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c/o The Florida Legislature
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August 27, 1997

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

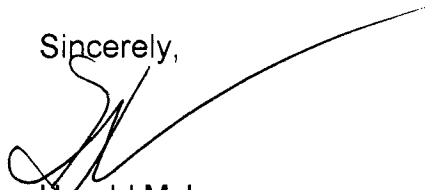
Re: Docket No. 960444-WU


Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and 15 copies of the Direct Testimony of Hugh Larkin, Jr., witness for the Citizens of the State of Florida.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

- ACK _____
- AFA 1 _____
- APP _____
- CAF _____
- CMH _____
- CRP _____
- ESP _____
- HM:bsr _____
- 370g _____
- Enclosures _____

Sincerely,

Harold McLean
Associate Public Counsel


WAS
OTH _____
EPSC-DIVISION OF RECORDS

DOCUMENT NUMBER-DATE
08677 AUG 27 97
EPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate)
increase and for increase in)
service availability charges in)
Lake County by Lake Utility)
Services, Inc.)

Docket No. 960444-WU

DIRECT TESTIMONY OF
HUGH LARKIN, JR.

Witness for the Citizens of the State of Florida

Jack Shreve
Public Counsel
Office of Public Counsel
c/o the Florida Legislature
111 West Madison Street
Room 801
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(904) 488-9330

DOCUMENT NUMBER-DATE
08677 AUG 27 8
FPSC-RECORDS/REPORTING

1 DIRECT TESTIMONY OF HUGH LARKIN, JR.
2 ON BEHALF OF THE CITIZENS OF FLORIDA
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

4 DOCKET NO. 960444-WU

5 INTRODUCTION

6
7 Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?

8 A. My name is Hugh Larkin, Jr. I am a Certified Public Accountant licensed in the
9 States of Michigan and Florida and the senior partner in the firm of Larkin &
10 Associates, Certified Public Accountants, with offices at 15728 Farmington Road,
11 Livonia, Michigan 48154.

12
13 Q. PLEASE DESCRIBE THE FIRM LARKIN & ASSOCIATES.

14 A. Larkin & Associates is a Certified Public Accounting and Regulatory Consulting
15 firm. The firm performs independent regulatory consulting primarily for public
16 service / utility commission staffs and consumer interest groups (public counsels,
17 public advocates, consumer counsels, attorneys general, etc.). Larkin &
18 Associates has extensive experience in the utility regulatory field as expert
19 witnesses in over 400 regulatory proceedings including numerous water and sewer,
20 gas, electric and telephone utilities.

21
22 Q. HAVE YOU PREPARED AN APPENDIX WHICH DESCRIBES YOUR
23 QUALIFICATIONS AND EXPERIENCE?

24 A. Yes. I have attached Appendix I, which is a summary of my experience and
25 qualifications.

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Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide responses to the questions raised by Lake Utility Services, Inc. ("Company") witnesses in their protest of the PPA Order PSC-97-0531-FOF-WU ("PPA Order")

Q. HOW WILL YOUR TESTIMONY BE ORGANIZED?

A. My testimony will essentially follow the issues raised by the Company in the testimony of the three witnesses which the Company has sponsored. I will cover five of the six issues raised in Company witness Mr. Kramer's testimony, with the exception of the proposed service availability charge which the Company is protesting.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. At this time, I am not offering any exhibits, as I was unable to obtain from the Company its workpapers and exhibits in a useable format. If I am able to convert the exhibits and workpapers into a usable format, and there are issues which should be raised related to the workpapers, I will supplement this testimony.

PLANT IN SERVICE ISSUES

Q. WOULD YOU PLEASE DISCUSS THE PLANT IN SERVICE ISSUES RAISED BY COMPANY WITNESS KRAMER IN HIS DIRECT TESTIMONY TO THE PPA ORDER?

A. In the PPA Order, Staff made adjustments to plant in service totaling \$103,440. Mr. Kramer states that the Company accepts adjustments to plant and service in

1 the amount of \$71,261. Mr. Kramer offers what he claims is support for, or he
2 outright disputes, the remaining \$32,179 removed by the Staff.

3
4 Q. WHAT SUPPORT OR DISPUTING EVIDENCE HAS MR. KRAMER
5 PROVIDED?

6 A. The first item of support which Mr. Kramer offers is a document which he
7 characterizes as an "invoice". This document is included in Mr. Kramer's exhibits
8 and is labeled as [MFK-15]. Upon examining this document, it is clear that this
9 document is not an invoice. The document is labeled as a statement. It does not,
10 in any way, detail any work that was completed and is not, as Mr. Kramer's
11 testimony indicates, a payment for \$17,053. The document also does not, in any
12 way, indicate that it was for the installation of water plant. The document appears
13 to show that an amount is due of \$16,931.25. It does contain an amount as a
14 beginning balance of \$17,052.50. This amount is labeled as "contract price to
15 install water." This could be for the installation of water closets, water pipes or
16 any number of items. It does not establish what work was done, nor when the
17 amount was paid. Generally accepted internal control would not allow the
18 payment of any amount based on a statement. According to Mr. Kramer's
19 deposition, the Company cannot produce a check which shows that either this
20 amount, \$17,053, or the amount shown on the statement of \$16,931.25 was paid.
21 Clearly, the document does not support the installation of water plant, does not
22 support the payment of \$17,053, and should not be excepted as support for an
23 addition to plant.

24
25 Q. WHAT OTHER AMOUNTS OF PLANT IN SERVICE IS MR. KRAMER

1 DISPUTING?

2 A. The next amount which the Company is disputing is an amount of \$15,126. The
3 Company contends the \$15,126 adjustment is unsupported by Staff. As I
4 understand Mr. Kramer's deposition, he has concluded that he has supported the
5 amount which Staff has removed by providing invoices for all of the plant items,
6 including this amount. The Staff, in Mr. Kramer's opinion, has failed to tell him
7 where this amount, i.e., \$15,126, arises from; that is, what account and what type
8 of item is unsupported. His testimony appears to shift the burden of providing
9 support for the \$15,126 from the Company to the Staff. It is my understanding
10 that the Staff examined each and every invoice offered by the Company and
11 removed only those dollar amounts which were not supported by invoices. If this
12 is the case, then the burden should still lie with the Company to produce an invoice
13 or support for the \$15,126 which Mr. Kramer claims is in dispute. I would,
14 therefore, recommend to the Commission that unless the Staff agrees that there are
15 errors in their calculations, this amount not be added back to plant in service.

16
17 USED AND USEFUL

18 Q. WOULD YOU PLEASE EXPLAIN YOUR UNDERSTANDING OF HOW THE
19 COMPANY'S USED AND USEFUL CALCULATIONS DIFFER FROM THAT
20 OF THE STAFF?

21 A. Yes. The first major difference, which is labeled by the Company as
22 Interconnecting Transmission mains, amounts to an addition to plant and service of
23 \$901,181.51.

24
25 Page 11 of the PPA Order deals with the Company's support for interconnected

1 plants. In part, it states:

2 The utility requested an extension of time in order to provide more
3 accurate flow data, a more detailed set of maps and support for the margin
4 reserve values. During this extension and a second that followed, the
5 utility was told that the transmission mains which served to interconnect
6 plants would be considered 100 percent used and useful if the dollar value
7 with supporting documents were provided. This was never done.

8 It is clear that the Company was asked to provide this information prior to the
9 decision in the PPA Order and failed to provide such support. Mr. Kramer states
10 in his testimony that "The Staff, however did not accept the utility's workpapers
11 that separated the transmission mains that interconnect systems from those mains
12 that are located within individual systems." Apparently, neither the Company's
13 workpapers nor the invoices which Mr. Kramer states the Staff has examined can
14 clearly identify what is interconnected mains. It is also clear that the list of
15 invoices do not specify what each amount represents and how the Commission can
16 be assured that this is indeed part of any interconnection project. When Company
17 witness Mr. Rasmussen was asked about the interconnection in his deposition, he
18 stated as follows:

19 Q. Let me ask you a general question. What did Mr. Girtman do with
20 respect to this interconnection? Are we talking about an
21 interconnection project or an interconnection program with respect
22 to these \$900,000?

23 A. These are invoices that were connected back to the cost of main.

24 Now how —

25 Q. Oh, okay.

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A. Other than that, I don't get into the accounting end of it. I'm just in the operation.

Q. I understand. Do you happen to know what Mr. Girtman - - what his - - what services he rendered in connection with the interconnection?

A. Offhand I don't. It may have been with easements or something to that - -

Q. Mr. Kramer is a better witness for that, presumably?

A. Possibly.

(August 3, 1997, page 17)

It appears that Mr. Rasmussen can only identify that the invoices are "connected back to the cost of main." Unless the invoices themselves can be clearly identified as specifically related to interconnections, and shown that the mains benefit ratepayers, this amount should not be included in used and useful plant.

Q. WHAT DO YOU MEAN BY "SHOWN THAT THE MAINS BENEFIT RATEPAYERS?"

A. Company witness Mr. Seidman's testimony, at page 3, states the following:

These subdivisions are served, not by one system, but by several systems acquired by LUSI over a period of years and incorporated into a single service area. Several of the systems have been interconnected such that there are now six systems serving the eighteen subdivisions. At present, these six systems operate physically independently of each other and cannot share capacity to serve customer demand. Therefore, for purposes of

1 determining used and useful, each of the six systems must be evaluated
2 separately.

3 Clearly, the Company's witnesses are at odds with each other. We have Mr.
4 Rasmussen, who is saying that you ought to include this investment for
5 interconnection (if it can be proved that it is interconnecting investment), and you
6 have Mr. Seidman who is saying that the interconnection, if it does exist, serves no
7 useful purpose since each system operates physically independently and cannot
8 share capacity.

9
10 It would be egregious to the current ratepayers in one instance to say that they
11 ought to pay for an interconnection with other systems because it provides a
12 benefit, but then have the used and useful calculation of another witness ignore
13 that interconnection when making his calculations. It appears that the Commission
14 was correct in its original analysis in excluding any investment for interconnection
15 from used and useful plant.

16
17 Q. DO YOU HAVE ANY ADDITIONAL CONCERNS WITH MR.
18 RASMUSSEN'S DIRECT TESTIMONY?

19 A. Mr. Rasmussen disputes the Staff calculation of used and useful based on the
20 Staff's lot count. The Company is to provide maps which can be used to
21 determine what the actual number of lots are and the number of lots served. Until
22 that document is provided, I will not have an opportunity to verify Mr.
23 Rasmussen's claim as to Staff's miscalculations. Unless these accounts can be
24 verified, the Staff calculations of used and useful should be maintained.

25

1 Q. HAVE YOU REVIEWED THE TESTIMONY OF FRANK SEIDMAN?

2 A. Yes, I have.

3

4 Q. DOES THAT TESTIMONY POINT OUT STAFF ERRORS IN
5 CALCULATING USED AND USEFUL FOR SUPPLY, TREATMENT,
6 PUMPING AND STORAGE?

7 A. No, it does not. What it does is propose a different methodology for calculating
8 used and useful as it relates to the supply portion of the Company's plant inservice.
9 Apparently, the Company was not happy with the results of the Staff's used and
10 useful calculations and, therefore, engaged Mr. Seidman to provide an alternative
11 methodology which resulted in higher used and useful percentages. It appears that
12 the Commission does not routinely use the methodology which Mr. Seidman
13 proposes, that is, instantaneous demand to calculate used and useful percentages.
14 Mr. Seidman did state in his deposition that the Commission had accepted his
15 methodology in one instance in the past, but he was not sure whether that instance
16 involved a Class B or Class C utility. There is also some question as to whether
17 the tables used by Mr. Seidman includes or excludes unaccounted for water.

18

19 Q. DO YOU HAVE A RECOMMENDATION TO THE COMMISSION
20 REGARDING MR. SEIDMAN'S ALTERNATIVE APPROACH TO
21 CALCULATING USED AND USEFUL PERCENTAGES FOR SUPPLY
22 PLANT?

23 A. The Commission should stay with the methodology which has consistently been
24 accepted in the past. It appears that the Company's entire case is based on
25 recalculating or disputing adjustments which the Staff has made in a PAA which

1 could have been, and should have been, raised with the Staff prior to the issue of
2 the PAA Order. For the Company to now take exception to the Staff's
3 calculations in order to receive a higher used and useful percentage would not be
4 appropriate. If the Staff had changed methodologies, I could understand the
5 Company disputing that change in methodology. This is not the case. The Staff
6 appears to have been consistent with its approach in past cases. The Company is
7 now coming forth with a new methodology in order to obtain a higher rate base
8 treatment.

9 TRANSMISSION AND DISTRIBUTION MAINS WITHIN EACH SYSTEM

10 Q. DOES THE COMPANY DISPUTE THE STAFF'S CALCULATION OF USED
11 AND USEFUL TRANSMISSION AND DISTRIBUTION MAINS WITHIN
12 EACH SYSTEM?

13 A. Yes, they do. Mr. Kramer, in his testimony on pages 18, 19 and 20, discusses a
14 theoretical approach that he believes is unfair to the Company. He implies that the
15 Staff has created a negative rate base adjustment by taking out portions of
16 contributed plants while leaving in 100% of the CIAC. He does not clearly state
17 that the Staff did, in fact, do this and has not presented any evidence that there is a
18 negative implication to the Staff's calculation. He continues with his testimony on
19 pages 19 and 20 to propose a calculation of used and useful for transmission and
20 distribution mains within systems which calculates percentages based on the
21 Company's view of lots served to potential lots to be served in each subdivision.

22
23 Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?

24 A. The Company should be required to show that the Staff's calculation is incorrect.
25 Instead of implying, by using an example, that the Staff did the wrong calculation,

1 Mr. Kramer should show with empirical evidence that the Staff's calculation is
2 incorrect, and show how that calculation should be corrected. Instead of setting
3 up a theoretical negative rate base and then proposing another methodology, the
4 Company must first show that the Staff's calculation is incorrect and that they did,
5 in fact, establish a negative rate base by taking out part of the current contributing
6 property while leaving in 100% of the contributions in aid of construction. Unless
7 and until this is done, the Commission should ignore this part of Mr. Kramer's
8 testimony.

9
10 CONTRIBUTIONS IN AID OF CONSTRUCTION

11 Q. PLEASE DISCUSS THE COMPANY'S CONTENTIONS REGARDING CIAC.

12 A. The PAA Order establishes an increase in CIAC of \$197,429. The Company is
13 disputing \$81,886 of this adjustment. The amount which the Company is disputing
14 is broken into three pieces. The first of these is an amount of \$16,500. The
15 Company contends that the Staff increased CIAC by this amount, since the
16 Company was unable to produce support for this payment. The Company now
17 contends that a document attached to Mr. Kramer's testimony supports this
18 amount as work being completed in the Vista subdivision.

19
20 Q. DOES THE DOCUMENT SUPPORT THE COMPANY'S CONTENTION?

21 A. The document attached as exhibit (MFK-16) suffers from the same discrepancies
22 as the prior exhibit which Mr. Kramer characterized as a "invoice". It in fact is not
23 an invoice, but a letter from an attorney, Dennis L. Horton, to Jim Cameron of
24 Utilities, Inc. The letter requests a check be placed into escrow as an "initial cash
25 payment for construction and installation of the water distribution system of the

1 Vista's." The check was to be sent to Dennis L. Horton's office to be placed in an
2 escrow account.
3

4 Clearly, this document does not show that the work was completed, does not show
5 that the payment was ever made from the escrow account and does not detail what
6 work was done. This document does not support the additions to plant and
7 service, and should be rejected as support for the amount the Company's claim.
8

9 Q. PLEASE DISCUSS THE SECOND PART OF STAFF'S CIAC ADJUSTMENT
10 WHICH THE COMPANY OPPOSES.

11 A. The second part of the Staff's CIAC adjustment, which the Company contends is
12 erroneous, relates to a plant in service amount of \$16,923. The Company states
13 that the Staff removed this amount because it lacked supporting documentation.
14 The Company continues in its argument, by stating that if this amount is not
15 supported by documentation, then an equal amount of CIAC should be removed
16 because, in the Company's opinion, the entire plant was initially booked with
17 offsetting CIAC. The Company has not offered any support for this statement,
18 other than Mr. Kramer's testimony that the amount in question was offset in the
19 Company's initial recording by CIAC. It appears to me that if that were clear on
20 its face, Staff would have recognized that and removed the offsetting CIAC.
21 Unless the Company can clearly tie this adjustment with its books and records to
22 the initial recording of CIAC and plant in service, then the Staff adjustment should
23 stand. Clearly just making a statement without presenting supporting
24 documentation would not be proper.
25

1 Q. PLEASE DISCUSS THE FINAL COMPONENT OF THE CIAC ISSUE.

2 A. The last component of the Company's argument with the Staff related to CIAC is
3 in the amount of \$48,463. The Company argues that it had recorded an
4 acquisition adjustment without prior Commission approval. Although it is not
5 stated in Mr. Kramer's testimony, it appears that this was a negative acquisition
6 adjustment. In other words, the adjustment reduced rate base. Because the
7 Company had not received prior Commission approval for the acquisition
8 adjustment, the Staff removed it and at the same time increase CIAC, which Mr.
9 Kramer claims, "effectively maintaining the acquisition adjustment." The
10 Company argues that the Staff should not have increased CIAC by the \$48,463
11 and should have, in effect, increased rate base by that amount. It appears that the
12 Staff correctly recorded this adjustment. The initial recording of a negative
13 acquisition adjustment reflected the fact that the Company did not pay for this
14 property. Staff's removal of the negative acquisition adjustment is appropriate
15 because the Company did not receive prior Commission approval to record it. It is
16 also proper for the Staff to increase CIAC, because to not do so would increase
17 rate base by an amount which the Company has not invested in plant and service.
18 The ratepayers in affect, would be paying via rates for something that the
19 Company did not pay for. The theory that the Staff approached this adjustment on
20 is absolutely correct and the Commission should maintain this amount in CIAC and
21 not in rate base.

22

23 RATE CASE EXPENSE

24 Q. WOULD YOU PLEASE COMMENT ON RATE CASE EXPENSE?

25 A. Mr. Kramer's testimony concludes that the Company should be entitled to an

1 additional \$65,230 in rate case expense. This amount is entirely related to their
2 protest of the PAA Order. Essentially, the Company's protest of the PAA Order
3 amounts to providing information that the Staff had previously asked for or
4 documenting information that the Company had in its possession all along. The
5 only other piece of information is a recalculation of supply plant used and useful
6 percentages using an alternative methodology. Ratepayers should not be burdened
7 with this additional rate case expense based on the Company's failure to make its
8 case in the original PAA. As I have pointed out in my testimony, almost all of the
9 Company's contentions result from either its own errors or omissions, or consists
10 of support which is, at most, doubtful. The Commission cannot accept burdening
11 the ratepayer when it is clear that most, if not all, of this information could have
12 been provided prior to the PAA Order.

13
14 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

15 A. Yes, it does, pending the receipt of the Company's workpaper in the usual format
16 and the maps which are to be supplied.

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APPENDIX I

QUALIFICATIONS OF HUGH LARKIN, JR.

Q. WHAT IS YOUR OCCUPATION?

A. I am a certified public accountant and a partner in the firm of Larkin & Associates, Certified Public Accountants, with offices at 15728 Farmington Road, Livonia, Michigan.

Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.

A. I graduated from Michigan State University in 1960. During 1961 and 1962, I fulfilled my military obligations as an officer in the United States Army.

In 1963 I was employed by the certified public accounting firm of Peat, Marwick, Mitchell & Co., as a junior accountant. I became a certified public accountant in 1966.

In 1968 I was promoted to the supervisory level at Peat, Marwick, Mitchell & Co. As such, my duties included the direction and review of audits of various types of business organizations, including manufacturing, service, sales and regulated companies.

Through my education and auditing experience of manufacturing operations, I obtained an extensive background of theoretical and practical cost accounting.

I have audited companies having job cost systems and those having process cost systems, utilizing both historical and standard costs.

I have a working knowledge of cost control, budgets and reports, the accumulation of overheads and the application of same to products on the various recognized methods.

Additionally, I designed and installed a job cost system for an automotive parts manufacturer.

I gained experience in the audit of regulated companies as the supervisor in charge of all railroad audits for the Detroit office of Peat, Marwick, including audits of the

Detroit, Toledo and Ironton Railroad, the Ann Arbor Railroad, and portions of the Penn Central Railroad Company. In 1967, I was the supervisory senior accountant in charge of the audit of the Michigan State Highway Department, for which Peat, Marwick was employed by the State Auditor General and the Attorney General.

In October of 1969, I left Peat, Marwick to become a partner in the public accounting firm of Tischler & Lipson of Detroit. In April of 1970, I left the latter firm to form the certified public accounting firm of Larkin, Chapski & Company. In September 1982 I re-organized the firm into Larkin & Associates, a certified public accounting firm. The firm of Larkin & Associates performs a wide variety of auditing and accounting services, but concentrates in the area of utility regulation and ratemaking. I am a member of the Michigan Association of Certified Public Accountants and the American Institute of Certified Public Accountants. I testified before the Michigan Public Service Commission and in other states in the following cases:

U-3749	Consumers Power Company - Electric Michigan Public Service Commission
U-3910	Detroit Edison Company Michigan Public Service Commission
U-4331	Consumers Power Company - Gas Michigan Public Service Commission
U-4332	Consumers Power Company - Electric Michigan Public Service Commission
U-4293	Michigan Bell Telephone Company Michigan Public Service Commission
U-4498	Michigan Consolidated Gas sale to Consumers Power Company Michigan Public Service Commission
U-4576	Consumers Power Company - Electric Michigan Public Service Commission

U-4575	Michigan Bell Telephone Company Michigan Public Service Commission
U-4331R	Consumers Power Company - Gas - Rehearing Michigan Public Service Commission
6813	Chesapeake and Potomac Telephone Company of Maryland, Public Service Commission, State of Maryland
Formal Case No. 2090	New England Telephone and Telegraph Co. State of Maine Public Utilities Commission
Dockets 574, 575, 576	Sierra Pacific Power Company, Public Service Commission, State of Nevada
U-5131	Michigan Power Company Michigan Public Service Commission
U-5125	Michigan Bell Telephone Company Michigan Public Service Commission
R-4840 & U-4621	Consumers Power Company Michigan Public Service Commission
U-4835	Hickory Telephone Company Michigan Public Service Commission
36626	Sierra Pacific Power Company v. Public Service Commission, et al, First Judicial District Court of the State of Nevada
American Arbitration Assoc.	City of Wyoming v. General Electric Cable TV
760842-TP	Southern Bell Telephone and Telegraph Company, Florida Public Service Commission
U-5331	Consumers Power Company Michigan Public Service Commission
U-5125R	Michigan Bell Telephone Company Michigan Public Service Commission
770491-TP	Winter Park Telephone Company, Florida Public Service Commission
77-554-EL-AIR	Ohio Edison Co., Public Utility Commission of Ohio

78-284-EL-AEM	Dayton Power and Light Co., Public Utility Commission of Ohio
OR78-1	Trans Alaska Pipeline, Federal Energy Regulatory Commission (FERC)
78-622-EL-FAC	Ohio Edison Co., Public Utility Commission of Ohio
U-5732	Consumers Power Company - Gas, Michigan Public Service Commission
77-1249-EL-AIR, et al	Ohio Edison Co., Public Utility Commission of Ohio
78-677-EL-AIR	Cleveland Electric Illuminating Co., Public Utility Commission of Ohio
U-5979	Consumers Power Company, Michigan Public Service Commission
790084-TP	General Telephone Company of Florida, Florida Public Service Commission
79-11-EL-AIR	Cincinnati Gas and Electric Co., Public Utilities Commission of Ohio
790316-WS	Jacksonville Suburban Utilities Corp., Florida Public Service Commission
790317-WS	Southern Utility Company, Florida Public Service Commission
U-1345	Arizona Public Service Company, Arizona Corporation Commission
79-537-EL-AIR	Cleveland Electric Illuminating Co., Public Utilities Commission of Ohio
800011-EU	Tampa Electric Company, Florida Public Service Commission
800001-EU	Gulf Power Company, Florida Public Service Commission
U-5979-R	Consumers Power Company, Michigan Public Service Commission

800119-EU	Florida Power Corporation, Florida Public Service Commission
810035-TP	Southern Bell Telephone and Telegraph Company, Florida Public Service Commission
800367-WS	General Development Utilities, Inc., Port Malabar, Florida Public Service Commission
TR-81-208**	Southwestern Bell Telephone Company, Missouri Public Service Commission **Issues Stipulated
810095-TP	General Telephone Company of Florida, Florida Public Service Commission
U-6794	Michigan Consolidated Gas Company, 16 refunds Michigan Public Service Commission
U-6798	Cogeneration and Small Power Production -PURPA, Michigan Public Service Commission
810136-EU	Gulf Power Company, Florida Public Service Commission
E-002/GR-81-342	Northern State Power Company Minnesota Public Utilities Commission
820001-EU	General Investigation of Fuel Cost Recovery Clauses, Florida Public Service Commission
810210-TP	Florida Telephone Corporation, Florida Public Service Commission
810211-TP	United Telephone Co. of Florida, Florida Public Service Commission
810251-TP	Quincy Telephone Company, Florida Public Service Commission
810252-TP	Orange City Telephone Company, Florida Public Service Commission
8400	East Kentucky Power Cooperative, Inc., Kentucky Public Service Commission

U-6949	Detroit Edison Company - Partial and Immediate Rate Increase Michigan Public Service Commission
18328	Alabama Gas Corporation, Alabama Public Service Commission
U-6949	Detroit Edison Company - Final Rate Recommendation Michigan Public Service Commission
820007-EU	Tampa Electric Company, Florida Public Service Commission
820097-EU	Florida Power & Light Company, Florida Public Service Commission
820150-EU	Gulf Power Company, Florida Public Service Commission
18416	Alabama Power Company, Public Service Commission of Alabama
820100-EU	Florida Power Corporation, Florida Public Service Commission
U-7236	Detroit Edison-Burlington Northern Refund - Michigan Public Service Commission
U-6633-R	Detroit Edison - MRCS Program, Michigan Public Service Commission
U-6797-R	Consumers Power Company - MRCS Program, Michigan Public Service Commission
82-267-EFC	Dayton Power & Light Company, Public Utility Commission of Ohio
U-5510-R	Consumers Power Company - Energy Conservation Finance Program, Michigan Public Service Commission
82-240-E	South Carolina Electric & Gas Company, South Carolina Public Service Commission
8624	Kentucky Utilities, Kentucky Public Service Commission

8648	East Kentucky Power Cooperative, Inc., Kentucky Public Service Commission
U-7065	The Detroit Edison Company (Fermi II), Michigan Public Service Commission
U-7350	Generic Working Capital Requirements, Michigan Public Service Commission
820294-TP	Southern Bell Telephone Company, Florida Public Service Commission
Order RH-1-83	Westcoast Gas Transmission Company, Ltd., Canadian National Energy Board
8738	Columbia Gas of Kentucky, Inc., Kentucky Public Service Commission
82-168-EL-EFC	Cleveland Electric Illuminating Company, Public Utility Commission of Ohio
6714	Michigan Consolidated Gas Company Phase II, Michigan Public Service Commission
82-165-EL-EFC	Toledo Edison Company, Public Utility Commission of Ohio
830012-EU	Tampa Electric Company, Florida Public Service Commission
ER-83-206**	Arkansas Power & Light Company, Missouri Public Service Commission **Issues Stipulated
U-4758	The Detroit Edison Company - (Refunds), Michigan Public Service Commission
8836	Kentucky American Water Company, Kentucky Public Service Commission
8839	Western Kentucky Gas Company, Kentucky Public Service Commission
83-07-15	Connecticut Light & Power Company, Department of Utility Control, State of Connecticut
81-0485-WS	Palm Coast Utility Corporation, Florida Public Service Commission

U-7650	Consumers Power Company - (Partial and Immediate), Michigan Public Service Commission
83-662**	Continental Telephone Company, Nevada Public Service Commission **Issues Stipulated
U-7650	Consumers Power Company - Final Michigan Public Service Commission
U-6488-R	Detroit Edison Co. (FAC & PIPAC Reconciliation), Michigan Public Service Commission
Docket No. 15684	Louisiana Power & Light Company, Public Service Commission of the State of Louisiana
U-7650 Reopened	Consumers Power Company (Reopened Hearings) Michigan Public Service Commission
38-1039**	CP National Telephone Corporation Nevada Public Service Commission **Issues Stipulated
83-1226	Sierra Pacific Power Company (Re application to form holding company), Nevada Public Service Commission
U-7395 & U-7397	Campaign Ballot Proposals Michigan Public Service Commission
820013-WS	Seacoast Utilities, Florida Public Service Commission
U-7660	Detroit Edison Company Michigan Public Service Commission
U-7802	Michigan Gas Utilities Company Michigan Public Service Commission
830465-EI	Florida Power & Light Company Florida Public Service Commission
U-7777	Michigan Consolidated Gas Company Michigan Public Service Commission
U-7779	Consumers Power Company Michigan Public Service Commission

U-7480-R	Michigan Consolidated Gas Company Michigan Public Service Commission
U-7488-R	Consumers Power Company - Gas Michigan Public Service Commission
U-7484-R	Michigan Gas Utilities Company Michigan Public Service Commission
U-7550-R	Detroit Edison Company Michigan Public Service Commission
U-7477-R	Indiana & Michigan Electric Company Michigan Public Service Commission
U-7512-R	Consumers Power Company - Electric Michigan Public Service Commission
18978	Continental Telephone Company of the South - Alabama, Alabama Public Service Commission
9003	Columbia Gas of Kentucky, Inc. Kentucky Public Service Commission
R-842583	Duquesne Light Company Pennsylvania Public Utility Commission
9006*	Big Rivers Electric Corporation Kentucky Public Service Commission *Company withdrew filing
U-7830	Consumers Power Company - Electric (Partial and Immediate) Michigan Public Service Commission
7675	Consumers Power Company - Customer Refunds Michigan Public Service Commission
5779	Houston Lighting & Power Company Texas Public Utility Commission
U-7830	Consumers Power Company - Electric - "Financial Stabilization" Michigan Public Service Commission
U-4620	Mississippi Power & Light Company (Interim) Mississippi Public Service Commission

U-16091	Louisiana Power & Light Company Louisiana Public Service Commission
9163	Big Rivers Electric Corporation Kentucky Public Service Commission
U-7830	Consumers Power Company - Electric - (Final) Michigan Public Service Commission
U-4620	Mississippi Power & Light Company - (Final) Mississippi Public Service Commission
76-18788AA & 76-18793AA	Detroit Edison (Refund - Appeal of U-4807) Ingham County Circuit Court Michigan Public Service Commission
U-6633-R	Detroit Edison (MRCS Program Reconciliation) Michigan Public Service Commission
19297	Continental Telephone Company of the South - Alabama, Alabama Public Service Commission
9283	Kentucky American Water Company Kentucky Public Service Commission
850050-EI	Tampa Electric Company Florida Public Service Commission
R-850021	Duquesne Light Company Pennsylvania Public Service Commission
TR-85-179**	United Telephone Company of Missouri Missouri Public Service Commission
6350	El Paso Electric Company The Public Utility Board of the City of El Paso
6350	El Paso Electric Company Public Utility Commission of Texas
85-53476AA & 85-534855AA	Detroit Edison-refund-Appeal of U-4758 Ingham County Circuit Court Michigan Public Service Commission
U-8091/ U-8239	Consumers Power Company-Gas Michigan Public Service Commission

9430	Leslie County Telephone Company, Inc. Kentucky Public Service Commission
85-212	Central Maine Power Company Maine Public Service Commission
850782-EI & 850783-EI	Florida Power & Light Company Florida Public Service Commission
ER-85646001 & ER-85647001	New England Power Company Federal Energy Regulatory Commission
Civil Action * No. 2:85-0652	Allegheny & Western Energy Corporation, Plaintiff, - against - The Columbia Gas System, Inc., Defendant
Docket No. 850031-WS	Orange Osceola Utilities, Inc. Before the Florida Public Service Commission
Docket No. 840419-SU	Florida Cities Water Company South Ft. Myers Sewer Operations Before the Florida Public Service Commission
R-860378	Duquesne Light Company Pennsylvania Public Service Commission
R-850267	Pennsylvania Power Company Pennsylvania Public Service Commission
R-860378	Duquesne Light Company - Surrebuttal Testimony - OCA Statement No. 2D Pennsylvania Public Service Commission
Docket No. 850151	Marco Island Utility Company Before the Florida Public Service Commission
Docket No. 7195 (Interim)	Gulf States Utilities Company Public Utility Commission of Texas
R-850267 Reopened	Pennsylvania Power Company Pennsylvania Public Service Commission
Docket No. 87-01-03	Connecticut Natural Gas Corporation Connecticut Department of Public Utility Control
Docket No. 5740	Hawaiian Electric Company

	Hawaii Public Utilities Commission
1345-85-367	Arizona Public Service Company Arizona Corporation Commission
Docket 011 No. 86-11-019	Tax Reform Act of 1986 - California Generic, California Public Utilities Commission
Case No. 29484	Long Island Lighting Company New York Department of Public Service
Docket No. 7460	El Paso Electric Company Public Utility Commission of Texas
Docket No. 870092-WS*	Citrus Springs Utilities Before the Florida Public Service Commission
Case No. 9892	Dickerson Lumber EP Company - Complainant vs. Farmers Rural Electric Cooperative and East Kentucky Power Cooperative - Defendants Before the Kentucky Public Service Commission
Docket No. 3673-U	Georgia Power Company Before the Georgia Public Service Commission
Docket No. U-8747	Anchorage Water and Wastewater Utility Report on Management Audit
Docket No. 861564-WS	Century Utilities Before the Florida Public Service Commission
Docket No. FA86-19-001	Systems Energy Resources, Inc. Federal Energy Regulatory Commission
Docket No. 870347-TI	AT&T Communications of the Southern States, Inc. Florida Public Service Commission
Docket No. 870980-WS	St. Augustine Shores Utilities Inc. Florida Public Service Commission
Docket No. 870654-WS*	North Naples Utilities, Inc. Florida Public Service Commission
Docket No. 870853	Pennsylvania Gas & Water Company Pennsylvania Public Utility Commission
Civil Action*	Reynolds Metals Company, Plaintiff, v.

No. 87-0446-R

The Columbia Gas System, Inc., Commonwealth
Gas Services, Inc., Commonwealth Gas Pipeline
Corporation, Columbia Gas Transmission Corporation,
Columbia Gulf Transmission Company, Defendants - In the
United States District Court for the Eastern District of
Virginia Richmond
Division

Docket No.
E-2, Sub 537

Carolina Power & Light Company
North Carolina Utilities Commission

Case No. U-7830

Consumers Power Company - Step 2 Reopened
Michigan Public Service Commission

Docket No.
880069-TL

Southern Bell Telephone & Telegraph
Florida Public Service Commission

Case No.
U-7830

Consumers Power Company - Step 3B
Michigan Public Service Commission

Docket No.
880355-EI

Florida Power & Light Company
Florida Public Service Commission

Docket No.
880360-EI

Gulf Power Company,
Florida Public Service Commission

Docket No.
FA86-19-002

System Energy Resources, Inc.
Federal Energy Regulatory Commission

Docket Nos.
83-0537-Remand
&
84-0555-Remand

Commonwealth Edison Company
Illinois Commerce Commission

Docket Nos.
83-0537-Remand
&
84-0555-Remand

Commonwealth Edison Company -
Surrebuttal
Illinois Commerce Commission

Docket No.
880537-SU

Key Haven Utility Corporation
Florida Public Service Commission

Docket No.
881167-EI***

Gulf Power Company
Florida Public Service Commission

Docket No.
881503-WS
Cause No.

Poinciana Utilities, Inc.
Florida Public Service Commission
Puget Sound Power & Light Company

U-89-2688-T	Washington Utilities & Transportation Committee	
Docket No. 89-68	Central Maine Power Company Maine Public Utilities Commission	
Docket No. 861190-PU	Proposal to Amend Rule 25-14.003, F.A.C. Florida Public Service Commission	
Docket No. 89-08-11	The United Illuminating Company State of Connecticut, Department of Public Utility Control	
Docket No. R-891364	The Philadelphia Electric Company Pennsylvania Public Utility Commission	
Formal Case No. 889	Potomac Electric Power Company Public Service Company of the District of Columbia	Colum bia
Case No. 88/546*	Niagara Mohawk Power Corporation, et al Plaintiffs, v. Gulf+Western, Inc. et al, defendants (In the Supreme Court County of Onondaga, State of New York)	
Case No. 87-11628*	Duquesne Light Company, et al, plaintiffs, against Western, Inc. et al, defendants (In the Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)	Gulf +
Case No. 89-640-G-42T*	Mountaineer Gas Company West Virginia Public Service Commission	
Docket No. 890319-EI	Florida Power & Light Company Florida Public Service Commission	
Docket No. EM-89110888	Jersey Central Power & Light Company Board of Public Utilities Commissioners	
Docket No. 891345-EI	Gulf Power Company Florida Public Service Commission	
BPU Docket No. ER 8811 0912J	Jersey Central Power & Light Company Board of Public Utilities Commissioners	
Docket No. 6531	Hawaiian Electric Company Hawaii Public Utilities Commissioners	
Docket No. 890509-WU	Florida Cities Water Company, Golden Gate Division Florida Public Service Commission	

Docket No. 880069-TL	Southern Bell Telephone Company Florida Public Service Commission
Docket Nos. F-3848, F-3849, and F-3850	Northwestern Bell Telephone Company South Dakota Public Utilities Commission
Docket Nos. ER89-* 678-000 & EL90-16-000	System Energy Resources, Inc. Federal Energy Regulatory Commission
Docket No. 5428	Green Mountain Power Corporation Vermont Department of Public Service
Docket No. 90-10	Artesian Water Company, Inc. Delaware Public Service Commission
Case No. 90-243-E-42T*	Wheeling Power Company West Virginia Public Service Commission
Docket No. 900329-WS	Southern States Utilities, Inc. Florida Public Service Commission
Docket Nos. ER89-* 678-000 & EL90-16-000	System Energy Resources, Inc. (Surrebuttal) Federal Energy Regulatory Commission
Application No. 90-12-018	Southern California Edison Company California Public Utilities Commission
Docket No. 90-0127	Central Illinois Lighting Company Illinois Commerce Commission
Docket No. FA-89-28-000	System Energy Resources, Inc. Federal Energy Regulatory Commission
Docket No. U-1551-90-322	Southwest Gas Corporation Before the Arizona Corporation Commission
Docket No. R-911966	Pennsylvania Gas & Water Company The Pennsylvania Public Utility Commission
Docket No. 176-717-U	United Cities Gas Company Kansas Corporation Commission
Docket No. 860001-EI-G	Florida Power Corporation Florida Public Service Commission
Docket No. 6720-TI-102	Wisconsin Bell, Inc. Wisconsin Citizens' Utility Board

(No Docket No.)	Southern Union Gas Company Before the Public Utility Regulation Board of the City of El Paso
Docket No. 6998	Hawaiian Electric Company, Inc. Before the Public Utilities Commission of the State of Hawaii
Docket No. TC91-040A	In the Matter of the Investigation into the Adoption of a Uniform Access Methodology Before the Public Utilities Commission of the State of South Dakota
Docket Nos. 911030-WS & 911067-WS	General Development Utilities, Inc. Before the Florida Public Service Commission
Docket No. 910890-EI	Florida Power Corporation Before the Florida Public Service Commission
Docket No. 910890-EI	Florida Power Corporation, Supplemental Before the Florida Public Service Commission
Case No. 3L-74159	Idaho Power Company, an Idaho Corporation In the District Court of the Fourth Judicial District of the State of Idaho, In and For the County of Ada - Magistrate Division
Cause No. 39353*	Indiana Gas Company Before the Indiana Utility Regulatory Commission
Docket No. 90-0169 (Remand)	Commonwealth Edison Company Before the Illinois Commerce Commission
Docket No. 92-06-05	The United Illuminating Company State of Connecticut, Department of Public Utility Control
Cause No. 39498	PSI Energy, Inc. Before the State of Indiana - Indiana Utility Regulatory Commission
Cause No. 39498	PSI Energy, Inc. - Surrebuttal testimony Before the State of Indiana - Indiana Utility Regulatory Commission
Docket No. 7287	Public Utilities Commission - Instituting a Proceeding to Examine the Gross-up of CIAC Before the Public Utilities Commission of the State of Hawaii

Docket No. 92-227-TC	US West Communications, Inc. Before the State Corporation Commission of the State of New Mexico
Docket No. 92-47	Diamond State Telephone Company Before the Public Service Commission of the State of Delaware
Docket Nos. 920733-WS & 920734-WS	General Development Utilities, Inc. Before the Florida Public Service Commission
Docket No. 92-11-11	Connecticut Light & Power Company State of Connecticut, Department of Public Utility Control
Docket Nos. EC92-21-000 & ER92-806-000	Entergy Corporation Before the Federal Energy Regulatory Commission
Docket No. 930405-EI	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. UE-92-1262	Puget Sound Power & Light Company Before the Washington Utilities & Transportation Commission
Docket No. 93-02-04	Connecticut Natural Gas Corporation State of Connecticut, Department of Public Utility Control
Docket No. 93-02-04	Connecticut Natural Gas Corporation - Supplemental State of Connecticut, Department of Public Utility Control
Docket No. 93-057-01	Mountain Fuel Supply Company Before the Utah Public Service Commission
Cause No. 39353 (Phase II)	Indiana Gas Company Before the Indiana Utility Regulatory Commission
PU-314-92-1060	US West Communications, Inc. Before the North Dakota Public Service Commission
Cause No. 39713	Indianapolis Water Company Before the Indiana Utility Regulatory Commission
93-UA-0301*	Mississippi Power & Light Company Before the Mississippi Public Service Commission

Docket No. 93-08-06	SNET America, Inc. State of Connecticut, Department of Public Utility Control
Docket No. 93-057-01	Mountain Fuel Supply Company - Rehearing on Unbilled Revenues - Before the Utah Public Service Commission
Case No. 78-T119-0013-94	Guam Power Authority vs. U.S. Navy Public Works Center, Guam - Assisting the Department of Defense in the investigation of a billing dispute. Before the American Arbitration Association
Application No. 93-12-025 - Phase I	Southern California Edison Company (Before the California Public Utilities Commission)
Case No. 94-0027-E-42T	Potomac Edison Company (Before the Public Service Commission of West Virginia)
Case No. 94-0035-E-42T	Monongahela Power Company (Before the Public Service Commission of West Virginia)
Docket No. 930204-WS**	Jacksonville Suburban Utilities Corporation (Before the Florida Public Service Commission)
Docket No. 5258-U	Southern Bell Telephone and Telegraph Company (Before the Georgia Public Service Commission)
Case No. 95-0011-G-42T*	Mountaineer Gas Company (Before the West Virginia Public Service Commission)
Case No. 95-0003-G-42T*	Hope Gas, Inc. (Before the West Virginia Public Service Commission)

Docket No. 95-02-07	Connecticut Natural Gas Corporation State of Connecticut, Department of Public Utility Control
Docket No. 95-03-01	Southern New England Telephone Company State of Connecticut, Department of Public Utility Control
Docket No. U-1933-95-317	Tucson Electric Power Before the Arizona Corporation Commission
Docket No. 950495-WS	Southern States Utilities Before the Florida Public Service Commission

*Case Settled
 **Issues Stipulated
 ***Company withdrew case

Additionally, I performed an investigation and analysis of Michigan Consolidated Gas Company and participated in the discussion which led to the settlement of Michigan Consolidated rate case which was culminated in Rate Order U-4166.

From April 28, 1975, to March 15, 1976, I was under contract to the Michigan House of Representatives as Technical Staff Director of a Special House Committee to study and evaluate the effectiveness of the Michigan Public Service Commission and the rates and service of public utilities. As Technical Staff Director, I supervised personnel loaned to the Committee from the State Auditor General's Office. The reports to that Committee prepared by myself and Allen Briggs, an attorney, to revise utility regulation, were adopted in virtually all material respects in its final report and recommendations and served as a basis of numerous bills introduced in the 1976 and 1977 sessions of the legislature. The Staff of the Committee, under my direction, investigated and reported to the Committee on numerous regulatory issues, including ratepayer participation in utility regulation, fuel cost adjustment clauses, purchased gas adjustment clauses, comparative electric, gas and telephone rates, treatment of subsidiaries of utilities in ratemaking, research and

planning capabilities of the Michigan Public Service Commission, utility advertising, regulatory oversight of utility management, deferred taxes in ratemaking and the organizational structure and functions of the Michigan Public Service Commission.

In the course of my work as a certified public accountant, I advise clients concerning the obtaining of capital funds, and have worked with banking institutions in obtaining loans. I have participated in negotiating the sale and purchase of businesses for clients, in connection with which I have valued the physical assets of various business firms, and also determined the value of present and future earnings measured by market rates of return. I have participated in acquisition audits on behalf of large national companies interested in acquiring smaller companies.

My testimony in utility rate cases has been sponsored by state Attorney Generals, groups of municipalities, a district attorney, Peoples' Counsel, Public Counsel, a ratepayers' committee, and I have also worked as a Staff Consultant to the Arizona Corporation Commission.

In November 1985, with two members of the firm, I presented a seminar on utility accounting for the Legal Services Regional Utilities Task Force in Atlanta, Georgia.

In September, 1988, with two members of the firm, I presented a seminar on utility accounting for the Office of Consumer Advocate, Attorney General's Office, State of Pennsylvania. Individuals from that division as well as Commission Staff members attended.

CERTIFICATE OF SERVICE
DOCKET NO. 960444-WU

I HEREBY CERTIFY that a correct copy of the foregoing has been furnished by U.S.

Mail or hand-delivery to the following party representatives on this 27th day of August, 1997.

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Harold McLean