

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF TENNESSEE AMERICAN  
WATER COMPANY TO CHANGE AND  
INCREASE CERTAIN RATES AND  
CHARGES SO AS TO PERMIT IT TO  
EARN A FAIR AND ADEQUATE RATE  
OF RETURN ON ITS PROPERTY USED  
AND USEFUL IN FURNISHING WATER  
SERVICE TO ITS CUSTOMERS**

**Docket No. 10-00189**

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**CONSUMER ADVOCATE AND PROTECTION DIVISION'S RESPONSES TO  
TENNESSEE AMERICAN WATER COMPANY'S FIRST DISCOVERY REQUESTS**

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The Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), pursuant to the Scheduling Order entered in this Docket, hereby submits its responses and objections to the first discovery request of Tennessee American Water Company. ("TAWC" or "Company").

**GENERAL OBJECTIONS**

1. The Consumer Advocate objects to the definitions and instructions contained in the Company's interrogatories to the extent that the definitions and instructions attempt to impose on the Consumer Advocate a burden or obligation greater than that required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

2. The Consumer Advocate objects to the interrogatories to the extent they call for information and the production of documents which are protected from disclosure by the attorney-client privilege, the attorney work product doctrine or any other applicable privilege or protection. The Consumer Advocate objects to the data requests to the extent that the Company

is attempting to impose on the Consumer Advocate obligations with regard to identification of privileged documents beyond those required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

3. The Consumer Advocate objects to the Company's interrogatories to the extent they seek information not related to the subject matter involved in this litigation or to the extent they are not reasonably calculated to lead to the discovery of admissible evidence. By providing information in response to these requests, the Consumer Advocate does not concede that such information is relevant, material or admissible in evidence. The Consumer Advocate reserves all rights to object to the use of such information as evidence.

4. The Consumer Advocate objects to the Company's interrogatories to the extent that the Company is attempting to impose on the Consumer Advocate obligations to supplement its responses beyond those required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

5. The Consumer Advocate objects to the Company's interrogatories to the extent that the Company is attempting to require the Consumer Advocate to provide information and produce documents beyond those in its possession, custody or control as that phrase is used in the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

6. The Consumer Advocate objects to the Company's data requests to the extent they seek information and documents that are readily available through public sources or are in the Company's own possession, custody or control. It is unduly burdensome and oppressive to require the Consumer Advocate to respond or produce documents that are equally available to the Company.

7. The Consumer Advocate's objections and responses to these requests are based on information now known to it. The Consumer Advocate reserves the right to amend, modify or supplement its objections and responses if it learns of new information.

8. The Consumer Advocate's responses to these requests are made without waiving or intending to waive the right to object to the use of any information provided in response to any subsequent proceeding or trial of this or any other action. The Consumer Advocate's responses to these requests are also not a waiver of any of the foregoing objections or any objections it has made or may make with respect to any similar, related, or future data request, and the Consumer Advocate specifically reserves the right to interpose any objection to further requests notwithstanding any response or lack of objection made in this response.

9. The Consumer Advocate will supplement its responses in accordance with the requirements of state law.

10. The Consumer Advocate expressly incorporates these general objections into its responses set forth below.

Subject to and without waiving any objections stated above the Consumer Advocate responds to the specific requests as follows:

### **DISCOVERY RESPONSES**

#### **DISCOVERY REQUEST NO. 1:**

Identify each document that you anticipate you will rely on in opposition to the request(s) for relief, including any increase in rates, made by TAWC in TRA Docket No. 10-00189.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged

communications. Without waiving these objections, the Consumer Advocate responds as follows:

At present, the Consumer Advocate anticipates that the following documents may be relied upon in opposition to TAWC's request for relief:

- 2009 American Water Works Company Form 10-K;
- August 2010, Schumaker & Company Affiliate Audit Report of Tennessee American Water Company;
- September 11, 2008, Overland Consulting Regulatory Audit of 2006 and 2007 General Office Expense of California American Water Company;
- January 21, 2010, Prefiled Testimony of Francis C. Rack Public Utilities Commission of Ohio;
- June 11, 2010, Public Direct Testimony of Ralph C. Smith on behalf of Kentucky Office of Attorney General;
- November 27, 2009, Staff Report of the Public Utilities Commission of Ohio;
- September 24, 2010, Prefiled Testimony of Britton Ellis Virginia State Corporation Commission;
- June 23, 2010 Order of Ohio Public Utilities Commission;
- 2010 - Rebuttal Testimony of Mike Miller on behalf of Kentucky American Water Company;
- July 10, 2008 Order of Public Utilities Commission of the State of California;
- March 25, 2009 Order of Public Service Commission of West Virginia;

- August 2008, Schumaker & Company Management Audit Report of Pennsylvania American Water Company;
- March 9, 2010 Staff Report Missouri Public Service Commission;
- April 13, 2010 Order of Illinois Commerce Commission;
- January 30, 2008 Declaration of John S. Young before the Public Utilities Commission of the State of California; and
- 2009 10-K reports for the following companies: Atmos Energy, Piedmont Natural Gas, Atlanta Gas Light, Artesian Resources Corp., Connecticut Water Service, California Water Service, Middlesex Water Company, Pennichuck Corp., Aqua America, and The York Water Company.

**DISCOVERY REQUEST NO. 2:**

Identify all persons known to you who have or claim to have knowledge, information, or possess any document(s) that support your answer to Discovery Request No. 1 above.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications. Without waiving these objections, the Consumer Advocate responds as follows:

Please see the response to Discovery Request No. 4 below.

**DISCOVERY REQUEST NO. 3:**

Identify any person you intend to call as a fact witness, the subject matter of the witness' testimony, the substance and basis of the facts to be testified to, the data, documents, materials or other information shown to, relied upon, created by or considered by the witness as part of this case, any exhibits to be used by the witness, a full resume for the witness, the compensation to be paid for the testimony, and a listing of any other cases in which the witness has testified at trial or by deposition.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications. Without waiving these objections, the Consumer Advocate responds as follows:

At present, the Consumer Advocate does not intend to call any purely fact witnesses, but see the response to Discovery Request No. 4 below.

**DISCOVERY REQUEST NO. 4:**

Identify any person you intend to call as an expert witness, the subject matter of the witness' testimony, the substance and basis of the facts and opinions to be expressed, the data, documents, materials or other information shown to, relied upon, created by or considered by the witness as part of this case and/or as a basis in forming his or her opinions, any exhibits to be used as a summary of or support for each such opinion, the qualifications of the witness, including a full resume, a list of all publications authored by the witness, the compensation to be

paid for the study and testimony, and a listing of any other cases in which the witness has testified at trial, by deposition or submitted written testimony.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications. Furthermore, the Consumer Advocate objects to this discovery request to the extent that it seeks information which is publicly available to TAWC. Without waiving these objections, the Consumer Advocate responds as follows:

At present, the Consumer Advocate intends to call the following expert witnesses who intend to testify on the identified subjects:

- Terry Buckner – Management Fees, Decoupling
- Chris Klein – Cost of Capital, Rate of Return, and Weather Normalization Adjustment
- Dave Peters – Expenses, and Rate Base
- John Hughes – Revenues
- Hal Novak – Weather Normalization Adjustment, Proper Test Year, and Cost of Service

The substance of each expert's testimony may change as TAWC provides discovery and data request responses, and as this information is reviewed and the Consumer Advocate's case develops. Please see the attached Curriculum Vitae for the above experts.

**DISCOVERY REQUEST NO. 5:**

Please identify and produce any and all engagement letters, expert reports and work papers (including drafts) created by or provided to any expert or other witness.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications. Without waiving these objections, the Consumer Advocate responds as follows:

The expert contracts for expected expert witnesses Hal Novak and Chris Klein will be made available to the parties in this matter for inspection and copying.

**DISCOVERY REQUEST NO. 6:**

Please produce in electronic media (Word, Excel, or other Microsoft Office compatible format) and in hard copy all work papers and other documents, created by or relied upon by all CAPD witnesses.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications. Furthermore, the Consumer Advocate objects to this discovery request to the extent that it seeks information which is publicly available to TAWC. Without waiving these objections, the Consumer Advocate responds as follows:

Please see the response to Data Request No. 1 above, as well as TAWC's responses to the data requests of the TRA and the intervening parties in this matter. At present, the Consumer



Advocate witnesses have no work papers, as they have not yet received responses to their discovery requests. The Consumer Advocate will supplement this response as work papers become available for production.

**DISCOVERY REQUEST NO. 7:**

Please identify and produce a copy of all trade articles, journals, treatises, speeches and publications of any kind in any way utilized or relied upon by any of the CAPD's proposed expert witnesses in evaluating, reaching conclusions or formulating an opinion in the captioned matter as well as all articles, journals, speeches, or books written or co-written by any CAPD witness.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications. Furthermore, the Consumer Advocate objects to this discovery request to the extent that it seeks information which is publicly available to TAWC. Without waiving these objections, the Consumer Advocate responds as follows:

Please see the response to Discovery Request Nos. 1, 4, and 6 above. In addition, the Consumer Advocate's witnesses intend to rely on the following:

- American Water Institutional Investor Meetings, August 2010

**DISCOVERY REQUEST NO. 8:**

Please identify and produce any and all documentation, items, reports, data, communications, and evidence of any kind that the CAPD intends to offer as evidence at the hearing or to refer to in any way at the hearing.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications. Furthermore, the Consumer Advocate objects to this discovery request to the extent that it seeks information which is publicly available to TAWC. Without waiving these objections, the Consumer Advocate responds as follows:

Please see TAWC responses to the data requests of the TRA and discovery requests of the intervening parties. In addition, please see the responses to Discovery Request Nos. 1, 4, 6 and 7 above. The Consumer Advocate will supplement this request as more information becomes available to its witnesses.

**DISCOVERY REQUEST NO. 9:**

If you believe that TAWC has made any admission or statement against interest that contradicts the request(s) for relief, including any increase in rates, made by TAWC in TRA Docket No. 10-00189, please state with specificity any and all admissions or statements against interest allegedly made by TAWC. For each such admission or statement against interest state:

- a. The identity of the person making each admission or statement;
  - b. The location where each admission or statement was made;
  - c. The date and time each admission or statement was made;
  - d. The identity of all persons present when each admission or statement was made;
- and

- e. Identify all documents which refer or relate to each admission or statement and attach copies of said documents hereto.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is overly broad, unduly burdensome, and excessively vague; in addition, the Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications. Furthermore, the Consumer Advocate objects to this discovery request to the extent that it seeks information which is publicly available to TAWC, and to the extent that this Request asks the Consumer Advocate's non-legal expert witnesses to draw legal conclusions. Without waiving these objections, the Consumer Advocate responds as follows:

Please see the response to Discovery Request Nos. 1, 6 and 7 above.

**DISCOVERY REQUEST NO. 10:**

Please state the CAPD's position as to the amount of the revenue requirement to which TAWC was entitled in Docket Nos. 08-00039 and 06-00290 and the amount actually awarded by the Tennessee Regulatory Authority in each of those respective cases.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it is unduly burdensome, and to the extent that it seeks to discover confidential work product and/or privileged communications. Furthermore, the Consumer Advocate objects to this discovery request to the extent that it seeks information which is publicly available to TAWC.

Without waiving these objections, the Consumer Advocate responds as follows:

Although this information is public available on the Tennessee Regulatory Authority Non-Active Index:

In TRA Docket 08-00039, the Authority found a revenue deficiency of \$1,655,541; and

In TRA Docket 06-00290, the Authority found a revenue deficiency of \$4,079,965.

While the Consumer Advocate argued that a lower revenue requirement was warranted in both matters, just as TAWC argued that a much higher figure was appropriate, the Consumer Advocate believes that TAWC is legally "entitled" to whatever revenue requirement is ultimately ordered by the TRA or, if applicable, by any court having appellate jurisdiction in each docket.

**DISCOVERY REQUEST NO. 11:**

Please identify, other than your attorneys, each person who provided information or participated in the preparation of the responses to each of these discovery requests, and for each such person specify the responses for which he or she provided information or participated in preparing.

**RESPONSE:** The Consumer Advocate objects to the extent that this Request seeks to discover confidential work product and/or privileged communications. Without waiving these objections, please see the response to Discovery Request No. 4 above.

**DISCOVERY REQUEST NO. 12:**

Identify all persons with whom you consulted prior to answering these discovery requests.

**RESPONSE:** The Consumer Advocate objects to the extent that this Request seeks to discover confidential work product and/or privileged communications. Without waiving these objections, please see the response to Discovery Request No. 11 above.

**DISCOVERY REQUEST NO. 13:**

Please identify all documents reviewed by you to respond to these discovery requests.


**RESPONSE:** The Consumer Advocate objects to the extent that this Request seeks to discover confidential work product and/or privileged communications. Without waiving these objections, please see the documents attached hereto in relation to the above Discovery Requests.

**DISCOVERY REQUEST NO. 14:**

Produce all documents identified or specified in your answers or responses to the discovery requests.

**RESPONSE:** The Consumer Advocate objects to this Request to the extent that it seeks to discover confidential work product and/or privileged communications, and to the extent that it seeks information which is publicly available to TAWC. Without waiving these objections, please see the attached documents.

RESPECTFULLY SUBMITTED,

  
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T. JAY WARNER, BPR #26649  
Assistant Attorney General  
Office of the Attorney General and Reporter  
Consumer Advocate and Protection Division  
P.O. Box 20207  
Nashville, TN 37202-0207

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

R. Dale Grimes  
Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, TN 37201

Henry Walker  
Bradley Arant Boult Cummings, LLP  
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David C. Higney  
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633 Chestnut St.  
Chattanooga, TN 37450-0900

This the 15<sup>th</sup> day of November, 2010.

  
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T. JAY WARNER



**Terry Buckner, Regulatory Analyst**

B. S. in Business Administration, University of Tennessee, Knoxville

CPA, Member of the AICPA and the Tennessee Society of CPAs

Thirty-three years of experience with the Public Utility industry:

1980 - 1988 TDS Telecom - Region Accounting Manager

1989 - 1994 Tennessee Public Service Commission ("TPSC") - Regulatory Analyst

1995 - 2001 Office of the Attorney General for the State of Tennessee - Consumer Advocate and Protection Division - Regulatory Analyst

2001 - 2004 Comptroller's Office for the State of Tennessee - Public Utility Audit - Assistant Director

2004 - Present Office of the Attorney General for the State of Tennessee - Consumer Advocate and Protection Division - Regulatory Analyst

Oral and written testimony in numerous rate proceedings before the TPSC and the Tennessee Regulatory Authority. Including the following dockets and/or companies:

**Dockets**

TRA #09-00183 Chattanooga Gas Company

Direct Testimony: <http://www.state.tn.us/tra/orders/2009/0900183bt.pdf>

TRA #09-00104 Piedmont Natural Gas Company

Direct Testimony: <http://www.state.tn.us/tra/orders/2009/0900104ax.pdf>

**Revenues**

TRA #08-00197 Atmos Energy Corporation

Direct Testimony: <http://www.state.tn.us/tra/orders/2008/0800197z.pdf>



TRA #08-00039 Tennessee American Water  
Direct Testimony: <http://www.state.tn.us/tra/dockets/0800039.htm>

**Other**

TRA # 08-00021 Citizens Telecommunications Company Of Tennessee, LLC  
D/B/A Frontier Communications of Tennessee, LLC  
Testimony on Directory Assistance  
Direct Testimony: <http://www.state.tn.us/tra/dockets/0800021.htm>

TRA #07-00224 Chattanooga Gas Company  
Testimony on Gas Asset Management  
Direct Testimony: <http://www.state.tn.us/tra/dockets/0700224.htm>

TRA # 07-00269 United Telephone-Southeast, Inc. D/B/A Embarq Corporation  
Testimony on Directory Assistance  
Direct Testimony: <http://www.state.tn.us/tra/dockets/0700269.htm>

**Cost of Service**

TRA #07-00105 Atmos Energy Corporation  
Direct Testimony: <http://www.state.tn.us/tra/orders/2007/0700105cg.pdf>

TRA # 06-00290 Tennessee American Water Company  
Direct Testimony: <http://www2.state.tn.us/tra/dockets/0600290.htm>

TRA # 06-00175 Chattanooga Gas Company  
Direct Testimony: <http://www2.state.tn.us/tra/dockets/0600175.htm>

TRA # 05-00258 Atmos Energy Corporation  
Direct Testimony: <http://www2.state.tn.us/tra/dockets/0500258.htm>

TRA #04-00288 Tennessee American Water Company  
Direct Testimony: <http://www.state.tn.us/tra/orders/2004/0400288bm.pdf>

**Other**

TRA#03-00391 BellSouth  
Testimony on PRI-ISDN Regulation Exemption  
Rebuttal: <http://www.state.tn.us/tra/orders/2003/0300391ci.pdf>  
Rebuttal Exhibits: <http://www.state.tn.us/tra/orders/2003/0300391ch.pdf>

**Cost of Service**

TRA #02-00383 Chattanooga Gas Company

Direct Testimony: <http://www.state.tn.us/tra/orders/2002/0200383m.pdf>

TRA #01-00451 United Telephone Company

Direct Testimony: <http://www.state.tn.us/tra/orders/2001/0100451w.pdf>

TRA #00-00523 Rural Universal Service

Testimony on Rural Universal Service

Direct Testimony: <http://www.state.tn.us/tra/orders/2000/000052316.pdf>

TRA #99-00995 TEC Companies

<http://www.state.tn.us/tra/orders/1999/990099522.pdf>

### **Other**

TRA #99-00244 BellSouth Telecommunications, Inc.

(Copy of Testimony Not Available)

TRA #99-00210 BellSouth Telecommunications, Inc.

(Copy of Testimony Not Available)

TRA #98-00626 UTSE

Direct Testimony: <http://www.state.tn.us/tra/dockets/9800626.htm>

TRA #98-00559 BellSouth Telecommunications, Inc.

Testimony on Contract Service Agreements

<http://www.state.tn.us/tra/dockets/9800559.htm>

### **Cost of Service**

TRA #97-00982 Chattanooga Gas Company

(Copy of Testimony Not Available)

TRA #96-00977 Nashville Gas Company

(Copy of Testimony attached)

TPSC #95-02258 United Cities Gas Company

(Copy of Testimony Not Available)

TPSC #95-02116 Chattanooga Gas Company

(Copy of Testimony Not Available)

TPSC #94-02876 BellSouth Telecommunications  
(Copy of Testimony Not Available)

PSC #92-13527 South Central Bell - Earnings Investigation for the years 1993-1995 (Copy of Testimony Not Available)

Docket N/A GTE - Rate Filing  
(Copy of Testimony Not Available)



## VITA

### **CHRISTOPHER C. KLEIN**

#### **EDUCATION:**

Ph. D. (Economics), University of North Carolina - Chapel Hill (1980)  
B. A. (Economics), University of Alabama - Tuscaloosa (1976)

#### **EXPERIENCE:**

2002-Present	<b>Middle Tennessee State University</b> Associate Professor of Economics
2002-Present	<b>Consultant</b> Clients included: AGL Resources, Inc.; Reseller Coalition; Tennessee Advisory Commission on Intergovernmental Relations; Tennessee American Water Company, Inc.; Tennessee Department of Environment and Conservation; US LEC of Tennessee, Inc.; Verizon Wireless; West Virginia American Water Company, Inc.; Z-Tel Communications, Inc.
1996-2002	<b>Tennessee Regulatory Authority</b> Chief, Economic Analysis Division, 1997-2002 Chief, Utility Rate Division, 1996-97
1998-2001	<b>Vanderbilt University</b> Adjunct Associate Professor of Economics
1986-1996	<b>Tennessee Public Service Commission</b> Director, Utility Rate Division, 1994-96 Economist & Research Director, 1993-94 Commission Economist, 1986-1993
1990-1994	<b>Middle Tennessee State University</b> Adjunct Faculty, Department of Economics and Finance
1980-1986	<b>Federal Trade Commission</b> Economist, Bureau of Economics - Antitrust Division

#### **PROFESSIONAL ACTIVITIES:**

Editor, *Journal for Economic Educators*, 2007 to present.  
Member 1994-96, State Staff, Federal-State Joint Board, Federal Communications Commission  
CC Docket No.80-286 ("Separations" Joint Board).  
Chair 1993-95, member 1990-95, Research Advisory Committee to the Board of Directors of the  
National Regulatory Research Institute at Ohio State University.  
Member 1990-95, Staff Subcommittee on Gas, National Association of Regulatory Utility  
Commissioners.

Group Leader: Economics, Contracts, and Non-affiliate Revenue; NARUC\* Staff Subcommittee on Accounts Multi-state Audit Team, 1988 Report on Bell Communications Research.  
Referee: *Contemporary Economic Policy*, *Eastern Economic Journal*, *Land Economics*, *Review of Industrial Organization*, *Social Science Quarterly*, *Southern Economic Journal*.  
Memberships: American Economic Association (AEA, since 1981), Southern Economic Association (1982), Industrial Organization Society (1986), Western Economic Association (2003).

#### **HONORS:**

Beta Gamma Sigma, International Honor Society for Collegiate Schools of Business, 2008  
Top 30 Score, 2003-2004 Student Evaluation of Faculty Performance, Jones College of Business, Middle Tennessee State University.  
Resolution of Recognition, National Regulatory Research Institute, 1995  
Listed in various Who's Who publications, 1990-  
Certificate of Commendation, Federal Trade Commission, 1985  
First in my class to complete the Ph. D., 1980  
Alpha Pi Mu, National Industrial Engineering Honorary, 1973

#### **GRANTS RECEIVED:**

MTSU Jones College Summer Research Grant: 2004, 2005, 2007.  
MTSU Faculty Research and Creative Activity Academic Year Grant: 2004-2005 (with Reuben Kyle)  
MTSU Faculty Research and Creative Projects Committee Summer Salary Grant: 2006, 2009.

#### **TEACHING**

##### **At MTSU**

ECON 2420, Principles of Economics – Microeconomics  
ECON 3520, Intermediate Microeconomic Theory  
ECON 4400, Economics of Antitrust and Regulation  
ECON 4570, Managerial Economics  
ECON 4620, Econometrics and Forecasting  
ECON 7121, Seminar in Applied Microeconomic Theory (Ph.D. Program)  
ECON 7250, Methods of Outcome Assessment (Ph.D. Program)  
Student Internships (ECON/FIN 4890, ECON/FIN 5890, ECON/FIN 6440)

##### **At Vanderbilt University**

ECON 252, Antitrust Economics  
ECON 283, Economics of Regulation

##### **MTSU Dissertation Committees**

Shea W. Slonaker, Chair, *Three Essays on the Recorded Music Industry*, Ph. D. 2009.  
Hua Liu, *U.S. Trade Deficit, Productivity Growth and Offshore Outsourcing*, Ph. D. 2006.  
Jennifer Wilgus, *A Life-Cycle Approach to Human Capital Investment and Skill-Biased*

*Technological Change*, Ph. D. 2005.  
Anealia Sasser, *A Theoretical Examination of Title IV Financial Aid for Higher Education*, D.A. 2004.

**Vanderbilt University Dissertation Committees:**

Aster Adams, *The Impact of Deregulation and Competition on Efficiency, Financial Performance, and Shareholder Wealth of Electric Utilities in the United States*, Ph. D. 2009.

David B. Sapper, *Trial Selection and the Effects of Sentencing Reform in Criminal Antitrust Cases: A Theoretical and Empirical Analysis*, Ph. D. 2006.

T. Randolph Beard, *Bankruptcy, Safety Expenditure, and Safety Regulation in the Motor Carrier Industry*, Ph. D. 1988

**PUBLICATIONS AND WORKING PAPERS**

"Identifying the Best Buys in U.S. Higher Education," with E. Anthon Eff and Reuben Kyle, in revision, 2010.

"The Price of Quality: Hedonic Estimation of Implicit Market Models for Higher Education," with Reuben Kyle, in revision, 2010.

"Do State Funded Merit Scholarships Induce Students to Learn more in High school?" with Elizabeth A. Perry-Sizemore, in revision, 2010.

"Chart Turnover and Sales in the Recorded Music Industry: 1990-2005," with Shea W. Slonaker, *Review of Industrial Organization*, 36:351-372, 2010.

"What Can We Learn from Education Production Studies?" with E. Anthon Eff, *Eastern Economic Journal*, 36:450-479, 2010.

"Public Transportation Ridership Levels," with Christopher R. Swimmer, *Journal for Economic Educators*, 10(1): 40-46, Summer 2010.

"Analysis of U.S. Foreign Aid Determinants for 2003," with Joshua M. Hill, *Journal for Economic Educators*, 9(1): 48-52, Summer 2009.

"Intra-district Public School Funding Equity and Performance in Nashville, Tennessee," *Journal of Education Finance*, Summer 2008.

"A Tale of Three Inputs: Cost and Production Duality with Time Utilization of Capital," *Applied Economics Research Bulletin*, 1(1) 2008.

"Telephone Penetration in Tennessee: Are Intrastate Universal Service Policies Effective?" with Aster R. Adams and David B. Sapper, *Journal of Applied Regulation*, 2, November 2004, pp., 87-108.

"A Switching Regime Approach to Measuring the Effects of Technological Change in Ocean Shipping," with J. David Bass and Reuben Kyle, *Journal of Productivity Analysis*, 22:1-2, July-September, 2004, pp. 29-49..

"The Financial Implications of Unbundling on Bell Company Profits: A Review of the Evidence," with T. Randolph Beard and George S. Ford, *CommLaw Conspectus: The Journal of Communications Law and Policy*, v. 12 n.1, Fall/Winter 2003.

- "Bell Companies as Profitable Wholesale Firms: The Financial Implications of UNE-P," with T. Randolph Beard, *Phoenix Center Policy Paper No. 17*, November 2002, [www.phoenix-center.org](http://www.phoenix-center.org).
- "Connecting Tennessee: Bridging the Digital Divide," with Rose M. Gregory, *NRRI Quarterly Bulletin*, vol. 21 no. 3, Spring 2001.
- "Regulation vs. Deregulation: It's All in the Externalities," *Tennessee's Business*, Middle Tennessee State University, v. 11, n. 3 (November), 2001.
- "The Role of Public Power in a Restructured Electric Power Industry," with David Sapper, *The Electricity Journal*, August/September 2001.
- "Regulator Preferences and Utility Prices: Evidence from Natural Gas Distribution Utilities," with George Sweeney, *Energy Economics*, vol. 21, n. 1, 1999.
- "Competition in Telecommunications: A Progress Report for Tennessee," *Tennessee's Business*, Middle Tennessee State University, Murfreesboro, TN; vol. 9, n. 1, 1999.
- "Technological Change and the Production of Ocean Shipping Services," with Reuben Kyle, *Review of Industrial Organization*, December 1997.
- "The Haunting of Universal Service: Open Markets, Efficient Funding and the Ghost of the Fair Rate of Return," *Proceedings of Tenth NARUC Biennial Regulatory Information Conference*, National Regulatory Research Institute, Columbus, OH, 1996.
- "Productivity Growth in Telecommunications: The Case of Tennessee," *Proceedings of Tenth NARUC Biennial Regulatory Information Conference*, National Regulatory Research Institute, Columbus, OH, 1996.
- "Capture vs. Compromise: Entry Regulation of Intrastate Trucking," with Reuben Kyle and Jennifer Wilgus, *Logistics and Transportation Review*, v. 32 n. 3, September 1996.
- "Price Discrimination: What is 'Undue' for a U.S. Utility?" *Utilities Policy*, vol. 4 no. 4, October 1994.
- "Single Service Price Variations and 'Subsidies' in the Pricing of Telecommunications Services," *Proceedings of Ninth NARUC Biennial Regulatory Information Conference*, National Regulatory Research Institute, Columbus, OH, 1994.
- "What Is Undue Price Discrimination by a Regulated Utility?" *NRRI Quarterly Bulletin*, March 1994.
- "A Comparison of Cost-Based Pricing Rules for Natural Gas Distribution Utilities," *Energy Economics*, July 1993.
- "Negotiating a Transportation Rate Under Threat of Bypass: A Case Study," *Proceedings of the Eighth Biennial Regulatory Information Conference*, National Regulatory Research Institute, Columbus, OH, 1992.
- "A Multinomial Logit Model of Intrastate Trucking Regulation in Tennessee," with Jennifer Jose and Reuben Kyle, *Papers and Proceedings of the Nineteenth Annual Meeting of the Midsouth Academy of Economics and Finance*, v. 16, 1992.
- "Ramsey Prices for Natural Gas Distribution Utilities," *Proceedings of the Seventh NARUC Biennial Regulatory Information Conference*, National Regulatory Research Institute, Columbus, OH, 1990.



"Intervention as Entry Deterrence: Evidence from Sham Litigation Cases," *Proceedings of the Seventh NARUC Biennial Regulatory Information Conference*, National Regulatory Research Institute, Columbus, OH, 1990.

Book Review, *Changing the Rules: Technological Change, International Competition, and Regulation in Communications*, Edited by Robert W. Crandall and Kenneth Flamm, Brookings 1989; *Review of Industrial Organization*, Fall 1990.

"Double Leverage and Strategic Financing Decisions," *NRRI Quarterly Bulletin*, v. 11, n. 3, September 1990.

"Predation in the Courts: Legal Versus Economic Analysis in Sham Litigation Cases," *International Review of Law & Economics*, June 1990.

"Rate Design for Natural Gas Utilities: A Comparison of Ramsey and Cost of Service Pricing," *NRRI Quarterly Bulletin*, December 1989.

"Dissecting Divestiture: A Telecommunications Book Review Article," *Review of Industrial Organization*, October 1989.

*The Economics of Sham Litigation: Theory, Cases, and Policy*, Bureau of Economics Staff Report, Federal Trade Commission, April 1989.

"New Agreements, Non-affiliate Revenues, and Economic Issues," with Mike Amato and Francis Fok, in *Report on Bell Communications Research*, National Association of Regulatory Utility Commissioners, 1988.

"Merger Incentives and Cost of Capital Regulation of Subsidiaries," *Midsouth Journal of Economics and Finance*, March 1988.

"Strategic Sham Litigation: Economic Incentives in the Context of the Case Law," *International Review of Law & Economics*, December 1986.

"Is There a Principle for Defining Industries? Comment," *Southern Economic Journal*, October 1985.

"A Note on Defining Geographic Markets," with Ed Rifkin and Noel Uri, *Regional Science and Urban Economics*, February 1985.

"Process Analysis, Capital Utilization, and the Existence of Dual Cost and Production Functions," FTC Bureau of Economics Working Paper No. 116, May 1984.

"A General Theory of Hedonic Pricing of Capital as a Factor of Production," FTC Bureau of Economics Working Paper No. 105, December 1983.

"The International Market for Crude Oil," with Fred Lipson and Harvey Blumenthal, in *Mergers in the Petroleum Industry*, Federal Trade Commission, 1982.

## PRESENTATIONS

"Do State Funded Merit Scholarships for Higher Education Improve Pre-College Academic Performance?" with Elizabeth A. Perry-Sizemore, Southern Economic Association Annual Conference, Atlanta, GA, November 2010.

"The Effect of State Funded Merit Scholarships for Higher Education on Pre-College Academic Performance," with Elizabeth A. Perry-Sizemore, Southern Economic Association Annual Conference, San Antonio, TX,

November 2009.

- "The Effect of State Funded Merit Scholarships for Higher Education on High School Graduation Rates," with Elizabeth A. Perry-Sizemore, Southern Economic Association Annual Conference, Washington, DC, November 2008.
- "Identifying the Best Buys in U.S. Higher Education," with E. Anthon Eff and Reuben Kyle, Southern Economic Association Annual Conference, Washington, DC, November 2008.
- "Product Variety and Sales in the Recorded Music Industry: 1990-2005," with Shea Slonaker, International Industrial Organization Conference, Arlington, VA, May 2008.
- "Identifying the Best Buys in U.S. Higher Education," with E. Anthon Eff and Reuben Kyle, Academy of Economics and Finance Annual Meeting, Nashville, TN, February 2008.
- "Product Variety and Sales in the Recorded Music Industry: 1990-2005," with Shea Slonaker, Academy of Economics and Finance Annual Meeting, Nashville, TN, February 2008.
- "Do State Funded Merit Scholarships Induce Students to Learn more in High school?" with Elizabeth A. Perry-Sizemore, Southern Economic Association Annual Conference, New Orleans, LA, November 2007.
- "The Price of Quality: Hedonic Estimation of Implicit Market Models for Higher Education," with Reuben Kyle, Southern Economic Association Annual Conference, New Orleans, LA, November 2007.
- "The Shifting Appeal of Sham Litigation: Evidence from Appellate Decisions 1971-2006," International Industrial Organization Conference, Savannah, GA, April 2007.
- "The Shifting Appeal of Sham Litigation: Evidence from Appellate Decisions 1980-2006," Scholar's Week Poster Fair, MTSU, April 2007
- "Causality Tests for Public School Funding and Performance," Southern Economic Association Meeting, Charleston, SC, November 2006.
- "The Price of Quality: Hedonic Estimation of Implicit Market Models for Higher Education," with Reuben Kyle, Southern Economic Association Meeting, Washington, November 2005.
- "The Price of Quality: Hedonic Estimation of Implicit Market Models for Higher Education," with Reuben Kyle, International Industrial Organization Conference, Atlanta, April 2005.
- "Anticompetitive Litigation and the "Baselessness" Standard for Antitrust Liability," Southern Economic Association Meeting, New Orleans, November 2004.
- "The Price of Quality: Hedonic Estimation of Implicit Market Models for Higher Education," with Reuben Kyle, Southern Economic Association Meeting, New Orleans, November 2004.
- "VoIP: Let's Ask the Right Questions," Tennessee Regulatory Authority Forum on VoIP, Nashville Public Library, April 30, 2004.
- "Telephone Penetration in Tennessee: Are Intrastate Universal Service Policies Effective?" with Aster Rutibablira and David B. Sapper, Southern Economic Association Meeting, San Antonio, TX, November 2003.
- "Telephone Penetration in Tennessee: Are Intrastate Universal Service Policies Effective?" with Aster Rutibablira and David B. Sapper, International Industrial Organization Conference, Boston MA, April 4-5, 2003.

- "A Critique of Educational Production Functions," Southern Economic Association meeting, New Orleans, LA, November 2002.
- "Connecting Tennessee: Bridging the Digital Divide," with Rose M. Gregory, American Economic Association meeting, joint session with the Transportation and Public Utilities Group, Atlanta, GA, January 2002.
- "Long Term Contracts as Anticompetitive Devices in Telecommunications," Southern Economic Association Annual Meeting, Tampa, FL, November 2001.
- "The Role of Public Power in a Restructured Electric Power Industry," American Economic Association meeting, joint session with the Transportation and Public Utilities Group, Boston, MA, January 2000.
- "Universal Telephone Service in Tennessee: A Pre-Competition Assessment," with David Sapper, Southern Economic Association meeting, New Orleans, LA, November 1999.
- "Trucks, Planes, Trains, and Wires? Short-haul vs. Long-haul Long Distance Rates in Telecommunications," with Reuben Kyle, Southern Economic Association meeting, Baltimore, MD, November 1998.
- "The Economics of Time as a Resource," Southern Economic Association meeting, Atlanta, GA, November 1997.
- "Cost and Production Duality with Capital Utilization," Department of Economics Seminar Series, Vanderbilt University, February 1997.
- "Maximum Impropriety: The 'Baselessness' Standard for Improper Litigation," Southern Economic Association meeting, Washington, November 1996.
- "Cost and Production Duality with Capital Utilization," Southern Economic Association meeting, Washington, November 1996.
- "The Haunting of Universal Service: Open Markets, Efficient Pricing, and the Ghost of the Fair Rate of Return," Tenth NARUC Biennial Regulatory Information Conference, Columbus, OH, September 1996.
- "Productivity Growth in Telecommunications: The Case of Tennessee," Tenth NARUC Biennial Regulatory Information Conference, Columbus, OH, September 1996.
- "Productivity Growth in Telecommunications: The Case of Tennessee," Advanced Workshop in Regulation and Public Utility Economics, 15th Annual Conference, Lake George, NY, May 1996.
- "A Switching Regime Approach to Measuring the Effects of Technological Change in Ocean Shipping," with Reuben Kyle, Southern Economic Association meeting, New Orleans, November 1995.
- "Productivity Growth in Telecommunications: The Case of Tennessee," Southern Economic Association meeting, New Orleans, November 1995.
- "Local Service Price Variations and 'Subsidies' in Telecommunications," Southern Economic Association meeting, Orlando, November 1994.
- "Dynamic Effects of Regulatory Policy on Intrastate Long Distance Telephone Rates," Southern Economic Association meeting, Orlando, November 1994.
- "Single Service Price Variations and 'Subsidies' in the Pricing of Telecommunications Services," Ninth NARUC Biennial Regulatory Information Conference, Columbus, OH, September 1994.

- "Suit, Countersuit, and Settlement in Sham Litigation," Annual Meeting of the Midsouth Academy of Economics and Finance, Nashville, February 1994.
- "New Evidence on the Effect of Regulation on Intrastate Long Distance Telephone Rates," Annual Meeting of the Midsouth Academy of Economics and Finance, Nashville, February 1994.
- "What is Undue Price Discrimination for a Public Utility?" Southern Economic Association meeting, New Orleans, November 1993.
- "Regulated Utility Prices and the Preferences of Regulators," with George Sweeney, Southern Economic Association meeting, New Orleans, November 1993.
- "A Test for Strategic Behavior Under Rate of Return Regulation," Southern Economic Association meeting, Washington, November 1992.
- "New Evidence on the Effect of Regulatory Policy on Intrastate Long Distance Telephone Rates," Southern Economic Association meeting, Washington, November 1992.
- "Technological Change and the Production of Ocean Shipping Services," with Reuben Kyle, Atlantic Economic Association meeting, Plymouth, MA, October 1992.
- "Negotiating a Transportation Rate Under Threat of Bypass: A Case Study," Eighth Biennial Regulatory Information Conference, Columbus, OH, September 1992.
- "A Multinomial Logit Model of Intrastate Trucking Regulation in Tennessee," with Jennifer W. Jose and Reuben Kyle, Midsouth Academy of Economics and Finance annual meeting, Mobile, February 1992.
- "Technological Change and the Production of Ocean Shipping Services," with Reuben Kyle, Southern Economic Association meeting, Nashville, November 1991.
- "Suit, Countersuit, and Settlement in Sham Litigation Cases," Southern Economic Association meeting, Nashville, November 1991.
- "Implementing Third Best Pricing Rules for Natural Gas Distribution Utilities," Southern Economic Association meeting, Nashville, November 1991.
- "Trucking Regulation in Tennessee," with Jennifer Jose and Reuben Kyle, Southern Economic Association meeting, Nashville, November 1991.
- "Research and Development in Regulated Markets: The Case of Bell Communications Research," Southern Economic Association meeting, New Orleans, November 1990.
- "Incentives for Trial and Settlement in Sham Litigation," Southern Economic Association meeting, New Orleans, November 1990.
- "Ramsey Prices for Natural Gas Distribution Utilities," Seventh NARUC Biennial Regulatory Information Conference, Columbus, OH, September 1990.
- "Intervention as Entry Deterrence: Evidence from Sham Litigation Cases," Seventh NARUC Biennial Regulatory Information Conference, Columbus, OH, September 1990.
- "Funding Research and Development in Regulated Industries: The Case of Bell Communications Research," Ninth Annual Conference of the Advanced Workshop in Regulation and Public Utility Economics, New Paltz, NY, May 30 - June 1, 1990.

- "Incentives for Trial and Settlement in Sham Litigation," Bureau of Economics Seminar, Federal Trade Commission, February 1990.
- "Estimating Ramsey Prices for Natural Gas Utilities," Southern Economic Association meeting, Orlando, November 1989.
- "Incentives for Trial and Settlement in Sham Litigation," Department of Economics Seminar Series, Auburn University, November 1989.
- "Natural Gas Rate-Making: Now and In the Future," Associated Valley Industries Natural Gas Seminar, Nashville, October 1989.
- "Estimating Ramsey Prices for Natural Gas Utilities," Advanced Workshop in Regulation and Public Utility Economics, Eighth Annual Conference, Newport, RI, May 29-31, 1989.
- "The Role of Bell Communications Research in the Telecommunications Markets," Midsouth Academy of Economics and Finance Annual Conference, Nashville, February 1989.
- "The Organizational Structures of Public Utilities Under Different Regulatory Regimes," Southern Economic Association meeting, San Antonio, November 1988.
- "New Agreements, Non-affiliate Revenues, and Economic Issues," Report on Bell Communications Research, NARUC Multi-state Audit Team, presented to NARUC Staff Sub-committee on Accounts, Kalispell, Montana, September 1988.
- "Predation in the Courts: Empirical Analysis of Sham Litigation Cases," Joint Session of the Industrial Organization Society and the American Economic Association, Chicago, December 1987.
- "Rate of Return on Equity," National Conference on Unit Valuation Standards, Nashville, December 1987.
- "Merger Incentives and Organizational Structures Under Cost of Capital Regulation," Southern Economic Association meeting, Washington, November 1987.
- "Merger Incentives and Cost of Capital Regulation of Subsidiaries," Midsouth Academy of Economics and Finance Annual Conference, Mobile, February 1987.
- "The Incidence of Predatory Sham Litigation," Southern Economic Association meeting, New Orleans, November 1986.
- "A Welfare Analysis of the Department of Justice Merger Guidelines," Southern Economic Association meeting, Dallas, November 1985.
- "A Duality Approach to Labor Costs and Shiftwork," Southern Economic Association meeting, Atlanta, November 1984.
- "Strategic Sham Litigation: Economic Incentives in the Context of the Case Law," Southern Economic Association meeting, Atlanta, November 1984.
- "A General Theory of Hedonic Pricing of Capital as a Factor of Production," Southern Economic Association meeting, Washington, November 1983.

## ECONOMIC TESTIMONY

Testimony before the Public Service Commissions of Alabama, Louisiana, North Carolina, and South Carolina on behalf of the Reseller Coalition, various docket numbers, August 2010.

In the United States District Court for the Middle District of Tennessee: Owner-Operator Independent Drivers Association Inc. v. Keith Bissell, No. 3-90-0251, March 1992, (Affidavit).

Before the Federal Communications Commission: Represcribing the Authorized Rate of Return for Interstate Services of Local Exchange Companies, CC Docket No. 89-624, March 1990.

Before the Tennessee General Assembly: various Committees, 1994 - present.

Before the Tennessee Advisory Commission on Intergovernmental relations:  
"Report on Pole Attachment Rate Study," with Reuben Kyle, January 18, 2007.

Before the Tennessee Regulatory Authority (docket numbers in parentheses):

Petition of Chattanooga Gas Company for General Rate Increase, Implementation of the EnergySmart Conservation Programs, and Implementation of a Revenue Decoupling Mechanism, (09-00183), April 2010.

Petition of Piedmont Natural Gas Company, Inc. to Implement a Margin Decoupling Tracker (MDT) and Related Energy Efficiency and Conservation Programs, (09-00104), December 2009.

Tennessee Rural Coalition Petition for Suspension and Modification Pursuant to 47 U.S.C. 1251(f)(2), (06-00228), May 2007.

Complaint of US LEC of Tennessee, Inc. against Electric Power Board of Chattanooga (02-00562), Feb. 2004.

Before the Tennessee Public Service Commission\* (docket numbers in parentheses):

BellSouth D/B/A South Central Bell (95-02614) October 1995.\*\*

United Telephone - Southeast (95-02615) September 1995.

United Telephone - Southeast (93-04818) January 1994.\*\*

Chattanooga Gas Company (93-06946) December 1993.

South Central Bell Tariff 93-039 (93-03038) May 1993.\*\*

South Central Bell (92-13527, et al) April 1993.\*\*

Kingsport Power Co. (92-04425) October 1992.

United Cities Gas Co.(92-02987) Sept. 1992.

L & L Trucking, Inc. (91-06786) February 1992.\*\*

Chattanooga Gas Company (91-03765) October 1991.

GTE South (91-05738) August 1991.\*\*

Nashville Gas Company (91-02636) August 1991.

Intra-LATA "Competition" (89-11065, et al) Feb. 1991.

United Intermountain Tel. Co.(90-07832) Dec. 1990.\*\*

Kingsport Power Company (90-05736) Nov. 1990.\*\*

AT&T - South Central States (90-07460) Oct. 1990.\*\*

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\* Written (prefiled) testimony on cost of capital, rate design, competitive effects, and/or other issues.

\*\* Oral testimony as well as written.

L & L Trucking (90-03514; 90-04786) August 1990.\*\*  
South Central Bell Tel. Co. (90-05953) August 1990.\*\*  
GTE South (90-01273) June 1990.  
Radio Common Carriers (89-11234) Nov. 1989.\*\*  
Nashville Gas Co. (89-10491) Oct. 1989.  
United Cities Gas Co. (89-10017) Sept. 1989.  
Crockett Telephone Co. (89-02325) May 1989.  
ALLTEL Tennessee (89-02324) May 1989.  
West Tennessee Telephone Co. (89-02323) May 1989.  
Peoples Telephone Co. (89-02322) May 1989.  
Ooltewah-Collegedale Telephone Co. (89-02321) May 1989.  
Kingsport Power Co. (89-02126) March 1989.\*\*  
Chattanooga Gas Co. (88-01363) February 1989.\*\*  
Tennessee-American Water Co. (U-87-7534) March 1988.  
Tellico Telephone Co. (U-87-7532) February 1988.  
Claiborne Telephone Co. (U-87-7508) November 1987.\*\*  
Nashville Gas Co. (U-87-7499) October 1987.\*\*  
Kingsport Power Co. (U-86-7472) May 1987.\*\*  
United Cities Gas Co. (U-86-7442) February 1987.\*\*  
General Telephone of the South (U-86-7437) Nov. 1986.\*\*





# DAVID W. PETERS CPA/MBA

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## SKILLS SUMMARY

Results-driven accounting/finance manager with multiple years of increasing responsibilities. Adept at providing management with documented solutions that add value to business. Broad areas of expertise in budgeting/forecasting, project management, consolidations, inventory control, internal controls and vendor/supplier management. Technical skills include all Microsoft products, Oracle 11i and Hyperion Essbase.

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## PROFESSIONAL EXPERIENCE

### STATE OF TENNESSEE

*Office of the Attorney General*

#### ***Financial Regulatory Analyst, Consumer Advocate and Protection Division*** 2008-Present

Responsible for performing financial reviews of public utilities for purposes of proposed rate increases. In this capacity, act as consumer advocate for Tennessee rate payers in these hearings before the Tennessee Regulatory Authority (TRA). Duties include extensive use of Excel and PowerPoint in preparing workpapers for public hearings.

- Perform detailed financial analysis and review of utilities financial statements.
- Write testimony for public hearings at the TRA and do actual testifying at these hearings

### DELL INC. Nashville, TN

*Global Computer Manufacturer – Revenues approx. \$60B 2007*

#### ***Senior Financial Consultant, North America Fulfillment Centers*** 2004-2008

Responsible for all Financial Planning & Analysis for Dell Inc. Merge and Fulfillment Centers (Reno, NV Austin, TX, Nashville, TN and Cincinnati, OH have managed all sites at various times. Duties include monthly close, quarterly forecasts, balance sheet reviews and all control testing of operations on a quarterly or semi-annual basis).

- Managed startup of small package fulfillment center in Cincinnati (428K square feet and approximately 600 employees).
- Oversaw audit and SOX testing for Dell's 3<sup>rd</sup> party S&P hardware and software businesses.
- Implemented weekly operational scorecard for operations partners that shows all metrics to pro-actively manage the business (volumes, cost per order, direct labor statistics, inventory control).
- Extensive training experience with financial analysts across Dell Inc. North America.
- Key member of steering committee that implemented consistent business controls testing and SOX testing across Dell Inc.

OMAN-GIBSON ASSOCIATES LLC Nashville, TN

*Health Care Facility Development, Construction and Management Company – privately held*

***Director of Facilities Management and Lease Administration***

**2002 - 2004**

Responsible for developing and overseeing a 24/7 call center providing Facilities Management and Lease Administration to 200+ locations (1.5M square feet) in 15 states. Duties include supervising eight employees and overall management of a turn-key operation that handled over 3,000 work orders annually and utilizes 3,000 suppliers.

- Managed project launch involving contract negotiations, call center and database development.
- Oversaw audit of 200+ leases and subsequent integration into new Lease Administration software.
- Maintained 93% satisfaction level with client regarding call center operations.
- Provided client with comprehensive monthly metrics package, thus enabling client to reallocate budget dollars effectively to areas in facilities that needed additional maintenance work.

NORTEL NETWORKS INC., Nashville, TN

*Global Telecommunications and Internet related networking supplier - \$17.5B revenues 2001*

***Business/Program Manager, Teleworking Solutions***

**1992 - 2002**

Responsible for developing Nortel Networks original Telecommuting Program that resulted in audited real estate savings of \$20M+ annually. In this role, assumed all aspects of financial business operations as well as developing logistics for 20K+ telecommuters.

- Developed sensitivity analysis pricing model for internal program budget issues.
- Implemented inventory/supply chain for all new customer equipment requirements.
- Completed and revised \$30M Telecommuting/Remote Access budget; – responsible for all financial aspects of internal business.
- Designed business case model to track costs versus savings of Telecommuting Program.
- Conducted financial analysis relating to all new product/technology introductions for program.

***Held various responsible positions such as Accounting Supervisor, Headquarters Control, Consolidations, Fixed Assets and Royalty Accounting at Nortel Networks***

**Prior to 1992**

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**EDUCATION & PROFESSIONAL ACCREDITATION**

Jack Massey Graduate School of Business, Belmont University, (Nashville, Tennessee)

**Masters of Business Administration (1995, 3.4 GPA)**

Tennessee Technological University, (Cookeville, Tennessee)

**Bachelor of Science, Business (1983)**

**Certified Public Accountant, State of Tennessee (License 15299 Active Status)**

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**Dockets- Testimony**

TRA #09-00183 Chattanooga Gas Company

Direct Testimony: <http://www.state.tn.us/tra/orders/2009/0900183bp.pdf>

TRA #09-00056 Cartwright Creek

Direct Testimony: <http://www.state.tn.us/tra/orders/2009/0900056t.pdf>

TRA #09-00034 Lynwood Utilities

Direct Testimony: <http://www.state.tn.us/tra/orders/2009/0900034l.pdf>

TRA #08-00197 Atmos Energy Corporation

Direct Testimony: <http://www.state.tn.us/tra/orders/2008/0800197aa.pdf>



## **John W. Hughes, CFP, CPA**

617 Ploughmans Bend Drive

Franklin, Tennessee 37064-4259

Home (615) 599-1249 – Cell (615) 479-2232 - jhughesfranklin@yahoo.com

### **Skills**

**Public accounting, Auditing, Payroll, Budgeting, Accounts Receivable/Payable, Financial Analysis, Personal Financial Statements, Financial Planning, Controllorship**

**Taxes: Corporate, Partnership/LLC, Non Profit, Individual, TN Corporate & Personal, Payroll-Federal Forms 940 & 941, TN Unemployment**

**Computer: UBCC Accounting, UltraTax, ProSystems Tax, MS Excel, MS Word, MS Outlook Express, Quickbooks (Pro), TurboTax**

### **Professional Experience**

**Accounting Manager** – Business Management Associates – 2007 – July, 2009

- Public accounting for small businesses, professionals, and non-profits
- Perform financial analysis of profit or loss trends and document causes
- Prepare 1120/1120S, LLC, 1065, and 990 Federal and TN tax returns
- Prepare Federal and TN tax returns for individuals
- Prepare various management reports and personal financial statements

**IRS Income Tax Assistance Program** – Nashville IRS 2004 - 2007

- Preparation of individual tax returns for low-income persons/families/elderly individuals

**Independent CPA** – John W. Hughes, CPA, PA. 1993 - 2004

- Controllor services for small corporations
- Performance of AICPA guideline audits and reviews of financial statements and notes
- Preparation of corporate financial statements and necessary corporate tax filings
- Preparation of individual tax returns

**Certified Financial Planner** – Pension Management 1997- 2002

- Provided pension planning and investment concepts for 401K and 403B plans

**Controller** – Commercial Chemical Products, Inc. 1995-1997

- Maintained all corporate accounting, payroll, and tax records
- Performed constant cash flow analysis to maintain balance between A/R and A/P
- Prepared weekly management reports.; prepared weekly payroll checks & reports
- Prepared monthly accounting statements, tax reports, accounts analysis
- Prepared payroll filings- employee withholding, FICA, insurances
- Functioned as human resource officer of the organization of over 100 employees.
- Transitioned the company to a new, very advanced accounting software program

### **Education & Certifications**

Bachelors Degree – Accounting – University of Pittsburgh, Pittsburgh, Pa.

M B A – Finance – Dowling College, Oakdale, NY.

Certified Public Accountant – Florida International University, Miami, Fl.

Certified Financial Planner – College for Finance Planning, Denver, Co.

CPA Licensee – Tennessee, Florida      CFP Licensee – All States

**Dockets- Testimony**

TRA #09-00183 Chattanooga Gas Company

Direct Testimony: <http://www.state.tn.us/tra/orders/2009/0900183bv.pdf>

TRA #10-00108 BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee

Direct Testimony: <http://www.state.tn.us/tra/orders/2010/1000108g.pdf>



## **Resume**

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### **William H. Novak**

19 Morning Arbor Place

The Woodlands, TX 77381

Phone: 713-298-1760

Email: halnovak@whnconsulting.com

### **Areas of Specialization**

Over twenty-five years of experience in regulatory affairs and forecasting of financial information in the rate setting process for electric, gas, water and wastewater utilities. Presented testimony and analysis for state commissions on regulatory issues in four states and has presented testimony before the FERC on electric issues.

### **Relevant Experience**

#### **WHN Consulting – September 2004 to Present**

In 2004, established WHN Consulting to provide utility consulting and expert testimony for energy and water utilities. Complete needs consultant to provide the regulatory and financial expertise that enabled a number of small gas and water utilities to obtain their Certificate of Public Convenience and Necessity (CCN) that included forecasting the utility investment and income. Also provided the complete analysis and testimony for utility rate cases including revenues, operating expenses, taxes, rate base, rate of return and rate design for utilities in Tennessee. Assisted American Water Works Company in preparing rate cases in Ohio and Iowa. Provided commercial and industrial tariff analysis and testimony for an industrial intervenor group in a large gas utility rate case. Industry spokesman for water utilities dealing with utility commission rulemaking. Consultant for the North Carolina and Illinois Public Utility Commissions in carrying out their oversight functions of Duke Energy and Peoples Gas Light and Coke Company through focused management audits. Also provide continual utility accounting services and preparation of utility commission annual reports for water and gas utilities.

#### **Sequent Energy Management – February 2001 to July 2003**

Vice-President of Regulatory Compliance for approximately two years with Sequent Energy Management, a gas trading and optimization affiliate of AGL Resources. In that capacity, directed the duties of the regulatory compliance department, and reviewed and analyzed all regulatory filings and controls to ensure compliance with federal and state regulatory guidelines. Engaged and oversaw the work of a number of regulatory consultants and attorneys in various states where Sequent has operations. Identified asset management opportunities and regulatory issues for Sequent in various states. Presented regulatory proposals and testimony to eliminate wholesale gas rate fluctuations through hedging of all wholesale gas purchases for utilities. Also prepared testimony to allow gas marketers to compete with utilities for the transportation of wholesale gas to industrial users.



**Atlanta Gas Light Company – April 1999 to February 2001**

Director of Rates and Regulatory Analysis for approximately two years with AGL Resources, a public utility holding company serving approximately 1.9 million customers in Georgia, Tennessee, and Virginia. In that capacity, was instrumental in leading Atlanta Gas Light Company through the most complete and comprehensive gas deregulation process in the country that involved terminating the utility's traditional gas recovery mechanism and instead allowing all 1.5 million AGL Resources customers in Georgia to choose their own gas marketer. Also responsible for all gas deregulation filings, as well as preparing and defending gas cost recovery and rate filings. Initiated a weather normalization adjustment in Virginia to track adjustments to company's revenues based on departures from normal weather. Analyzed the regulatory impacts of potential acquisition targets.

**Tennessee Regulatory Authority – Aug. 1982 to Apr 1999; Jul 2003 to Sep 2004**

Employed by the Tennessee Regulatory Authority (formerly the Tennessee Public Service Commission) for approximately 19 years, culminating as Chief of the Energy and Water Division. Responsible for directing the division's compliance and rate setting process for all gas, electric, and water utilities. Either presented analysis and testimony or advised the Commissioners/Directors on policy setting issues, including utility rate cases, electric and gas deregulation, gas cost recovery, weather normalization recovery, and various accounting related issues. Responsible for leading and supervising the purchased gas adjustment (PGA) and gas cost recovery calculation for all gas utilities. Responsible for overseeing the work of all energy and water consultants hired by the TRA for management audits of gas, electric and water utilities. Implemented a weather normalization process for water utilities that was adopted by the Commission and adopted by American Water Works Company in regulatory proceedings outside of Tennessee.

**Education**

B.A, Accounting, Middle Tennessee State University, 1981  
MBA, Middle Tennessee State University, 1997

**Professional**

Certified Public Accountant (CPA), Tennessee Certificate # 7388  
Certified Management Accountant (CMA), Certificate # 7880  
Former Vice-Chairman of National Association of Regulatory Utility Commission's Subcommittee on Natural Gas

## Witness & Advisory History for William H. Novak, CPA Selected Cases

### WHN Consulting (2004 - Present)

In September of 2004 I established WHN Consulting to provide utility consulting and expert witness testimony for Energy and Water utilities in addition to accounting services for the preparation and presentation of utility reports to state commissions.

During this time, I prepared testimony and/or presented evidence in the following cases:

Date	Docket/Case	Company/Jurisdiction	Classification	Responsibilities
January 2010	09-0391-WS-AIR	Ohio-American Water Company Ohio Consumers' Counsel	Water Distribution	Rate Design and Class Cost of Service Testimony & Analysis in Ohio-American Water Rate Case on behalf of the Office of the Ohio Consumers' Counsel <a href="http://dis.puc.state.oh.us/TtftToPDF/A1001001A10A05A75430J53420.pdf">http://dis.puc.state.oh.us/TtftToPDF/A1001001A10A05A75430J53420.pdf</a>
December 2009	GUID 9902	CenterPoint Energy Company Texas Attorney General	Natural Gas Distribution	Opposition to CenterPoint Energy's proposed Cost of Service Adjustment tariff on behalf of the State of Texas <<Order Pending>>
May 2009	HS 1349	Chattanooga Manufacturers Assoc	Natural Gas Distribution	Spokesperson for Industrial Natural Gas Users before the Tennessee State Legislature in opposition to Natural Gas Deregulation Bill proposed by Tennessee Natural Gas Utilities <a href="http://triga.granicus.com/MediaPlayer.php?view_id=78&amp;clip_id=1406&amp;meta_id=19755">http://triga.granicus.com/MediaPlayer.php?view_id=78&amp;clip_id=1406&amp;meta_id=19755</a>
July 2008	07-1080-GA-AIR	Vectren Energy Delivery of Ohio Ohio Consumers' Counsel	Natural Gas Distribution	Rate Design and Class Cost of Service Testimony & Analysis in Vectren Rate Case on behalf of the Office of the Ohio Consumers' Counsel <a href="http://dis.puc.state.oh.us/TtftToPDF/A1001001A08G24A8544J98566.pdf">http://dis.puc.state.oh.us/TtftToPDF/A1001001A08G24A8544J98566.pdf</a>
December 2009 December 2008 December 2007 August 2006	05-00251	Bristol TN Essential Services Tennessee Regulatory Auth.	Electric & Telephone	Compliance Audit of Cost Allocation Manual (CAM) <a href="http://www.state.in.us/tra/orders/2005/0500251am.pdf">www.state.in.us/tra/orders/2005/0500251am.pdf</a> <a href="http://www.state.in.us/tra/orders/2005/0500251aq.pdf">www.state.in.us/tra/orders/2005/0500251aq.pdf</a> <a href="http://www.state.in.us/tra/orders/2005/0500251at.pdf">www.state.in.us/tra/orders/2005/0500251at.pdf</a>
October 2007 August 2009	07-0723-EL-JUNC 07-0874-EL-JUNC	Duke Energy - Ohio Public Utilities Comm of Ohio	Electric Distribution	Focused Management Audit of Fuel & Purchased Power (FPP Riders) WHN Consulting as a Subcontractor to Liberty Consulting Group Responsible for Financial Issues of the Audit <a href="http://dis.puc.state.oh.us/TtftToPDF/A1001001A07K01B62112C41282.pdf">http://dis.puc.state.oh.us/TtftToPDF/A1001001A07K01B62112C41282.pdf</a> <a href="http://dis.puc.state.oh.us/TtftToPDF/A1001001A09E15B60440D49290.pdf">http://dis.puc.state.oh.us/TtftToPDF/A1001001A09E15B60440D49290.pdf</a>
September 2007	08-0556	Peoples & North Shore Gas Cos Illinois Commerce Commission	Natural Gas Distribution	Management Audit of Gas Purchasing Practices WHN Consulting as a Subcontractor to Liberty Consulting Group Responsible for Accounting Issues of the Audit <a href="http://www.icc.illinois.gov/docket/files.aspx?no=08-0556&amp;docket=122643">www.icc.illinois.gov/docket/files.aspx?no=08-0556&amp;docket=122643</a>
August 2007	07-00105	Atmos Energy Corporation Tennessee Regulatory Auth.	Natural Gas Distribution	Rate design for Industrial Intervenor Group <a href="http://www.state.in.us/tra/orders/2007/0700105cb.pdf">www.state.in.us/tra/orders/2007/0700105cb.pdf</a>
December 2006	08-00281	AUI, LLC Tennessee Regulatory Auth.	Natural Gas Distribution	Establishment of initial rates for a new utility <a href="http://www.state.in.us/tra/orders/2006/0600281m.pdf">www.state.in.us/tra/orders/2006/0600281m.pdf</a>
July 2006	05-00258	Atmos Energy Corporation Tennessee Regulatory Auth.	Natural Gas Distribution	Rate design for Industrial Intervenor Group <a href="http://www.state.in.us/tra/orders/2005/0500258cf.pdf">www.state.in.us/tra/orders/2005/0500258cf.pdf</a> <a href="http://www.state.in.us/tra/orders/2005/0500258hd.pdf">www.state.in.us/tra/orders/2005/0500258hd.pdf</a>
July 2006	06-00187	Aqua Utilities Tennessee Regulatory Auth.	Water & Wastewater	Entire Rate Case (Rate Base, Revenues, Expenses, Rate of Return, Rate Design) <a href="http://www.state.in.us/tra/orders/2006/0600187.pdf">www.state.in.us/tra/orders/2006/0600187.pdf</a>

# **Witness & Advisory History for William H. Novak, CPA** **Selected Cases**

## **AGL Resources (1999 - 2003)**

AGL Resources is the holding company of Atlanta Gas Light Company (Georgia), Chattanooga Gas Company (Tennessee) and Virginia Natural Gas Company (Virginia). In 1999, I was hired by AGL Resources as the Director of Rates & Regulatory Analysis. At this time, Atlanta Gas Light Company was going through retail deregulation by the Georgia Public Service Commission. As a result, I was actively involved in several dockets.

During this time, I prepared testimony and/or presented evidence in the following cases:

Date	Docket/Case	Company/Jurisdiction	Classification	Responsibilities
September 2002	02-00383	CGC Fixed Rate PGA Tennessee Regulatory Auth.	Natural Gas Distribution	Technical Testimony for an annual fixed gas rate proposal in Tennessee. <a href="http://www.state.tn.us/tro/troorders/2002/0200383.pdf">www.state.tn.us/tro/troorders/2002/0200383.pdf</a>
March 2002	PUE-02-00237	VNG Weather Normalization Adj. Virginia State Corp. Commission	Natural Gas Distribution	Technical Testimony for a Weather Normalization Adjustment in Virginia.
February 2002	2001-220-G	South Carolina Retail Unbundling PSC of South Carolina	Natural Gas Distribution	Unbundling Rate Theory and Recommendations to the South Carolina PSC.

# Witness & Advisory History for William H. Novak, CPA Selected Cases

## Tennessee Regulatory Authority (1994 - 1999, 2003 - 2004)

In 1994, the Tennessee Legislature created the Tennessee Consumer Advocate's Office of the Attorney General to advocate cases before the renamed Tennessee Regulatory Authority. As Chief of the Energy & Water Division of the Tennessee Regulatory Authority, I was responsible for leading a team to investigate all electric, gas and water rate cases and advise the TRA Commissioners on the proper course of action based on the evidence in the record. The documentation of this analysis is reflected in the TRA Orders.

During this time, I analyzed information and advised the TRA Directors (formerly Commissioners) in the following major rate cases:

Date	Docket/Case	Company	Classification	Responsibilities
August 2004	04-00034	Chattanooga Gas Company	Gas Distribution	Rate Base, Revenues, Expenses, Taxes and Rate Design recommendations <a href="http://www.state.tn.us/tra/orders/2004/0400034so.pdf">www.state.tn.us/tra/orders/2004/0400034so.pdf</a>
September 2003	03-00313	Nashville Gas Company	Gas Distribution	Rate Base, Revenues, Expenses, Taxes and Rate Design recommendations <a href="http://www.state.tn.us/tra/orders/2003/0300313pt.pdf">www.state.tn.us/tra/orders/2003/0300313pt.pdf</a>
July 2003	03-00118	Tennessee-American Water Co	Water Distribution	Rate Design recommendations <a href="http://www.state.tn.us/tra/orders/2003/0300118cw.pdf">www.state.tn.us/tra/orders/2003/0300118cw.pdf</a>
April 1998	97-00982	Chattanooga Gas Company	Gas Distribution	Rate Base, Revenues, Expenses, Taxes and Rate Design recommendations
November 1996	96-00977	Nashville Gas Company	Gas Distribution	Rate Base, Revenues, Expenses, Taxes and Rate Design recommendations
October 1996	96-00959	Tennessee-American Water Co	Water Distribution	Rate Base, Revenues, Expenses, Taxes and Rate Design recommendations

# Witness & Advisory History for William H. Novak, CPA Selected Cases

## Tennessee Public Service Commission (1982 - 1993)

Until 1994, the Tennessee Public Service Commission had oversight of public utilities in Tennessee with elected Commissioners. During this time, the Staff of the TPSC carried out the advocacy role in cases coming before the Commission.

During this time, I analyzed information and testified before the TPSC Commissioners in the following major rate cases:

Date	Docket	Company	Classification	Responsibilities
December 1993	93-06946	Chattanooga Gas Company	Natural Gas Distribution	Revenues, Gas Cost, Income Taxes, Rate Design.
August 1993	93-02943	Tennessee-American Water Co.	Water Distribution	Revenues, Income Taxes, Rate Design.
April 1993	92-14631	Generic Docket (FAS 106 Costs)	All Utilities	Entire Case.
October 1992	92-04425	Kingsport Power Company	Electric Distribution	Revenues, Expenses, Income Taxes.
August 1992	91-03765	United Cities Gas Company	Natural Gas Distribution	Revenues, Gas Cost, Income Taxes, Rate Design.
September 1991	91-03765	Chattanooga Gas Company	Natural Gas Distribution	Revenues, Gas Cost, Income Taxes, Rate Design.
August 1991	91-02636	Nashville Gas Company	Natural Gas Distribution	Revenues, Gas Cost, Income Taxes, Rate Design.
February 1991	90-06876	Chattanooga Gas Company	Natural Gas Distribution	Sales Adjustment Mechanism.
November 1990	90-06735	Kingsport Power Company	Electric Distribution	Entire Case.
April 1990	89-15388	Tennessee-American Water Co.	Water Distribution	Entire Case.
November 1989	89-10491	Nashville Gas Company	Natural Gas Distribution	Revenues, Gas Cost, Storage Investment and Expense, Income Taxes, Rate Design.
October 1989	89-10017	United Cities Gas Company	Natural Gas Distribution	Revenues, Gas Cost, Storage Investment and Expense, Income Taxes, Rate Design.
March 1989	89-02126	Kingsport Power Company	Electric Distribution	Entire Case.
February 1989	88-01953	Chattanooga Gas Company	Natural Gas Distribution	Revenues, Expenses, Income Taxes, Rate Design.
August 1988	U-88-7559	Millington Telephone Company	Telephone	Revenues, Expenses, Income Taxes, Working Capital.
March 1988	U-87-7534	Tennessee-American Water Co.	Water Distribution	Entire Case.
January 1988	U-87-7521	Lynwood Utility Company	Wastewater Distribution	Revenues, Gas Cost, Income Taxes.
October 1987	U-87-7499	Nashville Gas Company	Natural Gas Distribution	Revenues, Expenses, Rate Base, Taxes.
May 1987	U-86-7472	Kingsport Power Company	Electric Distribution	Revenues, Gas Cost, Income Taxes, Rate Base.
January 1987	U-86-7442	United Cities Gas Company	Natural Gas Distribution	Rate Base.
May 1986	U-86-7402	Tennessee-American Water Co.	Water Distribution	Revenues, Gas Cost, Uncollectible Expense.
September 1985	U-85-7382	Chattanooga Gas Company	Natural Gas Distribution	Revenues and Gas Cost, Wages and Benefits, Inflation Factor
May 1985	U-84-7333	Nashville Gas Company	Natural Gas Distribution	Wages, Benefits, Distribution & Support Services, Other Miscellaneous Expenses.
January 1985	U-84-7315	South Central Bell Telephone Co.	Telephone	Revenue and Purchased Power Expense.
October 1984	U-84-7308	Kingsport Power Company	Electric Distribution	Revenues, Expenses and Taxes.
June 1984	U-83-7277	Tennessee-Virginia Energy Corp.	Natural Gas Distribution	Revenues, Expenses and Taxes.
November 1983	U-83-7247	General Telephone Company	Telephone	Operating Expenses and Payroll Taxes.
September 1983	U-83-7234	Tennessee Telephone Company	Telephone	Calculation of Salaries & Wages and payroll related benefits.
May 1983	U-82-7211	United Cities Gas Company	Natural Gas Distribution	