

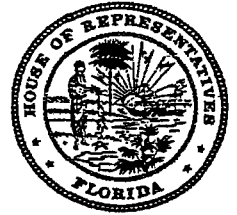
ORIGINAL

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President

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Speaker



STATE OF FLORIDA  
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Charles J. Beck  
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May 25, 2006

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

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Re: Docket No. 060300-TL

Dear Ms. Bayo:

Enclosed for filing, on behalf of the Citizens of the State of Florida, are the original and 15 copies of the Rebuttal Testimony of Hugh Larkin, Jr., CPA.

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

Sincerely,

Charles J. Beck  
Deputy Public Counsel

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Recovery of Intrastate )  
Costs and Expenses Relating to Repair, )  
Restoration and Replacement of Facilities )  
Damaged by Hurricane Dennis by GTC, Inc.)  
d/b/a GT Com )  
\_\_\_\_\_ )

DOCKET NO. 060300-TL  
Filed: May 25, 2006

REBUTTAL TESTIMONY OF

HUGH LARKIN, JR., CPA

On Behalf of the Citizens of the State of Florida

Harold McLean  
Public Counsel

Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street  
Room 812  
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Attorney for the Citizens  
Of the State of Florida

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1 DIRECT TESTIMONY OF HUGH LARKIN, JR.  
2 ON BEHALF OF THE CITIZENS OF FLORIDA  
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
4 GTC, INC., d/b/a GT COM  
5 DOCKET NO. 060300-TL

6 I. INTRODUCTION

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 Larkin &  
10 Associates, PLLC, Certified Public Accountants, with offices at 15728  
11 Farmington Road, Livonia, Michigan 48154.

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

14 A. Larkin & Associates, PLLC, is a Certified Public Accounting and Regulatory  
15 Consulting Firm. The firm performs independent regulatory consulting primarily  
16 for public service/utility commission staffs and consumer interest groups (public  
17 counsels, public advocates, consumer counsels, attorneys general, etc.). Larkin &  
18 Associates, PLLC has extensive experience in the utility regulatory field as expert  
19 witnesses in over 600 regulatory proceedings, including numerous electric, water  
20 and wastewater, gas and telephone utility cases.

21  
22 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA PUBLIC  
23 SERVICE COMMISSION?

1 A. Yes. I have testified before the Florida Public Service Commission on numerous  
2 occasions during the past 30 years. I have also testified before Public  
3 Service/Utility Commissions in 35 state jurisdictions, United States District  
4 Courts, the Federal Energy Regulatory Commission and the Canadian Natural  
5 Energy Board. I recently testified in the Florida Power & Light Company docket  
6 regarding storm damage recovery which was decided by the Commission on May  
7 15, 2006. I also filed testimony in the Gulf Power Company storm recovery  
8 docket which was settled on May 11, 2006.

9

10 Q. HAVE YOU PREPARED AN EXHIBIT DESCRIBING YOUR  
11 QUALIFICATIONS AND EXPERIENCE?

12 A. Yes. I have attached Appendix I, which is a summary of my regulatory  
13 experience and qualifications.

14

15 Q. ON WHOSE BEHALF ARE YOU APPEARING?

16 A. Larkin & Associates, PLLC, was retained by the Florida Office of Public Counsel  
17 (OPC) to review the filing of GTC, Inc. d/b/a GT Com (GT Com) for recovery of  
18 intrastate costs and expense related to damage caused by Hurricane Dennis.  
19 Particularly I was asked to determine whether GT Com's filing complies with the  
20 Commission's recent decisions in FPL's storm dockets, the Progress Energy  
21 storm dockets, and settlements entered into regarding Gulf Power Company's  
22 storm damage and Sprint-Florida, Incorporated (Sprint) storm damage.  
23 Accordingly, I am appearing on behalf of the Citizens of Florida (Citizens).

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II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF THE TESTIMONY YOU ARE FILING IN THIS CASE?

A. The purpose of my testimony is to set forth the principles which underlie the cost recovery for storm damages that the Commission used in determining FPL storm recovery costs in Docket Nos. 041291-EI and 060038-EI, Progress Energy storm recovery costs in Docket No. 041272-EI, those which underlie the recent settlements in Gulf Power Company's Docket Nos. 050093-EI and 060154-EI, and those which underlie Sprint's Docket No. 050374-TL. These principles set forth a policy which the Florida Office of Public Counsel and I feel are appropriate for establishing the basis for cost recovery in this docket and all subsequent dockets related to the recovery of storm damage costs.

Q. THE BASIS ON WHICH FLORIDA UTILITIES RECOVER MAJOR STORM DAMAGE COSTS IS OFTEN DESCRIBED AS "SELF INSURANCE." DO YOU AGREE WITH THAT DESCRIPTION?

A. No, I do not. The proper description for the recovery of storm costs under the present method used by the Florida Public Service Commission is "Customer Supplied Insurance." In other words, utility customers have been assigned the risk of compensating utilities for major components of storm damage costs. It is the Office of the Public Counsel's and my opinion that the risk shouldered by ratepayers in compensating companies for storm damage costs should be limited to the incremental costs incurred by utilities in restoring service to ratepayers. That incremental cost should reflect only those additional costs incurred by the

1 company in restoring service which exceed costs already considered and reflected  
2 in rates, rate caps or other costs which should be capitalized or recovered through  
3 insurance.

4  
5 III. INCREMENTAL COST RECOVERY METHOD

6 Q. IN YOUR OPINION, DID GT COM'S FILING UTILIZE THE INCREMENTAL  
7 COST RECOVERY METHOD?

8 A. No.

9  
10 Q. WOULD YOU PLEASE EXPLAIN WHAT THE INCREMENTAL COST  
11 RECOVERY METHOD IS?

12 A. In order to understand the incremental cost approach one must first understand  
13 some basic accounting features used in utility accounting and, for that matter,  
14 accounting in general. Let's start out by examining how utilities account for their  
15 normal operating and maintenance costs as they perform their day-to-day  
16 operations.

17  
18 Labor is a good example. Employees who, for instance, are assigned to an  
19 operating function or some maintenance function have a cost center to which their  
20 payroll is assigned. In other words, each week an employee performs his normal  
21 function he will fill out a time sheet or computer coding assigning his salary to a  
22 function such as underground cable expense in the Company's chart of accounts.<sup>1</sup>

---

<sup>1</sup> See Ellmer Testimony, page 14, line 14.

1 Throughout the month, those costs are accumulated and charged to a  
2 responsibility function under expenses in the Part 32-Uniform System of  
3 Accounts for telecommunications companies or to a construction work order.

4  
5 In the process of establishing rate caps, the cost of these employees and all other  
6 employees and other non-labor expenses are considered in establishing those rates  
7 subject to caps. In other words, all of the costs which the Company can justify as  
8 necessary and prudent in providing utility services are used in establishing rate  
9 caps that ratepayers pay. Thus, when utilities collect revenues from ratepayers,  
10 they are collecting, in effect, the salary, maintenance, materials and all other  
11 operating and maintenance expenses necessary to run and operate the utility in  
12 addition to a profit. These normal operating and maintenance expenses are  
13 considered to be recovered through the rate caps established.

14  
15 During a storm or other emergency, the Company issues special work order  
16 numbers. This is different than the function number or work order that the  
17 employees might use to charge their regular time during non-emergency periods.  
18 However, if these particular employees are assigned to storm restoration, then  
19 instead of charging their time to their normal work code function they will assign  
20 their time to the storm work order function number. Thus, their labor dollars are  
21 accumulated in the storm work order through the work order process. In addition  
22 to their normal work hours, these employees may also incur a number of overtime  
23 hours. The overtime costs would also be charged into the storm work order. All  
24 materials and supplies utilized during the storm recovery process would also be  
25 charged into the storm work order even though during normal business operations



1. some of the material and supplies would have been charged to operating and  
2 maintenance expense.

3

4 Q. IS THERE ANYTHING WRONG WITH USING A STORM WORK ORDER  
5 PROCESS?

6 A. No, there is not when used with an incremental cost approach. However, when a  
7 utility takes the accumulated costs that have been charged into the work order and  
8 uses that as a basis for justifying a surcharge to customers as GT Com has done in  
9 this docket, this is not an appropriate use of the storm work order process. It is  
10 my opinion, and it is the opinion of the Office of Public Counsel, that the total  
11 cost charged to a storm work order cannot be used to justify a surcharge to  
12 ratepayers.

13

14 Q. WHAT WAS THE UNDERLYING METHODOLOGY USED BY THE  
15 COMMISSION IN THE STORM DAMAGE RECOVERY DOCKET FOR FPL  
16 AND THE SETTLEMENTS IN BOTH THE GULF POWER COMPANY AND  
17 SPRINT DOCKETS?

18 A. The basis for storm cost recovery in those dockets was incremental costs. In other  
19 words, the Commission in the FPL dockets, the Progress Energy docket, and the  
20 settlements allowed for the Company to recover only incremental costs and not  
21 total cost charged to a special storm work order.

22

23 Q. HASN'T GT COM ONLY REQUESTED A SURCHARGE OF 50¢ PER  
24 ACCESS LINE FOR THE 47,358 ACCESS LINES WHICH GT COM STATES  
25 IT SERVICES FOR A 12-MONTH PERIOD?

1 A. Yes, GT Com has. This would amount to approximately \$284,000. However, the  
2 documentation provided by the Company attached to Company Witness R. Mark  
3 Ellmer's testimony does not show incremental cost as a basis for justifying the  
4 surcharge. What the documentation shows is total cost charged to various special  
5 work orders which GT Com undertook after Hurricane Dennis. The Company did  
6 not submit a calculation of incremental costs and, therefore, there is no way to  
7 verify what level of incremental cost, if any, is recoverable from GT Com's  
8 ratepayers under Section 364.051 of the Florida Statutes.

9  
10 Q. DOESN'T GT COM'S WORK ORDERS, AS SUBMITTED, JUSTIFY AT  
11 LEAST THE RECOVERY OF THE 50¢ SURCHARGE FOR 12-MONTHS ON  
12 THE 47,358 ACCESS LINES?

13 A. No. The work orders reflect every amount charged to those work orders. Some  
14 of the costs appear to have been capitalized while others appear to be costs which  
15 are recovered in rates or are cost of removal which should have been charged to  
16 the Reserve for Depreciation.

17  
18 Q. DID THE OFFICE OF THE PUBLIC COUNSEL REQUEST THAT GT COM  
19 PROVIDE DOCUMENTS WHICH WOULD AID IN DETERMINING  
20 WHETHER GT COM ACTUALLY INCURRED ANY INCREMENTAL  
21 COSTS IN RESTORING STORM DAMAGE?

22 A. Yes. The Office of the Public Counsel requested that GT Com provide monthly  
23 budgets and budget variance reports, documents dealing with the incremental cost  
24 of storm restoration, documents discussing or showing the hourly and salary

1 payroll expense that the Company had incurred in its estimated expense for  
2 Hurricane Dennis, and Company budgets for contract labor for 2005.

3

4 Q. WERE ANY OF THOSE DOCUMENTS PROVIDED BY THE COMPANY?

5 A. No, GT Com objected to providing this information.

6

7 IV. GT COM'S FILING DOES NOT COMPORT WITH COMMISSION

8 DECISIONS AND RECENT SETTLEMENTS

9 Q. YOU INDICATE THAT THE GT COM FILING DOES NOT COMPORT WITH  
10 THE COMMISSION'S DECISION IN THE FPL STORM DAMAGE  
11 DOCKETS, PROGRESS ENERGY DOCKET, AND RECENT  
12 SETTLEMENTS. WOULD YOU PLEASE DISCUSS THE DIFFERENCES?

13 A. Yes. There are several differences. I will discuss each of those differences that I  
14 have been able to discern from GT Com's filing.

15

16 Capitalization of Plant Replaced or Improved

17 Q. HAS THE COMMISSION IN THE FPL STORM DOCKETS OR THE  
18 SETTLEMENTS ENTERED INTO BY THE OFFICE OF PUBLIC COUNSEL  
19 AND OTHERS ALLOWED FOR THE RECOVERY OF COSTS WHICH  
20 WOULD NORMALLY BE CAPITALIZED?

21 A. No. In Docket No. 041291-EI, Order No. PSC-05-0937-FOF-EI, issued  
22 September 21, 2005, regarding the 2004 storm damage cost recovery requested by  
23 Florida Power & Light, the Commission decided that costs associated with capital

1 additions or replacements should not be recovered as storm damage cost, nor  
2 should the cost of removing the storm damage property, i.e., the cost of removal.

3 The Commission, on page 20 of that decision, stated:

4 In conclusion, we find that \$58 million of capital cost shall be  
5 booked to rate base as plant in service rather than to FPL's storm  
6 reserve. Further, \$12.2 million of removal costs shall be booked to  
7 the cost of removal reserve rather than to the storm reserve.  
8 Finally the \$21.7 million classified as CIAC shall not be charged  
9 against the storm reserve.

10

11 The Commission disallowed for recovery any cost which would have been  
12 capitalized or charged against the reserve for depreciation under normal  
13 conditions. This decision eliminated for recovery as storm damage recovery cost  
14 any normal capital expenditure or cost of removal expense. The same principles  
15 were adopted in Progress Energy Docket No. 041272-EI and again for FPL in  
16 Docket No. 060038-EI.

17

18 Q. YOU MENTIONED THAT THE SETTLEMENTS IN THE RECENT GULF  
19 POWER COMPANY CASES AND A SETTLEMENT IN THE SPRINT-  
20 FLORIDA CASE RELATED TO THE 2004 STORMS ALSO  
21 INCORPORATED THE PRINCIPALS THAT YOU ARE ESPOUSING.  
22 WOULD YOU PLEASE STATE HOW THOSE SETTLEMENTS  
23 ACCOMPLISHED THAT?

24 A. Regarding the Sprint settlement which was adopted by the Commission in Docket  
25 No. 050374-TL, Order No. PSC-05-0946-FOF-TL, issued October 3, 2005, the  
26 settlement states at page 5, in part, the following:

27 In addition, Sprint will include only extraordinary capital  
28 reconstruction cost, so that the recovery amount includes only  
29 capital cost to the extent the cost of reconstruction exceeds the

1 normal material and labor cost of construction, the cost attributable  
2 to extraordinary contractual premium rates, and excludes the  
3 normal cost of removal expense applicable to retired assets due to  
4 the 2004 hurricane damage.  
5

6 Sprint agreed to recover only the extraordinary cost associated with the  
7 replacement of capital facilities. Sprint did not receive compensation for the total  
8 capital replacement, but only extraordinary cost associated with capital  
9 replacement. It should also be noted that Sprint is a price-capped company and a  
10 carrier of last resort.  
11

12 In the same stipulation, on the same page 5 of the document, Sprint agreed to the  
13 following:

14 Sprint will exclude the following cost from any recovery amount:  
15 normal capital project costs; regular time labor (salary and hourly);  
16 budgeted overtime labor; contracted budget levels; capitalized  
17 materials; capitalized building repairs, generators, fuel, line card  
18 repair and return; overheads; revenue credits and other  
19 uncollectible and lost revenue.  
20

21 This stipulation is similar in principle in the Commission's decision in the FPL  
22 docket.  
23

24 Q. WHAT ABOUT THE GULF POWER SETTLEMENT, WHICH WAS  
25 ENTERED INTO MAY 11, 2006?

26 A. The 2006 Gulf settlement is the second agreement reached with Gulf Power since  
27 2004 that fully comports with the incremental approach I recommend. The  
28 settlement was based on the same underlying principles. In fact, Gulf's petition  
29 excluded costs which would be normally capitalized. It also excluded salaries and  
30 wages recovered in rates and all benefits associated with those salaries and wages.

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Both the Sprint and Gulf Power settlements emulate the incremental cost approach for storm damage recovery.

Q. DOES GT COM'S SUPPORTING DOCUMENTATION INCLUDE WHAT APPEARS TO BE COSTS WHICH THE COMPANY HAS CAPITALIZED?

A. Yes, the majority of the cost justification, which appears in Mr. Ellmer's Exhibit RME-10, page 1 of 1, are costs which the Company appears to have capitalized or should have capitalized.

Q. WHAT ABOUT THE REMAINDER OF THE COST SHOWNS ON EXHIBIT RME-10, PAGE 1 OF 1, DO THOSE APPEAR TO BE RECOVERABLE UNDER THE INCREMENTAL COST METHODOLOGY USED BY THE COMMISSION?

A. It is difficult to tell. However, it appears that a good amount of the remaining costs are either costs that should have been capitalized, or cost of removal charged to the Reserve for Depreciation, or costs that may not be incremental to the Company's normal operating and maintenance expenses.

Q. WOULD YOU PLEASE DISCUSS THOSE COSTS WHICH APPEAR TO HAVE BEEN CAPITALIZED BY THE COMPANY?

A. Starting with the first work order, No. 2005797, on Mr. Ellmer's Exhibit REM-10, the description on the work order is "Alligator Point Copper Cable Replacement." Mr. Ellmer, on page 5 and 6 of his direct testimony, states that this work order was established to "...account for replacement copper cable on

1 Alligator Point.” Further, on page 11 of his direct testimony, Mr. Ellmer states  
2 that:

3 ...the Company’s long-term plans for modernizing its facilities,  
4 our engineers could not justify simply replacing the cable and  
5 waiting for the next hurricane to wash it away again. Instead, they  
6 developed a plan to move the cable inland for greater storm  
7 resistance, replace portions of the existing 900 and 600 pair copper  
8 cable with fiber optic cable (Work Order No. 2005796) and a  
9 carrier system (Work Order No. 2005861), and replace copper  
10 cable as needed (Work Order No. 2005797).  
11

12 Work Order No. 2005797 totaled \$82,902 and is for the replacement of copper  
13 cable installed at a different location than the original location of the damaged  
14 cable. This is not a repair, but a replacement of a fixed asset which may have  
15 been fully depreciated.<sup>2</sup> Similar to the pole replacements in FPL’s storm damage  
16 case, these costs should be capitalized and not recovered as storm damage  
17 because they are not in the nature of repair.  
18

19 The next work order on Mr. Ellmer’s exhibit is Work Order No. 2005861 and is  
20 described as Alligator Point CXR System. This obviously is not a repair, but new  
21 carrier equipment which, as Mr. Ellmer states above, was part of the Company’s  
22 modernization plan. Obviously, ratepayers should not be asked to pay as storm  
23 damage a cost which is actually an improvement in the Company’s system. The  
24 cost of the CXR System work order was \$80,405.  
25

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<sup>2</sup> See GT Com’s response to Staff’s 1<sup>st</sup> Data Request Question 5, which states, in part, that “. . .that all cable was placed in service prior to 1990 with the exception of one section of Alligator Point cable of approximately 726 feet. . . the Company converted cable assets to 15 year lines in 1996 when it elected price cap regulation.”

1 The next work order is Work Order No. 2005796. This is described as Alligator  
2 Point Fiber Optic Cable. Again, as stated in Mr. Ellmer's testimony, the  
3 Company did not replace the damaged copper cable with new copper cable. It  
4 replaced part of the system with fiber optic cable. Obviously, this is not a repair  
5 to a storm damaged system, but is a new investment which will provide service to  
6 ratepayers over a substantial period of time. The cost of this work order was  
7 \$63,079. Mr. Ellmer stated on page 11 of his direct testimony that the  
8 replacement with fiber feeder cable is "...significantly less expensive..."

9  
10 The replacement of copper cable at a new location, a new CXR System, and new  
11 fiber optic cable totals \$226,386, which is approximately 51% of the total  
12 expenditures which the Company claims justifies the surcharge to ratepayers.

13  
14 Q. ARE THERE ANY OTHER COSTS WHICH APPEAR TO HAVE BEEN  
15 CAPITALIZED?

16 A. Yes. Work Order No. 2005798 is described as "Indian Pass Fiber Optic Cable"  
17 on Exhibit RME-10. Mr. Ellmer states on page 13 of his direct testimony that this  
18 work order includes:

19 . . . pulling new fiber cable through the bore and splicing it to  
20 existing cable at point beyond the damaged area.  
21  
22

23 This again is not a repair, but a replacement of an existing facility and should be  
24 capitalized if the Company has not capitalized it. It would not fall under storm  
25 damage repair costs because it is the replacement of a fixed asset with a long life  
26 and, therefore, should be capitalized similar to those costs which were capitalized



1 in the FPL storm damage cases, the Progress Energy case, and the Gulf Power and  
2 Sprint settlements. Work Order No. 2005798 totaled \$24,452. At page 14 of his  
3 direct testimony, Mr. Ellmer states that the work was done as "...a negotiated rate  
4 that was lower than GT Com's standard contract rates."

5  
6 Adding together the costs which appear to have been capitalized for Alligator  
7 Point and Indian Pass, the total cost would be \$250,838, or approximately 56% of  
8 the total Company cost justification of \$444,193.

9  
10 Costs Which the Company Claims As Hurricane Damage Expenses

11 Q. THERE ARE TWO REMAINING WORK ORDERS THAT EXHIBIT RME-10  
12 STATES ARE HURRICANE DENNIS EXPENSES. THEY ARE WORK  
13 ORDER NOS. 2005838 IN THE AMOUNT OF \$185,740 AND 2005839 IN THE  
14 AMOUNT OF \$7,614. WOULD YOU PLEASE COMMENT ON THESE TWO  
15 WORK ORDERS?

16 A. Obviously, the majority of the costs are contained in Work Order No. 2005838 in  
17 the amount of \$185,740. The Company states, on page 7 of Mr. Ellmer's  
18 testimony, this work order includes:

19 . . . GT Com-supplied labor, materials and cost allocations relating  
20 to repairing damage caused by Hurricane Dennis in the Franklin  
21 County and Gulf County areas, . . .

22  
23 The Company's work order does not show what portion of the labor and materials  
24 are incremental to the normal operating and maintenance expense reflected in the

1 capped rates. They are total costs charged to the work order. Therefore, this  
2 work order would be overstated by any costs which are normal operating and  
3 maintenance expenses of the Company. In addition, on the same page, Mr.  
4 Ellmer states that the work order includes “. . .replace approximately 230  
5 damaged telephone pedestals . . .” Pedestals are normally capitalized. Thus, any  
6 cost included in the work order reflecting replacement of pedestals would include  
7 costs which should have been capitalized rather than expensed. Additionally, if  
8 any of the costs incurred were for removal costs they should have been charged to  
9 the Reserve for Depreciation. On page 8, Mr. Ellmer states that the work order  
10 includes the application of weed killer and ant killer. This does not appear to be a  
11 cost related to storm damage, but merely routine operating expense. The work  
12 order also includes substantial allocations of what is labeled as “Benefits” and  
13 “Other Overheads.” The benefits amount allocated is \$49,775 and other  
14 overheads are \$25,260, which total \$75,035, which is 40% of the total work order  
15 cost. The allocations exceed the plant labor of \$42,061 and the engineering labor  
16 of \$10,126 allocated to this work order. It is hard to imagine how benefits and  
17 other overheads could exceed labor dollars by \$22,848.

18  
19 Q. DOES GT COM'S WORK PAPERS OR INFORMATION PROVIDED IN  
20 DISCOVERY DETAIL EXACTLY WHAT BENEFITS ARE BEING  
21 ALLOCATED TO THIS WORK ORDER, OR FOR THAT MATTER, IN THE  
22 OTHER WORK ORDERS?

23 A. No, they do not. The exhibit which Mr. Ellmer states shows the allocation merely  
24 shows dollar amounts and not what is being allocated or exactly how that amount  
25 was allocated and on what basis. The summary sheets provided in response to

1 OPC's Production of Documents No. 7, for Work Orders Nos. 2005838 and  
2 2005839, showed dollar amounts with a heading "Cost Alloc Benefits" with no  
3 explanation. Under the incremental approach, only benefits which are directly  
4 related to the incremental labor and are incremental in and of themselves should  
5 have been allocated to this work order. In other words, if the Company incurred  
6 additional overtime which was not budgeted related to the storm that would be  
7 recoverable under the incremental approach and any incremental benefits  
8 associated with such incremental labor costs which were directly related to this  
9 storm would be recoverable. This may include items such as incremental payroll  
10 taxes. However, in general, employee benefit costs do not increase based on  
11 overtime work levels.

12  
13 Q. WHAT ABOUT THE CATEGORY OF "OTHER OVERHEAD," IS THERE  
14 ANY SUPPORT FOR THAT AMOUNT?

15 A. No, similar to the benefits, it does not show specifically what costs are being  
16 allocated. However, it does indicate that vehicle costs and OWE, which I assume  
17 is Other Work Equipment, is being allocated to the work order. This would mean  
18 that GT Com is attempting to recover vehicle costs and other work equipment  
19 costs which were incorporated in rates charged ratepayers. This would be a  
20 double recovery since the vehicles and the other work equipment would have  
21 been reflected in the capped rates.

22  
23 The final work order charged to expense totals \$7,614, the majority of which is  
24 for the allocations of benefits and overheads in the amount of \$4,946. This

1 amounts to approximately 65% of the total work order and is much greater than  
2 the labor charged to this work order of \$2,668.

3  
4 Benefits and Overhead Allocations

5 Q. ON MR. ELLMER'S EXHIBIT RME-10, HE SHOWS TWO COLUMNS  
6 WHICH ARE LABELED "BENEFITS" AND "OTHER OVERHEAD."  
7 WOULD YOU PLEASE COMMENT FURTHER ON THESE COSTS WHICH  
8 GT COM SEEKS TO RECOVER FROM RATEPAYERS?

9 A. As can be seen from Mr. Ellmer's exhibit, the majority of the costs labeled  
10 "Benefits" and "Other Overhead" are charged to the two work orders which are  
11 labeled "Hurricane Dennis Expense." These are Work Orders Nos. 2005838 and  
12 2005839. In total GT Com has charged \$75,035 to Work Order No. 2005838  
13 under the headings of "Benefits" (\$49,775) and "Other Overhead" (\$25,260). Mr.  
14 Ellmer's explanation of the Benefits and Other Overhead is on page 16 of his  
15 direct testimony, the last paragraph on that page. Mr. Ellmer's explanation does  
16 not state how the benefits were allocated, but states that the overhead is  
17 automatically allocated by Company software. He further states that Exhibit  
18 RME-12 summarizes the cost allocation. Exhibit RME-12 does not agree with  
19 the other overhead allocations shown on Exhibit RME-10 as far as I can tell. It  
20 does show the benefit amount of \$49,775 charged to Work Order No. 2005838,  
21 but does not show how this amount was allocated. As I have previously pointed  
22 out, the total of the Benefits and Other Overhead allocated is \$75,035. This is  
23 compared to plant labor and engineering labor charged to this work order of only  
24 \$52,187 (plant labor \$42,061 + engineer labor \$10,126 = \$52,187). The

1 allocation of "Benefits" and "Other Overhead" is 144% of plant labor and  
2 engineering labor allocated to this work order. It seems unlikely that Benefits and  
3 Overhead would be greater than the actual direct labor associated with this work  
4 order.

5  
6 Q. DOES THE SAME SITUATION EXIST FOR THE OTHER EXPENSE WORK  
7 ORDER, WORK ORDER No. 2005839?

8 A. Yes, it does. The direct plant labor charged to this work order is \$2,668;  
9 however, the benefits charged to this work order are actually greater than the  
10 direct labor itself. They are \$3,555. The "Other Overheads" are \$1,391. In total,  
11 the benefits and overheads are \$4,946 compared to direct labor of \$2,668. This is  
12 185% of the direct labor. Clearly, this is an unusual relationship and should not  
13 be approved by the Commission for recovery as a storm surcharge unless the  
14 Company can provide a full and clear explanation of these costs and their  
15 allocation and show that they are actual incremental costs caused by storm  
16 damage.

17  
18 V. TAXES AND CARRYING COSTS

19 Q. MR. ELLMER, ON PAGE 16 OF HIS DIRECT TESTIMONY, STATES:

20 GT Com did not quantify carrying costs and taxes in its Petition  
21 because the expenses sought by the Company, apart from carrying  
22 costs and taxes arising from such expenses, exceed the maximum  
23 amount that is recoverable under §364.051(4)(b), Florida Statutes.  
24 However, if the Commission were to make adjustments that reduce  
25 such expenses below the cap, GT Com's related intrastate carrying  
26 costs and taxes in the amount of \$151,018, as shown in Exhibit  
27 RME-11, GT Com Carrying Costs and Taxes, should be included  
28 as recoverable expense.  
29

1 HAVE YOU REVIEWED THE CALCULATIONS ON RME-11 AND ARE  
2 THEY LEGITIMATE?

3 A. I have reviewed the calculations and they do not appear to be legitimate. First of  
4 all, a majority of the cost on which the Company has calculated a carrying charge  
5 have been or should be capitalized and therefore are not recoverable as storm  
6 damage subject to carrying charges. It appears that the Company has capitalized  
7 any work order associated with a replacement of facilities at Alligator Point and  
8 the new CXR System at Alligator Point. They also have apparently capitalized  
9 the cable replacement at Indian Point. Additional capitalizations and adjustments  
10 appear necessary to the remaining two work orders which GT Com states are  
11 expenses of the storm. These work orders require substantial adjustment for  
12 internal labor and allocations of "Benefits" and "Other Overhead." There would  
13 be little, if any, cost recoverable under the Florida Statutes that would require a  
14 carrying charge.

15  
16 Secondly, the Company has calculated \$183,967 of Federal and State income  
17 taxes on the total cost plus carrying charges of \$474,752. Obviously, if these are  
18 actual storm expenses they are deductible for income tax purposes and there  
19 would be no income tax due on the repairs associated with storm damage costs.  
20 The costs would be deductible, and therefore the cost of repairs would be exactly  
21 offset by the revenue collected. No tax would be legitimately due on that amount.  
22 In addition, the Company has calculated a tax on the interest or carrying charge.  
23 The interest is deductible for Federal and State income taxes, so the Company has  
24 illegitimately calculated a tax on an expense which is deductible, thus  
25 incorporating a profit in the carrying charge. Obviously, these costs cannot be

1 included as recoverable from ratepayers, first because they are inaccurately  
2 calculated, and secondly because the Company will not incur such costs.

3  
4 VI. HIGH-COST LOOP SUPPORT PAYMENTS

5 Q. IS IT LIKELY THAT GT COM WILL RECEIVE HIGH-COST LOOP  
6 SUPPORT PAYMENTS AS A RESULT OF THE ADDITIONAL COST  
7 INCURRED FOR 2005 STORM DAMAGE?

8 A. In response to Staff Data Request 6, regarding High-Cost Loop Support  
9 Payments, the Company responded:

10 Assuming no change in the national average cost per loop, GT  
11 Com estimates that it could receive approximately \$139,000 of  
12 High-Cost Loop Support Payments in 2007 for the additional 2005  
13 expense and capital projects necessitated by Hurricane Dennis.  
14

15 Obviously, if one makes the proper adjustments to GT Com's filing to remove the  
16 capital costs which GT Com appears to have capitalized for the Alligator Point  
17 projects and the Indian Point project the Company's total cost would be reduced  
18 substantially.

19  
20 The two remaining work orders which are labeled as "Hurricane Dennis Expense"  
21 also require substantial adjustments. Any cost incurred by the Company which  
22 should have legitimately been capitalized, such as the replacement of pedestals  
23 and the associated labor, should not be included in GT Com's request for storm  
24 damage. Any labor cost, overhead cost, and benefit costs which were  
25 incorporated in capped rates should also be removed so that these work orders  
26 only reflect incremental costs. Any cost of removal labor should be charged to

1 the Reserve for Depreciation. If this is done, it is unlikely that the Company  
2 could support the surcharge which they have requested. In addition, the loop  
3 support payments should also be considered when reviewing the need for a  
4 surcharge. If the Company receives greater loop support payment as a result of  
5 higher plant costs and operating expenses, why would a surcharge be necessary?  
6 This would appear to be an additional recovery.

7 VII. RECOMMENDATIONS

8 Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING GT COM'S  
9 REQUEST FOR A SURCHARGE RELATED TO STORM DAMAGE COSTS?

10 A. GT Com has not supported their application using the incremental approach and it  
11 appears that most of the costs, if not all, are not recoverable from ratepayers.  
12 Unless, and until, the Company can adequately support its request following the  
13 storm recovery principles set forth by the Commission in the recent FPL storm  
14 recovery cases, the Progress Energy case, and the settlements in the Gulf and  
15 Sprint cases, the petition for recovery of costs should be denied.

16  
17 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

18 A. Yes, it does.



DOCKET NOS. 060300-TL

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S.  
Mail and electronic mail to the following parties on this 25<sup>th</sup> day of May, 2006.



Charles J. Beck

Patrick Wiggins  
Adam Teitzman  
Office of the General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Kenneth A. Hoffman, Esquire  
Marsha E. Rule, Esquire  
Rutledge, Ecenia, Purnell &  
Hoffman, P.A.  
215 South Monroe St., Suite 420  
Tallahassee, FL 32301

Docket No. 060300-TL

## **APPENDIX I**

QUALIFICATIONS OF HUGH LARKIN, JR., CPA

## CURRICULUM VITAE 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-391	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	New England Telephone and Telegraph Co.

No. 2090	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 Association	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

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
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
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	Consumers Power Company (Reopened Reopened Hearings) Michigan Public Service Commission
38-1039**	CP National Telephone Corporation Nevada Public Service Commission
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 & 76-18788AA	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
9230	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. Defendent
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	Tax Reform Act of 1986 - California No. 86-11-019 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* No. 87-0446-R	Reynolds Metals Company, Plaintiff, v. 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	Poinciana Utilities, Inc. Florida Public Service Commission
Cause No. U-89-2688-T	Puget Sound Power & Light Company 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 Control	The United Illuminating Company State of Connecticut, Department of Public Utility
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
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 Gulf + Western, Inc. et al, defendants (In the Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)

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. 95-057-02*	Mountain Fuel Supply Before the Utah Public Service Commission
Docket No. 95-03-01	Southern New England Telephone Company State of Connecticut, Department of Public Utility Control
BRC Docket No. EX93060255 OAL Docket PUC96734-94	Generic Proceeding Regarding Recovery of Capacity Costs Associated with Electric Utility Power Purchases from Cogenerators and Small Power Producers Before the New Jersey Board of Public Utilities
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

Docket No. 960409-EI	Prudence Review to Determine Regulatory Treatment of Tampa Electric Company's Polk Unit 1
Docket No. 960451-WS	United Water Florida Before the Florida Public Service Commission
Docket No. 94-10-05	Southern New England Telephone Company State of Connecticut Department of Public Utility Control
Docket No. 96-UA-389	Generic Docket to Consider Competition in the Provision of Retail Electric Service Before the Public Service Commission of the State of Mississippi
Docket No. 970171-EU	Determination of appropriate cost allocation and regulatory treatment of total revenues associated with wholesale sales to Florida Municipal Power Agency and City of Lakeland by Tampa Electric Company Before the Florida Public Service Commission
Case No. PUE960296 *	Virginia Electric and Power Company Before the Commonwealth of Virginia State Corporation Commission
Docket No. 97-035-01	PacifiCorp, dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. G-03493A-98-0705*	Black Mountain Gas Division of Northern States Power Company, Page Operations Before the Arizona Corporation Commission
Docket No. 98-10-07	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. 98-10-07	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket NO. 99-02-05	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 99-03-36	Connecticut Light & Power Company

	State of Connecticut Department of Public Utility Control
Docket No. 99-03-35	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. 99-03-04	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. 99-08-02	Yankee Energy System, Inc. State of Connecticut Department of Public Utility Control
Docket No. 99-08-09	CTG Resources, Inc. State of Connecticut Department of Public Utility Control
Docket No. 99-07-20	Connecticut Energy Corporation / Energy East State of Connecticut Department of Public Utility Control
Docket No. 99-09-03 Phase II	Connecticut Natural Gas State of Connecticut Department of Public Utility Control
Docket No. 99-09-03 Phase III	Connecticut Natural Gas State of Connecticut Department of Public Utility Control
Docket No. 99-04-18 Phase II	Southern Connecticut Gas Company State of Connecticut Department of Public Utility Control
Docket No. 99-057-20*	Questar Gas Company Public Service Commission of Utah
Docket No. 99-035-10	PacifiCorp dba Utah Power & Light Company Public Service Commission of Utah
Docket No. T-1051B-99-105	U.S. West Communications, Inc. Arizona Corporation Commission
Docket No. 01-035-10*	PacifiCorp dba Utah Power & Light Company Public Service Commission of Utha

Docket No. 991437-WU	Wedgefield Utilities, Inc. Before the Florida Public Service Commission
Docket No. 991643-SU	Seven Springs Before the Florida Public Service Commission
Docket No. 98P55045	General Telephone and Electronics of California California Public Utilities Commission
Docket No. 00-01-11	Consolidated Edison, Inc. and Northeast Utilities Merger State of Connecticut Before the Department of Public Utility Control
Docket No. 00-12-01	Connecticut Light & Power Company State of Connecticut Before the Department of Public Utility Control
Docket No. 000737-WS	Aloha Utilities/Seven Springs Utilities Before the Florida Public Service Commission
Consolidated Docket Nos. EL00-66-000 ER00-2854-000 EL95-33-000	Entergy Services, Inc. Before the Federal Energy Regulatory Commission
Docket No. 950379-EI	Tampa Electric Company Before the Florida Public Service Commission
Docket No. 010503-WU	Aloha Utilities, Inc. – Seven Springs Water Division Before the Florida Public Service Commission
Docket No. 01-07-06*	The Towns of Durham and Middlefield State of Connecticut Before the Department of Public Utility Control
Docket No. 99-09-12-RE-02	Connecticut Light & Power/Millstone State of Connecticut Before the Department of Public Utility Control
Civil Action No. C2-99-1181	The United States et al v. Ohio Edison et al U.S. District Court, S.D. Ohio

Docket No . 001148-ET****	Florida Power & Light Company Before the Florida Public Service Commission
Civil Action No. 99-833-Per *	The United States et al v. Illinois Power Company U.S. District Court, S.D. Illinois
Civil Action No . IP99-1692-C-M/s *	The United States et al v. Southern Indiana Gas and Electric Company U.S. District Court, S.D. Indiana
Docket No. 02-057-02*	Questar Gas Company Public Service Commission of Utah
Docket No. EL01-88-000	Entergy Services, Inc. et. al. Mississippi Public Service Commission
Docket No. 9355-U	Georgia Power Company Before the Georgia Public Service Commission
Case No. 1016	Washington Gas Light Company Before the Public Service Commission of the District of Columbia
Civil Action Nos. C2 99-1182 C2 99-1250 (Consolidated)	The United States et al v. American Electric Power Company, ET, AL
Docket No. 030438-EI *	Florida Public Utilities Company Before the Florida Public Service Commission
Docket No. EL01-88-000	Entergy Services, Inc., et al Before the Federal Energy Regulatory Commission
Civil Action No. 1:00 CV1262	The United States et al v. Duke Energy Company
Docket No. 050045-EI *	Florida Power & Light Corporation Before the Florida Public Service Commission
Docket No. 050078-EI *	Progress Energy Florida, Inc. Before the Florida Public Service Commission
Civil Action No. 1P99-1693 C-M/S	The United States et al. v. Cinergy Corporation, ET AL.
Civil Action No.	The United States et al. v. East Kentucky Power

04-34-KSF	Cooperative, Inc. ET AL.
Case No. 05-0304-G-42T *	Hope Gas, Inc. d/b/a Dominion Hope Consumer Advocate Division of the Public Service Commission of West Virginia
Case No. 05-E-1222	New York State Electric & Gas Corporation Before the New York Public Service Commission
Case Nos. 05-E-0934 05-G-0935	Central Hudson Gas & Electric Corporation Before the New York Public Service Commission
Docket No. 060038-EI	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. 060154-EI*	Gulf Power Company Before the Florida Public Service Commission

\*Case Settled  
\*\*Issues Stipulated  
\*\*\*Testimony Withdrawn  
\*\*\*\*Case Settled, Testimony Not Filed