalization Adjustment (E-WNA), Storm Reserve Fund, Storm Insurance Premiums, and Federal Income Tax Expense – Impact from §199 Deduction for Domestic Production Activities.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: South Carolina

Contract Duration: 2012

Indiana Michigan Power Company, Cause No. 44075

Client: Brickfield, Burchette, Ritts & Stone, PC, representing Steel Dynamics, Inc.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007

Contact: Damon Xenopoulos
(202) 339-6347

Assignment: Larkin & Associates was retained by BBRS (Steel Dynamics, Inc.) to review Indiana Michigan Power Company's rate request. Issues addressed in testimony included: Pension Asset; AEP 2010 Severance Program Cost; Carbon Capture and Storage FEED Study; Nuclear Decommissioning Expense; Major Storm Reserve; and Off System Sales Margin Sharing

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: South Carolina

Contract Duration: 2012

Dominion North Carolina Power, Docket No. E-72, Sub 479

Client: Brickfield, Burchette, Ritts & Stone, PC, representing Nucor
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007

Contact: Damon Xenopoulos
(202) 339-6347

Assignment: Larkin & Associates was retained by BBRS (Nucor) to review DNCP's rate request. Issues addressed in testimony included: Impact of Nucor's recommended rate of return, normalize expense for obsolete inventory write-offs, purchased power demand expenses – adjust for PJM capacity rate, annual incentive plan expense, emission allowance impairment, Bear Garden costs after commercial operation date, costs associated with plant abandonment, Company requested regulatory assets for plant abandonment and emission allowance write-off, voluntary separation program costs, income tax expense – impact of operating expense adjustments, and income tax expense – interest synchronization.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: North Carolina

Contract Duration: 2012

Commonwealth Edison, Docket No. 12-0321

Client: Citizens Utility Board
309 W. Washington, Suite 800
Chicago, IL 60606

Contact: Christie Hicks
Kristin Munsch
(312) 263-4282

Assignment: Larkin & Associates was retained by CUB to review ComEd's reconciliation of its formula rate plan request. Issues addressed in testimony included: ADIT related to operating reserves – accrued vacation pay, merger costs, plant additions for new business and billing determinants, and carrying costs.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Illinois

Contract Duration: 2012

Ameren Illinois Company, Docket No. 12-0293

Client: Citizens Utility Board
309 W. Washington, Suite 800
Chicago, IL 60606

Contact: Julie Soderna
Christie Hicks
Kristin Munsch
(312) 263-4282

Assignment: Larkin & Associates was retained by CUB to review Ameren's reconciliation of its formula rate plan request. Issues addressed in testimony included: deduct accrued vacation from rate base, FIN-48 – rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2012 plant additions for bonus tax depreciation, corporate "branding" and E-Store expense, image building advertising – "Focused Energy. For Life", image building corporate sponsorships in Account 930.1, impact of changes in State Corporate Income Tax Rate on deferred State Income Tax expense, use of average calendar year rate base for annual reconciliations, and carrying cost for under- or over-collected balances.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Illinois

Contract Duration: 2012

Duke Energy, Inc., Cause No. 43114-IGCC-4S1

Client: Joint Intervenors:

Mullett & Associates
723 Lafayette Avenue
Columbus, IN 47202

Citizens Action Coalition of Indiana, Inc.
603 East Washington Street, Ste 502
Indianapolis, IN 46204

Contact: Mike Mullett – (812) 376-0734
Jennifer Washburn - (317) 735-7764

Assignment: Larkin & Associates, PLLC, was retained by the Joint Intervenors to in the review of Duke Energy Indiana, Inc. seeking approval of an ongoing review progress report to reflect costs incurred for its IGCC Generating Facility. Issues addressed in testimony include: Total project cost – estimating, recovery and disallowance; cost recovery and disallowance – the timing issue; cost recovery and disallowance – the AFUDC and CWIP issues; accounting, tax and ratemaking implications of in service criteria and timing; and elimination of deferred tax incentive.

Key participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Indiana

Contract Duration: 2012

Delmarva Power & Light Company, Docket No. 11-528

Client: Delaware Division of the Public Advocate
Elbert N. Carvel State Office Building
820 N. French Street
Wilmington, DE 19801

Contact: Regina Iorri (302) 577-8159
Michael D. Sheehy (302) 577-5078

Assignment: Larkin & Associates was retained by DPA to review Delmarva's rate increase request. Issues addressed in testimony included: remove CWIP from rate base, cash working capital – revenue collection lag, CWC – expense adjustments, reliability closings – 2011 – accumulated depreciation and ADIT, reliability closings – January 2012 – accumulated depreciation and ADIT, reliability closings – February-June 2012 – accumulated depreciation and ADIT, credit facilities costs, rate case expense, remove AFUDC, uncollectible expense, postage expense, directors and officers liability insurance expense, non-executive incentive expense, pension expense, interest synchronization, expense for new customer information system, reliability investment recovery mechanism, and advance metering infrastructure ratemaking.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Delaware

Contract Duration: 2012

Ameren Illinois Company, Docket No. 12-0001

Client: Citizens Utility Board
309 W. Washington, Suite 800
Chicago, IL 60606

Contact: Julie Soderna
Christie Hicks
Kristin Munsch
(312) 263-4282

Assignment: Larkin & Associates was retained by CUB to review Ameren's formula rate plan request. Issues addressed in testimony included: deduct accrued vacation from rate base, remove ADIT on deferred compensation, FIN-48 – rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2011 and 2012 plant additions for bonus tax depreciation, "branding" expense, E-Store expense, athletic events expenditures, corporate sponsorship, Edison Electric Institute dues – lobbying expense, interest synchronization, use of average calendar year rate base for annual reconciliations, and carrying cost for under- or over-collected balances.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Illinois

Contract Duration: 2012

Commonwealth Edison, Docket No. 11-0721

Client: Citizens Utility Board
309 W. Washington, Suite 800
Chicago, IL 60606

Contact: Christie Hicks
Kristin Munsch
(312) 263-4282

Assignment: Larkin & Associates was retained by CUB to review ComEd's formula rate plan request. Issues addressed in testimony included: accrued vacation expense, ADIT, FIN 48 - rate base treatment of uncertain tax positions, federal investment tax credit, estimated ADIT impact from tax over book depreciation on 2011 and 2012 plant additions for bonus tax depreciation, "branding expense", E-store expense, athletic events expenditures, corporate sponsorship, EEL dues-lobbying expense, interest synchronization, and calculation of annual reconciliations.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Illinois

Contract Duration: 2011-2012

Colorado Public Service Company, Docket No. 11AL-947E

Client: AARP
98 San Jacinto Blvd. Ste. 750.
Austin, TX 78701
(512) 480-2426

Contact: Janee Briesemeister

Assignment: Larkin & Associates, PLLC, was retained by AARP to review Colorado Public Service Company's rate increase request. Issues addressed by Mr. Smith in testimony included: recovery of deferred costs related to the expiration of the Black Hills Wholesale Power Sales agreement, plant held for future use and corporate aircraft.

Key Participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Colorado

Contract Duration: 2012

Appalachian Power Company, Docket No. PUE-2011-00037

Client: Virginia Office of the Attorney General
Division of Consumer Counsel
900 East Main Street
Richmond, VA 23219
(804) 786-2071

Contact: Meade Browder

Assignment: Larkin & Associates was retained by the Virginia Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel" or "OAG") to review the rate request of APCo. Issues addressed in Mr. Smith's testimony included: plant in service, construction work in progress, accumulated depreciation and amortization, materials and supplies other than coal inventory, customer deposits, accumulated deferred income taxes, coal inventory, cash working capital, accounts receivable factoring, pension asset net or related ADIT, average rate year, net VA retail jurisdictional distribution CWIP additions, capacity equalization payments, incentive compensation, stock based compensation, supplemental executive retirement plan, payroll tax expense, obsolete inventory, severance cost amortization, charitable contributions, interest synchronization, depreciation expense, property tax expense, central machine shop base salaries net of billings to affiliates, administrative expense for AEPSC Washington DC office, miscellaneous 2010 expense over charges, interest on prepaid pension asset, uncollectibles correction of amounts related to off-system sales margin, estimated future emissions allowance sales gain and income tax expense.

Key Participants: Ralph C. Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Virginia

Contract Duration: 2012

Hawaiian Electric Company, Docket No. 2010-0080

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Navy Utility Rate and Studies Office (URASO) to perform utility revenue requirement studies. Larkin & Associates reviewed data to obtain an understanding of the Hawaiian Electric Company Inc.'s rate filing package and formulated an opinion concerning the reasonableness of the amounts within the Company's application. Issues addressed in testimony included: rate base for December 31, 2010 recorded amounts, adjust rate base for revised December 31, 2011 estimated amounts, other rate base components, cash working capital, fully reflect tax savings from major tax accounting change for repairs, vegetation management expense, remove labor expense for positions beyond the test year, generation department vacancies, emission fee, uncollectibles, community service activities expense, income taxes-interest synchronization, depreciation and amortization, depreciation expenses-D&O, customer deposit interest, employee benefits and pensions, average test year employees-vacancy adjustment, O&M associated with capital, A&G capitalization study, electric discount benefit replacement, cost containment measures, AES outside legal and reliability standards working group, bargaining unit wage increase, board of directors fees and expenses, software expense, renewable energy planning, airport distributed generation, environmental management information system, Honolulu Unit 9 overhaul, Kalaeloa and Barbers Point Harbor pipelines, city water, Clean Island Council, etc., and HECO's proposed deferred software cost recovery provision.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Hawaii

Contract Duration: 2011

Commonwealth Edison, Docket No. 10-0467

Client: Citizens Utility Board
309 W. Washington, Suite 800
Chicago, IL 60606

Attorney General
100 West Randolph Street
Chicago, IL 60601
(312) 814-3000

Contact: Christie Hicks, CUB
(312) 263-4282

Assignment: Larkin & Associates was retained by the CUB and Attorney General to review ComEd's rate request. Issues addressed in testimony included: cash working capital, remove capitalized restricted stock from CWIP/Accumulated depreciation, reallocation of general and intangible plant, remove capitalize disallowances, adjustment for capitalized AIP over 100 percent of target, miscellaneous accumulated deferred income taxes, other cash working capital adjustments, reserves for accrued vacation and accrued incentive pay, net of related ADIT, jurisdictional ADIT on bad debt reserve, estimated ADIT impact from tax over book depreciation on 2011 distribution plant additions, treat SERP as a net pension asset component, miscellaneous expense disallowances, restricted stock expense, legal fees related to IRS dispute-sale of fossil generating units, remove photovoltaic pilot costs, depreciation expense adjustment from G&I reallocation, adjustment for three years of Illinois distribution tax credits recorded in 2010, interest synchronization, ComEd annual incentive compensation, Exelon Business Services Affiliated Incentive Compensation Expense charged to ComEd, Carrying cost on SERP ADIT as part of net pension carrying costs, use jurisdictional allocation for property tax expense based on same methodology in Docket No. 10-0467, average calendar year rate base for annual reconciliations and carrying cost for under- or over-collected balances.

Key participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Illinois

Contract Duration: 2011

Puget Sound Energy, Inc., Docket Nos. UE-111048 and UG-111049

Client: Utilities and Transportation Commission Staff
1400 S. Evergreen Park Drive SW
Olympia, WA 98504-7250
(360) 664-1188

Contact: Bob Cedarbaum

Assignment: Larkin & Associates was retained by The Washington Utilities and Transportation Commission Staff to address the rate increase requested by Puget Sound Energy. Issues addressed in Mr. Smith's testimony included: Major Tax Accounting Change for Repairs Deductions; Tax Accounting Method Change for Retirements; Bonus Tax Depreciation and Net Operating Loss Carryforwards; Debit Balance in Account 236, Accrued Federal Income Taxes Payable; and PSE's Proposal to Normalized the Federal Income Tax Treatment for Three Book-Tax Timing Differences that have Traditionally Been Treated as Flow Through Items for PSE's Electric Utility Operations – Capitalized Property Taxes, Injuries and Damages, Bad Debts.

Key Participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Washington

Contract Duration: 2011 – 2012

Kansas City Power & Light Company, Docket No. 10-KCPE-415-RTS

Client: Citizens' Utility Ratepayer Board
1500 S.W. Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3200

Contact: Steve Rarrick, David Springe

Assignment: Larkin & Associates was retained by CURB to review KCPL's request for a rate increase. Issues addressed in testimony included: rate case expense, unreasonable, excessive or questionable items, legal fees, consultant charges, and prudence issues.

Key participants: Ralph Smith
Jill Zhao
Dawn Bisdorf

Geographic Location: Kansas

Contract Duration: 2011

Western Massachusetts Electric Company, Docket No. 10-70

Client: Massachusetts Attorney General
One Ashburton Place
Boston, MA 02108 -1518
(617) 727-2200

Contact: Danielle Rathbun

Assignment: Larkin & Associates, PLLC, was retained by the Massachusetts Attorney General to review the rate increase request by the Western Massachusetts Electric Company. Mr. Schultz addressed concerns with the Company's proposed Storm Reserve Cost Recovery.

Key Participants: Helmuth Schultz

Geographic Location: Massachusetts

Contract Duration: 2010

United Illuminating Company, Docket No. 10-07-09

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to conduct a review of concerns regarding the proposed acquisition of Connecticut Natural Gas Corporation ("CNG") and The Southern Connecticut Gas Company ("SCG"), as well as a change of control for the respective holding companies that control CNG and SCG. In this transaction, the proposed seller is Iberdrola USA, Inc. ("Iberdrola"), and the proposed buyer is UIL Holdings Corporation ("UIL"). Larkin & associates considered the potential impacts of the transaction on customers of three public service companies, CNG, SCG, and The United Illuminating Company ("UI"). For all three such groups of ratepayers, the proposed transaction could affect, in a variety of ways, the quality and reliability of utility services received as well as rates.

Key participants: Helmut Schultz

Geographic Location: Connecticut

Contract Duration: 2010

Georgia Power Company, Docket No. 31958-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334

Contact: Sheree Kernizan
(404) 656-0994

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to address affiliate, certain income tax, and incentive compensation costs included by the Georgia Power Company in its revenue requirement and to make recommendations regarding the amount of these costs that should be recovered from retail ratepayers. Issues addressed in Mr. Smith's testimony included: affiliate charges to GPC and GPC charges to affiliates, Section 1999 manufacturing deduction, FIN 48 rate base addition for uncertain tax position and incentive compensations.

Key participants: Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2010

Mississippi Power Company, Docket No. 2009-UA-14

Client: Mississippi Public Service Commission
Woolfolk Building
501 North West Street
Jackson, MS 39201
(601) 961-5800

Contact: Virden Jones

Assignment: Larkin & Associates was retained by the Mississippi Public Service Commission to The MPSC Staff retained Larkin to perform a detailed review and verification of preconstruction costs recorded by MPC through March 31, 2009 related to the Kemper County Integrated Gas Combined Cycle plant. Larkin reviewed a stratified sample of MPC's \$50,470,935 recorded preconstruction costs. Larkin's review revealed that \$4,470,098 of the preconstruction costs were inadequately documented, questionable or inappropriate and recommended removal from the Company's preconstruction regulatory deferral account balance. Some of the costs Larkin recommended removing were related to MPC's service company affiliate Southern Company Services. The Commission adopted Larkin's recommended adjustment in its April 29, 2010 Order.

Key participants Ralph Smith
Mark Dady

Geographic Location: Mississippi

Contract Duration: 2009-2010

Monongahela Power Company and The Potomac Edison Company, both d/b/a Allegheny Power Company, Trans-Allegheny Interstate Line Company, and FirstEnergy Corp., Case No. 10-0713-E-PC

Client: Consumer Advocate Division
West Virginia Public Service Commission
7th Floor, Union Building
723 Kanawha Boulevard, East
Charleston, West Virginia 25301
(304) 558-0526

Contact: Byron Harris

Assignment: Larkin & Associates was retained by the Consumer Advocate Division of the State of West Virginia to review the impact of the proposed acquisition of Allegheny Power Company and Trans-Allegheny Interstate Line Company by FirstEnergy Corp. on West Virginia ratepayers. Issues of Allegheny Energy Company's operating utilities, benefits claimed by petitioners, benefits to shareholders, new regulatory assets on Monongahela Power and Potomac Edison's books, risks to Allegheny Power ratepayers from the proposed transaction, consolidated tax savings adjustment, effect on ADIT, other anticipated costs, FirstEnergy's transaction-triggered compensation expense, capital structure and cost of capital impacts, risk of credit rating downgrade, acquisition adjustment, goodwill, synergy savings, and other concerns about the proposed transaction.

Key participants Ralph Smith

Geographic Location: West Virginia

Contract Duration: 2010

Appalachian Power Company and Wheeling Power Company both d/b/a
American Electric Power Co., Case No. 10-0699-E-42T

Client: Consumer Advocate Division
State of West Virginia
Public Service Commission
7th Floor, Union Building
723 Kanawha Boulevard, East
Charleston, WV 25301
(304) 558-0526

Contact: Byron Harris
Tony Sade
Lynne White

Assignment: Larkin & Associates was retained by the West Virginia Consumer Advocate Division (CAD) to review the rate request of Appalachian Power Company. Issues addressed by Larkin & Associates in testimony included: prior period accumulated depreciation. Plant held for future use, cash working capital, Amos Unit No. 2 and 3 FGD scrubber facilities, Amos Unit No. 2 reheater and turbine modifications, Wheeling network improvements, prepaid pension asset, payroll annualization, group medical and dental insurance expense, group life insurance expense, group long term disability insurance, incentive compensation, savings plan related to incentive compensation expense, reversal of payroll expense related adjustments, stock-based compensation, supplemental executive retirement plan, executive compensation, normalized pension expense for ratemaking purposes, interest synchronization, depreciation expense related to Amos Unit No. 2 and 3 modifications and wheeling network improvements, test year and projected generation O&M production expense, promotional, institutional and corporate advertising, normalize PJM administrative charges included in base rates, associated business development net margins, consolidated income tax savings adjustment, amortization of severance expense and income tax expense.

Key participants: Ralph C. Smith
Mark S. Dady
Dawn Bisdorf

Geographic Location: West Virginia

Contract Duration: 2010

In the Matter of the Application of Delmarva Power & Light Company for an
Increase in Electric Base Rates, PSC Docket 09-414

Client: Delaware Public Service Commission
Elbert N. Carvel State Office Building
820 N. French Street
Wilmington, DE 19801
(302) 577-8159

Contact: Regina Iorri

Assignment: Larkin & Associates was retained by the Delaware Public Service Commission to review Delmarva's request for an increase in rates. Mr. Smith's testimony addressed the accounting deferral of pension cost and the amount of pension expense that is appropriate for ratemaking purposes.

Key Participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Delaware

Contract Duration: 2009

Puget Sound Energy, Docket No. UE-090704

Client: Federal Executive Agencies
Naval Facilities Engineering Command, Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the FEA to review PSE's application for a rate increase. Issues addressed in testimony included: Correction of an error in PSE's Wild Horse Expansion Project pro forma adjustment, Decrease rate base for Accumulated Deferred Income Taxes ("ADIT") related to 2009 Bonus Tax Depreciation associated with the Wild Horse Expansion Project, Impacts of the American Recovery and Reinvestment Act ("ARRA") should be investigated by PSE, ADIT related to PSE's approved request for a major tax accounting change for repairs, PSE's Pension Expense should be based on an average of FAS 87 and removal of PSE's Supplemental Executive Retirement Plan ("SERP") Expense from the revenue requirement..

Key participants: Ralph Smith
Dawn Bisdorf

Geographic Location: Washington

Contract Duration: 2010

Arizona Electric Power Cooperative, Application to Approve Rates, Docket No. E-01773A-09-0472

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-3026

Contact: Janet Wagner

Assignment: Larkin & Associates, PLLC, was retained by the Arizona Corporation Commission Staff to review Arizona Electric Power Cooperatives Application to approve rates. Issues addressed in Mr. Smith's testimony included: cash working capital, prepayments, AEPCO-proposed rate base adjustments, plant held for future use, acquisition adjustment, accumulated depreciation, fuel stock, deferred debits, asset retirement obligation, work force reduction, incentive compensation, lobbying in association dues, asset retirement obligation-related expenses, and coast transport legal expenses.

Key Participants: Ralph Smith
Mark Dady
Dawn Bisdorf

Geographic Location: Arizona

Contract Duration: 2010

Southwest Transmission Cooperative, Inc., Application to Approve Rates, Docket No. E-04100A-09-0496

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-3026

Contact: Janet Wagner

Assignment: Larkin & Associates, PLLC, was retained by the Arizona Corporation Commission Staff to review Southwest Transmission Cooperative's Application to approve rates. Issues addressed in Mr. Smith's testimony included: plant held for future use, acquisition adjustment, accumulated depreciation, materials and supplies, work force reduction, incentive compensation, donations, lobbying expense in association dues, and gain on sale of utility property.

Key Participants: Ralph Smith
Mark Dady
Dawn Bisdorf

Geographic Location: Arizona

Contract Duration: 2010

Progress Energy Florida; Docket No. 090079-EI

Client: Florida Office of Public Counsel
111 W. Madison Street – Room 812
Tallahassee, Florida 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates, PLLC, was retained by the OPC to review Progress Energy Florida's request for a rate increase. Issues addressed in Mr. Schultz's testimony included: nuclear fuel balance, storm reserve accrual and reserve balance, ARO adjustment working capital, compensation, incentive pay, employee benefits, rate case expense, transmission O&M expense, distribution O&M expense, power operations O&M expense, directors and officers liability insurance, injuries and damages expense adjustment, budget analysis, O&M expense productivity adjustment and other OPC witness adjustments.

Key Participants: Helmuth W. Schultz

Geographic Location: Florida

Contract Duration: 2009

Proceeding on the Motion of the Commission as to the Rates, Charges, Rules and Regulations for Consolidated Edison Company New York, Inc. for Electric Service, Case Nos. 09-E-0428

Client: New York Consumer Protection Board
5 Empire State Plaza, Suite 2101
Albany, New York 12223
(518) 474-8583

Contact: John Walters

Assignment: Larkin & Associates was retained by the New York State Consumer Protection Board to address Consolidated Edison's request for a rate increase. Mr. Schultz's testimony addressed the following issues: labor, other compensation expense, payroll tax expense, employee welfare expense, directors and officers liability insurance expense, substation operations O&M programs, system & transmission O&M programs, electric operations O&M programs, shared services, customer operations, interference costs, escalation and austerity.

Key participants: Helmuth W. Schultz, III

Geographic Location: New York

Contract Duration: 2009

Avista Utilities, Docket No. UE-090134

Client: Washington State Attorney General's Office
Public Counsel Section
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
(206) 389-2055

Contact: Simon Ffitch

Assignment: Larkin & Associates was retained by the Office of Public Counsel to review Avista Utilities request for an increase in rates. Mr. Larkin's testimony focused on the following issues: production property adjustment, labor (non-executive), labor (executive), capital additions, asset management, information services, CDA Tribe Settlement costs, Colstrip Mercury O&M, incentive compensation, O&M plant expense, insurance expense, Board of Directors meeting costs, Board of Directors fees, customer deposits, injuries and damages reserve, and interest synchronization.

Key Participants: Hugh Larkin, Jr.
Tina Miller

Geographic Location: Washington

Contract Duration: 2009

Potomac Electric Power Company, Formal Case No. 1076

Client: District of Columbia
Office of Peoples Counsel
1133 15th Street N.W., Suite 500
Washington, DC 20005-2710
(202) 727-3071

Contact: Brian Edmonds

Assignment: Larkin & Associates was retained by the Office of Peoples Counsel to review Potomac Electric Power Company's request for an increase in rates. Testimony focused on the following issues: test year, rate base, 13-month average rate base, construction work in progress, cash working capital, revenues, uncollectible expense, storm damage costs, industry contributions & membership dues, credit facility start up costs, directors & officers liability insurance, pension expense, prepaid pension asset/prepaid pension liability, wages & salaries adjustment, correction to employee incentive plan adjustment, employee benefits expense, PEPCO employee club costs,

Key Participants: Mark Dady

Geographic Location: Washington, D.C.

Contract Duration: 2009

Hawaiian Electric Company, Application for Approval of Rate Increases & Revised Rate Schedules and Rules, Docket No. 2008-0083

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Navy Utility Rate and Studies Office (URASO) to perform utility revenue requirement studies. Larkin & Associates reviewed data to obtain an understanding of the Hawaiian Electric Company Inc.'s rate filing package and formulated an opinion concerning the reasonableness of the amounts within the Company's application. Issues addressed in testimony included: customer information system, cash working capital, accumulated deferred income taxes, general inflation, Ward Base Yard capitalization, vehicle fuel cost, expiring amortization, community service activities expense, income taxes, depreciation and amortization, average test year employees, pension and OPEB cost, normalize research and development expenses, research and development tax credit, FUTA tax reduction, international financial reporting standards, rent expense and emission fees.

Key participants: Ralph Smith

Geographic Location: Hawaii

Contract Duration: 2008

Arizona Public Service Company, Application for an Interim Increase in Rates,
Docket No. E-01345A-08-0172

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-3026

Contact: Chris Kempley
Janet Wagner

Assignment: Larkin & Associates, PLLC, was retained by the Arizona Corporation Commission Staff to review Arizona Public Service Company's Application for an Interim Increase in rates. Issues addressed in Mr. Smith's testimony included: the interim rate relief requested by APS, criteria for interim rate relief, ordinary regulatory lag does not justify APS' requested interim rate relief, alleged emergency circumstances, whether APS requires an interim rate increase during the processing of its general rate case, an alternative basis for determining an amount of interim rate increase for APS should the Commission be inclined to grant an increase, and rate design.

Key Participants: Ralph Smith
Mark Dady
Dawn Bisdorf

Geographic Location: Arizona

Contract Duration: 2008

In the Matter of the Filing of a General Rate Application by Tucson Electric Power
Company, Docket No. E-01933A-07-0402

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-3026

Contact: Chris Kempley
Janet Wagner

Assignment: Larkin & Associates was retained by the Arizona Corporation Commission Staff to address Tucson Electric Power Company's General Rate Application. Issues addressed in testimony included: Depreciation Rates, Plant Held for Future Use, Luna Plant Facility, Luna Plant Facility Accumulated Deferred Income Taxes, "Implementation Cost Regulatory Asset", Working Capital, Fuel Inventory, Accumulated Depreciation and ADIT Related to Cost of Removal, Accumulated Depreciation Related to Unauthorized Depreciation Rate Changes, Miscellaneous Accumulated Deferred Income Tax, Account 190, Other Deferred Credits, Customer Care & Billing System, Springerville Unit 1, Luna Facility Depreciation and Property Tax Expense, San Juan Coal Contract, Bad Debt Expense, Edison Electric Institute Dues, Incentive Compensation, Supplemental Executive Retirement Program Expense, Workers' Compensation Expense, Short-Term Sales, Wholesale Trading Activity, Gain on Sale of SO2 Emission Allowances, Property Tax Expense Interest Synchronization, Depreciation Rates Adjustment, Customer Care & Billing System, Markup Above Cost for Charges from Affiliate, Southwest Energy Services, PPFAC Adjustment, Postage Expense, Miscellaneous Service Revenue, Cash Working Capital, Normalize Affiliate Charges to TEP, Legal Expense Related to Motion to Amend Decision No. 62103, Legal Expense Related to California Proceedings, West Connect Charges Related to Regulatory Asset, Other TEP Changes to Operating Income and Rate Base, Purchased Power and Fuel Adjustment Clause, TEP's Historical Misuse of Previous Fuel Adjustment Mechanism, Staffs Proposed PPFAC, TEP's Proposed PPFAC, Costs to Be Included in the PPFAC, Credits to PPFAC Costs Effective Date for PPFAC, PPFAC Forward-Looking and True-Up Components, Carrying Costs on PPFAC bank balance, Filing and Reporting Requirements, Whether Sharing and Cap Provisions Should be Imposed, Requirement for Commission approval of PPFAC, and rate changes.

Key Participants: Ralph C. Smith
Mark Dady

Geographic Location: Phoenix, Arizona

Contract Duration: 2008

In the Matter of the Filing of a General Rate Application by UNS Electric, Inc.
Docket No. E-04204A-06-0783

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007

Contact: Maureen Scott (602) 542-0622
Kevin Torrey (602) 542-6031
Alexander Igwe (602) 542-0857
Barbara Keene (602) 542-1290

Assignment: Larkin & Associates was retained by the Arizona Corporation Commission Staff to address the revenue requirement and selected other issues, including new depreciation rates, and rules and regulation changes proposed by the Company. Issues discussed in Mr. Smith's testimony included construction work-in-process, plant in service addition subject to reimbursement, cash working capital, accumulated deferred income tax, revenue adjustment for CARES discount, depreciation and property taxes for CWIP, depreciation and property taxes for CWIP found to be in service in the test year, fleet fuel expense, postage expense, normalize injuries and damages, incentive compensation, supplemental executive retirement program expense, stock based compensation, property tax expense, rate case expense, Edison Electric Institute Dues, other membership and industry association dues, interest synchronization, depreciation rates correction, emergency bill assistance expense, markup above cost for charges from affiliate, Southwest Energy Services, depreciation rates, changes to purchased power and fuel adjustment clause, and the Company's proposed ratemaking treatment for a new peaking unit, Black Mountain Generating Station.

Key Participants: Ralph C. Smith
Mark S. Dady

Geographic Location: Phoenix, Arizona

Contract Duration: 2007

Tampa Electric Company; Docket No. 080317-EI

Client: Florida Office of Public Counsel (OPC)
111 W. Madison Street - 801
Tallahassee, Florida 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates, PLLC, was retained by the OPC to review and comment on Tampa Electric Company's request an increase in rates. Issues addressed in Mr. Larkin's testimony included: transmission base rate adjustment clause, annualization of plant-in-service, plant in service projections, CIS upgrades, dredging O&M amortization, plant held for future use, construction work in progress, working capital, storm damage accrual, uncollectible expense, and capital structure. Issues addressed by Mr. Schultz included: payroll, benefits, incentive compensation, D&O liability, tree trimming, pole inspections, transmission inspections, substation preventive maintenance, generation maintenance, rate case expense and office supplies.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz

Geographic Location: Florida

Contract Duration: 2008

United Illuminating Company, Docket No. 08-07-04

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to conduct a review of the United Illuminating Company's application for an increase in distribution rates. Issues addresses in testimony included Incremental CL&M investment, Central Facility, compensation expense, employee benefits, corporate costs, line clearance, professional services, legal services, audit and accounting expense, allocated A&G, insurance expense, reconnect service fees, security and safety expense, customer service expense, data security expense, distribution advertising expense, membership dues, uncollectibles, facility rent expense, postage increase, travel, education and training expense.

Key participants: Helmuth Schultz
Tina Miller

Geographic Location: Connecticut

Contract Duration: 2008

Entergy Gulf States, Inc. and Entergy Louisiana, Inc.'s Joint Application for Interim and Permanent Recovery in Rates of Costs Related to Hurricanes Katrina and Rita : Docket No. U-29203 (Phase II)

Client: AARP
601 E Street NW
Washington, DC 20049
(202) 434-2277

Contact: Mike Twomey

Assignment: Larkin & Associates, PLLC, was retained by the AARP to comment on Entergy Gulf States, Inc. ("EGS-La") and Entergy Louisiana, Inc.'s (ELI) d/b/a Entergy Louisiana, LLC (ELL) (collectively referred to as "the Companies") request for interim and permanent recovery in rates of costs related to Hurricanes Katrina and Rita, and to address the appropriate methodology for determining the amount to be recovered from customers. Issues addressed in Mr. Larkin's testimony included: incremental cost recovery method, insurance proceeds, Community Block Development Grants, and storm recovery cost cut-off date.

Key Participants: Hugh Larkin, Jr.
Tina Miller

Geographic Location: Florida

Contract Duration: 2007

Florida Power & Light Company; Docket No. 060038-EI

Client: Florida Office of Public Counsel (OPC)
111 W. Madison Street - 801
Tallahassee, Florida 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates, PLLC, was retained by OPC to review and comment on Florida Power & Light Company (FPL or Company) request for recovery of storm restoration costs, and to address the appropriate methodology for determining the amount to be recovered from customers. Issues addressed in testimony included: Company's accounting for storm damage costs, the use of variances or estimates of cost included in base, financial statements, Company's method of cost recovery, Company's budget process, lost revenue, other costs which should be excluded from storm cost recovery, storm restoration request, payroll, labor, items covered under warranty, remaining contingencies, joint use poles, plant repair estimates, advertising and communications costs, capital items, proceeds received for loan of personnel and equipment, and cut-off date.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Florida

Contract Duration: 2006

Gulf Power Company; Docket No. 060154-EI

Client: Florida Office of Public Counsel (OPC)
111 W. Madison Street - 801
Tallahassee, Florida 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was retained by the OPC review the Company's petition and submit testimony setting forth the principles which should underlie the cost recovery for storm damages. Issues addressed in Mr. Larkin's testimony included: incremental cost recovery method, voluntary addition to storm reserve, true-up, 2005 storm cost recovery date, servicing and administrative fees, and accounting entries associated with storm-recovery financing.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Florida

Contract Duration: 2006

In the Matter of the Filing of a General Rate Application by Arizona Public Service Company; Docket No. E-01345A-05-0816

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-0745

Contact: Matt Rowell

Assignment: Larkin & Associates was retained by the Arizona Corporation Commission Staff to address Arizona Public Service Company's (APS) proposed depreciation rates and follows through on issues raised by the Staff concerning depreciation rates in the last APS rate case.

Key Participant: Ralph C. Smith

Geographic Location: Phoenix, Arizona

Contract Duration: 2006

Proceeding on the Motion of the Commission as to the Rates, Charges, Rules and Regulations for New York State Electric and Gas Corporation for Electric Service, Case No. 05-E-1222

Client: New York Consumer Protection Board
5 Empire State Plaza, Suite 2101
Albany, New York 12223
(518) 474-8583

Contact: John Walters

Assignment: Larkin & Associates was retained by the New York State Consumer Protection Board to review NYSEG's request for an increase in gas rates. Issues addressed in testimony filed by Larkin and Associates included payroll, capital expenditures, pension expense, other post employment benefits expense, supplemental executive retirement plan, hydraulic power generation, legal services, regulatory commission expense, rent expense allocated from USSC, outside services, tree trimming, and stray voltage.

Key participants: Hugh Larkin Jr.
Tina Miller

Geographic Location: New York

Contract Duration: 2006

In the Matter of the Filing of an Emergency Interim Rate Increase and for an Interim Amendment to Decision No. 67744 by Arizona Public Service Company, Docket No. E-01345A-06-009

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-0745

Contact: Matt Rowell

Assignment: Larkin & Associates was retained by the Arizona Corporation Commission Staff to address Arizona Public Service Company's (APS) application for an emergency interim rate increase. Issues addressed in testimony included: the \$776.2 million cap on recovery of fuel and purchased power expenses, the emergency relief requested by APS and whether APS is experiencing a "financial emergency", and whether requirements should be placed on the Company as conditions for approval of all or part of its emergency request, operation of the PSA as it relates to APS' request for an emergency rate increase.

Key Participant: Ralph C. Smith

Geographic Location: Phoenix, Arizona

Contract Duration: 2006

Hawaiian Electric Company, Application for Approval of Rate Increases & Revised Rate Schedules and Rules, Docket No. 2006-0386

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Navy Utility Rate and Studies Office (URASO) to perform utility revenue requirement studies. Larkin & Associates reviewed data to obtain an understanding of the Hawaiian Electric Company Inc.'s rate filing package and formulated an opinion concerning the reasonableness of the amounts within the Company's application. Issues addressed in testimony included: pension asset, cash working capital, accumulated deferred income taxes for AFUDC in CWIP, June 2007 updates, known and measurable rate changes, amortization of pension asset, Edison Electric Institute dues, security services expense, Community Process expense, Income Taxes – Interest Synchronization, Research, Development and Demonstration Expenses in Miscellaneous O&M, Average Test Year Employees, HECO's Proposed Pension Tracking Mechanism and HECO's Proposed OPEB Tracking Mechanism.

Key participants: Ralph Smith

Geographic Location: Hawaii

Contract Duration: 2006

Appalachian Power Company and Wheeling Power Company both d/b/a American Electric Power Co., Case No. 05-1278-E-PC-PW-42T

Client: Consumer Advocate Division
State of West Virginia
Public Service Commission
7th Floor, Union Building
723 Kanawha Boulevard, East
Charleston, WV 25301
(304) 558-0526

Contact: Billy Jack Gregg, Esquire
Byron Harris

Assignment: Larkin & Associates was retained by the West Virginia Consumer Advocate Division (CAD) to review the rate request of Appalachian Power Company and Wheeling Power Company. Issues addressed by Larkin & Associates in testimony included: utility plant held for future use, prior period accumulated depreciation, prepayments, cash working capital, inactive to zero usage material and supplies inventory, self funded reserve accruals, rate base related asset retirement obligation adjustments, pole rental expense, remodeling expense, airplane costs, club initiation fees, written off obsolete inventory, incentive compensation, rate case expense, life insurance premiums, public relations expense, Edison Electric Institute Dues, Other Membership Dues, Three-Year Amortization from Loss on Sale of Bluefield and Wheeling Office Buildings, Amortization of Deferred RTO Formation, Service Company Billings, Institutional Advertising Expense, Interest on Customer Deposits, Expanded Net Energy Cost (ENEC), T&D Management, Consolidated Income Taxes, Interest Synchronization, Depreciation & Amortization Related to Asset Retirement Obligations, Maintenance of Boiler Plant Account 512, Maintenance of Electric Plant Account 513, Income Tax Expense

Key participants: Hugh Larkin, Jr.
Ralph C. Smith
Mark S. Dady

Geographic Location: West Virginia

Contract Duration: 2006

Delmarva Power & Light's Application for Approval of a Change in Electric Distribution Base Rates and Miscellaneous Tariff Charges, Docket No. 05-304

Client: Delaware Division of the Public Advocate
820 N. French Street, 4th Floor
Wilmington, DE 19801

Contact: G. Arthur Padmore
(302) 577-5077

Assignment: Delmarva Power and Light Company's Application for Approval of a Change in Electric Distribution Base Rates and Miscellaneous Tariff Changes. Mr. Smith's testimony focuses on Delmarva's proposed depreciation rates for Distribution Plant. Issues addressed in testimony included: objective of depreciation expense, book depreciation expense, depreciable utility plant, accumulated depreciation, impact on the company's revenue requirement, negative net salvage, FAS 143 regulatory liability, remaining life depreciation, whole life depreciation rate, excessive depreciation rate, asset retirement obligations (AROs), FERC Order 631, cost of removal, plant in service, five-year average net salvage allowance approach, and five year rolling average.

Key Participants: Ralph C. Smith

Geographic Location: Delaware

Contract Duration: 2006

United Illuminating Company, Docket No. 05-06-04

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to conduct a review of the United Illuminating Company's application for an increase in distribution rates for the four year period, 2006 through 2009. Issues addressed in testimony included gross revenue conversion factor, additions to plant in service, central facility, compensation expense, medical expense, dental expense, 401(k) expense, pension expense, OPEB-Medical expense, training expense, storm expenses & reserve, DOL insurance, sublease income, membership dues, postage, advertising expense, line clearance expense, outside services-environmental costs, income tax expense, and earnings sharing plan.

Key participants: Helmuth Schultz
Tina Miller

Geographic Location: Connecticut

Contract Duration: 2005

Hawaiian Electric Company, Application for Approval of Rate Increases & Revised Rate Schedules and Rules, Docket No. 04-0113

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Navy Utility Rate and Studies Office (URASO) to perform utility revenue requirement studies. Larkin & Associates reviewed data to obtain an understanding of the Hawaiian Electric Company Inc.'s rate filing package and formulated an opinion concerning the reasonableness of the amounts within the Company's application. Issues addressed in testimony included net plant in service update, rate base updates, property held for future use, pension asset, unamortized HRS system development costs, cash working capital, fuel inventory placeholder, other operating revenue, removal of DSM costs, standard labor rates and test year overtime, average test year employees, fuel related expense, production operations and maintenance expense, customer service expense-reorganization, depreciation and amortization expense, administrative and general expense, other taxes-SUTA, income taxes-interest synchronization, electric sales revenue and fuel update placeholder, King Street lease.

Key participants: Ralph Smith

Geographic Location: Hawaii

Contract Duration: 2005

In the Matter of the Application of Consumers Energy Company for Authority to Increase its Rates for the Generation and Distribution of Electricity and for Other Relief, Case No. U-14347

Client: Office of Attorney General
G. Mennen Williams Building
7th Floor
525 Ottawa St.
P.O. Box 30212
Lansing, MI 48909
(517) 373-1110

Contact: Donald Erickson

Assignment: Larkin & Associates was retained by the Michigan Attorney General to address issues raised by the Consumers Energy Company in its application for authority to increase rates for the generation and distribution of electricity in this proceeding. Testimony presented by Mr. Smith included amortization of pension funding contribution/request for a regulatory asset, property insurance expense, customer operations: low income energy efficiency fund (LIEEF), active and retired employees insurance, electric property taxes, electric system operations expense: forestry, incentive compensation, and other adjustments. Other issues addressed included CECCO's proposal for single-issue ratemaking for pension expense variations, other post employment benefits expense variations, and financing cost recommendation if either pension or OPEB deferral plan is adopted.

Key participants: Ralph C. Smith

Geographic Location: Michigan

Contract Duration: 2005

Proceeding on the Motion of the Commission as to the Rates, Charges, Rules and Regulations for Central Hudson Gas & Electric Corporation for Electric & Gas Service, Case Nos. 05-E-0934, 05-G-0935

Client: New York Consumer Protection Board
5 Empire State Plaza, Suite 2101
Albany, New York 12223
(518) 474-8583

Contact: John Walters

Assignment: Larkin & Associates was retained by the New York State Consumer Protection Board to address the issues of pension costs, other post employment benefits, site investigation and remediation costs for prior manufactured gas plant sites and right of way maintenance/storm damage expense.

Key participants: Hugh Larkin Jr.

Geographic Location: New York

Contract Duration: 2005

Financial and Management/Performance Audit of the Fuel and Purchased Power Rider of the Cincinnati Gas & Electric Company

Client: Energy Ventures Analysis, Inc.
1901 N. Moore Street, Suite 1200
Arlington, VA 22209-1706
(703) 276-8900

Contact: Emily Medine, Energy Ventures Analysis, Inc., 412/421-2390
Steven Reilly, Assistant Attorney General, 614/466-4397
Ray Strom, Public Utilities Commission of Ohio,
Ray.Strom@puc.state.oh.us
Stuart Siegfried, Public Utilities Commission of Ohio -
Environmental Specialist, 614/466-7536

Assignment: Larkin & Associates, PLLC (Larkin) functioned as a subcontractor to Energy Ventures Analysis, Inc. (EVA) in this audit. Larkin's review on this project was the Financial Audit of Cincinnati Gas & Electric Company's (CG&E) Fuel, Economy Purchased Power and Emission Allowance Component (FPP Component) for the audit period of January through June, 2005. The review by Larkin was coordinated with EVA's Management/Performance Audit of CG&E's FPP Component for this same audit period, which included a detailed analysis by EVA of CG&E's coal procurement and emission allowances. Pursuant to the Commission's Entry on Rehearing Case No. 03-93-EL-ATA issued on November 23, 2004, CG&E calculated proposed quarterly FPP components of its market-based standard service offer for the three month projected periods January through March 2005 and April through June 2005. With its third quarter FPP filing, covering the projected period July through September 2005, CG&E included actual results for the first quarter of 2005 in the Reconciliation Adjustment (RA) portion of its third quarter filing. Larkin's scope of work consisted of a combination of reviewing CG&E's FPP filings for the first two quarters of 2005, and following applicable guidance contained in the audit objectives and procedures outlined in Appendix E of what had been Chapter 4901:1-11 of the Ohio Administrative Code (the Code). Because that provision of the Code was repealed, those provisions no longer apply to CG&E. However, because the FPP proposed by CG&E was "EFC-like," such provisions were utilized as one of the best available sources of guidance for conducting the scope of work. Such provisions were also referenced as an applicable source of guidance for performing the work in the Request for Proposal No. U05-FPP-1 that was issued by PUCO on June 29, 2005. The Commission indicated that the purpose of the review was to determine the "reasonableness" of CG&E's expenditures for costs included in the FPP. The Commission Entry on Rehearing also indicated that the "amounts to be recovered for fuel, economy

purchased power, and EAs are those in excess of amounts authorized in CG&E's last electric fuel component proceeding." (Entry on Rehearing, Finding 13(c)). As described in Chapter 5 of the report filed October 7, 2005, Larkin has also stated verification of first quarter 2005 actual information that CG&E filed with its third quarter 2005 application. Mr. Smith testified at hearings before the PUCO on November 1, 2005.

Key participants Ralph C. Smith
Mark S. Dady

Geographic Location: Ohio

Contract Duration: 2005

Savannah Electric & Power Company FCR Fuel Case, Docket No. 21229-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Don Craig, 404/656-4549
Veronica Thomas, 404/656-7223
Sheree Kernizan, 404/656-0994

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to address issues presented in the current Fuel Cost Recovery (FCR) Allowance filing by SEPCO. Issues addressed in Mr. Smith's testimony included: the Company's Proposed FCR Allowance, Financing Charges, Deferred Fuel Balance and Amortization Period, Fuel Transloader, SEPCO's Gas Hedging Program, the Amount of Fuel and Purchase Power Cost SEPCO Is Requesting, Fuel Cost Increases, The Projection Period Used By SEPCO, the impact of Hurricanes Katrina and Rita and SEPCO's October 4, 2005 update, NOX Allowances, and SEPCO's Residential Rate Differential Proposal, Low-Income Senior Credit, Changes to the Current FCR Mechanism, Cost Basis for Time-of-Use (TOU) Rate Differentials, Problems with Significant Coal Supplier, Significant Unplanned Outages and Cost of Replacement Power. Mr. Smith testified on behalf of the Georgia PSC Staff on October 24, 2005.

Key participants Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2005

Entergy Arkansas, Inc. Fuel Procurement Review, Docket No. 05-116-U

Client: Arkansas Public Service Commission
1000 Center Street
P.O. Box 400
Little Rock, AR 72203-0400
(501) 682-1794

Contact: Diana Brenske

Assignment: Larkin & Associates and subcontractor, Synapse Energy-Economics, were retained by the Arkansas Public Service Commission to address energy policy issues. One of the projects involves a review of Entergy Arkansas, Inc.'s (EAI) fuel procurement, including the supply of coal to EAI's White Bluff and Independence Steam Electric Station generating units. The Commission established this docket to investigate the Interim Revision to the Energy Cost Recovery Rider filed by Entergy previously in Docket 96-360-U.

Key participants Ralph C. Smith
Mark S. Dady
David Schlissel

Geographic Location: Arkansas

Contract Duration: 2005-2006

Georgia Power Company FCR Fuel Case, Docket No. 19142-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Don Craig
Julia Truss
Veronica Thomas

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to address issues presented in the current Fuel Cost Recovery (FCR) Allowance filing by GPC. Issues addressed by Mr. Smith in his testimony included: Projected Fuel Costs, Projected Recovery of Fuel Costs from Wholesale Customers, Opportunity Energy Sales Profits, Financing Costs, Projected Retail Sales for the Test Period, Derivation of the New FCR Rate, Significant Unplanned Outages and Cost of Replacement Power, GPC's Gas and Oil Hedging Program, the Amount of Fuel and Purchase Power Cost GPC Is Requesting, and the Projection Period Used By GPC.

Key participants Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2005

Connecticut Light & Power Company; Docket No. 03-07-02RE01

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to address issues in a rate case reopener for Connecticut Light & Power Company. Issues addressed in Mr. Smith's brief included: CL&P's claim for unrecognized pension gain, Incentive Compensation, and Affiliate Rent Expense.

Key participants: Ralph Smith

Geographic Location: Connecticut

Contract Duration: 2004

Connecticut Light & Power Company; Docket No. 03-07-01RE

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to address issues in the Traditional Standard Offer reopener case for Connecticut Light & Power Company. Issues addressed in Mr. Smith's brief included: Specific Corrections to CL&P's Filing and Mitigation Measures Recommended by OCC, Financing Costs Should Be Calculated on Net-of-Tax Balances, the Cost Rate CL&P Uses To Compute Financing Charges Is Too High, the Devon 7 and 8 RMR Costs Included By CL&P for 2005 Were for a Contract that Terminated on September 30, 2004, and Should Be Removed, CL&P's Current 2005 Sales Forecast Should Be Used to Develop 2005 Rates, the CTA Rate Should Be Temporarily Reduced To the Level Needed To Finance Rate Reduction Bonds, the 2004 CTA and SBC Over-Recoveries Should Be Used to Mitigate the Rate Increase, the Distribution Over-Earnings for 2004 Should Be Used to Mitigate the Rate Increase Scheduled for May 1, 2005 When An Existing CTA Credit Expires, CL&P's Deferred 2003 FMCC Costs and Under-Collected Nonbypassable 2004, FMCC Costs Should Not Be Allowed Into Rates Until Such Costs Are Audited, CL&P Has Access to Financing Necessary to Finance OCC's Recommended Mitigation Measures, the Increase in FMCCs Should Be Subject To A Detailed Review, CL&P's Rates Should Not Be Increased At This Time For Additional RMR Contracts Filed at FERC That Have Not Yet Been Approved, the Proper Use of the EAC Requires Distinct Procedural and Substantive Requirements which the Department Has Not Met, the DPUC Should Examine CL&P's TSO Energy Procurement Process More Closely, and CL&P's Latest Request for a Transmission Rate "Tracker" Should Be Rejected.

Key participants: Ralph Smith

Geographic Location: Connecticut

Contract Duration: 2004

Savannah Electric & Power Company FCR Fuel Case, Docket No. 19042-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Don Craig
Julia Truss
Veronica Thomas

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to address issues presented in the current Fuel Cost Recovery (FCR) Allowance filing by SEPCO. Issues addressed in Mr. Smith's testimony included: the Company's Proposed FCR Allowance, Financing Charges, Deferred Fuel Balance and Amortization Period, Fuel Transloader, SEPCO's Gas Hedging Program, the Amount of Fuel and Purchase Power Cost SEPCO Is Requesting, Other Non-Fuel Costs, Coal Cost Increases, The Projection Period Used By SEPCO, SEPCO's Request for Clarification of NOX Allowances, and SEPCO's Residential Rate Differential Proposal.

Key participants Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2004

South Carolina Electric & Gas Company's Application for an Increase in its Electric Rates and Charges

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy in the aforementioned proceeding. A brief submitted by Mr. Smith on behalf of the Department of the Navy addressed the following issues: the Company's request for retail rate recovery of GridSouth costs, fossil fuel inventory, long-term disability (FAS 112) amortization, annualize account 924, A&G expense-property insurance, new internal positions for compliance with new NERC standards, and levelized allowance for other major maintenance expense.

Key participants: Ralph Smith

Geographic Location: South Carolina

Contract Duration: 2004

Central Vermont Public Service Corporation; Docket Nos. 6946 & 6988

Client: Vermont Department of Public Service
120 State Street
Montpelier, Vermont 05602
(802) 828-2811

Contact: Geoff Commons

Assignment: Larkin & Associates was retained by the Vermont Department of Public Service to review the rate investigation ordered by the Board in Docket no. 6946 and the rate increase requested by Central Vermont Public Service Corporation in Docket No. 6988. Issues addressed in testimony included rate base, accumulated depreciation, accumulated deferred income tax, deferred costs, power costs, unbilled revenues, payroll, payroll tax expense, medical expense, 401(k) expense, income tax expense, gross revenue and fuel gross receipts tax, uncollectible expense, regulatory commission expense, CATV pole attachment revenues, sale of CVEC, safety training costs, directors and officers liability insurance, service contract, cost savings from capital additions, department penalty, and miscellaneous expense.

Key participants: Helmuth Schultz

Geographic Location: Vermont

Contract Duration: 2004

03-070-R Integrated Resource Planning Guidelines

Client: Arkansas Public Service Commission
1000 Center Street
P.O. Box 400
Little Rock, AR 72203-0400
(501) 682-2051

Contact: Diana Brenske

Assignment: Larkin & Associates was retained by the Arkansas Public Service Commission to assist with developing comprehensive resource planning guidelines for electric utilities. Larkin & Associates reviewed comments filed by the other parties before the Federal Energy Regulatory Commission and participated in collaborative meetings with the Public Service Commission Staff.

Key participants: Ralph Smith.

Geographic Location: Arkansas

Contract Duration: 2003

FERC Full Production Cost Equalization, Docket No. EL01-88-000

Client: Mississippi Public Service Commission
Woolfolk Building
501 North West Street
Jackson, MS 39201
(601) 961-5800

Contact: Virden Jones

Assignment: Larkin & Associates was retained by the Mississippi Public Service Commission to submit testimony in the FERC Full Production Cost Equalization Docket. Mr. Larkin's direct testimony opposes the proposal of the LPSC and the CNO to adopt production cost equalization for the Entergy Operating Companies. Mr. Larkin analyzes the system agreements, which have been in effect from 1951 through the present and shows that these system agreements neither required nor resulted in production cost equalization. Mr. Larkin's analysis of FERC Opinion No. 234, which implemented the 1982 System Agreement and the Unit Power Sales Agreement also did not require or result in production cost equalization.

Key participants: Hugh Larkin, Jr.

Geographic Location: Mississippi

Contract Duration: 2003

Florida Public Utilities Company; Docket No. 030438-EI

Client: Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was retained by the Florida Office of Public Counsel to review the revenue requirement proposed by the Company for its consolidated electric division. Issues addressed in testimony include: impact of discontinued operations on electric division revenue requirement, adjustments for discontinued operations, employee benefits, stock issuance costs, outsourcing costs, tree trimming crew costs, consulting expense, reasonableness of projection factors and the application of such factors, proposed modifications to the Storm Reserve accrual, economic development, impact of the 2002 and 2003 Tax Acts on accumulated deferred income taxes, Construction Work in Progress, additional revenues from large new industrial customer, and many revisions to the Company's proposed working capital requirement.

Key participants: Hugh Larkin, Jr.

Geographic Location: Florida

Contract Duration: 2003-2004

Connecticut Light & Power Company; Docket No. 03-07-02

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to review the Company's request for an amendment in rates for the period 2004 through 2007. Issues specifically addressed in testimony included: adjustments to CL&P's proposed initiatives, deferred assets, Storm Damage Accrual reserves, working capital, revenues, recovery of six specific items identified by the Company as exogenous costs under its Incentive Rate Plan. Larkin & Associates testimony first addressed the appropriate definition and specific qualifications for items to be considered as exogenous costs under the Company's incentive rate plan. The testimony then addressed the following six specific items for which the Company was requesting an increase in rates for exogenous cost recovery: uncollectible expense, pension expense, other post retirement benefit expense, personal property taxes, raise in Connecticut Corporate Business Tax rate and Three-Way Payment Plan deferrals.

Key participants: Ralph Smith
Helmuth Schultz
Mark Dady

Geographic Location: Connecticut

Contract Duration: 2003

Environmental Protection Agency – Comments Concerning Proposed Ruling

Client: State of New Jersey
Department of Law and Public Safety, Division of Law
Richard J. Hughes Justice Complex
25 Market Street
P.O. Box 093
Trenton, NJ 08625

Contact: Lisa Morelli
Ruth Carter
(609) 292-6945

Assignment: Larkin & Associates was retained by the New Jersey Department of Law and Public Safety to assist in submitting comments to the Environmental Protection Agency regarding the EPA's proposed rule published on December 31, 2002 at 67 Federal Register 80290 entitled, "Prevention of Significant Deterioration (PSD) and Non-attainment New Source Review (NSR): Routine Maintenance, Repair and Replacement." L&A assisted the NJ Department of Law with research and drafting of the comments submitted to the EPA.

Key participants: Hugh Larkin, Jr.
Ralph Smith

Geographic Location: New Jersey

Contract Duration: 2003

PacifiCorp; Docket No. 02-2035-02

Client: Utah Committee of Consumer Services
Heber M. Wells Building, Room 408
PO Box 146782
Salt Lake City, UT 84114-6782
(801) 530-6798

Contact: Dan Gimble

Assignment: Larkin & Associates was retained to review a request by PacifiCorp for an increase in rates. As part of the analysis, Larkin & Associates also reviewed and addressed the Company's request to modify the test year provisions that had long been adopted and approved by the Commission. This case settled prior to filing testimony; however, schedules and exhibits were completed and submitted in order to facilitate settlement negotiations. Larkin & Associates was actively involved in the settlement discussions. Issues addressed by Larkin & Associates in our exhibits and schedules include: major plant additions including a transmission replacement and upgrade program, accounts receivable from associated company, cash working capital, increased revenues from system expansion and upgrade, change in method of accounting for unbilled revenues, normalization of overhaul expense, payroll expense including employee level impacts, incentive compensation, employee benefits, costs of canal failure, depreciation on retired assets, write-off of canceled projects, insurance expense, property taxes, IRS audit settlement adjustments, and amortization of costs associated with early retirement of Company owned coal mine.

Key participants: Helmuth Schultz, III
Mark Dady

Geographic Location: Salt Lake City, Utah
Portland, Oregon

Contract Duration: 2003

San Diego Gas & Electric Company; Application No. 02-12-028

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to review and analyze the 2004 Cost of Service Application of San Diego Gas and Electric Company as it pertained to the Company's electric operations. Issues addressed in testimony included: miscellaneous revenues, employee level and compensation, pensions, employee benefits, directors and officers liability insurance, workers compensation, injuries and damages, accumulated deferred income taxes, customer advances for construction, capitalization policy changes and allocated corporate center costs.

Key participants: Hugh Larkin, Jr.
Helmuth Schultz, III

Geographic Location: California

Contract Duration: 2003

Citizens Utilities Company, Vermont Electric Division; Docket No. 5841/5859

Client: Vermont Department of Public Service
120 State Street
Montpelier, Vermont 05602
(802) 828-2811

Contact: Geoff Commons

Assignment: Larkin & Associates was retained by the Vermont Department of Public Service to review the Company's compliance with specific terms of probation established by the State of Vermont Public Service Commission. As part of the project, Larkin & Associates reviewed compliance with specific probation terms and reviewed the Special Master's reports and work products on behalf of the Department of Public Service. Larkin & Associates testimony addressed specific non-compliance with project cost terms, accuracy of accounting records, adequacy of invoices and other documentation in support of the accounting records, probation related costs and the associated accounting, and cost allocations.

Key participants: Helmuth Schultz,

Geographic Location: Vermont

Contract Duration: 2001-2003

Docket No. EL02-101, Comments to FERC relating to Se Trans Regional Transmission Organization

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Sheree Kernizan

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission (GA PSC) to assist in submitting comments to the Federal Energy Regulatory Commission regarding the Se Trans Regional Transmission Organization Activities. Comments submitted to the FERC focused on the GA PSC's concern that the formation and implementation of RTOs for Georgia and the South-Eastern U.S. should not occur without first obtaining an adequate understanding of existing operations and customer needs, or without reliable evidence that such changes will result in net benefits to electricity customers over the present system.

Key participants: Ralph Smith

Geographic Location: Georgia

Contract Duration: 2002

Docket No. RM01-12-000, Comments to FERC relating to Standard Market Design

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Sheree Kernizan

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission ("GA PSC") to assist in submitting comments to the Federal Energy Regulatory Commission regarding Standard Market Design Activities. Comments, supplemental comments and reply comments were submitted to the FERC on behalf of the GA PSC. The following issues and concerns were discussed in the comments:

- The necessity for such an extensive change in the current transmission system operation and control as proposed in this rulemaking,
- The uncertainty that the potential benefits that may arise from the formation of the proposed SeTrans RTO and the implementation of SMD, as proposed in this NOPR, would outweigh the costs necessary to support, run and monitor such an operation,
- The proposed rulemaking on SMD imposes FERC's jurisdiction on the transmission portion of bundled retail electric service that is now regulated by the States,
- Currently in Georgia, resource planning continues to provide for sufficient supply transmitted to customers at reasonable prices to meet the growing demand in the state,
- Conclusion has not been reached that a single or multiple RTO structure should be implemented in this region or that our jurisdictional utilities should participate in such RTOs or should implement FERC's proposed SMD,
- Urges FERC to proceed slowly, cautiously and to consider regional differences in this endeavor.

Key participants: Ralph Smith

Geographic Location: Georgia

Contract Duration: 2002 – 2003

Docket No. PL0-1-000, Comments to FERC relating to Proposal Pricing Policy for Efficient Operation and Expansion of Transmission Grid

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Sheree Kernizan

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission ("GPSC") to assist in submitting comments to the Federal Energy Regulatory Commission regarding the Pricing Policy for Efficient Operation and Expansion of Transmission Grid. Comments submitted to the FERC on behalf of the GPSC discussed its major concern with FERC's proposed "incentives" policy which consists of an additional return on equity ("ROE") that raise transmission costs, which will in turn unnecessarily increase the cost of electricity to Georgia ratepayers.

Key participants: Ralph Smith

Geographic Location: Georgia

Contract Duration: 2003

Rockland Electric Company, Audit of the Deferred Balances, Docket No. EX02060363, Phase I

Client: New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(973) 648-2830

Contact: Dan Sussman

Assignment: Larkin & Associates was retained by the New Jersey Board of Public Utilities to audit of the Rockland Electric Company's restructuring related deferred balances that have been accruing by the Utility in the course of its implementation of various New Jersey Board of Public Utilities Orders providing for rate reductions and other requirements, pursuant to the Electric Discount and Energy Competition Act (EDECA), N.J.S.A.48:3-49 et seq. The audit is separated into two phases. Phase I covered the period of August 1, 1999 through July 31, 2002. Larkin & Associates audited the deferred accounts, transactions and supporting calculations/documentation for this period to determine whether the Utility's Deferred Balances are correct and include only those costs that are reasonable, prudently incurred, accurately calculated, correctly recorded and in compliance with all applicable Board Orders. Subcontractor, Synapse Energy Economics analyzed prudence issues relating to the Utility's purchase of power at reasonable prices consistent with market conditions in the competitive wholesale marketplace and consistent with appropriate hedging techniques, along with mitigation efforts with respect to above-market non-utility generation contract costs during the Transition Period. Larkin & Associates and Synapse Energy Economics issued a combined report discussing their findings and conclusions.

Key participants: Ralph Smith
Mark Dady
Tina Miller

Geographic Location: New York, New Jersey

Contract Duration: 2002

Application of Southern California Edison Company (E-3338-E) for Authority to Institute a Rate Stabilization Plan with a Rate Increase and End of Rate Freeze tariffs, Docket No. 00-11-038, Emergency Application of Pacific Gas and Electric Company to Adopt a Rate Stabilization Plan, Docket No. 00-11-056, Petition of The Utility Reform Network for Modification of Resolution E-3527, Docket No. 00-10-028

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy in the aforementioned proceeding. Testimony submitted by Mr. Smith addressed the following issues: whether it is reasonable to provide the utilities further interim rate relief based on the outcome of the auditors' (KPMG and Barrington-Wellesley Group) reports and the reasonableness of using net generation revenues to offset the procurement cost and appropriate tracking of transition cost through the TCBA and TRA.

Key participants: Ralph Smith

Geographic Location: California

Contract Duration: 2001

Chesapeake Electric, Docket No. 00-523

Client: Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
(302) 739-4247

Contact: Bill Schaffer

Assignment: Larkin & Associates was retained by the Delaware Public Service Commission to review the Company's application for approval of a cost accounting manual and code of conduct. Larkin & Associates submitted testimony summarizing its conclusions regarding the Company's code of conduct and cost accounting manual as well as a recommended code of conduct and a suggested corporate organizational structure for study and evaluation by the company.

Key participants: Ralph Smith
Tina Miller

Geographic Location: Delaware

Contract Duration: 2001

United Illuminating Company, Docket No. 01-10-10

Client: State of Connecticut
Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Connecticut Office of Consumer Counsel to address the calculation of the revenue requirement and adjustments to the calculations of rate base and net operating income presented in UI's filing. Larkin & Associates also addressed the sharing proportions that should be applied if the Department adopts a multi-year rate plan for UI in this proceeding. Issues discussed in testimony included rate plan, over-earnings sharing proportions, subsidiary income tax expense, starting point for 2002 rate year rate base, customer deposits, materials and supplies, rate-a-meter timers, injuries and damages reserve, severance expense, rate case expense, other O&M expense increase, ADIT on pension liability and Bad Debt reserve, accrued vacation and related ADIT, Steel Point remediation, depreciation expense, income tax expense correction, interest synchronization, property tax expense, accelerated amortization.

Key participants: Ralph C. Smith
Mark Dady

Geographic Location: Connecticut

Contract Duration: 2001-2002

Citizens Utilities Company, Vermont Electric Division; Docket No. 6596

Client: Vermont Department of Public Service
120 State Street
Montpelier, Vermont 05602
(802) 828-2811

Contact: Geoff Commons

Assignment: Larkin & Associates was retained by the Vermont Department of Public Service to review the Company's application for a rate increase. Issues addressed in testimony included: an overall financial summary, accounting concerns, rate base (interim accumulated depreciation, rate year accumulated depreciation, used and useful, deferred income taxes, deferred costs, IRP Twenty Year Plan, PCB Costs, 1999 Windstorm and Hurricane Floyd costs, HQ Arbitration, Working capital), operating income (revenue adjustments, SAO expense, DAO expense, PSO expense, Rate Case Expense, Legal and Regulatory, Income Tax Expense, Tree Trimming) and summary of accounting problems.

Key participants: Helmuth W. Schultz, III,
Mark Dady

Geographic Location: Vermont

Contract Duration: 2001-2002

Florida Power & Light Company; Docket No. 001148-EI

Client: Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was retained by the Florida Public Service Commission to review the revenue requirement proposed by the Company. The case settled prior to filing testimony and we actively assisted in settlement discussions.

Key participants: Hugh Larkin, Jr.

Geographic Location: Florida

Contract Duration: 2001-2002

Florida Power Corporation; Docket No. 00-0824-EI

Client: Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was retained by the Florida Office of Public Counsel to review the Corporation's earnings, including effects of a proposed acquisition of Florida Power Corporation by Carolina Power & Light. Issues presented in testimony included an overall recommendation and a capital structure-CR3 Adjustment, merger synergies/acquisition adjustment, closed business offices, and operating income adjustments: miscellaneous service revenues, other electric revenues, salaries and wages expense, employee benefits-medical expense, FAS 106, FAS 112, miscellaneous benefits-change in control cash payment, power marketing expense, general advertising expense, nuclear property and liability insurance credits, nuclear materials and supply inventory, rate case expense, nuclear energy institute dues-lobbying, Tiger Bay regulatory asset, nuclear decommissioning expense, property tax expense and effects of Company updates to its filing.

Key participants: Hugh Larkin, Jr.

Geographic Location: Florida

Contract Duration: 2001-2002

Gulf Power Company; Docket No.020949-EI

Client: Florida Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was retained by the Florida Office of Public Counsel to review the rate increase requested by the Gulf Power Company. Issues addressed in testimony included: an overall financial summary, Plant in service, Working Capital Adjustments (coal inventory, deferred return on third floor, Third Floor Corporate office), Budgeted test year expenses, payroll fringe benefits and payroll taxes, incentive compensation, production operation and maintenance expense, distribution expenses (cable inspection, substation maintenance, tree trimming, pole inspection, light maintenance), Property insurance, customer accounts, customer records, and rate case expense.

Key participants: Helmuth W. Schultz, III

Geographic Location: Florida

Contract Duration: 2001-2002

PacifiCorp; Docket No. 01-035-01

Client: Utah Committee of Consumer Services
Heber M. Wells Building, Room 408
PO Box 146782
Salt Lake City, UT 84114-6782
(801) 530-6798

Contact: Dan Gimble

Assignment: Larkin & Associates was retained by the Utah Committee of Consumer Services to review the application of the Company for approval of its proposed electric rate schedules and electric service regulations. Issues addressed in testimony included: incentive compensation, payroll, pensions/post-retirement benefits, working capital, Bridger Coal Company Rate Base, Environmental Settlements, Revenue Normalization Correction, Distribution Expense Correction, Accounting Write-Offs, Assets under construction write-off, Cholla Assets Under Construction Write-Off, Additional Assets Under Construction Written Off, Obsolete Inventory Write-Offs/Reserve, FERC Contingency Write-Off, Blue Sky Program, Stoeel Rives Pricing Settlement, Transition Team Costs, Miscellaneous Outside Service Expense, Annualization of Contract Cost Savings, Dave Johnston (Glenrock) mine closure, systems applications and products software (SAP), re-engineering, 1997 computer software write-down, Company's proposed 1999 software write-off, uncollectible expense, and potential updates (pending additional information from the Company).

Key participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III
Tina Miller

Geographic Location: Oregon

Contract Duration: 2001-2002

Central Vermont Public Service Corporation; Docket No. 6460

Client: Vermont Department of Public Service
120 State Street
Montpelier, Vermont 05602
(802) 828-2811

Contact: Geoff Commons

Assignment: Larkin & Associates was retained by the Vermont Department of Public Service to review the rate increase requested by Central Vermont Public Service Corporation. Issues addressed in testimony included adjustments to operating income: corrections agreed to by CVPS, payroll expense, payroll tax expense, medical expense, capital expense, regulatory commission expense, Y2K cost amortization, Hydro Quebec Ice Storm Arbitration Costs, and income tax expense, and adjustment to rate base: utility plant in service (production plant, transmission plant, distribution plant, facility plant, information systems plant, and communication plant), and working capital.

Key participants: Helmuth W. Schultz, III

Geographic Location: Vermont

Contract Duration: 2001

Savannah Electric & Power Company FCR, Docket 15216-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contacts: Don Craig
Julia Truss
Veronica Thomas

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to address issues presented in the April 15, 2001 Fuel Cost Recovery (FCR) Allowance filing by Savannah Electric and Power Company. Relevant issues analyzed included financing charges, deferred fuel balance, SEPC Fuel and Purchased Power Cost Projection, Kraft "Coal-By-Ship" Unloader Lease Cost, Summer Energy Strips, and Staff adjustments to SEPC Fuel and Purchased Power Cost Production.

Key participants Ralph C. Smith

Geographic Location: Georgia.

Contract Duration: 2001

Georgia Power Company FCR, Docket 13711-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contacts: Don Craig
Julia Truss
Veronica Thomas

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to analyze the company's application to increase the fuel cost recovery allowance. Relevant issues analyzed included financing charges, recovery of deferred fuel balance, amortization period, major factors which contributed to an increase in the deferred balance, adjustments to the deferred balance to be amortized, GPC fuel and purchased power cost projection, cost of summer energy strips, coal and gas cost increases, change in intercompany interchange contract and other changes in GPC's filing.

Key participants Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2001

Savannah Electric & Power Company FCR Docket No. 13605-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Don Craig
Julia Truss
Veronica Thomas

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to analyze the company's application to increase the fuel cost recovery allowance. Relevant issues analyzed included financing charges, recovery of deferred fuel balance, amortization period, major factors which contributed to an increase in the deferred balance, adjustments to the deferred balance to be amortized, SEPC fuel and purchased power cost projection, cost of summer energy strips, gas cost increases, gas cost volatility, change in intercompany interchange contract and other changes in SEPC's filing.

Key participants Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2001

Georgia Power Company Rate Case M&S Review, Docket 14000-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contacts: Sheree Kernizan
Julia Truss
Don Craig

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to identify any aspects of GPC's M&S inventory that could have an impact on the current GPC base rate case. The review consisted of examining GPC's M&S inventory as reported on Schedule 57 of its monthly reports, issuing data requests, review the responses to data requests, discussions with Staff, and an inventory turnover analysis prepared by Staff under our direction. Relevant issues discussed in the report included: Turnover Analysis – Follow Through on Zero and Low Turnover Inventories (Fossil Plant Inventories, Nuclear Inventories, CT and Hydro Inventory), and Inventory Sharing/Transactions With Affiliates. Two reports were issued to Staff. Portions of the analysis became the basis for adjustments to the M&S balance in a GPC rate case.

Key participants Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2001

Georgia Power Company and Savannah Electric Power Company Fuel
Procurement Review

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Don Craig
Julia Truss
Veronica Thomas

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to conduct an investigation of GPC/SEPC's fuel and purchased power procurement practices. Our analysis consisted of testing FCR cost calculations and following up on differences discovered, investigating GPC/SEPC coal and gas purchases, investigating purchased power including summer energy strips, system purchases, and off-system purchases, off system sales, coal and gas price increases, gas price volatility, and changes to system agreements. We are also reviewing the results of Staff conducted analyses (SEPC/GPC FCR rates used on bills, invoices, intern prepared calculations), and investigating other issues from FCR cases and GPC rate cases affecting fuel and purchase power cost, and the exclusion of non-retail items, etc.

Key participants Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2000-2002

Upper Peninsula Power Company PSCR Plan, Case No. U-12604

Client: Michigan Attorney General
Special Litigation Division
6520 Mercantile Way, Suite 2
Lansing, MI 48911
(517) 373-1123

Contact: Michael Moody
Assistant Attorney General

Assignment: Larkin & Associates was retained by the Attorney General to review the Company's application for a Supply Cost Recovery Plan and Authorization of Monthly Power Supply Cost Recovery Factors for the Calendar Year 2001. Testimony presented by Mr. Smith included projected hydro generation, replacement power for a hydro unit outage, economic dispatch and various reductions to the Company's proposed 2001 power costs, and recommendations pertaining to affiliated purchase power contracts.

Key participants Ralph C. Smith

Geographic Location: Michigan

Contract Duration: 2000-2001

Wisconsin Public Service Corporation PSCR Plan, Case No. U-12613

Client: Michigan Attorney General
Special Litigation Division
6520 Mercantile Way, Suite 2
Lansing, MI 48911
(517) 373-1123

Contact: Orjiakor N. Isiogu
Assistant Attorney General

Assignment: Larkin & Associates was retained by the Michigan Attorney General to review the Company's application for a Supply Cost Recovery Plan and Authorization of Monthly Power Supply Cost Recovery Factors for the Calendar Year 2001. Mr. Smith's testimony included adjustments to the energy loss factor, additional coal costs for new coal contracts, forecast and historical analysis of hydro plant generation, and DOE Decontamination and Decommissioning Expense.

Key participants Ralph C. Smith

Geographic Location: Michigan

Contract Duration: 2000-2001

Savannah Electric & Power Company Natural Gas Procurement and Risk Management/Hedging Proposal, Docket No. 13196-U

Client: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, GA 30334
(404) 656-4501

Contact: Don Craig
Julia Truss
Dan Cearfoss

Assignment: As part of a project involving a broader review of SEPC's fuel and purchase power costs, Larkin & Associates was assisted by the Georgia Public Service Commission Staff in analyzing SEPC's proposal for a natural gas procurement and natural gas/oil risk management program to reduce and manage exposure to gas price volatility. Relevant issues investigated included hedging, physical purchases versus financial instruments, and the benefits of hedging, limits on hedging activities, and incentives to promote effective hedging. After a number of rounds of discussions, SEPC revised its hedging proposal to address Staff's concerns and resubmitted a hedging proposal that Staff endorsed.

Key participants Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2000-2001

Northern Indiana Public Service (NIPSCO) Complaint, Docket No. 41651

Client: Office of Utility Consumer Counselor
Indiana Government Center North
100 North Senate, Room N501
Indianapolis, Indiana 46204
(888) 441-2494

Contact: Anne Becker

Assignment: Provided consulting services concerning an overearnings investigation involving Northern Indiana Public Service (NIPSCO).

Key participants Hugh Larkin, Jr.
Ralph C. Smith

Geographic Location: Indiana

Contract Duration: 1999 – 2000

Connecticut Light & Power Company; Docket No. 00-12-01

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to participate in an investigation of over-earnings by the Connecticut Light & Power Company. Issues presented in testimony included: over-earning standards cause of over earnings, treatment of over-earnings, impact of over-earnings on conditions of NU/ConEd Merger, and the Company's proposed initiatives.

Key participants: Hugh Larkin, Jr.
Tina Miller

Geographic Location: Connecticut

Contract Duration: 2001

Connecticut Light & Power Company; Docket No. 99-03-36

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Connecticut Office of Consumer Counsel to analyze the Connecticut Light & Power Company's standard offer filing and its related issues: calculation of distribution rate, uncollectibles, direct assignment of general plant and distribution A&G expense, other adjustments for known changes, dissynergy study, interim nuclear operation cost benefit sharing mechanism, return of and on nuclear assets, company's claim for cost of regulatory assets and securitization, decontamination and decommissioning, and the company's mitigation efforts.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III
Ralph C. Smith

Geographic Location: Connecticut

Contract Duration: 1999

Fuel Procurement Audit of Georgia Power Company and Savannah Electric and Power Company (Non- Docket)

Client: Georgia Public Service Commission
47 Trinity Ave. S.W.
Atlanta, GA 30334-5701
(404) 656-4501

Contact: Julia Truss

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission to provide consulting assistance in performing fuel procurement audits of electric utilities and performing audits of electric companies' material and supplies inventories. Tasks include: assist staff in developing and analyzing data requests, investigate issues, interview and depose company personnel, prepare and file testimony, orders, position papers and other matters as necessary.

Key Participants: Ralph C. Smith

Geographic Location: Georgia

Contract Duration: 2000 - 2001

Transition Costs of Nevada Vertically Integrated Electric Utilities

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy and all Other Federal Executive Agencies to assist in the development of comments related to the Transition Costs of Nevada's Vertically Integrated Electric Utilities. Responsible for analyzing and commenting on types of potential transition costs such as generation assets, qualifying facilities contracts and renewable resource generation, assets associated with potentially competitive services, regulatory assets and liabilities, corporate structure and organization, allocation issues, implementation costs and workforce impacts due to restructuring. Larkin & Associates also analyzed and rendered comments on the following issues: determining recoverable costs, accounting issues and methods of cost recovery.

Key participants: Ralph C. Smith

Geographic Location: Nevada

Contract Duration: 1999

West Penn Power Co. v. Pa. PUC, Civil Action No. 98-1117

Client: Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-3601

Contact: C. Joseph Meisinger

Assignment: Larkin & Associates was retained by the Pennsylvania Public Utility Commission to review and analyze relevant records of proceedings, testimony, evidence, Commission Orders, the Competition Act, pleadings filed by the parties, and relevant documents filed. In addition, we prepared and outlined relevant issues to the Commission. This Federal lawsuit was dismissed by the Court on January 7, 1999, releasing Larkin & Associates from completing the requirements of the contract.

Key participants: Ralph C. Smith

Geographic Location: Pennsylvania

Contract Duration: 1998 - 1999

Delmarva Power & Light Application for Approval of its Electric and Fuel
Adjustments Costs, Docket No. 98-479

Client: Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
(302) 739-4247

Contact: Richard Latourette, Utility Analyst

Assignment: Larkin & Associates was retained by the Delaware Public Service Commission to provide consulting services in the analysis of the application of Delmarva Power & Light Company for approval of its electric and fuel adjustments costs. Issues addressed included: PJM Market Clearing Price, Delmarva's Purchased Power Agreement (PPA) with PECO, and Comparable Contracts and Comparable Energy Prices.

Key participants: Ralph C. Smith

Geographic Location: Delaware

Contract Duration: 1999 - 2000

Entergy Services, Inc. Docket No. ER00-2854-00

Client: Mississippi Public Service Commission
Woolfolk Building
501 North West Street
Jackson, MS 39201
(601) 961-5800

Contact: Virden Jones

Assignment: Larkin & Associates was retained by the Mississippi Public Service Commission review the Company's request to revise the System Agreement under specific terms and conditions as set out in its transmittal letter to the Federal Energy Regulatory Commission dated June 15, 2000. Mr. Larkin's testimony discusses the Mississippi's Public Service Commission's position on this issue and also addresses the testimony of the Company's witnesses.

Key participants: Hugh Larkin, Jr.

Geographic Location: Mississippi

Contract Duration: 2000

Delaware Electric Cooperative Restructuring Filing, Docket No. 99-457

Client: Delaware Public Service Commission
861 Silver Lake Blvd., Suite 100
Dover, Delaware 19904
(302) 739-3232

Contact: William O'Brien

Assignment: Larkin & Associates was retained by the Delaware Public Service Commission to provide assistance the Hearing Examiner of the Delaware Public Service Commission with the review of the parties' filings and briefs, evaluate the presentations of the parties' at the hearings, summarize the positions of the parties, and preparation of the Hearing Examiners Report. Relevant issues included: The Restructuring Act, The Side Letter, DEC's Proposed Tariff, Code of Conduct, Cost Accounting Manual, Supplier Agreement, Integrated Resource Plan, Process Issues, Customer Retention and Gaming, Rate Unbundling, Shopping Credit, Reliability, and Transition and Stranded Costs.

Key Participants: Ralph C. Smith
Tina Miller

Geographic Location: Delaware

Contract Duration: 1999 - 2000

Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, Regarding Certain Billing Issues Involved in the Conversion of the Company's Billing System, Docket No. 00-108

Client: Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
(302) 739-4247

Contact: William O'Brien, Hearing Examiner

Assignment: Larkin & Associates was retained by the Delaware Public Service Commission (DPSC) to provide consulting services to the Hearing Examiner of the DPSC. The work plan consisted of the following tasks: review of filings and briefs of the parties, review of the transcript of the hearing, summarize the positions of the parties, and assist in the preparation of the Hearing Examiners Report. Relevant issues resulting from the Company's conversion of its billings system included: compensation and economic damages to customers, proration, and arbitration procedures. Non-economic issues included: "reaching back" problem, budget plans, tariff rates on bills, high bill parameters, PriceWaterhouseCoopers audit report, payment posting sequence, emergency phone number, issue list, lost customers, walk-in offices, and a summit for unresolved issues.

Key Participants: Ralph C. Smith
Tina Miller

Geographic Location: Dover, Delaware

Contract Duration: 2000

Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, for Approval
of a Cost Accounting Manual and a Code of Conduct Docket No. 99-582

Client: Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
(302) 739-4247

Contact: William O'Brien, Hearing Examiner

Assignment: Larkin & Associates was retained by the Delaware Public Service Commission to provide assistance the Hearing Examiner of the Delaware Public Service Commission with the review of the parties' filings and briefs, evaluate the presentations of the parties' at the hearings, summarize the positions of the parties, and preparation of the Hearing Examiners Report.

Key Participants: Ralph C. Smith

Geographic Location: Dover, Delaware

Contract Duration: 2000 - 2001

The United Illuminating Company for Recovery of Stranded Costs, Docket No.
99-03-04

Client: State of Connecticut
Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was under contract with the Office of Consumer Counsel to review the Company's application for recovery of stranded costs. Our testimony addressed the following issues: Unamortized loss on reacquired debt, English station, Bridgeport Harbor decommissioning reserve, steel point station, DOE decontamination and decommissioning costs, and Seabrook Unit 2 unamortized balance.

Key Participants: Hugh Larkin
Helmuth W. Schultz, III
Ralph C. Smith

Geographic Location: New Britain, Connecticut

Contract Duration: 1999

Post-Transition Ratemaking Mechanisms for the Electric Industry Restructuring,
Application No. 99-01-016 et al Phase I (California PUC)

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy and all other Federal Executive Agencies to perform utility requirement studies. The tasks that were performed related to our testimony filed was to review the filings made by the utilities in this docket, review Commission orders, and performed other procedures as necessary to obtain an understanding of their proposals and formulate an opinion concerning the reasonableness of such proposals. Our testimony addressed a number of issues including the criteria for determining the rate freeze, disposition of undercollected transition revenue account balance, determination if the rate freeze should cease simultaneously for all customer classes, determination if the end of the rate freeze should be after-the-fact or forecasted, retention of the transition cost balancing account, notification of and effective date for the end of the rate freeze, modifications to schedule PX, purchased electric commodity account, reliability must-run generation costs, use of the system average percent change allocation, default commodity service after rate freeze ends, volatility of commodity prices, and the termination data for Diablo Canyon ICIP rates.

Key Participants: Ralph C. Smith

Geographic Location: San Francisco, California

Contract Duration: 1999

Connecticut Light & Power Company; Docket No. 99-02-05

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Connecticut Office of Consumer Counsel to analyze CL&P's claim for stranded cost associated with regulatory assets other than Statement of Financial Accounting Standards (SFAS) No. 109. Issues specifically addressed in our testimony included: unamortized loss on reacquired debt, unrecognized pension gain, SFAS 106 amounts, and unamortized MIBS.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III
Ralph C. Smith

Geographic Location: Connecticut

Contract Duration: 1999

PacifiCorp dba Utah Power & Light Company; Docket No. 99-035-10

Client: Utah Office of Consumer Services
Heber M. Wells Building, Room 408
PO Box 146782
Salt Lake City, UT 84114-6782
(801) 530-6798

Contact: Daniel Gimble

Assignment: Larkin & Associates was retained by the Committee of Consumer Services to conduct a review of the rate case filing of PacifiCorp dba Utah Power & Light Company. We recommended a substantial reduction to the Company's rates. The Glenrock Mine Closure was a major adjustment in this filing, along with many computer related issues. We also extensively addressed out-of-period issues. Additional areas addressed in our testimony included: software obsolescence costs; computer mainframe write-down; re-engineering costs; condit dam removal costs; organization costs; year 2000 adjustment; unbilled revenue; customer service system disallowance; line extension revenues; relocation; rent expense; workers compensation; solar amortization; uncollectibles; SO2 emissions allowances; workforce reduction program costs and savings; pension regulatory asset write-off; property insurance reserves; and incentive compensation.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III

Geographic Location: Utah

Contract Duration: 1999-2000

Northeast Utilities and Yankee Energy System, Inc.; Docket No. 99-08-02

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates were asked to review the merger of Yankee Energy System, Inc. and Northeast Utilities. Specific areas addressed were: the merger's effect on competition in the State of Connecticut; the merger's consistency with public interest; whether it would benefit both consumers and stockholders; whether there were acceptable customer protections in place to ensure effective cost control; how the merger would affect regulation; and whether there were any factors benefiting customers which clearly compel the approval of the merger.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Connecticut

Contract Duration: 1999-2000

Consolidated Edison, Inc. and Northeast Utilities; Docket No. 00-01-11

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to review the potential effects resulting from the merger of Consolidated Edison and Northeast Utilities. We were able to prepare testimony in regards to merger synergies, the effect of the merger on the economy in Connecticut, and steps needed in order to protect the pension funds. Specific synergy areas that were addressed include: corporate and administrative labor reductions, transmission and distribution labor reductions, administrative and general overhead, advertising and public relations, benefits, directors' fees, facilities, information systems, insurance, credit facilities, professional services, regulatory and lobbying fees, research and development, shareholders services, vehicles, purchasing economics and gas supply.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Connecticut

Contract Duration: 2000

Connecticut Light & Power Company; Docket No. 98-01-02

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to conduct a review of the rate case filing of Connecticut Light & Power Company. The Company was required to file a rate case as a result of the findings of a four year review of the Company's earnings in which it was determined that the Company was over-earning. We recommended a substantial reduction to the Company's rates. Issues specifically addressed in our testimony included: problems inherent in Company's budgeting and forecasting methodologies; revenue calculation; sales margins; gain on sales of land; fiber cable revenues; payroll; employee benefits; incentive compensation; consulting fees; telephone expense; employee legal settlements; D&O liability insurance; advertising; demonstration and selling expense; EPRI dues; inflation; depreciation expense; decommissioning costs; and income taxes.

Key Participants: Helmuth W. Schultz, III

Geographic Location: Connecticut

Contract Duration: 1998

Investigation of Issues to Be Considered as a Result of Restructuring of Electric Industry; Docket No. 97-8001

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy and all Other Federal Executive Agencies to assist in the development of comments related to the Transition Costs of Nevada's Vertically Integrated Electric Utilities. Larkin & Associates was responsible for analyzing and commenting on types of potential transition costs such as generation assets, qualifying facilities contracts and renewable resource generation, assets associated with potentially competitive services, regulatory assets and liabilities, corporate structure and organization, allocation issues, implementation costs and workforce impacts due to restructuring. Larkin & Associates also analyzed and rendered comments on the following issues: determining recoverable costs, accounting issues and methods of cost recovery.

Key Participants: Ralph C. Smith

Geographic Location: Nevada

Contract Duration: 1998

PacifiCorp, dba Utah Power & Light Company; Docket No. 97-035-01

Client: State of Utah
Committee of Consumer Services
Heber M. Wells Building
Room 408
P.O. Box 146782
Salt Lake City, Utah 84114-6782

Contact: Daniel Gimble, (801) 530-6798

Assignment: Larkin & Associates was retained by the Committee of Consumer Services to analyze the submission of PacifiCorp dba Utah Power & Light Company's semi-annual report for the year ended December 31, 1997 and to make recommendations to the Commission based on our analysis. Our analysis resulted in a recommended reduction in UP&L's rates, along with a recommended refund of past over-earnings, as the revenues collected during 1997 were set as interim by the Utah legislature. Larkin & Associates filed testimony on the following issues: refund calculation methodology; out-of-period adjustments for a future mine closure, mine reclamation costs, software write-down, re-engineering program, future dam removal and computer mainframe write-downs; plant held for future use; cash working capital; prepaid interest; employee costs including payroll, incentive compensation, FAS 112 and FAS 106; advertising; solar amortization; environmental settlement handled by an affiliated company; uncollectibles; relocation expense; black lung excise taxes; property taxes; and income taxes. Several key issues were settled prior to hearings.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III

Geographic Location: Utah

Contract Duration: 1998

San Diego Gas & Electric Company; Application No. 98-05-015 - Phase I

Client: Department of the Navy
34 Harwood Street SE
Box 41
Washington Navy Yard, D.C. 20374-5018
(202) 685-3320

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy and all other Federal Executive Agencies to perform utility revenue requirement studies. In this proceeding, Larkin & Associates obtained and reviewed data and performed other procedures as necessary to obtain an understanding of San Diego Gas & Electric's Application for Recovery of Section 376 Costs and to comment upon eligibility and cost recovery issues. Section 376 is the provision in California Assembly Bill 1890 that provides for deferral and post-2001 recovery for incremental costs incurred by the electric utilities to accommodate the implementation of direct access, the Power Exchange (PX) and the Independent System Operator (ISO). Larkin & Associates testimony addressed the policy for Section 376 eligibility and the definition of incremental costs relative to Section 376 recovery.

Key Participants: Ralph C. Smith

Geographic Location: California

Contract Duration: 1998

Georgia Power Company; Docket No. 9355-U

Client: Georgia Public Service Commission
Advocate Staff
244 Washington Street, S.W.
Atlanta, Georgia 30334-5701
(404) 656-4501

Contact: Sheree Kernizan
(404) 656-0994

Assignment: Larkin & Associates was retained by the Georgia Public Service Commission Advocate Staff to address revenue requirement issues presented in the June 1998 filing by Georgia Power Company (GPC). Larkin & Associates' testimony addressed the determination of Staff's adjusted rate base and net operating income for GPC, and the adjustments to GPC's rate base and net operating income being proposed by Staff. Issues addressed in testimony included: accelerated amortization of gain/loss on reacquired debt, accelerated amortization of vacation pay "regulatory asset", accelerated amortization of OPEB "regulatory asset", depreciation expense, revenues based on sales forecast, uncollectibles expense, contract labor, Year 2000 Project expense, non-recurring costs charged to GPC from affiliates, performance divided plan, performance pay plan and performance incentive plan, Commission-ordered adjustments, expiring amortizations, rate case expense normalization, promotional load building program, Rocky Mountain pumped storage plant disallowance, payroll tax expense, cash working capital and interest synchronization. We also determined the revenue requirement impact of various adjustments sponsored by other witnesses, including SEGCO double leverage, Southern Company services lease payments, affiliate allocation, allocation of Electric Power Research Institute dues and depreciation.

Key Participants: Hugh Larkin, Jr.
Ralph C. Smith
Helmuth W. Schultz, III

Geographic Location: Atlanta, Georgia

Contract Duration: 1998

Pacific Gas & Electric Company; Application No. 97-12-020 - Phase I

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates is under contract with the Navy Rate Intervention Office of the United States Department of the Navy to perform utility revenue requirement studies. In this proceeding, Larkin & Associates testified on behalf of the Navy on behalf of the Department of Defense representing all the Federal Executive Agencies. Larkin & Associates obtained and reviewed data and performed other procedures as necessary to obtain an understanding of Pacific Gas & Electric Company's general rate case filing package as it related to the operating income, rate base and overall revenue requirements, and formulated an opinion concerning the reasonableness of amounts included within the Company's application. Issues addressed in Larkin & Associates' testimony included: revenue, total compensation, OPEB accrual amortization, FAS 112, pension expense, employee transition expense for Hydro facilities, nuclear decommissioning expense, fossil and geothermal decommissioning expense, injuries and damages and administrative and general expense.

Key Participants: Ralph C. Smith

Geographic Location: California

Contract Duration: 1998

Virginia Electric & Power Company; Case No. PUE960296

Client: Commonwealth of Virginia
Office of the Attorney General
900 East Main Street
Richmond, Virginia 23219
(804) 255-4337

Contact: Tom Nicholson, Assistant Attorney General

Assignment: Larkin & Associates was retained by the Division of Consumer Counsel of the Virginia Office of the Attorney General to review the revenue requirement aspects of the Application for Approval of Alternative Regulatory Plan presented by Virginia Electric Power Company ("Virginia Power" or "Company"). Our area of responsibility in the Consumer Counsel's review was to conduct a review of Virginia Power's 1995 and 1996 earnings, with particular focus on the revenue requirement for Virginia Power in each of those years. We determined that the Company received excess earnings in each of those years. Our review resulted in a recommended refund of past over-earnings and a recommended reduction in the Company's rates. We also recommended accounting methods to be employed during a proposed three-year rate freeze period. Adjustments which impacted revenue requirement were addressed in the following areas: projected plant-in-service; deferred capacity expense; payroll; incentive compensation; vision 2000 plan cost savings; employee benefits including pensions and OPEB; outside directors' stock accumulation plan; lost margins on wholesale sales; EVANTAGE affiliate allocations; credit support payments from affiliates; lease expense; advertising; storm damage; dues expense; outside consulting fees; depreciation expense; and deferred capacity mechanism. The case was ultimately settled subsequent to the filing of direct testimony. The settlement resulting in a significant rate decrease, substantial refunds and an alternative regulatory plan incorporating rate freeze provisions.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III

Geographic Location: Virginia

Contract Duration: June 1997 - April 1998

Generic Docket to Consider Competition in the Provision of Retail Electric Service; Docket No. U-0000-94-165

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to address several questions in regards to competition in the provision of retail electric service throughout the state of Arizona. The questions addressed included:

- Should the electric competition rules be modified regarding stranded costs, and, if so, how?
- When should "Affected Utilities" be required to make a stranded cost filing?
- What costs should be included as part of stranded costs and how should these costs be calculated?
- Should there be a limitation on the time frame over which stranded costs are calculated?
- Should there be a limitation on the recovery time frame for stranded costs?
- Should there be a true-up mechanism and, if so, how should it be calculated?
- Should there be price caps or a rate freeze imposed as part of the development of a stranded cost recovery program and, if so, how should it be calculated?
- What factors should be considered for "mitigation" of stranded costs?

Key Participants: Ralph C. Smith

Geographic Location: Arizona

Contract Duration: 1997 - 1998

Connecticut Light & Power; Docket No. 97-05-12

Client: Connecticut Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to review revenue requirement issues relative to the financial and operational review of Connecticut Light & Power Company (CL&P) by the Department of Public Utility Control. Based upon the analysis performed, Larkin & Associates adjusted for the removal of the Millstone replacement power and a number of other above average expenses. After applying a reasonable rate of return, it was apparent that CL&P had substantial excess revenue. Issues addressed in testimony included: Millstone replacement power and outage related expenses, Millstone non-used and useful plant, transmission repair costs, EPRI dues, telephone expense, sales promotion expense, normalization of management audit cost, outside services expense, pension expense, fuel inventory build-up related to Millstone outages, Connecticut State corporation income tax reduction and interest synchronization. Larkin & Associates' review in this case resulted in the Company having to a file a rate case. Larkin & Associates was retained by the Office of Consumer Counsel to review that case, which was Docket No. 98-01-02.

Key Participants: Ralph C. Smith

Geographic Location: Connecticut

Contract Duration: 1997

Nevada Power Company; Docket No. 97-7030

Client: Nevada Attorney General's Bureau of Consumer Protection
Utility Consumers Advocate
1000 E. William Street, Suite 200
Carson City, Nevada 89710
(702) 687-6304

Contact: Fred Schmidt, Consumer Advocate
(702) 687-6300

Assignment: Larkin & Associates was retained by the Nevada Attorney General's Bureau of Consumer Protection, Utility Consumers Advocate to review the application and filing made by Nevada Power Company for an increase in its base tariff energy rates to reflect increased fuel and purchased energy costs and for a reduction in its deferred energy accounting adjustment credits for clearance of its deferred energy accounts. Larkin & Associates' testimony addressed fuel and purchased power cost, including coal and gas supply contracts and spot market purchases. Specific issues and recommended adjustments included: overpricing of supplier "F" gas purchases, diesel costs (current) for Sunrise and Sunpeak gas turbines, unpaid gas cost accrual expense, May 1997 start-up fees and sale of emission allowances.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Nevada

Contract Duration: 1997

Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code; Docket No. R-00973953

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to analyze PECO's application, including its testimony, exhibits and workpapers. We presented testimony on behalf of the Navy representing the Department of Defense and all other Federal Executive Agencies (Navy) to address PECO Energy Company's ("PECO") claim for stranded costs, competitive transition charge ("CTC") and adjustments to PECO's claimed amounts. We also addressed PECO's mitigation efforts and the need for additional mitigation to reduce PECO's stranded cost claim and the CTC included in the Company's filing. Specific stranded cost issues addressed include: net investment in existing generating plants, FAS No. 109 deferred tax asset, nuclear design basis documentation, Limerick & Peach Bottom Chemistry systems, FAS 106 and Pension over and under-funding, compensated absences, nuclear decommissioning and fossil plant decommissioning. We also addressed the following in testimony: accounts receivable financing, adjusted return for stranded generation-related assets, reserve accounts, market valuation, depreciation reserve shift and mitigation efforts.

Key Participants: Helmuth W. Schultz, III
Ralph C. Smith

Geographic Location: Pennsylvania

Contract Duration: May 1997 - August 1997

Application of Delmarva Power & Light Company for Approval of a Cost Accounting Manual and a Code of Conduct; Docket No. 97-65

Client: Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
(302) 739-4247

Contact: William O'Brien, Hearing Examiner

Assignment: Larkin & Associates was retained by Delaware Public Service Commission to assist the Hearing Examiner in his review of Delmarva Power & Light Company's application seeking approval of a Cost Accounting Manual and Code of Conduct. These proposals recognized the expansion of Delmarva and/or its affiliates into competitive markets. It was part of Larkin & Associates' responsibility to review these proposals to ensure that the procedures would prevent cross-subsidization of Delmarva's competitive ventures by its regulated business and that Delmarva's status as a regulated utility would afford its competitive activities no unfair advantages in competitive markets. Additional responsibilities included summarizing all testimony filed by Delmarva and other parties, summarizing the issues for the Hearing Examiner, attending the hearing and developing bench requests and drafting the technical sections of the Commission Order.

Key Participants: Ralph C. Smith

Geographic Location: Delaware

Contract Duration: 1997

Green Mountain Power Corporation; Docket No. 5983

Client: Vermont Department of Public Service
112 State Street
Montpelier, Vermont 05602
(802) 828-2811

Contact: Bill Steinhurst
Laura Beliveau
Geoff Commons

Assignment: Larkin & Associates was retained by the Vermont Department of Public Service to review a general rate case filed by Green Mountain Power Corporation ("GMP"). Issues addressed by Larkin & Associates in testimony include: payroll expense; incentive compensation; employee benefits; relocation costs; non-recurring wind project costs; preliminary survey and investigation charges; shareholder services; reserve account correction; FERC headwater amortization; transmission interconnection amortization; depreciation expense; amortizations; rent expense; income taxes; CWIP; plant additions; injuries and damages/health insurance reserves; and working capital.

Key Participants: Helmuth W. Schultz, III

Geographic Location: Vermont

Contract Duration: 1997

Citizens Utility Company, Vermont Electric Division; Docket No. 5859

Client: Vermont Department of Public Service
120 State Street
Montpelier, Vermont 05602
(802) 828-2811

Contact: Geoff Commons

Assignment: Larkin & Associates' reviewed Citizens Utilities Company, Vermont Electric Division's request for an increase in rates. We were responsible for analyzing rate base and net operating income issues, quantifying adjustments, and writing testimony. Specific issues addressed included: land donation; Demand Side Management costs; deferred income taxes; materials & supplies; working capital; weather normalization; industrial revenues; payroll; employee benefits including medical, pension, nonpension postretirement benefits, incentive compensation and 401(k); Stamford and Harvey Administrative costs allocated to Vermont; Target: Excellence; relocation costs; acquisition costs; cost savings; advertising expense; property taxes and uncollectibles. The case resulted in a substantial reduction in the Company's rates and the Company being put on probation in the Vermont jurisdiction.

Key Participants: Helmuth W. Schultz, III

Geographic Location: Vermont

Contract Duration: May 1996 - March 1997

California Utilities' Applications to Identify Sunk Costs of Non-Nuclear Generation Assets, and Transition Costs for Electric Utility Restructuring, and Consolidated Proceedings, A.96-08-001 et.al.

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to analyze the applications of the major California electric utilities concerning their stranded costs relating to the restructuring of the electric power industry in California. Our work included reviewing all testimony, exhibits, workpapers, briefs and other materials filed by the utilities and other parties to the proceedings. We presented testimony on behalf of the Navy representing the Department of Defense and all other Federal Executive Agencies (Navy) in Phase 1 of the proceedings involving balancing account mechanics and terms and conditions, including the impact of Assembly Bill 1890. Phase 1 briefs included addressing issues of prioritization of cost recovery and the principles that should be applied. Work on this project also involved monitoring related issues in a number of other concurrent proceedings.

Key Participants: Ralph C. Smith

Geographic Location: California

Contract Duration: November 1996 - 1997

Pacific Gas & Electric Company, Southern California Edison Company and San Diego Gas & Electric Company; Application No. 96-08-070, et al

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to participate in several phases of the California electric industry restructuring proceedings. To date, Larkin & Associates has presented expert written testimony in Phases 1 and 2 of the proceedings. In Phase 1, Larkin & Associates discussed the appropriate definition of items to be included in the Transition Costs in general terms and discussed certain qualifications that should be placed on the determination of market valuation and items to be included in the transition costs. In Phase 2, Larkin & Associates addressed company specific items which the utilities sought to include in the statement of eligible transition costs, addressing both the appropriateness of inclusion of certain items along with actual calculations. Our testimony also addressed whether the items for which the utilities were seeking recovery through the transition charges met the requirements set forth in prior phases, previous Commission statements and Assembly Bill 1890 of the California legislature.

Key Participants: Ralph C. Smith

Geographic Location: California

Contract Duration: November 1996 - August 1997

Hawaiian Self-Insured Property Damage Reserve; Docket No. 95-0051

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to provide answers to specific questions raised by the Hawaiian Public Utilities Commission in its pre-hearing order and to respond to the direct testimony of the witnesses of the utilities. The purpose of the case was to address whether or not the Hawaiian public utilities should be permitted to establish a self-insured property damage reserve and, if so, how such reserve should be treated for both financial and regulatory purposes. Main issues addressed include: whether or not a reserve should be established; alternatives to a self-funded reserve; appropriate accounting if a reserve is established; whether or not amounts collected should be funded; treatment of reserve for tax purposes; and appropriate qualifications on use of the reserves.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Hawaii

Contract Duration: April 1995 - January 1997

Generic Docket to Consider Competition in the Provision of Retail Electric Service; Docket No. 96-UA-389

Client: Energy Consumers for Choice in Mississippi
c/o Watkins Ludlam & Stennis, P.A.
633 North State Street (39202)
Post Office Box 427
Jackson, Mississippi 39205-0427
(601) 949-4949

Contact: Dennis Miller

Assignment: Larkin & Associates was retained by the Energy Consumers for Choice in Mississippi to address several questions identified by the Mississippi Public Service Commission in regards to competition in the provision of retail electric service. Our testimony addressed certain criteria that should be in place upon the implementation of competition. Our overall position was that competition can be beneficial for all groups of ratepayers if it is structured and implemented appropriately. We disagreed with the companies premise that stranded costs should be recovered exclusively from ratepayers. Rather, it may be appropriate to implement a mechanism by which the costs are shared between ratepayers and shareholders. Additionally, the utilities have a responsibility to attempt to mitigate stranded costs. This is an on-going case with Larkin & Associates filing comments to the Commission on numerous spin-off issues.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Mississippi

Contract Duration: September 1996 - Present

Citizens Utilities Company and Affiliates' Application for Alterations and Amendments to ACC Decision No. 58360 and for Approval of an Accounting Method for AFUDC and AR-13 Costs

Client: Residential Utility Consumer Office
2828 N. Central Avenue, Suite 1200.
Phoenix, Arizona 85004

Arizona Corporation Commission Utilities Division
1200 W. Washington
Phoenix, Arizona 85007

Contact: Dan Pozefsky, RUCO (602) 364-4835
Chris Kempley, ACC (602) 542-6025

Assignment: Larkin & Associates was retained to provide technical assistance to the Residential Utility Consumer Office, and subsequently by the Arizona Corporation Commission Staff, by performing a comprehensive analysis of the application filed by Citizens Utilities Company and its affiliates that requested an alteration to the Arizona Corporation Commission's Decision No. 58360, and requests approval of Citizens' proposed procedure for computing an Allowance for Funds Used During Construction ("AFUDC") and for accrual of AFUDC on unspent balances of Industrial Development Revenue Bond funding, pursuant to FERC Accounting Release No. 13 ("AR-13"). We assessed an appropriate method of computing AFUDC for Citizens. Our review thoroughly analyzed Citizen's proposed method of accruing AFUDC and AR-13 costs, and resulted in proposing preferable alternatives from the perspective of CUC's ratepayers. Larkin & Associates' testimony on behalf of the Arizona Corporation Commission Staff in concurrent rate cases for Citizens Utilities' Arizona Electric Division, Northern Arizona Gas Division, and Maricopa Water and Wastewater operations discussed in detail the flaws in Citizens' AR-13 method, and recommended adjustments and disallowances which were adopted by the Commission.

Key Participants: Ralph C. Smith

Geographic Location: Arizona

Contract Duration: 1994 - 1996

South Carolina Electric & Gas Company; Docket No. 95-1000-E

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to analyze SCE&G's application, including its testimony, exhibits and workpapers. We presented testimony on behalf of the Navy representing the Department of Defense and all other Federal Executive Agencies (Navy) to address the request of South Carolina Electric & Gas Company (SCE&G or Company) for an increase in base rates, and to review and comment upon SCE&G's request before the Public Service Commission of South Carolina (Commission). We developed and presented positions on various issues related to the results of operations and rate base of SCE&G. A stipulation between the Company, Staff, Consumer Advocate, South Carolina Energy Users Committee, Navy, and other intervenors resulted in agreement on a number of issues, including the following: (1) use of the updated capitalization as of September 30, 1995; (2) to the amount of capital cost, expense and depreciation related to SCE&G's Cope Plant; (3) to amortization periods for Demand Side Management Programs and the Demolition of Parr and Hagood facilities; and (4) other rate and general terms and conditions. The Commission approved this stipulation. Issues addressed by us include: uncollectibles expense, EEI dues, employee clubs, Cope Plant ADIT, materials and supplies, unclaimed funds, amortization expense, and potential competition including offsetting cost shifts proposed by the Company.

Key Participants: Ralph C. Smith

Geographic Location: South Carolina

Contract Duration: September 1995 - March 1996

Ohio Power Company; Docket No. 94-996-EL-AIR

Client: Ohio Office of Consumers' Counsel
77 South High Street, 15th Floor
Columbus, Ohio 43266-0550
(614) 466-8574

Contact: Ken Rosselet
Colleen Mooney

Assignment: Larkin & Associates was retained by the Ohio Consumers Counsel (OCC) to analyze the FAS 106 and FAS 112 issues inherent in Ohio Power Company's rate case filing. We extensively assisted the OCC technical analyst (Maria Byrd) and counsel (Colleen Mooney) assigned to the case on these two issues. We also provided extensive training on FAS 106 and FAS 112 related issues to OCC Staff assigned to the case. We assisted in this case beginning in the discovery phase through the preparation of cross examination questions, including assisting with the drafting of testimony.

Key Participants: Ralph C. Smith

Geographic Location: Ohio

Contract Duration: November 1994 - March 1995

Citizens Utility Company, Arizona Electric Division; Docket No. E-1032-95-433

Client: Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-0745

Contact: Janice Alward
Chris Kempley

Larkin & Associates' reviewed Citizens Utilities Company, Arizona Electric Division's request for an increase in rates. We were responsible for analyzing rate base and net operating income issues, quantifying adjustments, and writing testimony. Specific issues addressed included: construction work in progress; Stamford Administrative Office common plant balance; materials and supplies; cash working capital; accumulated deferred income taxes; demand side management costs; revenue annualizations; purchased power costs; payroll expense; incentive compensation; employee benefits expense; FAS 106 expense; property taxes; rate case expense; CARES program; Target: Excellence expense; insurance expense; injuries and damages expense; rent expense; Stamford Administrative Office expenses; Phoenix Administrative Office expense; lump sum pension expense; uncollectible accounts expense; income tax expense and investment tax credit amortization. We also addressed Citizens' purchased power and fuel adjustment clause.

Key Participants: Ralph C. Smith

Geographic Location: Phoenix, Arizona

Contract Duration: December 1995 - December 1996

Entergy Gulf States, Inc. Docket No. 16705

Client: Cities Steering Committee

Contact: Ms. Barbara Day
Butler, Porter, Gay & Day, Attorneys for Cities Steering Committee
1609 Shoal Creek Blvd., Suite 302
Austin, Texas 78701
(512) 474-7475

Assignment: Larkin & Associates was retained by the Cities served by Entergy Gulf States (Cities) to review specific issues pertinent to Entergy Gulf States' filing for an increase in base rates. Specifically, Larkin & Associates was retained to review costs directly charged and allocated by Entergy Services, Inc. (ESI) and Entergy Operations, Inc. (EOI) to Entergy Gulf States. ESI and EOI are nonregulated affiliates of Entergy Gulf States. In addition, Larkin & Associates was retained to review the weather normalization adjustment calculated by Entergy Gulf States.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III
Ralph C. Smith

Geographic Location: Austin, Texas

Contract Duration: December 1996 - August 1997

Central Vermont Public Service Corporation; Docket No. 5863

Client: Vermont Department of Public Service
120 State Street
Montpelier, Vermont 05602
(802) 828-2811

Contact: Geoff Commons

Assignment: Larkin & Associates reviewed the rate increase request of Central Vermont Public Service Corporation on behalf of the Vermont Department of Public Service. Major issues reviewed and addressed included: corporate headquarters write-off; industry dues; executive search costs; property taxes; nuclear unit joint operating costs; D&O insurance; salaries & wages; employee benefits; amortization of restructuring costs; environmental costs; information systems upgrade; uncollectibles; income tax expense; plant in service; restructuring; and working capital. The case was settled prior to the filing of testimony and hearings.

Key Participants: Helmuth W. Schultz, III

Geographic Location: Vermont

Contract Duration: Late 1995 - February 1996

Pacific Gas & Electric Company; Application No. 94-12-005-Phase I

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to analyze PG&E's application, including its testimony, exhibits and workpapers. Utilize pertinent data gained from the review of responses to data requests and earlier decisions by the CPUC. Analyze and formulate an opinion on PG&E's update filing and on DRA's exhibits. The analyses were not limited to PG&E's electric department only, but emphasized the electric department more than others. Review revenues, sales and customer forecast, O&M expense, labor and non-labor cost, income taxes, other taxes, depreciation, return and rate base items. Adjustments were proposed for rad-waste disposal expense, nonroutine maintenance expense, Geyers effluent pipeline project, outage management system, integrated distribution information system, distribution expense - tree trimming, customer accounts expense, customer charge, relocation expense, long-term disability expense (FAS 112), Performance Incentive Plan, total compensation, hazardous substance tax expense, nuclear decommissioning expense, depreciation on hydraulic production plant, and 215/245 Market Street headquarters building seismic retrofit project costs.

Key Participants: Ralph C. Smith

Geographic Location: San Francisco, California

Contract Duration: February 1995 - August 1996

New Jersey Board of Public Utilities' Generic Proceeding Regarding Recovery of Capacity Costs Associated with Electric Utility Power Purchases from Cogenerators and Small Power Producers - BRC Docket No. EX93060255; OAL Docket No. PUC 96734-94

Client: New Jersey Division of Ratepayers Advocate
31 Clinton Street, 11th Floor
Newark, N.J. 07101
(201) 648 2690

Contact: Ted Granger

Assignment: Larkin & Associates was retained by the New Jersey Division of Ratepayers Advocate to participate in the examination of issues related to the recovery of capacity costs in base rates and in the Levelized Energy Adjustment Clause.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Newark, New Jersey

Contract Duration: 1995

Citizens Utilities Company, Kauai Electric Division; Docket No. 94-0097

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of Navy and all Other Federal Agencies to review and analyze data and perform other procedures as necessary (1) to obtain an understanding of the Citizens Utilities Company, Kauai Electric Division's rate filing package as it relates to the operating income, rate base, and overall revenue requirement in this case and (2) to formulate an opinion concerning the reasonableness of amounts included within the Company's application for rate increases. Special emphasis was placed on addressing deferrals made by the Company as a result of a major hurricane, Hurricane Iniki. Hurricane related deferrals addressed in testimony include: AFUDC on Restoration plant; AFUDC rate, cut-off date and on inventory; Iniki related bonuses; shareholder responsibility for restoration plant; deferred expenses; lost gross margins; uncollectibles; joint pole contributions; and accumulated deferred income taxes. Non-hurricane related issues addressed in testimony include: other operating revenues; DSM/IRP expenses on related sales reductions; payroll; incentive compensation; benefits; non-pension postretirement benefits; training expense - Target: Excellence; internal legal and audit costs; rate case expense; administrative office charges; rent expense; disaster recovery inventory; accounts payable related to materials and supplies; and check clearing lag in cash working capital.

Key Participants: Ralph C. Smith

Geographic Location: Hawaii

Contract Duration: June 1994 - April 1995

Hawaiian Electric Company; Docket No. 7766

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates reviewed and analyzed data and performed other procedures as necessary to obtain an understanding of the Hawaiian Electric Company Inc.'s ("HECO" or "Company") rate filing package as it relates to the operating income, rate base, and overall revenue requirement in this case. Issues addressed in testimony including the following: labor cost update; transmission and distribution expense; customer accounts expense; administrative and general expense; wage "rollback" (annualization) and step increases for wage increases to occur during the future test year; insurance and absorbed losses; HECO's proposal to establish a reserve accrual for potential future hurricane damage; postage expense; institutional/goodwill advertising; gain on sale of property; donations; membership dues; affiliated charges; directors fees and expenses; ISD programming; mainland travel expense projection; miscellaneous expenses; inflation adjustment; HECO's receipt of reimbursement for Hurricane Iniki restoration assistance from a neighboring utility; depreciation method and rates; income tax expense; utilization of actual plant additions at December 31, 1993 in place of projected balances at that date; projected plant additions for 1994 and 1995, including 15% unit cost reduction and new Waiau-CIP transmission line; accumulated depreciation; unamortized gain on sale; fuel oil inventory, including number of days burn required; Accounts Payable related to Electric Materials and Supplies inventory; Accumulated Deferred Income Taxes; cash working capital; and overall revenue requirement.

Key Participants: Ralph C. Smith

Geographic Location: Hawaii

Contract Duration: 1994-1995

Consolidated Edison Company; Case No. 94-E-0334

Client: New York Consumer Protection Board
99 Washington Avenue
Suite 1020
Albany, New York 12210
(518) 474-3514

Contact: Fred Levine
Joe Thorne, Sr.

Assignment: Larkin & Associates was retained to analyze Con Edison's rate filing, with particular emphasis on rate base, operating income and overall revenue requirements. Larkin & Associates then determined the reasonableness of the electric rate increase requested by the Company and developed adjustments that modified or eliminated unjustified Con Edison proposals. We addressed and incorporated adjustments on the following specific issues: Mid-Hudson Generating Site; Accumulated Depreciation; Materials & Supplies projection; Plant Held for Future Use; Accumulated Deferred Income Taxes; Cash Working Capital; labor cost projection and productivity offset; Management Incentive Compensation; Strike Contingency cost; General Escalation and inflation rates used; Alliance for a New New York (ANNY) expense; ratemaking treatment for Indian Point Steam Generators; Con Edison's proposals for accelerated amortization of Plant; ratemaking treatment for the Net Unrecovered Cost of Certain Generating Units; Payroll Taxes; Environmental Protection Agency (EPA) Auction Proceeds; Write-Off of Obsolete M&S; Site Remediation/environmental expense; Real Estate Taxes; Employee Welfare Expenses; Nuclear Decommissioning cost estimates and current expense levels; Unbilled Revenue; Miscellaneous Expenses; IPP Purchases and NUG Buy-Outs; Federal Income Tax Audit Adjustments; and Amortization of Excess Taxes Accrued.

Key Participants: Ralph C. Smith
Helmuth W. Schultz, III

Geographic Location: Albany, New York

Contract Duration: 1994-1995

Monongahela Power Company; Case No. 94-0035-E-42T

Client: Consumer Advocate Division
State of West Virginia
Public Service Commission
7th Floor, Union Building
723 Kanawha Boulevard, East
Charleston, WV 25301
(304) 558-0526

Contact: Byron Harris
Billy Jack Gregg, Esquire

Assignment: Larkin & Associates was retained by the Office of Consumer Advocate to review the rate increase request by the Monongahela Power Company. Issues included revenue requirement, rate base, scrubber O&M expenses, Clean Air Act Amendment compliance and costs, cash working capital, salary expenses, saving plan expenses, right of way maintenance, medical expense, pension and FAS 87 expense and meter socket expense.

Key Participants: Hugh Larkin, Jr.

Geographic Location: West Virginia

Contract Duration: February - September 1994

Potomac Edison Company; Case No. 94-0027-E-42T

Client: Consumer Advocate Division
State of West Virginia
Public Service Commission
7th Floor, Union Building
723 Kanawha Boulevard, East
Charleston, WV 25301
(304) 558-0526

Contact: Byron Harris
Billy Jack Gregg, Esquire

Assignment: Larkin & Associates was retained by the Office of Consumer Advocate to review the rate increase request by the Potomac Edison Company. Issues included revenue requirement, rate base, scrubber O&M expenses, Clean Air Act Amendment compliance and costs, customer deposits, salary expenses, right of way maintenance, medical expense and payroll incentive awards, and pension expense.

Key Participants: Hugh Larkin, Jr.

Geographic Location: West Virginia

Contract Duration: February - September 1994

El Paso Electric Company; Docket No. 12700

Client: Diamond, Rash, Gordon & Jackson
725 First City National Bank Building
El Paso, Texas 79901
(915) 533-2277

Contact: Norman Gordon

Assignment: Larkin & Associates was retained by the City of El Paso to analyze El Paso Electric Company's request for a rate increase. The Company's case assumed the merger agreement with Central and South West Corporation, as approved by the Bankruptcy Court, would become effective in 1995. The Company's case, before any rate moderation, showed a revenue deficiency of \$60 million. As part of a settlement rate plan proposal, the Company was requesting a \$25 million increase in base rates, deferrals as part of the Rate Moderation Plan, additional mirror CWIP above that authorized by the Commission, a surcharge to partially recover rate case expense, and a proposal that it keep tax benefits associated with tax deductibility of lease rejection damages. The Company agreed not to request recovery of its calculated positive acquisition adjustment in rate base and a three-year freeze. Larkin & Associates found that the Company's request was significantly overstated. Issues addressed included: deferred carrying costs; alternative recommendation rate base value of Palo Verde Units 2 & 3 if not sold; alternative recommendation - remove lease payments from Palo Verde Unit 3 Deferred Expenses; capitalization of A&G expense; payroll; employee benefits; supplemental retirement plan; safety incentive and sick leave incentive; CSWS billing; APS gain sharing; environmental expense; capital improvement project write-offs; non-reconcilable fuel costs; professional services; corporate restructuring expense; corporate expenses; revolving credit facility fees; lobbying; O&M specific and level expense adjustment; amortization of mirrors CWIP; Texas franchise taxes; Unit 3 excess capacity; reasonable value assigned to the acquisition of Palo Verde 2 & 3; reduction to Rio Grande and copper test year O&M expense; decommissioning expense; alternative recommendation - reduction to Palo Verde Unit 3 plant in service balance and deferred expense; recommended return on equity; acquisition adjustment; fuel reconciliation and rate case expense.

Key Participants: Helmut W. Schultz, III

Geographic Location: El Paso, Texas

Contract Duration: 1994

Florida Power & Light Company; Docket No. 930405-El

Client: Florida Public Counsel
111 W. Madison Street - 801
Tallahassee, Florida 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was retained by the Florida Office of Public Counsel to review the petition of the Florida Power & Light Company to implement a self-insurance mechanism for storm damage to its transmission and distribution system and to resume and increase its annual contribution to its storm and property insurance reserve fund. We recommended that a self-insurance mechanism which automatically flowed into rates be denied. The Commission agreed with this recommendation.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Florida

Contract Duration: 1994

Southern California Edison Company; Application No. 93-12-025-Phase I

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was asked to review the administrative and general expenses encompassed within Southern California Edison Company's general rate case. Our testimony addressed the following issues: Severance Payments; Environmental Litigation Expense; Regulatory Commission Expense; Medical Malpractice Insurance; Blanket Crime Insurance; Directors' Retirement Plan; Miscellaneous Board of Directors Expense; Employee Volunteer Program; High Five Service Program; Employee Meetings Expense; Edison Electric Institute Dues; and Franchise Fees.

Key Participants: Hugh Larkin, Jr.

Geographic Location: San Bruno, California

Contract Duration: 1994

Mississippi Power & Light Company; Docket No. Docket No. 93-UA-0301*

Client: Mississippi Public Service Commission
17th Floor, Walter Sillers Building
550 High Street
Jackson, Mississippi 39201
(601) 961-5493

Contact: George Fleming

Assignment: Larkin & Associates was retained by the Mississippi Public Utilities Staff (Staff) to review the filing made by Mississippi Power & Light Company (MP&L) for a formulary type rate plan. We performed a review of the rate base, revenues, and expenses of the Mississippi Power & Light Company. The purpose of this review was to determine if the rates in effect were at an appropriate level to institute a formula rate plan. Since MP&L had not had a review of its base rates since 1985, the Public Utility Staff did not deem it appropriate for the Commission to institute a formula rate plan without a review of rates. Our analysis showed that the base rates of MP&L were overstated and should be adjusted down by at least \$54,591,000 prior to the adoption of a formula rate plan. We participated in the settlement discussions which led to the resolution of this case.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Mississippi

Contract Duration: 1993-1994

Hawaiian Electric Company, Inc. Docket No. 7700

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates reviewed and analyzed data and performed other procedures as necessary (1) to obtain an understanding of the Hawaiian Electric Company Inc.'s ("HECO" or "Company") rate filing package as it relates to the operating income, rate base, and overall revenue requirement in this case and (2) to formulate an opinion concerning the reasonableness of amounts included within the Company's application for rate increase. We addressed the following issues: treatment of reimbursement by another utility of HECO's wage, overhead, and material costs associated with assistance with restoration of electric service after Hurricane Iniki; emissions fees; painting costs; EMF technicians; pay adjustments for new hires; employee benefits transferred to construction and other non-O&M accounts; medical insurance; dental plan expense; vision plan expense; group life insurance expense; flex plan benefits; pensions; nonpension postretirement benefits/FAS 106; miscellaneous employee benefits; affiliated transaction costs; postage expense; institutional/ goodwill advertising; donations; Electric Power Research Institute dues; other organizational membership dues; technical training cost projections; miscellaneous expenses; interest synchronization; projected plant additions; accumulated depreciation and depreciation expense; fuel oil inventory projection, including number of days burn required; employee benefits capitalized; Accounts Payable related to Electric Materials and Supplies; Accumulated Deferred Income Taxes; and cash working capital requirement.

Key Participants: Ralph C. Smith

Geographic Location: Hawaii

Contract Duration: 1993-1994

Central Maine Power Company; Docket No. 92-345

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates reviewed data and performed other procedures as necessary to (1) obtain an understanding of the Company's rate filing as it relates to the need for a rate increase, and (2) formulate an opinion concerning the reasonableness of the Company's requested rate increase. These procedures included reviewing the Company's rate filing and related workpapers, preparing data requests and reviewing responses provided by CMP to discovery issued by other parties. Addressed the following issues: Rate Base: Cash Working Capital; O&M Expense Lag; Net Operating Income: Severance Payments; Incentive Compensation; Directors' Pension Plan Expense; Retirement of Company Officer; Employee Residences; Advertising Expense; Miscellaneous Expenses; Edison Electric Institute Dues.

Key Participants: Ralph C. Smith

Geographic Location: Maine

Contract Duration: 1993

Puget Sound Power & Light Company; Docket No. UE-92-1262

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates was retained by the Department of the Navy to review Puget Sound Power & Light Company's filing and to recommend appropriate adjustments to the Company's pro forma case consistent with generally accepted accounting and ratemaking principles. Addressed the following issues: plant held for future use; working capital; merchandise inventory; Accumulated Deferred Income Taxes debit balances for environmental cost contingency accrual; Accumulated Deferred Income Taxes debit balances for the transfer of property at a loss to an affiliate; research and development cost; FAS 106 deferral in rate base; other Accumulated Deferred Income Taxes; ratemaking treatment for storm damage cost; weather normalization and line losses; bad debt expense; payroll increase projections; incentive bonuses; lump sum distributions to officers and directors; pay-at-risk - failure to achieve goal; employee benefits; alternatives to FAS 107 for the ratemaking treatment of nonpension postretirement benefits; directors and officers liability insurance; environmental remediation costs and potential insurance or third party recovery; Edison Electric Institute dues; other membership dues; bank fees - payments to agents; miscellaneous expenses; consolidated tax savings adjustment; and interest synchronization. Areas of special concern included working capital, storm reserve and expenses, environmental remediation costs and the implementation of FAS 106.

Key Participants: Hugh Larkin, Jr.
Ralph C. Smith

Geographic Location: Washington

Contract Duration: January - June 1993

Connecticut Light and Power Company; Docket No. 92-11-11

Client: State of Connecticut
Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel to review the rate increase request by Connecticut's largest electric utility, Connecticut Light and Power Company. We reviewed the Company's requested rate base, operating income, expenses, and rates. Issues addressed in testimony include: Nuclear Plant Phase-ins; Nuclear Performance Enhancement Program Costs; Cash Working Capital; kWh Sales; Transmission Revenues; Fossil/hydro Outage Costs; Merger Costs; Salary and Wages; including Benefits; GUAC Deferral; Capacity Costs and Depreciation.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III

Geographic Location: Hartford, Connecticut

Contract Duration: December 1992 - May, 1993

Tampa Electric Company; Docket No. 920324-EI

Client: Office of the Public Counsel
111 W. Madison - St. 801
Tallahassee, Florida 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was hired by the Florida Office of Public Counsel to review TECO's request for an increase in rates. We analyzed rate base, including construction work in progress, plant in service, accumulated depreciation, plant held for future use, and working capital. We also analyzed net operating income, including tree trimming, advertising expense, rate case expense, payroll, fringe benefits and supplemental executive retirement program, depreciation expense, FAS 106 and interest synchronization. From our above analysis we calculated that TECO had a revenue sufficiency of \$22,531,000. We therefore recommended that the Company's requested revenue increases for 1993 and 1994 be denied by the Commission.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III

Geographic Location: Florida

Contract Duration: 1992

Citizens Utilities Company (Arizona Electric Division); Docket No. E-1032-92-073

Client: Residential Utility Consumer Office
2828 N. Central Avenue
Suite 1200
Phoenix, Arizona 85004
(602) 279-5659

Contact: Dan Pozefsky

Assignment: Larkin & Associates was retained by the Residential Utility Consumer Office to review Citizens Utilities Company, Arizona Electric Division's request for an increase in rates. As part of our scope of work, Larkin & Associates assessed the propriety of consolidating Citizen's Mohave Electric Division and Santa Cruz Electric Division into one division, the Arizona Electric Division. Larkin & Associates investigated a number of issues, and proposed adjustments in the following areas: AFUDC accrued on unspent industrial development revenue bonds; construction work in progress; materials and supplies; cash working capital; revenues; rent expense; rate case expense; payroll expense; incentive compensation expense; integrated resources planning costs; and investment tax credit amortization.

Key Participants: Ralph C. Smith

Geographic Location: Arizona

Contract Duration: 1992

United Illuminating Company; Docket No. 92-06-05

Client: State of Connecticut
Office of Consumer Counsel
10 Franklin Square
New Britain, Connecticut 06051-2644
(860) 827-2900

Contact: Richard Sobolewski

Assignment: Larkin & Associates was retained by the Office of Consumer Counsel of the State of Connecticut to review the rate increase request by The United Illuminating Company. We analyzed rate base, including working capital and accrued vacations. We also analyzed operating income, including sales; late payment charges; transmission revenues; operating rents, electric property; transmission charges; generating expense; Steel Point Decommissioning; Seabrook Unit 1 - expenses; Connecticut Yankee expense; Millstone Unit 3 expense; payroll; 401(K); group health and life insurance expenses; post-retirement benefits; pension; rate case expense; lease expense; miscellaneous adjustments; inflation adjustment; and property taxes. From our review of the above analysis we therefore recommended a one year rate increase, rather than the Company's proposed four year plan.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III

Geographic Location: State of Connecticut

Contract Duration: 1992

Metropolitan Edison Company; Docket No. R-922314

Client: Pennsylvania Office of Consumer Advocate
555 Walnut Street
Harrisburg, PA 17101-1923
(717) 783-5048

Contact: Shaun Sparks
Mary Kenney
Mark Schostak

Assignment: Larkin & Associates was hired by the Pennsylvania Office of Consumer Advocate to review Metropolitan Edison Company's (Met-Ed) request to increase its rates. We prepared testimony supporting adjustments to Met-Ed's rate base, including: plant held for future use; plant in service; construction work in progress; materials and supplies; and fuel inventories. We recommended adjustments to net operating income, including: non-pension postretirement benefits; charitable contributions; EEI dues; payroll expense; employee benefits; pilot customer assistance program; and depreciation expense.

Key Participants: Ralph C. Smith

Geographic Location: Pennsylvania

Contract Duration: 1992

Florida Power Company; Docket No. 910890-EI

Client: Office of the Public Counsel
111 W. Madison - St. 801
Tallahassee, Florida 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was retained by the Florida Office of Public Counsel to review a \$108 million rate increase filed by Florida Power Company ("FPC"). FPC's requested rate increase was predicated on the use of 1992 and 1993 test years. Consequently, our scope of work dealt with assessing the propriety of a double test year. We concluded that FPC's requested double test year was inappropriate and recommended that it be rejected by the Commission. Accordingly, the focus of our adjustments was on the 1992 test year. Major issues discussed in our testimony included: Construction Work in progress; Flight Equipment; Revenues; Tree Trimming Expense; Advertising Expense; Payroll Expense; Fringe Benefit Expense; and FPC's request for a Performance Reward.

Key Participants: Hugh Larkin, Jr.
Helmuth W. Schultz, III

Geographic Location: Florida

Contract Duration: 1992

Hawaiian Electric Company, Inc.; Docket No. 6998

Client: Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washington Navy Yard, D.C. 20374-5018
(202) 685-0130

Contact: Dr. Kay Davoodi

Assignment: Larkin & Associates performed a comprehensive review of Hawaiian Electric Company's ("HECO") application for a \$155 million increase in revenues. Our work effort involved analyzing the Company's filing and responses to numerous information requests and supplemental information requests. Subjects addressed in testimony included: HECO's projected work force growth; employee benefits expense; integrated resource planning expense; rate case expense; affiliated charges; plant additions; property held for future use; fuel oil inventory; and accounts payable related to electric materials and supplies.

Key Participants: Hugh Larkin, Jr.
Ralph C. Smith

Geographic Location: Hawaii

Contract Duration: October 1991 - March 1993

Florida Power Corporation; Docket No. 860001-EI-G

Client: Office of the Public Counsel
111 W. Madison - St. 801
Tallahassee, Florida 32399-1400
(850) 488-9330

Contact: Charlie Beck

Assignment: Larkin & Associates was employed by the Florida Office of Public Counsel to review the issue related to the inclusions of a hypothetical income tax cost in the cost-plus fuel charges which Florida Power Corporation pays to an affiliate, Electric Fuels Corporation.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Florida

Contract Duration: 1991

Green Mountain Power Corporation; Docket No. 5532

Client: Vermont Department of Public Service
120 State Street
Montpelier, Vermont 05602
(802) 828-2811

Contact: Robert Simpson
Geoff Commons

Assignment: Larkin & Associates was retained by the Vermont Department of Public Service to review the rate increase requested by Green Mountain Power Corporation. Major issues addressed in testimony included: demand side management programs, CWIP, accumulated depreciation reserve and working capital.

Key Participants: Helmuth W. Schultz, III

Geographic Location: Vermont

Contract Duration: September 1991 - April 1992

System Energy Resources, Inc.; Docket No. FA-89-28-000

Client: Mississippi Public Service Commission
1915 Walter Sillers Building
Corner High Street
President Street
Jackson, Mississippi 39201
(601) 961-5493

Contact: George Fleming

Assignment: Larkin & Associates was retained by the Staff of the Mississippi Public Service Commission to review the tax accounting and allocation methods used by System Energy Resources, Inc. and the resulting impacts of such methods on rates.

Key Participants: Hugh Larkin, Jr.

Geographic Location: Mississippi

Appendix III



State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

Solicitation

NUMBER
PSC14535

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF.

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304-558-0468

*709025511 734-522-3420

LARKIN & ASSOCIATES PLLC
15728 FARMINGTON RD

LIVONIA MI 48154-2858

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
1116 QUARRIER ST
CHARLESTON, WV
25301 340-0323

DATE PRINTED

03/03/2014

BID OPENING DATE: 03/27/2014

BID OPENING TIME 1:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
THE WEST VIRGINIA PURCHASING DIVISION FOR THE AGENCY, WV PUBLIC SERVICE COMMISSION, CONSUMER ADVOCATE DIVISION, IS SOLICITING BIDS FOR THE ONE TIME PURCHASE OF CONSULTING SERVICES IN CONNECTION WITH THE JOINT GENERAL RATE CASE FILING OF FIRSTENERGY'S WEST VIRGINIA UTILITIES, MONONGAHELA POWER AND POTOMAC EDISON, PER THE ATTACHED SPECIFICATIONS.						
ATTACHMENTS INCLUDE:						
1. INSTRUCTIONS TO VENDORS SUBMITTING BIDS.						
2. GENERAL TERMS AND CONDITIONS.						
3. PSC14535 SPECIFICATIONS.						
4. CERTIFICATION AND SIGNATURE PAGE.						
5. PURCHASING AFFIDAVIT.						
6. RESIDENT VENDOR PREFERENCE (RVP) FORM.						
0001	1	LS		961-20		\$54,980.00
CONSULTING SERVICES FOR A JOINT RATE CASE FILING						
***** THIS IS THE END OF RFQ PSC14535 ***** TOTAL:						\$54,980.00

SIGNATURE

TITLE

TELEPHONE

DATE

FEIN

ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO SOLICITATION, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

PSC14535 - CONSULTING BID FORM			
Employee/Title	Not to Exceed Number of Hours*	Hourly Rate	Extended Price
Sr. Consultants (Larkin, Smith, Schultz)	180	\$ 150.00	\$ 27,000.00
Regulatory Analyst (Dady, Zhao, Miller, Decker)	224	\$ 95.00	\$ 21,280.00
Research Associate (Bisdorf)	134	\$ 50.00	\$ 6,700.00
		\$	\$
		\$	\$
		\$	\$
		Total	\$ 54,980.00

Bidder / Vendor Information:

Name: Larkin + Associates, PLLC

Address: 15728 Farmington Road
Livonia, MI 48154

Phone #: (734) 522-3420

Email Address: HLarkinjr@AOL.com

Contact Coordinator Information:

Name: Hugh Larkin, Jr.

Address: Larkin + Associates, PLLC
15728 Farmington Road
Livonia, MI 48154

Phone #: (734) 522-3420

Email Address: HLarkinjr@AOL.com

The Consultant will not be reimbursed for hours that exceed the total hours for each Employee/Title

State of West Virginia

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

1. **Application is made for 2.5% resident vendor preference for the reason checked:**
☐ Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
☐ Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
☐ Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2. **Application is made for 2.5% resident vendor preference for the reason checked:**
☐ Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
3. **Application is made for 2.5% resident vendor preference for the reason checked:**
☐ Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
4. **Application is made for 5% resident vendor preference for the reason checked:**
☐ Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
☐ Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
☐ Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.
7. **Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with *West Virginia Code* §5A-3-59 and *West Virginia Code of State Rules*.**
☐ Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: Larkint Associates, PLLC

Signed: [Signature]

Date: 3/26/14

Title: Senior Partner

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

MANDATE: Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: Larkin + Associates, PLLC

Authorized Signature: [Signature] Date: 3/26/14

State of Michigan

County of Wayne, to-wit:

Taken, subscribed, and sworn to before me this 26th day of March, 2014

My Commission expires July 31, 2015, 20 .

AFFIX SEAL HERE

NOTARY PUBLIC

Kathleen K. Niemiec

KATHLEEN K. NIEMIEC
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Jul 31, 2015
ACTING IN COUNTY OF WAYNE

Purchasing Affidavit (Revised 07/01/2012)



State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

WV PURCHASING ACA SECT

Fax 304-558-4115

Mar 24 2014 01:12pm P001/005

PSC14535

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ADDRESS CORRESPONDENCE TO ATTENTION OF

DEAN WINGERD

304-558-0468

RFQ COPY

TYPE NAME/ADDRESS HERE

VENDOR

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
1116 QUARRIER ST

CHARLESTON, WV
25301

340-0323

DATE PRINTED

03/24/2014

BID OPENING DATE:

03/27/2014

BID OPENING TIME

1:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
ADDENDUM NO. 1						
ADDENDUM IS ISSUED:						
1. TO PROVIDE RESPONSES TO VENDOR'S QUESTIONS REGARDING THE ABOVE SOLICITATION. QUESTION AND ANSWER PAGES ARE ATTACHED.						
2. TO PROVIDE ADDENDUM ACKNOWLEDGMENT. THIS DOCUMENT SHOULD BE SIGNED AND RETURNED WITH YOUR BID. FAILURE TO SIGN AND RETURN MAY RESULT IN THE DISQUALIFICATION OF YOUR BID.						
***** END OF ADDENDUM NO. 1 *****						

SIGNATURE

TELEPHONE

DATE

734-522-3420

3/26/14

TITLE

FBN

Senior Partner

38-2437293

ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO SOLICITATION, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

0005

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: PSC14535

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Larkin + Associates, PLLC
Company
Heath Larkin Jr.
Authorized Signature
3/26/14
Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.

Revised 6/8/2012

CERTIFICATION AND SIGNATURE PAGE

By signing below, I certify that I have reviewed this Solicitation in its entirety, understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid or proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

Larkin & Associates, PLLC
(Company)

Hugh Larkin Jr.
(Authorized Signature)

Hugh Larkin, Jr., Partner
(Representative Name, Title)

(734) 522-3420 (734) 522-1410
(Phone Number) (Fax Number)

3/26/14
(Date)