

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

**PETITION OF TENNESSEE-AMERICAN)
WATER COMPANY TO ADOPT ANNUAL)
REVIEW MECHANISM AND ARM)
TARIFF PURSUANT TO TENN. CODE)
ANN. § 65-5-103(d)(6))**

DOCKET NO. 25-00089

DIRECT TESTIMONY AND EXHIBITS

OF

MARK E. GARRETT

ON BEHALF OF

CITY OF CHATTANOOGA (“COC”)

February 3, 2026

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I. WITNESS IDENTIFICATION AND PURPOSE OF TESTIMONY

1 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A: My name is Mark Garrett. I am the President of Garrett Group Consulting, Inc., a
3 consulting firm specializing in public utility regulation and litigation. My business address
4 is 4028 Oakdale Farm Circle, Edmond, Oklahoma, 73013.

5

6 **Q: PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND YOUR
7 PROFESSIONAL EXPERIENCE RELATED TO UTILITY REGULATION.**

8 A: I am a licensed attorney and a certified public accountant. I work as a consultant in public
9 utility regulation. I received my bachelor's degree from the University of Oklahoma and
10 completed post-graduate hours at Stephen F. Austin State University and at the University
11 of Texas at Arlington and Pan American. I received my juris doctorate degree from
12 Oklahoma City University Law School and was admitted to the Oklahoma Bar in 1997. I
13 am a Certified Public Accountant licensed in the States of Texas and Oklahoma with a
14 background in public accounting, industry, and utility regulation.

15 In public accounting, as a staff auditor at a firm in Dallas, I primarily audited
16 financial institutions in Texas. In private industry, as Controller for a mid-sized (\$300
17 million) corporation in Dallas, I managed the Company's accounting function, including
18 the general ledger, accounts payable, financial reporting, audits, tax returns, budgets,
19 projections, and the supervision of accounting personnel. In utility regulation, I served as
20 an auditor in the Public Utility Division of the Oklahoma Corporation Commission from
21 1991 to 1995, auditing the major Oklahoma gas and electric utility companies.

22 Since my departure from the Oklahoma Corporation Commission, I have worked

1 on numerous rate cases and other regulatory proceedings on behalf of various consumers,
2 consumer groups, public utility commission staffs and offices of attorneys general. I have
3 provided testimony before the public utility commissions in the states of Alaska, Arizona,
4 Arkansas, Colorado, Florida, Indiana, Massachusetts, Nevada, Oklahoma, Pennsylvania,
5 Texas, Utah, and Washington. My clients include industrial customers and groups of
6 customers, hospitals and hospital groups, universities, municipalities, and large
7 commercial customers. I have also testified on behalf of the commission staff in Utah and
8 the offices of attorneys general in Oklahoma, Indiana, Washington, Nevada, and Florida.
9 I have also served as a presenter at the NARUC subcommittee on Accounting and Finance
10 on the issue of incentive compensation, and as a regular instructor at the New Mexico State
11 University's Center for Public Utilities course on basic utility regulation. I have attached
12 Appendix A which contains a more complete description of my qualifications and a list of
13 the regulatory proceedings in which I have been involved.

14
15 **Q: HAVE YOUR QUALIFICATIONS BEEN ACCEPTED BY THE TENNESSEE**
16 **PUBLIC UTILITY COMMISSION?**

17 A: Yes, they have. A complete description of my qualifications and a list of the proceedings
18 in which I have been involved are attached as Exhibit MG-1.

19
20 **Q: ON WHOSE BEHALF ARE YOU APPEARING IN THESE PROCEEDINGS?**

21 A: I am appearing on behalf of the City of Chattanooga ("COC").
22

1 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

2 A: The purpose of my testimony is to review the petition of Tennessee-American Water
3 Company (“TAWC” or “Company”), to address the proposed Alternative Regulatory
4 Method, and to provide recommendations to the Tennessee Public Utility Commission
5 (“Commission”).
6

7 **Q: TO THE EXTENT THAT YOU DO NOT ADDRESS A SPECIFIC ITEM OR**
8 **ADJUSTMENT PROPOSED BY TAWC, SHOULD THAT BE CONSTRUED TO**
9 **MEAN THAT YOU AGREE WITH THE COMPANY’S PROPOSAL FOR THAT**
10 **ITEM?**

11 A: No. The omission of specific adjustments or amounts proposed by TAWC from my
12 testimony does not indicate my approval of those adjustments or amounts, but rather that
13 the scope of my testimony is limited to the specific items addressed herein.

14 **II. SUMMARY OF RECOMMENDATIONS**

15 **Q: PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**

16 A: I recommend that the Tennessee Public Utility Commission reject TAWC’s request to
17 implement its Annual Review Mechanism (“ARM”) for several reasons:

18 1. TAWC’s proposed ARM is the opposite of a well-designed
19 performance-based plan. Under the proposed ARM, if TAWC performs
20 poorly – *i.e.*, fails to control its costs and achieves lower net earnings – it
21 merely presents these poor results to the Commission each year and
automatically receives more money through higher rates.

22 2. The reduction in regulatory lag through the ARM is only a benefit to
23 the utility, not to customers. The fact that utilities accept the risk of
24 regulatory lag is one of the main reasons that utilities are awarded a return
25 on equity (ROE) above the level of “risk-free” capital. Without the risk of
26 regulatory lag, a utility’s authorized ROE should be set much closer to a

1 risk-free rate of return, much lower than the current authorized returns.

2 3. Cost control incentives are greatly diminished with formula rates.
3 Because annual expedited rate reviews automatically adjust rates to
4 whatever the utility's annual cost increases are, there is no incentive for a
5 utility to control costs. There are certainly no cost control constraints
6 comparable to a traditional ratemaking approach. Regulatory lag provides
7 tremendous regulatory cost-control incentives and oversight.

8 4. The primary purpose and result of TAWC's proposed ARM would be
9 to allow rate recovery on ever-increasing cost levels with less regulatory
10 oversight. Moreover, the Company states it will not track which rate areas
11 require capital investment,¹ it does not identify or record the location of
12 recurring projects by latitude and longitude,² and that submitting this
13 information "is counter to the intent of the Annual Review Mechanism."³
14 As such, the proposed ARM is not designed to provide accurate price
15 signals and is likely to increase the subsidization of the rural systems by
16 spreading the annual increases across all systems rather than tracking and
17 recovering cost from those systems for which the costs were incurred.

18 5. I provide examples from other jurisdictions in which annual formula
19 rate mechanisms have resulted in significantly higher rate increases and
20 reduced regulatory oversight compared to traditional ratemaking methods.

21 6. I discuss the reasons the currently available alternative rate mechanisms
22 preferable to the ARM and are sufficient and make the ARM unnecessary.

23 Finally, I recommend, in the alternative, that if the Commission is inclined to approve an
24 ARM, there are material changes required to avoid unjust and unreasonable rates. These
25 changes include: (1) normalization adjustments for unusual expenditures; (2) no deferral
26 of under-recovered costs or retroactive recovery through the ARM; (3) a percentage rate
27 cap on annual increases; (4) pre-approval dockets for planned capital expenditures; (5)
28 periodic rate cases required at least every 4 years. (6) a strict sunset on the ARM, (7) a

¹ See TAWC response to COC DR 1-2.

² See TAWC response to COC DR 1-2.

³ *Id.*

1 significant mandatory reduction of the utility’s authorized ROE, and (8) a requirement to
2 separately track capital investments by rate zone.

III. TAWC’S ANNUAL REVIEW MECHANISM SHOULD BE REJECTED

3 **Q: PLEASE SUMMARIZE TAWC’S ANNUAL REVIEW MECHANISM.**

4 A: TAWC proposes to replace traditional rate regulation and existing cost recovery riders with
5 an Annual Review Mechanism (“ARM”) that would provide for an annual earnings
6 reconciliation and automatic rate adjustment. Under the proposed ARM, TAWC would
7 compare its actual historic-year earnings to the authorized return on equity approved in the
8 2024 Rate Case (Docket No. 24-00032).⁴ Any earnings shortfall would be deferred as a
9 regulatory asset and recovered from customers through a surcharge in the following year,
10 while any over-earnings would be refunded through a sur-credit.⁵

11
12 **Q: PLEASE SUMMARIZE THE COMPANY’S RATIONALE FOR THE ARM.**

13 A: TAWC asserts that the ARM will provide more timely recovery of costs and eliminate the
14 need for frequent, time-consuming, and expensive general rate cases.⁶ The Company
15 contends that annual reconciliation using historical data will increase transparency, reduce
16 administrative burden, and ensure that it earns no more and no less than its authorized
17 return on equity (“ROE”).⁷

⁴ See Direct Testimony of Robert C. Lane, p. 9.

⁵ *Id.*

⁶ *Id.* at 6.

⁷ *Id.*

1 **Q: PLEASE DESCRIBE HOW THE PROPOSED ARM WOULD WORK IN**
2 **PRACTICE.**

3 A: Each year, TAWC would file an ARM petition based on a historic test year coinciding with
4 the prior calendar year.⁸ The Company would calculate its actual revenues, expenses, and
5 average rate base, apply specified rate-making adjustments adopted in the 2024 Rate Case,
6 and determine whether it earned above or below its authorized 9.70% ROE.⁹ Any earnings
7 deficiency would be deferred and recovered from customers through an automatic
8 surcharge applied to all customer classes and rate areas, with carrying charges.¹⁰
9 Importantly, the proposal includes no opportunity for normalization of abnormal costs, no
10 cap on annual increases, and no contemporaneous prudence review of the Company's
11 capital expenditures.

12
13 **Q: PLEASE SUMMARIZE THE PRIMARY REASONS THE COMMISSION**
14 **SHOULD REJECT TAWC'S PROPOSED ARM**

15 A: The proposed ARM should be rejected because (1) it eliminates regulatory lag, (2) it
16 removes essential cost-control incentives, (3) it shifts virtually all business risk from
17 shareholders to ratepayers, and (4) it allows the Company to retain a 9.7% ROE which is
18 inappropriately high in light of the Company's dramatically reduced risk profile under an
19 ARM. Moreover, certain features of the Company's proposed ARM are especially
20 problematic and contrary to regulatory policy goals. For example, the ARM exacerbates

⁸ *Id.* at 8.

⁹ *Id.* at 14–15.

¹⁰ *Id.* at 14.

1 subsidizations by recovering investments made in one district from ratepayers in other
2 districts that receive no benefit from these investments. Because the ARM has no upper
3 limit rate cap for annual increases, it essentially creates a “blank check” for annual
4 investment and increases without opportunity for meaningful prudence review. Second, the
5 Company seeks to utilize the ARM for retroactive ratemaking adjustments by annually
6 calculating its deferral of under-recoveries to be collected automatically in the following
7 year. Taken together, these features are inconsistent with foundational ratemaking
8 principles and will not produce just and reasonable rates.

A. Regulatory lag is an essential feature of utility regulation.

9 **Q: HOW DOES TAWC CHARACTERIZE REGULATORY LAG IN SUPPORT OF**
10 **ITS PROPOSED ARM?**

11 A: TAWC characterizes regulatory lag as a problem inherent in traditional ratemaking, citing
12 “the Commission’s long-standing precedent of minimizing regulatory lag.”¹¹ No citations
13 are provided in support of this precedent.

14
15 **Q: DO YOU AGREE WITH THE ASSERTION THAT REDUCING REGULATORY**
16 **LAG IS A BENEFIT FOR CUSTOMERS?**

17 A: No. Reducing regulatory lag is only a benefit to the utility; it is not a benefit to customers
18 at all and should not be touted as such.

19
20 **Q: CAN YOU EXPLAIN WHAT IS MEANT BY “REGULATORY LAG” AND ITS**

¹¹ *Id.* at 8.

1 **ROLE IN UTILITY REGULATION?**

2 A: Regulatory lag is the time between rate cases; in effect, it is the “lag” that occurs from the
3 time a utility’s rates are set in one rate case until its rates are re-set in the next case.
4 Regulatory lag provides multiple ratemaking benefits within the regulatory scheme. First,
5 regulatory lag provides a natural incentive for the utility to control costs between rate cases.
6 If overall net costs decrease between rate cases, the utility keeps the additional profits. If,
7 on the other hand, there is a net increase in overall costs, the utility pays the difference.
8 However, the cost-control incentives created by regulatory lag are only part of the picture.
9 The fact that regulated utilities accept the risk of regulatory lag is one of the main reasons
10 that utilities are awarded a return on equity (ROE) above the level of “risk-free” capital.
11 In other words, without the risk of regulatory lag, a utility’s authorized ROE should be set
12 much closer to a risk-free rate of return, much lower than the current authorized returns.

13 Thus, contrary to the Company’s framing, regulatory lag is *not* an administrative defect,
14 *it is a core feature of traditional cost-of-service regulation.* Regulatory lag provides
15 utilities with a strong incentive to control costs and operate efficiently, because the utility
16 bears the financial consequences of its decisions between rate cases while retaining the
17 opportunity to benefit from superior performance.

18
19 **Q: HOW DOES REGULATORY LAG CONTRIBUTE TO ESTABLISHING JUST**
20 **AND REASONABLE RATES?**

21 A: Regulatory lag is the primary mechanism that promotes cost discipline and prudent

1 investment.¹² Because a utility cannot immediately and automatically pass all cost
2 increases on to customers, it has a strong incentive to avoid unnecessary expenditures and
3 to manage capital carefully. At the same time, regulatory lag preserves the Commission’s
4 ability to periodically review costs in a comprehensive rate case to ensure that the costs are
5 reasonable and prudently incurred. Eliminating regulatory lag removes this built-in
6 efficiency mechanism, decreasing regulatory oversight and increasing the risk of
7 unchecked cost escalation.

8
9 **Q: IS REGULATORY LAG ENTIRELY DISADVANTAGEOUS FOR UTILITIES?**

10 A: No. Regulatory lag cuts both ways. While a utility bears the risk of cost increases between
11 rate cases, it also retains the benefit of higher-than-authorized returns when it outperforms
12 the assumptions embedded in rates. This balanced allocation of risk and reward is
13 intentional--and is a primary justification for the Commission authorizing the utility to earn
14 ROE levels above the cost of risk-free capital. The ARM shifts this landscape. Here,
15 TAWC’s proposal is unfair because it seeks to eliminate virtually all of its downside
16 regulatory and business risks while nevertheless maintaining a 9.7% ROE—a level
17 established based on an entirely different risk profile.

18

¹² Janice Beecher, *Economic Regulation of Utility Infrastructure*, Infrastructure and Land Policy, Lincoln Institute of Land Policy, Cambridge, Massachusetts (2013), p. 106 (“The primary incentive for utilities to control their operating costs comes from the existence of regulatory lag . . . the setting of a price that is fixed until the next rate case” (quoting McDermott, K. A., C. R. Peterson, and R. C. Hemphill. 2006. Critical issues in the regulation of electric utilities in Wisconsin. Thiensville: Wisconsin Policy Research Institute, at 19).

1 **Q: WHAT ARE THE ECONOMIC AND POLICY IMPLICATIONS OF**
2 **ELIMINATING REGULATORY LAG THROUGH THE PROPOSED ARM?**

3 A: Eliminating regulatory lag through a formula rate mechanism fundamentally undermines
4 traditional regulation. The proposed ARM provides near-automatic recovery of costs after
5 the fact, substantially reducing the period during which the utility bears financial
6 responsibility for its spending decisions. This ratemaking approach shifts risk onto
7 ratepayers, who must absorb cost increases without the protections of a full prudence
8 review, discovery, and evidentiary hearing that occur in a traditional rate case proceeding.

9

10 **Q: WHAT INCENTIVE DOES TAWC HAVE TO CONTROL CAPITAL AND**
11 **OPERATING COSTS UNDER ITS PROPOSED ARM?**

12 A: Very little. Under the proposed ARM, any earnings deficiency—regardless of cause—is
13 deferred and recovered from customers, with interest, in the following year. This eliminates
14 the financial consequences of overspending and exacerbates the structural incentive to
15 increase capital investment—a phenomenon known in regulatory economics as the
16 Averch-Johnson effect.¹³ The traditional rate base / rate of return model inherently creates
17 a structural incentive for a utility to favor higher capital spending because a utility earns a
18 return on every dollar of capital investment included in rate base. As a result, it naturally
19 benefits from expanding its investment, even if it does so at levels beyond what is necessary

¹³ Janice Beecher, *Economic Regulation of Utility Infrastructure*, Infrastructure and Land Policy, Lincoln Institute of Land Policy, Cambridge, Massachusetts (2013), p. 108 (“Researchers have estimated the level of overcapitalization at 20 to 30 percent for electricity generation . . .”).

1 or economically efficient. Without meaningful regulatory lag, the ARM removes the
2 primary safeguard that protects captive ratepayers from excessive or inefficient spending.
3 The ARM as proposed would also thwart cost-control because it would fail to provide
4 accurate price signals to customers. By failing to track actual capital and operating
5 expenses by zone or region, the levelized annual rate increases collected automatically
6 through the ARM will tend to promote excessive spending.

7
8 **Q: HOW DOES THE PROPOSED ARM AFFECT THE COMMISSION'S**
9 **OVERSIGHT ROLE?**

10 A: The ARM materially weakens the Commission's oversight. Capital expenditures and
11 operating costs would be reviewed only after they have already been incurred and flowed
12 through rates. Unlike a general rate case, there is no comprehensive evaluation of need,
13 timing, or prudence before customers are charged.

B. TAWC's proposed ARM violates fundamental ratemaking principles.

14 **Q: SHOULD THE COMMISSION APPROVE THE COMPANY'S REQUEST TO**
15 **RECOVER ROE DEFICIENCIES VIA A SURCHARGE IN THE NEXT YEAR?**

16 A: No. TAWC seeks to measure ROE based on the Adjusted Historic Base Period results and
17 recover or refund any revenue deficiency or surplus incurred in the Adjusted Historic Base
18 Period.¹⁴ The problem with this request is that it constitutes impermissible retroactive
19 ratemaking because *it seeks to recover in future rates perceived deficiencies in past rates.*
20 In other words, the ARM retroactively revisits a closed historical period and alters the

¹⁴ *Id.* at 13.

1 financial outcome of that period by allowing the Company to recover revenues it failed to
2 earn under the rates that were in effect at the time service was provided. Allowing the
3 Company to later “true up” its earnings and collect additional revenue for that past period
4 in the following year as TAWC proposes would violate the fundamental principle that rates
5 are final once service has been rendered—a classic example of retroactive ratemaking.

6
7 **Q: WHAT IS THE RULE AGAINST RETROACTIVE RATEMAKING?**

8 A: The rule against retroactive ratemaking comes out of the filed rate doctrine, which is a body
9 of U.S. Supreme Court law that prohibits regulated utilities from charging rates other than
10 the approved rates on file with the commission. The filed-rate doctrine prohibits utilities
11 from directly charging rates other than the filed rate, and the rule against retroactive
12 ratemaking prohibits utilities from *indirectly* doing the same thing. For example, a utility
13 cannot defer costs incurred in one period to be collected in a future period under a new
14 rate. If a deficiency in the filed rate is identified, it can be corrected by the commission,
15 but only on a *prospective* basis. The rule against retroactive ratemaking is explained by
16 Scott Hempling as follows:

17 Once a commission establishes a utility’s rates, the utility must charge only
18 those rates – even if the utility’s costs, sales or cost of equity deviate from
19 the projections underlying the rates. Informed of deviations, the
20 commission can change the rates, but prospectively only. These two legal
21 constraints – the utility can charge only the approved rates, and the
22 commission can change rates only prospectively – come out of the filed rate
23 doctrine and its offspring, the prohibition against retroactive ratemaking.¹⁵

¹⁵ See Scott Hempling, *Regulating Mergers and Acquisitions of U.S. Electric Utilities: Industry Concentration and Corporate Complication*, page 263. (Edward Elgar Publishing 2020).

1 **Q: DOES THE RULE AGAINST RETROACTIVE RATEMAKING MEAN THAT A**
2 **MATERIAL INCREASE IN COSTS CANNOT BE ADDRESSED EXCEPT IN A**
3 **RATE CASE SETTING?**

4 A: No. The prohibition against retroactive ratemaking can be tolled by commission order in
5 any case, but only back to the date of that order, as further explained by Mr. Hempling:

6 A commission can avoid the prohibition against retroactive ratemaking if it
7 gives notice that it might change the previously established rate levels,
8 provided the change is retroactive only to the date of the notice.¹⁶

9 The FERC explained the rule against retroactive ratemaking as follows:

10 The rule against retroactive ratemaking is an outgrowth of the filed rate
11 doctrine and prohibits the Commission from adjusting current rates to make
12 up for over- or under-collections of costs in prior periods.¹⁷

13 **Q: DOES THE FACT THAT THE ARM USES HISTORICAL DATA MAKE IT MORE**
14 **ACCEPTABLE?**

15 A: No. In fact, reliance on purely historical data without normalization further exacerbates
16 the retroactive nature of the proposal. The ARM does not set prospective rates based on
17 expected future costs; instead, it corrects past earnings outcomes based on hindsight. The
18 certainty of historical data does not cure the defect—it confirms that the mechanism is
19 designed to re-price past service rather than set rates prospectively.

20

¹⁶ See Scott Hempling, *Regulating Public Utility Performance: The Law of Market Structure, Pricing and Jurisdiction*, chapter 9 (filed rate doctrine) and chapter 10 (prohibition against retroactive ratemaking) (American Bar Association 2013).

¹⁷ *San Diego Gas & Electric Co.*, 137 FERC 61,191, at n. 20 (2009) (citing *Associated Gas Disribs. v. FERC*, 898 F. 2d 809, 810 (D.C. Cir. 1990)).

1 **Q: HOW IS THIS DIFFERENT FROM A TRADITIONAL GENERAL RATE CASE?**

2 A: In a traditional rate case, historical test year data are used only as a proxy to establish
3 prospective rates. Once those rates take effect, the utility bears the risk that actual results
4 may differ from the assumptions underlying those rates. By contrast, TAWC's ARM uses
5 historical data to calculate an earnings deficiency and then authorizes recovery of that
6 deficiency in future rates. That is precisely what the prohibition against retroactive
7 ratemaking is intended to prevent.

8

9 **Q: WHAT IS THE SIGNIFICANCE OF DEFERRING UNDER-RECOVERIES AS A**
10 **REGULATORY ASSET?**

11 A: By deferring a past earnings shortfall and later collecting it from customers—with
12 interest—the ARM ensures that the Company is made whole for its historical
13 underperformance. This directly contradicts the principle that shareholders, not customers,
14 bear the risk of under-earning between rate cases.

15

16 **Q: DOES THE SYMMETRICAL TREATMENT OF OVER- AND UNDER-**
17 **EARNINGS CURE THE PROBLEM?**

18 A: No. Symmetry does not cure retroactive ratemaking. The rule exists to preserve the finality
19 of approved rates, not merely to ensure mathematical balance. Even if customers receive
20 refunds for over-earnings, the mechanism still impermissibly reopens closed rate periods
21 and replaces prospective ratemaking with retroactive ratemaking.

22

1 **Q: IS TAWC CORRECT THAT THE ‘ALTERNATIVE REGULATORY METHODS’**
2 **STATUTE AUTHORIZES THIS TYPE OF RETROACTIVE ADJUSTMENT?**

3 A: No. Retroactive ratemaking is generally impermissible, and nothing in the statute
4 expressly authorizes the retroactive treatment the Company seeks. The statute does not
5 abrogate the filed-rate doctrine, nor does it convert Commission-approved rates into
6 provisional rates subject to later reconciliation. Section 65-5-103(6)(C) of the statute
7 provides that the Commission shall review an annual filing and “. . . order the public
8 utility to make the adjustments to its tariff rates to provide that the public utility earns the
9 authorized return on equity established in the public utility’s most recent general rate
10 case.”¹⁸

11 There is nothing in the language of this statute to suggest the retroactive adjustments
12 proposed by TAWC. Instead, in keeping with sound ratemaking principles, the statutory
13 language should be applied prospectively only. In other words, this language should be
14 interpreted to mean that annual rates are to be adjusted prospectively each year to allow the
15 utility to recover the authorized return on equity established in the most recent general rate
16 case on a going forward basis. It should not be interpreted to mean that the Company may
17 retroactively recover any ROE deficiencies deferred from the prior year. Interpreting the
18 statute to permit retroactive recovery of any deficiency during the year represents a
19 dramatic departure from long-standing regulatory doctrine, because it results in a complete
20 evisceration of all regulatory lag. Moreover, the statute contains no clear or explicit
21 authorization for such a result. Absent unmistakable legislative direction, the Commission

¹⁸ Tenn. Code Ann. § 65-5-103(6)(C).

1 should not infer an intent to overturn the prohibition against retroactive ratemaking.

2
3 **Q: HOW WOULD IT CHANGE THE COMPANY'S RISK PROFILE IF THE**
4 **STATUTE WERE INTERPRETED TO ALLOW RETROACTIVE RECOVERY**
5 **OF ROE DEFICIENCIES EACH YEAR?**

6 A: If the statute were interpreted as TAWC contends, to allow retroactive recovery of ROE
7 deficiencies, the shareholder's regulatory risk would be effectively eliminated. Under this
8 approach, the Company would be *guaranteed* its authorized ROE regardless of operating
9 performance, cost control, or forecasting accuracy. When a utility faces no risk of under-
10 earning, the appropriate return on shareholder equity collapses toward the cost of its long-
11 term debt. In TAWC's last rate case, Docket No. 24-00032, the return on long-term debt
12 was 4.29% and the return on equity was 9.7%. Equity investors are compensated for the
13 level of risk they assume.

14 If the ARM were implemented in a manner that ensures *full and automatic recovery* of
15 the authorized ROE *after the fact*, then shareholders face no business or regulatory risk.
16 Under this scenario, it would be wholly unreasonable to allow the Company to continue
17 earning the 9.7% ROE it seeks—as this level of return is associated with traditional risk-
18 bearing equity investment—not the guaranteed *retroactive* recovery the Company seeks
19 here. The cost of debt is lower than the cost of equity because (1) it is a guaranteed return
20 each year and (2) it has priority over equity in a disillusion. If equity now becomes a
21 guaranteed return each year, like long-term debt, its cost should be set somewhere much
22 closer to the cost of long-term debt. I do believe that if the Commission authorized an ROE
23 for TAWC near the cost of its long-term debt, customers would be much more receptive

1 of an ARM. In short, the Company is seeking an unbalanced regulatory shift by seeking
2 to continue receiving its high ROE levels despite shifting risk to its customers.

3
4 **Q: HOW IS THE COMPANY'S RISK PROFILE CHANGED IF THE COMMISSION**
5 **INTERPRETS THE STATUTE TO PERMIT ONLY PROSPECTIVE**
6 **ADJUSTMENTS?**

7 A: Even under a purely prospective interpretation of the statute, the ARM would still
8 substantially reduce the Company's risk profile. By eliminating or significantly shortening
9 regulatory lag and by systematically aligning future rates with previously-authorized ROE,
10 the annual review mechanism would significantly reduce uncertainty and shifts risk from
11 shareholders to customers. Because the level of ROE is fundamentally tied to risk, this
12 reduction in risk must also be reflected in a downward adjustment to the Company's
13 authorized ROE. Allowing the Company to retain a traditional ROE while simultaneously
14 insulating it from traditional business and regulatory risks would over-compensate
15 shareholders at the expense of ratepayers.

16
17 **Q: WHAT ARE THE PRACTICAL CONSEQUENCES OF ALLOWING THE**
18 **COMPANY TO ENGAGE IN RETROACTIVE RATEMAKING?**

19 A: Allowing the ARM to be implemented as the Company requests would transform approved
20 rates into provisional rates, subject to annual true-ups based on hindsight. This would
21 eliminate regulatory lag, eliminate business risk, and undermine the incentive structure
22 inherent in traditional ratemaking.

C. Return on Equity (ROE) is an opportunity—not a guarantee.

1 **Q: IS THE AUTHORIZED RETURN ON EQUITY APPROPRIATE UNDER THE**
2 **PROPOSED ARM?**

3 A: No. The 9.70% ROE approved in the Company’s last rate case reflects the risks associated
4 with traditional regulation, including regulatory lag. By eliminating virtually all regulatory
5 lag while seeking to retain the same ROE, the proposed ARM creates a fundamental
6 mismatch between risk and return. If such a mechanism were adopted, basic ratemaking
7 principles would require a substantially lower ROE.

8

9 **Q: WHAT IS THE PURPOSE OF AUTHORIZING A RETURN ON EQUITY IN**
10 **UTILITY RATEMAKING?**

11 A: The authorized return on equity (“ROE”) is not a guarantee of earnings. Rather, it
12 represents an opportunity for the utility to earn a reasonable rate of return if—and only if—
13 it operates efficiently, controls costs, and makes prudent investment decisions. The ROE
14 is designed to compensate investors for the risks they bear, including regulatory lag, cost
15 variability, and operational uncertainty.

16

17 **Q: HOW DOES THE OPPORTUNITY-BASED NATURE OF THE ROE CREATE**
18 **INCENTIVES FOR COST CONTROL?**

19 A: Because a utility is *not* assured of earning the authorized ROE, it has a strong incentive to
20 manage costs carefully and operate efficiently. If the utility controls expenses and
21 investments levels between rate reviews better than assumed in rates, it will earn more than

1 its authorized return. If it performs poorly, it may earn less. This performance-based risk-
2 reward framework is a cornerstone of traditional cost-of-service regulation.

3
4 **Q: DOES TRADITIONAL RATEMAKING GUARANTEE THAT A UTILITY WILL**
5 **EARN ITS AUTHORIZED ROE?**

6 A: No. Under traditional ratemaking, the utility bears meaningful degree financial risk
7 between rate cases. Costs may increase faster than anticipated, investments may not
8 perform as expected, or revenues may fall short. In those circumstances, the utility may
9 under-earn its authorized ROE. That risk motivates a utility to forecast, plan, invest, and
10 manage operations carefully; it is intentional and a critical part of the regulatory compact.
11 The risk borne by shareholders justifies the level of return on investment.

12
13 **Q: HOW DOES TAWC'S PROPOSED ARM CHANGE THIS FRAMEWORK?**

14 A: TAWC's proposed ARM effectively converts the authorized ROE from an opportunity into
15 a guarantee. By annually reconciling earnings and deferring any shortfall for future
16 recovery from customers, with carrying charges, the proposal ensures that the Company
17 will earn essentially its full authorized return regardless of its performance. This
18 dramatically reduces, if not eliminates, the financial risk traditionally borne by
19 shareholders.

20
21 **Q: WHY IS THIS SHIFT PROBLEMATIC FROM A RATEMAKING**
22 **PERSPECTIVE?**

23 A: Financial theory—specifically the Capital Asset Pricing Model (“CAPM”)—dictates that

1 the expected return on an asset is a function of its risk.¹⁹ As risk decreases, the return
2 required to attract capital should also decrease. TAWC's proposal sharply reduces
3 regulatory and business risk while maintaining an ROE level approved in a traditional
4 regulatory context. This creates a misalignment between risk and return and results in
5 excessive compensation of shareholders at the expense of ratepayers.

6
7 **Q: HOW WOULD THIS SHIFT AFFECT INCENTIVES FOR OPERATIONAL**
8 **EFFICIENCY AND COST DISCIPLINE?**

9 A: By guaranteeing recovery of under-earnings, the proposed ARM weakens incentives for
10 cost control. When a utility knows that cost overruns will be deferred and recovered from
11 customers, it has less reason to aggressively manage expenses or scrutinize capital
12 investments. This undermines the very efficiency incentives that justify allowing utilities
13 the opportunity to earn their authorized ROE.

14
15 **Q: WHAT REGULATORY APPROACH REMAINS MOST CONSISTENT WITH**
16 **JUST AND REASONABLE RATES?**

17 A: Periodic general rate cases, combined with regulatory lag, remain the most effective
18 framework for ensuring cost discipline, prudent investment, and balanced risk sharing
19 between utilities and customers. While limited annual review mechanisms may be
20 appropriate in narrow circumstances, TAWC's proposed ARM goes well beyond those

¹⁹ William F. Sharpe, *A Simplified Model for Portfolio Analysis* 277-93 (Management Science IX 1963); see also John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do* 208 (3rd ed., South Western Cengage Learning 2010).

1 bounds and should be rejected.

D. The cost of rate cases is far less than the cost of formula rates.

2 **Q: THE COMPANY ARGUES THAT TRADITIONAL RATE CASES ARE TOO**
3 **TIME-CONSUMING, EXPENSIVE, AND BURDENSOME. DO YOU AGREE?**

4 A: No. While general rate cases do require time and resources, that process is not a defect—
5 it is the mechanism by which regulators protect ratepayers from excessive or imprudent
6 cost escalation. The cost of litigating a rate case must be evaluated in relation to the
7 substantial and recurring savings that result from full regulatory scrutiny. In more than 35
8 years participating in rate cases, it has been my experience that utilities routinely seek rates
9 of return on equity and recovery of costs far in excess of the amounts ultimately approved
10 by regulators—thus indicating that the cost savings to customers from traditional rate case
11 regulation far exceeds the administrative costs of the engaging in process. Moreover, in
12 my experience formula rate plans are demonstrably unfavorable from customers’
13 perspective.

14
15 **Q: HAVE YOU HAD THE OPPORTUNITY TO COMPARE THE REGULATORY**
16 **OUTCOMES OF TRADITIONAL RATEMAKING VERSUS AN ANNUAL**
17 **FORMULA RATE PLAN FOR THE SAME UTILITY OVER THE SAME TIME**
18 **PERIOD?**

19 A: Yes, over the past decade I participated in the rate case proceedings of Oklahoma Gas and
20 Electric Company (“OG&E”), an electric IOU which serves customers in both Oklahoma
21 and Arkansas jurisdictions. In 2017, Arkansas began implementing an annual formula rate

1 plan (“FRP”) with a 4% annual rate cap, while the Oklahoma jurisdiction continued to
2 follow a traditional regulatory approach.

3 Like TAWC, OG&E contended that its annual formula rate plan in Arkansas would
4 promote rate gradualism, increase transparency, reduce regulatory lag without impairing
5 the utility’s ability to control costs. However, after approximately five years, the evidence
6 did not support the utility’s position. OG&E’s customers in Arkansas were charged the
7 maximum 4% rate increase each year under the formula rate plan while in Oklahoma
8 OG&E had two general rate case proceedings which resulted in significant rate decreases
9 for customers in that jurisdiction. The table below compares the FRP rate increases in
10 Arkansas with the rate case decreases in Oklahoma over the same period:

Table 1: Comparison of OG&E’s Arkansas Formula Rate Increases with OG&E’s Oklahoma Traditional Rate Case Orders				
Year	Oklahoma Rate Case Orders	Arkansas FRP Orders	Comparable Increase in OK at 90% Juris	Equivalent Difference
2018	(\$64,000,000) ²⁰	\$0	\$0	
2019	\$0 ²¹	\$3,300,699	\$29,706,291	
2020		\$5,190,529	\$46,714,761	
2021		\$6,679,386	\$60,114,474	
2022		\$6,435,520	\$57,919,680	
Total	(\$64,000,000)	\$21,606,134	\$194,455,206	\$258,455,206

11 This table shows that, over the period of the Arkansas FRP, OG&E experienced a \$64M
12 rate decrease in Oklahoma, through two rate cases, and a \$21.6M increase in Arkansas,

²⁰ See Final Order in Oklahoma Gas & Electric Co., Oklahoma Corp. Comm’n, Case No. PUD 2017-00496 issued June 19, 2018.

²¹ See Final Order in Oklahoma Gas & Electric Co., Oklahoma Cor. Comm’n, Case No. PUD 2018-00140 issued September 19, 2019.

1 through four annual FRP filings. With Arkansas being about 10% of the total company,
2 the comparable increase in Oklahoma would have been \$194.4M if Oklahoma ratepayers
3 had received the same type of increases as the Arkansas ratepayers did. In other words,
4 Oklahoma ratepayers would have had a \$194.4M rate increase rather than the \$64M rate
5 decrease they actually experienced.

6
7 **Q: WHY DO YOU THINK OG&E’S RATE INCREASES IN ARKANSAS WERE SO**
8 **MUCH GREATER THAN IN OKLAHOMA OVER THE SAME TIME PERIOD?**

9 A: Practically speaking, under the FRP the only real limitation on OG&E’s annual rate
10 increase was the 4% statutory cap. In other words, where a utility is allowed to increase
11 rates up to a certain amount each year, it will find justification to do so. Moreover, unlike
12 the Arkansas FRP, TAWC’s proposed ARM here has *no annual cap* on rate increases. This
13 understandably raises even more concerns from customers’ perspective.²²

14
15 **Q: IN YOUR EXPERIENCE, DOES THE ABSENCE OF A RATE CAP MAKE EVEN**
16 **HIGHER REQUESTED RATE INCREASES LIKELY?**

A: Yes. For instance, the City of Dallas receives gas utility service from Atmos under a
formula rate plan, the Dallas Annual Rate Review (“DARR”). The plan does not have an

²² In 2022, after expiration of its first 5-year term under the Arkansas FRP, OG&E sought to extend its FRP for another 5-year period, which was opposed by customers. In its Order, the Arkansas commission found that because of necessary changes to OG&E’s capital structure and due to limitations of Arkansas’ FRRRA statute, it was not in the public interest to extend OG&E’s FRP as the utility requested. See Arkansas Pub. Serv. Comm’n, Docket No. 21-087-U, Order No. 11 (Sept 19, 2022) In denying OG&E’s application to extend the FRP, the APSC stated, “Obviously, OG&E may file a rate case and elect another FRP, in which case the parties and the Commission would undertake to craft a FRP which is in the public interest.”

annual rate cap, and over the past 10 years, the utility has sought significant rate increases each year, as shown in the table below:

Table 2: Dallas Annual Rate Review (DARR) Annual Rate Increases Requested		
Year	Requested Increase (\$Million)	Residential Increase %
2016	\$7.4	8.53%
2017	\$10.7	10.09%
2018	**	** One year Stay Out
2019	\$10.1	4.97%
2020	\$18.3	9.53%
2021	\$9.3	4.43%
2022	\$15.3	6.33%
2023	\$20.7	6.35%
2024	\$47.9	13.90%
2025	\$31.4	9.40%
2026	\$38.1	10.51%

1 In my experience, with an un-capped annual review mechanism, the utility’s requested increases
 2 are much higher and more unpredictable year-over-year, which is not beneficial for ratepayers.
 3 Moreover, with a gas utility like Atmos, which seems to be pricing itself out of the market with
 4 significant annual rate increases, captive customers have the option of switching to electricity. This
 5 option, however, is not available for customers of a water system, so the un-capped rate increases
 6 proposed by TAWC’s ARM would be even more of a problem.

7 **Q: ARE YOU AWARE OF OTHER EVIDENCE THAT CONDUCTING RATE CASES**
 8 **ACTUALLY SAVES RATEPAYERS MONEY AND JUSTIFIES THE COST OF**
 9 **TRADITIONAL REGULATORY OVERSIGHT?**

10 A: Yes. In 2022, officials from the Kentucky Public Service Commission (“KPSC”)
 11 conducted a study examining alternative rate mechanisms which found that while utilities
 12 frequently criticize the time and expense of traditional ratemaking, regulators have
 13 consistently determined that full rate case proceedings produce significant net savings for

1 customers. The study documented numerous cases in which requested revenue increases
2 were substantially reduced through the rate case process, resulting in tens of millions of
3 dollars in avoided rate increases for customers. The KPSC concluded that although the
4 upfront costs of fully litigating a rate case may appear high, those costs “pale in
5 comparison” to the savings achieved by challenging utilities’ revenue requests through
6 comprehensive evidentiary review.

7 The Kentucky study compared utilities’ requested revenue increases to amounts
8 ultimately approved by the Commission across multiple utility rate cases. On average,
9 utilities requested approximately \$57 million per case, while approved increases averaged
10 approximately \$36 million—an average reduction of over \$21 million per case. These
11 reductions represent permanent savings for customers that recur year after year, far
12 outweighing the one-time administrative costs associated with litigating a rate case. In
13 other words, the expense of the regulatory process is a small fraction of the ratepayer
14 savings generated by that process.

15
16 **Q: WHY IS THIS FINDING RELEVANT TO THE COMMISSION’S EVALUATION**
17 **OF TAWC’S PROPOSED ARM?**

18 A: TAWC’s proposal is premised on the assertion that annual formula-style rate adjustments
19 are preferable because they avoid the time and expense of traditional rate cases. However,
20 the examples cited above demonstrate that reducing regulatory scrutiny in the name of
21 efficiency can be far more costly to ratepayers in the long run. The savings achieved
22 through full rate case reviews dwarf the costs of the process, particularly when compared
23 to automatic or near-automatic recovery mechanisms that lack robust prudence reviews.

24

1 **Q: DOES THE ARM AS PROPOSED BY TAWC PRESERVE THE SAME LEVEL OF**
2 **REVIEW AS A GENERAL RATE CASE?**

3 A: No. Unlike a general rate case, TAWC’s proposed ARM relies on after-the-fact earnings
4 reconciliation, does not require contemporaneous review of capital expenditures, includes
5 no meaningful normalization adjustments, and eliminates regulatory lag. As a result, costs
6 flow into rates with far less scrutiny than would occur in a traditional rate case. This
7 increases the likelihood that customers will pay for unreasonable or inefficient
8 expenditures.

9
10 **Q: HOW SHOULD THE COMMISSION WEIGH ADMINISTRATIVE EFFICIENCY**
11 **AGAINST RATEPAYER PROTECTION?**

12 A: Administrative efficiency should never come at the expense of just and reasonable rates.
13 The Commission’s primary statutory obligation is to protect the public interest, not to
14 minimize regulatory effort. As the Kentucky research demonstrates, the resources devoted
15 to full rate case review are an investment that yields substantial and measurable benefits
16 for customers. Mechanisms that bypass or weaken that review risk producing higher rates
17 over time.

18 Claims regarding the excessive cost and burden of traditional rate cases do not
19 justify abandoning the core protections of cost-of-service regulation. The evidence shows
20 that full rate case proceedings routinely prevent excessive revenue recovery and deliver
21 significant savings to ratepayers. TAWC’s proposed ARM, which would substantially
22 curtail those protections, should therefore be rejected.

IV. THE ARM DOES NOT PROMOTE COST-BASED RATES NOR DOES IT PROVIDE CLEAR PRICE SIGNALS TO CUSTOMERS

1 **Q: PLEASE DESCRIBE THE CUSTOMER RATE ZONES SERVED BY TAWC.**

2 A: The Company currently has different rates for each of the seven communities it serves in
3 Tennessee: Chattanooga, Lookout Mountain, Lakeview, Suck Creek, Whitwell Inside City,
4 Whitwell Outside City, and Jasper Highlands. In its last rate case, Docket No. 24-00032,
5 the Company sought to consolidate the rates in a manner that would have shifted costs from
6 customers in rural zones to customers in the Chattanooga rate zone and would have resulted
7 in rates that are not cost-based.²³ Moreover TAWC chose not to prepare a cost of service
8 study which would have shown the allocation of costs for Chattanooga and the surrounding
9 rural areas. In that proceeding, I noted that it was concerning that the Company chose not
10 to track costs for the seven rate areas it serves.²⁴ I recommended that the Company be
11 required to track rate base and operating expenses by each of the seven rate areas and to
12 provide separate class cost of service studies for each area in its next rate case.²⁵

13

14 **Q: WHY ARE COST-BASED RATES IMPORTANT FROM AN ECONOMIC**
15 **PERSPECTIVE?**

16 A: When costs are correctly allocated to customers and customer classes, rates can be
17 developed to recover the actual cost of providing service to customers. These cost-based

²³See Docket No. 24-00032, Direct Testimony of Mark E. Garrett, p. 46, lines 1-7.

²⁴ *Id.* at p. 45.

²⁵ *Id.* at p. 51, lines 11 – 13.

1 rates are equitable between customers because customers pay only the costs incurred to
2 serve them. Cost-based rates are also more efficient in that they ultimately tend to reduce
3 the overall cost to the utility. This efficiency occurs because cost-based rates send better
4 price signals to customers, who then make better choices in their usage patterns.
5 Conversely, rates that are not cost-based tend to promote inefficiencies. These
6 inefficiencies occur when prices are set below actual cost for certain customers. These
7 artificially lower rates tend to cause the subsidized customers to increase consumption
8 based on incorrect price signals. Ultimately, the increased consumption brought about
9 from artificially lower rates causes the utility to increase its overall cost over time to meet
10 the inflated demand to serve subsidized customers. This creates a situation where distorted
11 price signals cause inefficient users to use more than they otherwise would, and efficient
12 users to use less.

13
14 **Q: DOES THE PROPOSED ARM IN THIS DOCKET INCLUDE A MECHANISM TO**
15 **TRACK EXPENDITURES BY SYSTEM OR LOCATION THAT WOULD**
16 **PROVIDE COST-BASED RATES AND ACCURATE PRICE SIGNALS?**

17 A: No. The ARM as proposed will exacerbate any subsidies that exist and provide inaccurate
18 cost signals for the various rate zones. In response to COC's data requests, the Company
19 states that under the proposed ARM, it will not track which rate areas require or benefit
20 from capital investment.²⁶ The Company further states that it does not identify or record

²⁶ See TAWC response to COC DR 1-2.

1 the location of Recurring Projects or Investment Projects by latitude and longitude,²⁷ and
2 that submitting this information “is counter to the intent of the Annual Review
3 Mechanism.”²⁸ As such, the proposed ARM is not designed to provide accurate price
4 signals and is likely to increase the subsidization of the rural systems by spreading the
5 annual increases across all systems rather than tracking and recovering cost from those
6 systems for which the costs were incurred.

7
8 **Q: WHY IS COST OF SERVICE BASED PRICING IMPORTANT?**

9 A: Rates for each customer class or zone need to reflect true cost to serve each class or zone
10 so that consumers within each class or zone will make usage decisions based upon actual
11 costs. Otherwise, consumer demand or usage patterns will be distorted, and TAWC will
12 not have the most accurate measure of demand for purposes of resource planning.
13 Moreover, a fundamental principle of monopoly utility pricing is accurate *cost causation*—
14 Meaning that the costs of the system are paid by the customers actually causing the costs.
15 In other words, one customer class or rate zone should not be required to pay for costs
16 incurred for the benefit of customers in other classes or rate zones. As explained above,
17 inaccurate pricing leads to overinvestment, which enriches the utility at the expense of all
18 customers. As I recommended in the last rate case, the Company should be required to
19 track rate base and operating expenses by each of the seven rate areas to provide separate
20 class cost of service calculations for each rate zone in its next rate case. The Company’s

²⁷ See TAWC responses to COC DR 1-3 and COC DR 1-4.

²⁸ *Id.*

1 requested ARM creates an end-run around tracking expenditures by rate zone and results
2 in obscuring this important cost causation and price signal information.

V. CURRENT ALTERNATIVE RATE MECHANISMS ARE MORE LIKELY TO RESULT IN JUST AND REASONABLE RATES THAN THE ARM.

3 **Q: DOES TAWC ALREADY UTILIZE ALTERNATIVE RATEMAKING**
4 **MECHANISMS TO ITS BENEFIT?**

5 A: Yes. Since 2014, TAWC has utilized alternative rate mechanisms through its Incremental
6 Capital Recovery Rider (“ICR”) and Production Cost and Other Pass-Throughs (“PCOP”)
7 Rider.²⁹ These riders already mitigate the Company’s risk and facilitate the timely recovery
8 of costs.

10 **Q: HAS TAWC PROVIDED SUFFICIENT PROOF THAT THE ARM IS**
11 **NECESSARY IN ADDITION TO THESE ALTERNATIVE MECHANISMS?**

12 A: No. TAWC claims the ARM is necessary for two reasons: (1) “to make the necessary
13 investments to continue to deliver on its commitment to its customers,” and (2) “to reduce
14 the need to file costly, time-consuming, and administratively burdensome general rate
15 cases.”³⁰ Neither of these justifications warrants ARM approval in this case.

16 First, TAWC already has a capital investment rider in place “to make the necessary
17 investments to continue to deliver on its commitment to its customers.”³¹ TAWC provides
18 no evidence of an inability to deliver on its commitment to its customers under its current

²⁹ See Direct Testimony of Robert C. Lane, p. 9.

³⁰ *Id.*

³¹ *Id.*

1 capital investment rider. Furthermore, it is important to note that the Capital Recovery and
2 PCOP Riders already greatly reduce the Company’s risk and administrative burden by
3 allowing rate increases without the scrutiny of a general rate case. The Company now
4 proposes further reducing its risk through formula rates, while retaining the full-risk ROE
5 established in its last rate case. Contrary to the Company’s claim, this approach does not
6 balance the interests of all parties—instead, it further shifts onto ratepayers all other risks
7 not currently covered by the existing riders – primarily the costs of the Company’s ongoing
8 operating expenses. If allowed, the ARM would ensure extremely high profits for TAWC
9 by entirely eliminating the built-in cost control features of regulatory lag designed to
10 protect ratepayers.

11 Second, TAWC’s claims regarding the time, cost, and administrative burden of
12 general rate case filings are dubious, given that the Company has utilized the current
13 alternative rate mechanisms for twelve years without the “administrative burden” of a
14 general rate case. Prior to the 2024 Rate Case, TAWC’s most recent rate case was
15 approximately twelve (12) years ago in TPUC Docket No. 12-00049.³² The Company has
16 maintained sufficiently high rates of return during this period between rate cases.

17
18 **Q: WHAT WERE THE COMPANY’S RETURN ON EQUITY LEVELS DURING THE**
19 **12-YEAR PERIOD THE EXISTING RIDERS HAVE BEEN IN PLACE?**

20 **A:** TAWC’s annual returns have been more than sufficient during the period between rate
21 cases, as shown in the Company’s response to COC DR 1-8. The table below shows

³² *Id.* at 7.

1 TAWC's annual ROEs from 2014 through 2024.

Table 3: TAWC's Actual ROE's Achieved Utilizing Existing Alternative Ratemaking Mechanisms 2014 - 2024³³										
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
8.76%	9.52%	10.69%	9.41%	9.72%	10.77%	9.22%	10.47%	9.54%	8.98%	9.05%

2 As shown in the table above, over the past 10 years TAWC has consistently earned rates
3 of return that are close to its requested rate of 9.7% simply by utilizing the existing rider
4 mechanisms available. Moreover, in three of the past ten years the Company achieved
5 ROEs well over 10%. This indicates that the existing alternative ratemaking mechanisms
6 have allowed TAWC to earn sufficient returns, and thus, the Company cannot demonstrate
7 a financial need for the ARM at this time.

8
9 **Q: ARE THERE REASONS FROM A POLICY PERSPECTIVE THAT THE ARM**
10 **SHOULD NOT BE APPROVED?**

11 A: Yes. From a policy perspective, the ratemaking goal should be to incentivize a safe,
12 reliable, refurbished water system at the lowest reasonable cost. The ICRR and the CPOC
13 are accomplishing this goal. In particular, the capital investment rider incentivizes capital
14 spending which is exactly the spending required to achieve a safe, reliable and refurbished
15 system. If the existing rider recovery mechanisms were to become financially insufficient
16 in the future, the Company would be free to seek a rate increase by filing a general rate

³³ See TAWC Response to COC DR 1-4.

1 case in which it could present evidence based on actual financial need. An ARM, on the
2 other hand, incentivizes increased spending not only in capital investments but in operating
3 expenses as well, such as corporate allocations, managerial pay and executive
4 compensation. Encouraging increases in these areas would be a mistake.

5
6 **Q: WHAT DO YOU RECOMMEND?**

7 A: I recommend that the Commission continue with the current alternative ICRR and PCOP
8 riders to incentivize capital investments in system improvements. I recommend that the
9 Commission leave the operating expenses, such as corporate allocations, managerial and
10 executive pay subject to the built-in cost control measures of regulatory lag. In short, I
11 recommend that the Commission leave the ICRR and PCOP in place and reject the
12 proposed ARM.

13 **VI. IF THE ARM IS IMPLEMENTED, MATERIAL CHANGES MUST BE**
14 **MADE TO AVOID UNJUST AND UNREASONABLE RATES.**

15 **Q: WHAT CHANGES WILL NEED TO BE MADE TO THE ARM IF THE**
16 **COMMISSION DECIDES AN ANNUAL RATE REVIEW IS APPROPRIATE FOR**
17 **TAWC?**

18 A: Although I strongly recommend that the Commission reject the proposed ARM altogether,
19 if it were inclined to approve an annual rate mechanism, several changes should be
20 implemented to avoid unjust and unreasonable rates, as follows:

- 21 1. Normalization adjustments for unusual expenditures should be allowed;
- 22 2. No deferral of under-recovered costs or retroactive recovery through the ARM;
- 23 3. A percentage cap on the annual increases should be required;
- 24 4. Pre-approval dockets for Commission authorization of planned capital expenditure;
- 25 5. Periodic rate cases required at least every 4 to 5 years;
6. A strict sunset on the ARM—no automatic continuation;
7. A significant mandatory reduction of the utility's authorized ROE; and

8. Require TAWC to maintain separate-system records of capital expenditures. This final revision is important because, as proposed, the ARM will allocate the annual increases to all water systems regardless of where the costs are incurred. This allocation methodology will result in rates that are unjust and unreasonable for certain systems – where upgrades are not being made. Because of the immense disparity in the cost to service rural verses urban customers, an ARM that allocates costs evenly to all customers is on its face unfair from a rate-setting perspective.

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Q: PLEASE PROVIDE A BRIEF DISCUSSION OF EACH OF THE PROPOSED FEATURES AND RECOMMENDATIONS LISTED ABOVE.

A: A brief discussion of each item follows:

1. Normalization adjustments are generally required for ratemaking purposes to remove extraordinary cost level events from prospective rates. Rates should be set on cost levels that are expected to happen not on cost levels that are expected *not* to happen. If extraordinary events are left in the test year, then the rate-setting process turns into a guaranteed return for the utility, and the resulting ROE should be set around the level of long-term debt.

2. Deferral of under-recoveries and retroactive adjustments are inappropriate. The ARM greatly diminished regulatory lag which is detrimental to customers' interest. However, if TAWC's proposed retroactive application of the statute is allowed the regulatory lag is entirely eliminated. With this significant shift in risk from shareholders to ratepayers, the Company's ROE should be reduced to a level close to the range of long-term debt of 4.29% authorized in TAWC's last rate case.

1 **3. A Percentage Cap** is needed on the annual rate increase. Otherwise, the ARM
2 essentially creates a “blank check” through which any level of spending by the utility
3 is recovered through rates automatically. The statutorily prescribed formula rate plan
4 in Arkansas has a 4% cap, which the utilities in that state reach every year.³⁴ Without
5 a cap, there is no safeguard for customers, and no limit to the rate increases that could
6 occur.

7 **4. Pre-approval dockets** will be needed so that the Commission can evaluate the
8 Company’s proposed future capital expenditures. If the Commission is inclined to
9 implement an ARM, it would be prudent to require that all capital expenditure plans be
10 pre-approved **before** the money is spent. Otherwise, with guaranteed annual recovery,
11 and a profit incentive built into the *rate base / rate of return* ratemaking formula,
12 utilities can easily increase profits each year by merely spending more.

13 **5. Periodic rate cases** should also be mandatory. At some point, the prudence of all
14 expenditure levels, capital and expense, must be reviewed. The return on equity should
15 be updated and depreciation rates reset. Also, cost of service study allocation factors
16 should be updated periodically.

17 **6. A sunset provision on the ARM** itself would be prudent. This would allow the
18 Commission the opportunity to evaluate how the ARM is working for ratepayers.

19 **7. The ROE should be significantly reduced.** An annual rate mechanism greatly
20 reduces risk for a utility that uses a *rate base / rate of return* approach to ratemaking.

21 An ARM that adjusts rates annually to recover an expected level of costs is a significant

³⁴ The utilities in Arkansas max out the 4% cap each year, as a general rule, except in the year when the Tax Cuts and Jobs Act savings were incorporated into rates.

1 reduction in the risk level that most utilities assume. The ROE should be reduced to
2 reflect this reduction in risk. If the ARM adjusts rates retroactively, as TAWC proposes
3 the ROE should be set at or near the level of long-term debt. This should be done in a
4 separate proceeding so that the Commission can consider evidence regarding an
5 appropriate ROE level designed to reflect the reduced ARM risk.

6 **8. Separate-system records of capital expenditures should be required.** An ARM that
7 spreads costs evenly among all customers each year exacerbates inter-system
8 subsidization. Costs should be tracked on a separate-system basis so that capital
9 expenditures in more costly areas can be paid by the customers receiving the benefits
10 of those expenditures.

VII. CONCLUSION

11 **Q: PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS.**

12 A: I recommend that the Commission reject TAWC's proposed ARM. TAWC claims the
13 ARM is necessary (1) to make necessary investments and (2) to reduce the need to file
14 costly, time-consuming, and administratively burdensome general rate cases are both
15 wholly without merit. TAWC already has a capital investment rider in place that allows it
16 to make necessary capital investments. With respect to the cost of rate cases, the utility
17 has only filed two rate cases in 12 years. Moreover, the cost of rate cases will pale in
18 comparison to the cost of never-ending rate increases under an ARM. The Commission
19 should continue the capital investment rider, which incentivizes capital improvements, and
20 reject the ARM, which rewards both capital investments and operating expense increases
21 that would include corporate allocations and executive pay increases.

1 If an ARM is approved, TAWC's ROE should be reset to reflect a level at or near the
2 cost of long-term debt. The Commission should open a special proceeding to ascertain
3 how many basis points above the cost of long-term debt would be appropriate for a utility
4 with a risk level that includes no regulatory lag. The Commission should also consider
5 disallowing retroactive under-recovery adjustments, adding an annual cap, requiring pre-
6 approval authorization of planned capital expenditure, requiring periodic rate cases and a
7 strict sunset on the ARM. The Commission should also require TAWC to maintain
8 separate-system records of capital expenditures, so that rates could be set at cost of service
9 in the periodic rate cases.

10

11 **Q: DO YOU HAVE ANY FURTHER COMMENTS?**

12 A: Yes. My testimony does not address every potential issue. The fact that I do not express an
13 opinion on a particular issue is not to be interpreted as agreement with the Company's
14 position on that issue.

15

16 **Q: DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

17 A: Yes.

**EXHIBIT MG-1
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WORK HISTORY:

GARRETT GROUP CONSULTING, INC. – Regulatory Consulting Practice (1996 - Present)
Participates as a consultant and expert witness in gas and electric regulatory proceedings and other matters before regulatory agencies in rate case proceedings to determine just and reasonable rates. Reviews management decisions of regulated utilities regarding the reasonableness of prices paid for electric plant, gas plant, purchased power, renewable energy projects, natural gas supplies and transportation, and coal supplies and transportation. Participates in legislative advisory role regarding regulated utilities. Participates as an Instructor at NMSU Center for Public Utilities and as a Speaker at NARUC Staff Subcommittee on Accounting and Finance.

OKLAHOMA CORPORATION COMMISSION - Coordinator of Accounting and Financial Analysis (1991 - 1994) Planned and supervised the audits of major public utility companies doing business in Oklahoma for the purpose of determining revenue requirements. Presented both oral and written testimony as an expert witness for Staff in defense of numerous accounting and financial recommendations related to cost-of-service based rates. Audit work and testimony covered all areas of rate base and operating expense. Supervised, trained and reviewed the audit work of numerous Staff CPAs and auditors. Promoted from Supervisor of Audits to Coordinator in 1992.

FREEDOM FINANCIAL CORPORATION - Controller (1987 - 1990) Responsible for all financial reporting including monthly and annual financial statements, cash flow statements, budget reports, long-term financial planning, tax planning and personnel development. Managed the General Ledger and Accounts Payable departments and supervised a staff of seven CPAs and accountants. Reviewed all subsidiary state and federal tax returns and facilitated the annual independent financial audit and all state or federal tax audits. Received promotion from Assistant Controller in September 1988.

SHELBY, RUCKSDASHEL & JONES, CPAs - Auditor (1986 - 1987) Audited the financial statements of businesses in the state of Texas, with an emphasis in financial institutions.

Experience Related to Cost-of-Service, Rate Design, Pricing and Energy-Related Issues

1. **Public Service Company of Oklahoma, 2026 (Oklahoma) (Cause No. PUD 2025-000075)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
2. **Empire District Electric Co., d/b/a Liberty (Docket No. 25-EPDE-180-RTS)** – Participating as an expert witness on behalf of Citizens’ Utility Ratepayer Board (“CURB”) before the Kansas Corporation Commission to address various revenue requirement issues in Liberty’s general rate case application.
3. **Texas-New Mexico Power Co., 2025 (Texas) (Docket No. 58964)** – Participating as an expert witness on behalf of the Alliance of Texas-New Mexico Power Municipalities (“ATM”) before the Texas Public Utility Commission in TNMP’s general rate case application to provide testimony on revenue requirement issues.
4. **Southwestern Electric Power Co., 2025 (Texas) (Docket No. 58819)** – Participating as an expert witness on behalf of the Cities Advocating Reasonable Deregulation (“CARD”) before the Texas Public Utility Commission in SWEPCO’s general rate case application to provide testimony on revenue requirement issues.
5. **Northwest Natural Gas Co., (“NWN”) 2025 (Washington), (Docket UG-250610)** – Participating as an expert witness on behalf of the Washington State Office of the Attorney General, Public Counsel Unit in NWN’s general rate case. Sponsoring testimony to address revenue requirement issues.
6. **Southwestern Public Service Co., 2025 (Texas) (Docket No. 57856)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) before the Texas Public Utility Commission in SPS’s application for expedited approval of deferred accounting treatment for excess liability insurance costs.
7. **Public Service Company of New Mexico, 2025 (New Mexico), (Case No. 25-00060-UT)** – Participating as an expert witness for the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”) before the New Mexico Public Regulation Commission to address various issues in Blackstone’s application to acquire PNM.
8. **Public Service Company of Oklahoma, 2024 (Oklahoma), (Case No. PUD 2025-000064)** – Participating as an expert witness on behalf of the Oklahoma Industrial Energy Consumers (“OIEC”) in response to PSO’s application for Pre-Approval of generating facilities.
9. **Oncor Electric Delivery Company 2025 (Texas), (Docket No. 57932)** – Participated as an expert witness on behalf of the Alliance of Oncor Cities before the Texas Public Utility Commission in Oncor’s Application for an accounting order relating to increased excess liability/wildfire insurance premiums.
10. **Texas Gas Service, 2025 (Texas) (Docket No. OS-25-00028202)** – Participated as an expert witness on behalf of Cities Served by Texas Gas Service Co. (“TGS Cities”) before the Railroad Commission of Texas in TGS’s General Rate Case application to provide testimony to address the utility’s overall

revenue requirement and various rate design proposals.

11. **Oncor Electric Delivery Company 2025 (Texas), (Docket No. 58306)** – Participated as an expert witness on behalf of the Alliance of Oncor Cities before the Texas Public Utility Commission in Oncor’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
12. **Southwestern Electric Power Company, 2025 (Arkansas), (Docket No. 25-003-U)** – Participated as an expert witness on behalf of Western Arkansas Large Energy Consumers (“WALEC”) before the Arkansas Public Service Commission in SWEPSCO’s General Rate Case to address the utility’s overall revenue requirement and rate design issues.
13. **CenterPoint Energy Houston Electric, LLC 2025 (Texas) (Docket No. 58028)** – Participated as an expert witness on behalf of the Houston Coalition of Cities before the Public Utility Commission of Texas in CEHE’s Application for Determination of System Restoration Costs (2025 Storms - Beryl, Francine and Enzo).
14. **Nevada Power Company, 2025 (Nevada), (Docket No. 25-02016)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues Nevada Power’s general rate case application.
15. **Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., (Docket No. 25-EKCE-294-RTS)** – Participated as an expert witness on behalf of Citizens’ Utility Ratepayer Board (“CURB”) before the Kansas Corporation Commission to address various revenue requirement issues in Evergy’s general rate case application.
16. **NV Energy, 2025 (Nevada), (Docket No. 25-01018-19)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission in NV Energy’s application to establish a Wildfire Self Insurance Fund.
17. **New Mexico Gas Company, 2025 (New Mexico), (Case No. 24-00266)** – Participated as an expert witness for the New Mexico Attorney General before the New Mexico Public Regulation Commission to address various merger and acquisition ratemaking issues in the application of Saturn Holdco to acquire New Mexico Gas Company.
18. **El Paso Electric Company, 2025 (Texas), (Docket No. 57568)** – Participated as an expert witness on behalf of the City of El Paso in the El Paso Electric Company general rate case to provide recommendations to the Texas Public Utility Commission regarding rate base and operating expense issues.
19. **Atmos MidTex, 2025 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsored recommendations on various revenue requirement issues.
20. **CenterPoint Energy Houston Electric, LLC 2024 (Texas) (Docket No. 57271)** – Participated as an expert witness on behalf of the City of Houston before the Public Utility Commission of Texas in CenterPoint Energy’s Application for Determination of System Restoration Costs (May 2024 storms).
21. **Public Service Company of Oklahoma, 2024 (Oklahoma), (Case No. PUD 2024-000057)** – Participated as an expert witness on behalf of the Oklahoma Industrial Energy Consumers (“OIEC”)

in response to PSO's application for Pre-Approval of a generating facility.

22. **Atmos Energy Corp., Mid-Tex Division, 2024 (Texas) (Case No. 00019196)** – Participated as an expert witness on behalf of the Atmos Texas Municipalities before the Railroad Commission of Texas to review the utility's requested revenue requirement within the Unincorporated Areas of the Mid-Tex Division.
23. **CenterPoint Energy Entex, 2024 (Texas) (Docket No. OS-24-00018066)** – Participated as an expert witness for the Alliance of CenterPoint Municipalities (ACM) before the Railroad Commission of Texas in a proceeding to address the gas utility's Tax Act Rider calculation.
24. **Atmos Energy Corp., West Texas Division 2024 (Texas), (Case No. OS-24-00018879)** – Participated as an expert witness on behalf of the Cities of Amarillo, Lubbock, Dalhart and Channing before the Railroad Commission of Texas in Atmos-WTX's General Rate Case application. Sponsored testimony to address various revenue requirement issues.
25. **Southwestern Electric Power Company, 2024 (Texas), (Docket No. 56760)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation ("CARD Cities") before the Texas Public Utility Commission in SWEPCO's application for approval of tariff to recover a regulatory asset related to an IRS Private Letter Ruling.
26. **Public Service Company of Oklahoma, 2024 (Oklahoma), (Case No. PUD 2024-000032)** – Participated as an expert witness on behalf of the Oklahoma Industrial Energy Consumers ("OIEC") in response to PSO's application to address an IRS Private Letter Ruling.
27. **Indiana Michigan Power, 2024 (Indiana), (Cause No. 46080)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in response to I&M's petition for authority to adjust rates through a tax rider to reflect the impact of an IRS Private Letter Ruling.
28. **NV Energy, 2024 (Nevada), (Docket No. 24-03006)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group, Nevada Resorts Association, MGM Resorts International, and Caesars Enterprise Services before the Nevada PUC to provide written and oral testimony in Cost Recovery Phase of the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan ("NDPP").
29. **Public Service Company of New Mexico, 2024 (New Mexico), (Case No. 24-00089-UT)** – Participated as an expert witness for the Albuquerque Bernalillo County Water Utility Authority ("ABCWUA") before the New Mexico Public Regulation Commission to address various ratemaking issues in PNM's rate case application.
30. **NV Energy, 2024 (Nevada), (Docket No. 24-08015)** – Participated as an expert witness on behalf of Bureau of Consumer Protection ("BCP") before the Nevada Public Utility Commission. Sponsored written and oral testimony in the 2024 Nevada Power and Sierra Pacific Joint Integrated Resource Plan ("IRP") to provide analysis of the Companies' requested resource plan.
31. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 56511)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation ("CARD Cities") before the Texas Public Utility Commission in SWEPCO's distribution cost recovery factor ("DCRF") case.

32. **Oklahoma Natural Gas Company, 2024 (Oklahoma), (Case No. PUD 2024-000010)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in ONGs performance based rate change plan for twelve months ending December 31, 2023, addressing transportation service charges.
33. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 55155)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s application to address a potential refund of imprudent amounts included in rate base from 2013 forward associated with the Turk plant after remand from the Court of Appeals.
34. **Tennessee-American Water Company, 2024 (Tennessee), (Docket No. 24-00032)** – Participated as an expert witness on behalf of the City of Chattanooga in TAWC’s rate case application, sponsored testimony to address various revenue requirement issues and a proposed rate area consolidation.
35. **Duke Energy Indiana, 2024 (Indiana), (Docket No. 46038)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in Duke’s rate case application, sponsored testimony to address various revenue requirement and tax issues.
36. **Chugach Electric Association, 2024 (Alaska), (Docket No. U-24-002)** – Participated as an expert witness on behalf of Providence Health and Services before the Alaska Regulatory Commission. Sponsored testimony to address Chugach’s application to revise the Beluga River Unit (“BRU”) rebate to former Municipal Light and Power (“ML&P”) customers.
37. **CenterPoint Energy Houston Electric, 2024 (Texas) (Docket No. 56211)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy’s rate case application to provide testimony on various revenue requirement issues.
38. **Doyon Utilities, 2024 (Alaska)** – Participated as an expert witness on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.
39. **Avista Corporation d/b/a/ Avista Utilities, 2024 (Washington), (Docket Nos. UE-240006 and UG-240007(Consolidated))** – Participated as an expert witness on behalf of Public Counsel in Avista’s general rate case. Sponsored testimony to address various revenue requirement issues and Avista’s requested attrition adjustments.
40. **Atmos Mid Tex, 2024 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsored recommendations on various revenue requirement issues.
41. **Sierra Pacific Power Company, 2024 (Nevada), (Docket No. 24-02026 and 24-02027)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
42. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 55438)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s transmission cost recovery factor (“TCRF”)

case.

43. **Oklahoma Gas and Electric Company, 2023 (Oklahoma), (Cause No. PUD 2023-000087)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s general rate case application to address various revenue requirement and rate design issues.
44. **Public Service Company of Oklahoma, 2023 (Oklahoma) (Cause No. PUD 2023-000086)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
45. **CenterPoint Energy Resources Corp., 2023 (Texas) (Docket No. OS-23-00015513)** – Participated as an expert witness for the City of Houston before the Railroad Commission of Texas in a general rate case proceeding for the gas utility.
46. **NV Energy, 2023 (Nevada), (Docket No. 23-08015)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission. Sponsored written and oral testimony in the 2021 Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) Fifth Amendment to provide analysis of the Companies’ request for Critical Facility designation of the Sierra Solar PV and BESS project.
47. **Southwest Gas Corporation, 2023 (Nevada) (Docket No. 23-09012)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
48. **Nevada Power Company, 2023 (Nevada), (Docket No. 23-06007)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues Nevada Power’s general rate case application.
49. **Atmos Pipeline Texas 2023 (Texas), (Docket No. 13758)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in APT’s General Rate Case application. Sponsored testimony to address various revenue requirement proposals.
50. **Oklahoma Gas and Electric Company, 2023 (Oklahoma), (Cause No. PUD 2023-000038)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s application for pre-approval of new generation costs.
51. **NV Energy, 2023 (Nevada), (Docket No. 23-03003)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral testimony in the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
52. **NV Energy, 2023 (Nevada), (Docket No. 23-03004)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral testimony in Cost Recovery Phase of the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
53. **SiEnergy, LP (Texas) 2023 (Docket No. OS-23-00013504)** - Participated as an expert witness on

behalf of the Cities Served by SiEnergy (Cities) in SiEnergy's application to increase gas utility rates.

54. **CSWR-Texas Utility Operating Company, LLC (CSWR-Texas), 2023 (Docket No. 54565)** Participated as an expert witness on behalf of the Office of Public Utility Counsel ("OPUC") in CSWR-Texas' application for authority to change rates.
55. **Denton Municipal Electric (DME), 2023 (Texas) (Docket No. 52715)** Participated as an expert witness on behalf of the Office of Public Utility Counsel ("OPUC") in DME's application to change rates for wholesale transmission service.
56. **NV Energy, 2023 (Nevada), (Docket No. 22-09006)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group ("SNGG") before the Nevada PUC. Sponsored written and oral testimony in the 2021 Nevada Power and Sierra Pacific Joint Integrated Resource Plan ("IRP") Third Amendment to provide analysis of the proposed Transportation Electrification Plan to accelerate the roll out of electric vehicle charging facilities.
57. **Atmos MidTex, 2023 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in Atmos's Dallas Annual Rate Review ("DARR") proceeding. Sponsored recommendations on various revenue requirement issues.
58. **Public Service Company of Oklahoma, 2023 (Oklahoma) (Cause No. PUD 2022-000093)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO's general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
59. **Montana-Dakota Utilities Co., 2023 (Montana), Docket No. 2022.11.099)** – Participated as an expert witness on behalf of the Montana Office of Consumer Council in MDU's general rate case application to provide testimony on various revenue requirement issues.
60. **Public Service Company of Oklahoma, 2023 (Oklahoma) (Cause No. PUD 202200021)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO's application for pre-approval of renewable generation additions and the ratemaking treatment of the costs of those additions.
61. **Public Service Company of New Mexico, 2023 (New Mexico), (Case No. 22-00270-UT)** – Participated as an expert witness for the Albuquerque Bernalillo County Water Utility Authority ("ABCWUA") before the New Mexico Public Regulation Commission to address various ratemaking issues in PNM's rate case application.
62. **Entergy Texas Inc., 2022 (Texas) (PUC Docket No. 53719)** – Participated as an expert witness on behalf of the Cities in ETI's general rate case to provide testimony on various cost of service issues and on the utility's overall revenue requirement.
63. **Oklahoma Gas and Electric Company, 2022 (Oklahoma), (Cause No. PUD 202200097)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers ("OIEC") before the Oklahoma Corporation Commission in PUD's show cause investigation into OG&E's fuel and purchased power under-recovered balance.
64. **Northern Indiana Public Service Company, 2022 (Indiana), (Docket No. 45772)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in NIPSCO's rate case

application. Sponsored testimony to address various revenue requirement and tax issues.

65. **Oncor Electric Delivery Company (Texas), 2022 (PUC Docket No. 53601)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Public Utility Commission in Oncor’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
66. **York Waterworks (2022) (Pennsylvania), (Docket No. 061522)** – Participated as an expert witness on behalf of Office of Consumer Advocate (“OCA”) before the Pennsylvania Public Utility Commission to address various revenue requirement issues in York rate case.
67. **Sierra Pacific Power Company, 2022 (Nevada), (Docket No. 22-06)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
68. **NV Energy, 2022 (Nevada), (Docket No. 22-003028)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various issues in the merger application of Sierra Pacific Power Company and Nevada Power Company.
69. **Atmos MidTex (Texas), 2022 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsored recommendations on various revenue requirement issues.
70. **CenterPoint Energy Resources Corp., 2022 (Texas) (Docket No. 53442)** – Participated as an expert witness for the City of Houston before the Texas Public Utility Commission the Company’s Distribution Cost Recovery Factor to sponsor testimony on various cost recovery issues.
71. **Cascade Natural Gas, 2021 (Washington)** – Participated as an expert witness on behalf of Public Counsel in Cascade’s limited issue rate case application to sponsor Public Counsel’s revenue requirement schedules and to address various revenue requirement and tax issues.
72. **Oklahoma Gas and Electric Company, 2021 (Oklahoma), (Cause No. PUD 202100164)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s general rate case application addressing various revenue requirement and rate design issues.
73. **Southwestern Electric Power Company, 2021 (Texas), (PUC Docket No. 52397)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s application to recover Uri storm costs.
74. **Southwestern Public Service Co., 2021 (Texas) (Docket No. 52210)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) before the Texas Public Utility Commission in SWEPCO’s application to recover Uri storm costs.
75. **CenterPoint Energy Resources Corp., 2021 (Texas) (Docket No. OS—00007061)** – Participated as an expert witness for the City of Houston before the Railroad Commission of Texas in a consolidated application from the large natural gas distribution utilities in Texas to securitize and recover URI storm costs from February 2021.

76. **Indiana Michigan Power, 2021 (Indiana), (Docket No. 45576)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in I&M’s rate case application to sponsor testimony addressing various revenue requirement and tax issues.
77. **Chugach Electric Association, 2021 (Alaska), (Docket No. U-21-059)** – Participated as an expert witness on behalf of Providence Health and Services before the Alaska Regulatory Commission. Sponsored testimony to address Chugach’s application to address a shortfall in revenues after its acquisition of Municipal Light and Power.
78. **Southwestern Public Service Co., 2021 (Texas) (Docket No. 51802)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues.
79. **El Paso Electric Company, 2021 (Texas), (Docket No. 52195)** – Participated as an expert witness on behalf of the City of El Paso in the El Paso Electric Company general rate case to provide recommendations to the Texas Public Utility Commission regarding rate base and operating expense issues.
80. **NV Energy, 2021 (Nevada), (Docket No. 21-06001)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC. Sponsored written and oral testimony in the Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) to provide analysis of the proposed generation additions and cost allocations.
81. **Summit Utilities Arkansas (Arkansas), (Docket No. 21-060-U)** – Participated as an expert witness on behalf of Arkansas Gas Consumers and the Hospitals and Higher Education Group before the Arkansas Public Service Commission in Summit’s proposed acquisition of CenterPoint Energy’s Arkansas assets. Sponsored testimony regarding the acquisition premium, ratepayer benefits and affiliate transactions.
82. **Doyon Utilities, 2021 Alaska (Regulatory Commission of Alaska)** – Participated as an expert witness on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.
83. **NV Energy, 2021 (Nevada), (Docket No. 21-03040)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral testimony in the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
84. **Public Service Company of Oklahoma, 2021 (Oklahoma) (Cause No. PUD 202100022)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
85. **Oklahoma Gas and Electric Company, 2021 (Oklahoma), (Cause No. PUD 202100072)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s application for securitization of its winter storm costs.

86. **Southwestern Electric Power Company, 2021 (Arkansas), (Docket No. 19-008-U)** – Participated as an expert witness on behalf of Western Arkansas Large Energy Consumers (“WALEC”) before the Arkansas Public Service Commission in SWEPCO’s Formula Rate Plan review and extraordinary winter storm cost recovery plan.
87. **Atmos MidTex (Texas), 2021 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsored recommendations on various revenue requirement issues.
88. **PNM Resources / Avangrid Merger, 2021 (New Mexico), (Case No. 20-00222-UT)** – Participated as an expert witness for the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”) before the New Mexico Public Regulation Commission to address various merger-related issues.
89. **Oklahoma Gas & Electric Co., 2020 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on cost of service issues.
90. **Public Service Company of Oklahoma, 2020 (Oklahoma) (Cause No. PUD 202000097)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for approval of facilities proposed for Fort Sill to address cost recovery and rate design issues.
91. **El Paso Electric Company, 2020 (Texas), (Docket No. 51348)** – Participated as an expert witness on behalf of the City of El Paso in the El Paso Electric Company annual Distribution Cost Recovery Factor (“DCRF”) application to provide recommendations to the Texas Public Utility Commission regarding the Company’s requested DCRF increase.
92. **NV Energy, 2020 (Nevada), (Docket No. 20-07023)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC. Sponsored written and oral testimony in the Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) to provide analysis of the proposed transmission additions and cost allocations.
93. **Southwestern Electric Power Company, 2020 (Texas), (PUC Docket No. 51415)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s general rate case application to provide testimony on various revenue requirement issues.
94. **Dominion Energy South Carolina, 2020 (South Carolina), (Docket No. 2020-125-E)** – Participated as an expert witness on behalf of DOD/FEA in DESC’s rate case application, sponsored testimony to address various revenue requirement, rate design and tax issues.
95. **Cascade Natural Gas, 2020 (Washington), (NG-UG-200568)** – Participated as an expert witness on behalf of Public Counsel in Cascade’s rate case application, sponsored testimony to address various revenue requirement and tax issues.
96. **Nevada Power Company, 2020 (Nevada) (Docket No. 20-06003)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues in the case.

97. **El Paso Electric Company, 2020 (New Mexico), (Docket RC-20-00104-UT)** – Participated as an expert witness on behalf of the City of Las Cruces and Dona Ana County in EPE’s rate case application. Sponsored testimony to address various revenue requirement and tax issues.
98. **Oklahoma Gas and Electric Company, 2020 (Oklahoma), (Cause No. PUD 202000021)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s Grid Enhancement Plan application. Sponsored testimony to address the utility’s proposed cost recovery mechanism and cost of service allocations.
99. **Philadelphia Gas Works, 2020 (Pennsylvania), (Docket No. R-2020-3017206)** – Participated expert witness on behalf of Office of Consumer Advocate (“OCA”) before the Pennsylvania Public Utility Commission to address various revenue requirement issues in PGW’s rate case.
100. **Atmos MidTex (Texas), 2020 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsored recommendations on various revenue requirement issues.
101. **Southwest Gas Corporation, 2020 (Nevada) (Docket No. 20-02023)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
102. **El Paso Electric Company, 2019 (Texas), (Docket No. 49849)** – Participated as an expert witness on behalf of the City of El Paso in the merger of El Paso Electric Company with Sun Jupiter Holdings LLC and IIF US Holdings 2 LLP to provide recommendations to the Texas Public Utility Commission regarding the treatment of tax issues in the proposed merger agreement.
103. **Nevada Senate Bill 300 Rulemaking, 2019 (Nevada), (Docket No. 19-069008)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group before the Nevada PUC to assist with the development of alternative ratemaking regulations under SB 300.
104. **Entergy Arkansas, 2019 (Arkansas), (Docket No. 19-020-TF)** – Participated as an expert witness on behalf of the Arkansas industrial consumer group to review EAI’s application to allocate its perceived under-recovery of off-system sales margins to Arkansas customers.
105. **Public Service Company of Oklahoma, 2019 (Oklahoma) (Cause No. PUD 201900201)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for approval for the cost recovery of selected wind facilities.
106. **Oklahoma Gas & Electric Co., 2019 (Arkansas) (Docket No. 15-034-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Act 310 Environmental Compliance Plan (“ECP”) Rider case to provide testimony on whether OG&E can apply for an ECP rider now that it has elected to utilize an annual Formula Rate Plan with a 4% annual cap.
107. **Oklahoma Gas & Electric Co., 2019 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on various revenue requirement, cost of service and rate design issues.

108. **Southwestern Public Service Co., (“SPS”) 2019 (Texas), (Docket No. 49831)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
109. **Southwestern Electric Power Company, 2019 (Arkansas), (Docket No. 19-008-U)** – Participated as an expert witness on behalf of Western Arkansas Large Energy Consumers (“WALEC”) before the Arkansas Public Service Commission in SWEPCO’s rate case to address various revenue requirement and rate design issues.
110. **Anchorage Municipal Light and Power and Chugach Electric Association, 2019 (Alaska), (Docket No. U-19-020)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on pending acquisition of ML&P by Chugach to address the proposed acquisition premium and other issues associated with the public interest.
111. **Sierra Pacific Power Company, 2019 (Nevada), (Docket No. 19-06002)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
112. **Air Liquide Hydrogen Energy U.S., 2019 (Nevada), (704B Exit Application, Docket No. 19-02002)** – Participated as an expert witness on behalf of Air Liquide before the Nevada PUC. Sponsored written and oral testimony in Air Liquide’s application to purchase energy and capacity from a provider other than NV Energy.
113. **Empire District Electric Company, 2019 (Oklahoma), (Cause No. PUD 201800133)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s general rate case to address various revenue requirement, rate design and tax issues.
114. **Indiana Michigan Power, 2019 (Indiana), (Docket No. 45235)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in I&M’s rate case application. Sponsored testimony to address various revenue requirement and tax issues.
115. **Puget Sound Energy, 2019 (Washington), (Docket No. 190529-30)** – Participated as an expert witness on behalf of Public Counsel in PSE’s rate case application. Sponsored testimony to address various revenue requirement and tax issues.
116. **Anchorage Municipal Light and Power, 2019 (Alaska), (Docket No. U-18-102)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on the ratemaking treatment of ML&P’s acquired interest in the Beluga River Unit gas field with ratepayer funds.
117. **Oklahoma Gas and Electric Company, 2019 (Oklahoma), (Cause No. PUD 201800140)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsored testimony to address the utility’s overall revenue requirement and rate design proposals.
118. **Cascade Natural Gas, 2019 (Washington) (Docket No. 190210)** – Participated as an expert witness

on behalf of Public Counsel in Cascade’s rate case application. Sponsored testimony to address various revenue requirement and tax issues.

119. **CenterPoint Energy Houston Electric, 2019 (Texas) (Docket No. 49421)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy’s rate case application to provide testimony on various revenue requirement issues.
120. **Oklahoma Gas & Electric Co., 2018 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on various revenue requirement, cost of service and rate design issues.
121. **Southwest Gas Corporation, 2018 (Nevada) (Docket No. 18-05031)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
122. **Puget Sound Energy, 2018 (Washington) (Docket No. UE 18089)** - Participated as an expert witness on behalf of Public Counsel in PSE’s Emergency Rate Relief proceeding. Sponsored testimony to address the application itself and various revenue requirement and TCJA issues.
123. **Public Service Company of Oklahoma, 2018 (Oklahoma) (Cause No. PUD 201800097)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
124. **Entergy Texas Inc., 2018 (Texas) (PUC Docket No. 48371)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
125. **Atmos Energy Corp., Mid-Tex Division, 2018 (Texas) (Docket No. GUD No. 10779)** – Participated as an expert witness on behalf of the Atmos Texas Municipalities to review the utility’s requested revenue requirement including TCJA adjustments.
126. **CenterPoint Energy Houston Electric, LLC, 2018 (Texas) (Docket No. 48226)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy’s application for approval to amend its distribution cost recovery factor (DCRF) to address the utility’s treatment of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
127. **NV Energy, 2018 (Nevada) (Docket No. 17-10001)** – Participated as an expert witness on behalf of the Energy Choice Initiative (“ECI”) before the Governor’s Committee on Energy Choice, in an investigatory docket of an Issue of Public Importance Regarding the Pending Energy Choice Initiative and the Possible Restructuring of Nevada’s Energy Industry.
128. **Southwestern Electric Power Company, 2018 (Texas) (PUC Docket No. 48233)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPSCO’s application to implement base rate reductions as result of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
129. **Oncor Electric Delivery Company (Texas), 2018 (PUC Docket No. 48325)** – Participated as an

expert witness before the Texas Public Utility Commission in Oncor’s application for authority to decrease rates based on the Tax Cuts and Jobs Act of 2017 (“TCJA”).

130. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2018 (Cause No. PUD 201800019)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application regarding ADIT under the Tax Cuts and Jobs Act of 2017 (“TCJA”).
131. **Oklahoma Natural Gas Company, 2018 (Cause No. PUD 201800028)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission in ONG’s Performance Based Rate Change Tariff, to address issues involving the impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
132. **Oklahoma Gas & Electric Co. (Arkansas), 2018 (Docket No. 18-006-U** – Participated as an expert on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in the matter of an Investigation of the Effect on Revenue Requirements Resulting from Changes to Corporate Income Tax Rates under the Tax Cuts and Jobs Act of 2017 (“TCJA”).
133. **Texas Gas Service, 2018** – Participated as a consulting expert on behalf of the City of El Paso regarding implementation of rate changes related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
134. **Sierra Pacific Power Company (Nevada), 2018 (Docket No. 18-02011 and 18-02015)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers¹ before the Nevada PUC in SPPC’s application related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
135. **Nevada Power Company (Nevada), 2018 (Docket No. 18-02010 and 18-02014)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group before the Nevada PUC in NPC’s application related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
136. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2017 (Cause No. PUD 201700572)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application to examine the impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
137. **Empire District Electric Company (“EPE”) (Oklahoma), 2018 (Cause No. PUD 201700471)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s application to add 800MW of wind. Sponsored testimony to address the various ratemaking and tax issues.
138. **Oklahoma Gas and Electric Company (“OG&E”), (Oklahoma), 2018 (Cause No. PUD 201700496)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsored testimony to address the utility’s overall revenue requirement and rate design proposals.
139. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2017 (Cause No. PUD 201700276)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s Wind Catcher case to provide testimony on various ratemaking and tax issues.

¹ The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.

140. **Southwestern Public Service Co. (“SPS”) (Texas), 2017 (PUC Docket No. 47527)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
141. **Southwestern Electric Power Company, (“SWEPCO”) (Texas), 2017 (PUC Docket No. 47461)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s Wind Catcher case proceeding to provide testimony on various ratemaking and tax issues.
142. **Atmos MidTex (Texas), 2017 (Docket No. 10640)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsored testimony on various revenue requirement issues.
143. **Avista Utilities (Washington), 2017 (Docket Nos. UE-170485/UG-170486)** – Participated as an expert witness on behalf of Public Counsel in Avista’s general rate case proceeding. Sponsored testimony to address various revenue requirement issues and Avista’s requested attrition adjustments.
144. **Nevada Power Company (Nevada), 2017 (Docket No. 17-06003)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC in NPC’s general rate case. Sponsored testimony on various revenue requirement, depreciation, and rate design issues.
145. **Anchorage Municipal Light and Power (Alaska), 2017 (Docket No. U-17-008)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony in ML&P’s General Rate Case on various revenue requirement and rate design issues.
146. **Public Service Company of Oklahoma (Oklahoma), 2017 (Cause No. PUD 201700151)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement and rate design issues.
147. **Oncor Electric Delivery Company (Texas), 2017 (PUC Docket No. 46957)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Public Utility Commission in Oncor’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
148. **EverSource (Massachusetts), 2017 (DPU Docket No. 17-05)** – Participated as an expert witness before the Massachusetts Department of Public Utilities EverSource’s General Rate Case application on behalf of Energy Freedom Coalition of America to provide testimony to address various revenue requirement issues.
149. **El Paso Electric Company (Texas), 2017 (PUC Docket No. 46831)** – Participated as an expert witness on behalf of the City of El Paso before the Texas Public Utility Commission in El Paso’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
150. **Atmos Pipeline Texas (Texas), 2017 (Docket No. 10580)** – Participated as an expert witness on behalf of the City of Dallas before the Railroad Commission of Texas in APT’s General Rate Case application. Sponsored testimony to address various revenue requirement proposals.

151. **Empire District Electric Company (Oklahoma), 2017 (Cause No. PUD 201600468)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s General Rate Case application. Sponsored testimony to address the utility’s overall revenue requirement and rate design proposals.
152. **Caesars Enterprise Service, LLC (Nevada), 2016 (704B Exit Application)** – Participated as an expert witness on behalf of Caesars before the Nevada PUC. Sponsored written and oral testimony in Caesar’s application to purchase energy and capacity from a provider other than Nevada Power.
153. **Southwestern Electric Power Company (Texas), 2016 (PUC Docket No. 46449)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s general rate case proceeding to provide testimony on various revenue requirement issues.
154. **CenterPoint Texas, 2016 (Docket No. 10567)** – Participated as an expert witness on behalf of City of Houston before the Railroad Commission of Texas in CenterPoint’s general rate case application. Sponsored testimony to address the utility’s overall revenue requirement and various rate design proposals.
155. **Entergy Texas, Inc., 2016 (Docket No. 46357)** – Participated as an expert witness on behalf Cities Served by Applicant before the Texas PUC in ETI’s application to amend its Transmission Cost Recovery Factor.
156. **Anchorage Municipal Light and Power, 2016 (Docket No. U-16-060)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on the ratemaking treatment of ML&P’s acquired interest in the Beluga River Unit gas field with ratepayer funds.
157. **Arizona Public Service Company, 2016 (Docket No. E-01345A-16-0036)** – Participated as an expert witness before the Arizona Corporation Commission in APS’s General Rate Case application on behalf of Energy Freedom Coalition of America to provide written and oral testimony to address various revenue requirement issues.
158. **Oklahoma Gas & Electric Co. (Arkansas), 2016 (Docket No. 16-052-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
159. **Sierra Pacific Power Company (Nevada), 2016 (Docket No. 16-06006)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers before the Nevada PUC in SPPC’s general rate case proceeding. Sponsored testimony on various revenue requirement, depreciation, and rate design issues.
160. **Tucson Electric Power, 2016 (Docket No. E-01933A-15-0322)** – Participated as an expert witness before the Arizona Corporation Commission in TEP’s General Rate Case application, on behalf of Energy Freedom Coalition of America providing written and oral testimony to address the utility’s cost of service study and rate design proposals.
161. **Texas Gas Service, 2016 (Docket No. 10506)** – Participated as an expert witness on behalf of El Paso before the Railroad Commission of Texas in TGS’s General Rate Case application. Sponsored

testimony to address the utility's overall revenue requirement and various rate design proposals.

162. **Texas Gas Service, 2016 (Docket No. 10488)** – Participated as an expert witness on behalf of South Jefferson County Service Area (“SJCSA”) before the Railroad Commission of Texas in TGS’s General Rate Case application. Sponsored testimony to address the utility’s overall revenue requirement and various rate design proposals.
163. **Oklahoma Gas and Electric Company, 2016 (Cause No. PUD 201500273)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsored testimony to address the utility’s overall revenue requirement and rate design proposals.
164. **Oklahoma Gas & Electric Company, 2016 (Cause No. PUD 201500273)** – Participated as an expert witness on behalf of The Alliance for Solar Choice (“TASC”) before the Oklahoma Corporation Commission to address OG&E’s proposed Distributed Generation (“DG”) rates for solar DG customers.
165. **Anchorage Municipal Light and Power, 2016 (Docket No. U-13-097)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on rates and tariffs proposed for customer-owned combined heat and power plant generation.
166. **Oklahoma Natural Gas Company, 2015 (Cause No. PUD 201500213)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission in ONG’s General Rate Case application. Sponsored testimony to address the utility’s overall revenue requirement and rate design proposals.
167. **Oklahoma Gas & Electric Company, 2015 (Cause No. PUD 201500274)** – Participated as an expert witness on behalf of The Alliance for Solar Choice (“TASC”) before the Oklahoma Corporation Commission to address OG&E’s proposed Distributed Generation (“DG”) rates for solar DG customers.
168. **Nevada Power Company, 2015 (Docket No. 15-07004)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”)² before the Nevada PUC. Sponsored written and oral testimony in NPC’s 2015 Integrated Resource Plan to provide analysis of the On Line transmission line allocation, the Siverhawk plant acquisition, and the Griffith contract termination.
169. **Oklahoma Gas & Electric Company, 2015 (Docket No. 15-034-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Act 310 application to implement a rider to recover environmental compliance costs.
170. **MGM Resorts, LLC, 2015 (Docket No. 15-05017)** – Participated as an expert witness on behalf of the MGM Resorts, LLC before the Nevada PUC. Sponsored written and oral testimony in MGM’s application to purchase energy and capacity from a provider other than Nevada Power.

² The Southern Nevada Hotel Group is comprised of Boyd Gaming, Caesars Entertainment, MGM Resorts, Station Casinos, Venetian Casino Resort, and Wynn Las Vegas.

171. **Entergy Arkansas, 2015 (Docket No. 15-015-U)** – Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”) an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in Entergy’s general rate case to provide testimony on various revenue requirement issues.
172. **Public Service Company of Oklahoma, 2015 (Cause No. PUD 201500208)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
173. **Nevada Power Company, 2014 (Docket No. 14-05003)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored written and oral testimony in NPC environmental compliance case, called the Emissions Reduction and Capacity Replacement case. The main focus of our testimony was our recommendation to eliminate the \$438M Moapa solar project from the compliance plan.
174. **Nevada Power Company, 2014 (Docket No. 14-05004)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC to sponsor written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
175. **Oklahoma Gas and Electric Co., 2014 (Cause No. PUD 201400229)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) in OG&E’s Environmental Compliance and Mustang Modernization Plan before the Oklahoma Corporation Commission to provide testimony addressing the economics and rate impacts of the plan.
176. **Sourcegas Arkansas, Inc., 2014 (Docket No. 13-079-U)** Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”), an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in SGA’s general rate case to provide testimony on various revenue requirement issues.
177. **Anchorage Municipal Light and Power, 2014 (Docket No. U-13-184)** – Participated as an expert witness before the Alaska Regulatory Utility Commission on behalf of Providence Health and Services to provide testimony on various revenue requirement and cost of service issues.
178. **Public Service Company of Oklahoma, 2014 (Cause No. PUD 201300217)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
179. **Entergy Texas Inc., 2013 (PUC Docket No. 41791)** – Participated as an expert witness on behalf of the Cities³ in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
180. **MidAmerican/NV Energy Merger, 2013 (Docket No. 13-07021)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored

³ The Cities include Beaumont, Conroe, Groves, Houston, Huntsville, Orange, Navasota, Nederland, Pine Forest, Pinehurst, Port Arthur, Port Neches, Rose City, Shenandoah, Silsbee, Sour Lake, Vidor, and West Orange.

testimony to address various issues raised in the proposed acquisition of NV Energy by MidAmerican Energy Holdings Company, including capital structure and acquisition premium recovery issues.

181. **Entergy Arkansas, 2013 (Docket No. 13-028-U)** – Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”) an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in Entergy’s general rate case to provide testimony on various revenue requirement issues.
182. **Sierra Pacific Power Company, 2013 (Docket No. 13-06002)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers⁴ before the Nevada PUC in SPPC’s general rate case proceeding to provide testimony on various cost of service and revenue requirement issues. Sponsored written and oral testimony in the depreciation phase, the revenue requirement phase and the rate design phase of these proceedings.
183. **Gulf Power Company, 2013 (Docket No. 130140-EI)** – Participated as an expert witness on behalf of the Office of Public Counsel before the Florida Commission in Gulf Power’s general rate case proceeding to provide testimony on various revenue requirement issues.
184. **Public Service Company of Oklahoma, 2013 (Cause No. PUD 201200054)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission (“OCC”) to provide testimony in PSO’s application seeking Commission approval of its settlement agreement with EPA.
185. **Southwestern Electric Power Company, 2012 (PUC Docket No. 40443)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s general rate case proceeding to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
186. **Doyon Utilities, 2012 Alaska Rate Case (Docket No. TA7-717)** – Participated as an expert witness consultant on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.
187. **University of Oklahoma, 2012** – Participated as an expert witness on behalf of the University of Oklahoma to provide expert testimony on various revenue requirement issues in the University’s general rate case with the Corix Group, which provides utility services to the University.
188. **Public Service Company of Oklahoma, 2012 (Cause No. PUD 201200079)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission to provide expert testimony addressing the utility’s request to earn additional compensation on a 510MW purchased power agreement with Exelon.
189. **Centerpoint Energy Texas Gas, 2012 (Docket No. GUD 10182)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Railroad Commission of Texas to provide expert testimony on various revenue requirement issues.

⁴ The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.

190. **Entergy Texas Inc., 2012 (PUC Docket No. 39896)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
191. **Oklahoma Natural Gas Company, 2012 (Cause No. PUD 2012-029)** – Participated as an expert witness on behalf of the OIEC before the OCC in ONG’s Performance Based Rate (“PBR”) application seeking Commission approval of a requested rate increase based upon formula results for 2011.
192. **University of Oklahoma, 2012** – Assisted the University of Oklahoma with an audit of the costs associated with its six utility operations and its contract with the Corix Group to provide utility services to the university.
193. **Oklahoma Gas and Electric Company, 2012 (Cause No. PUD 2011-186)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking Commission approval of a special contract with Oklahoma State University and a wind energy purchase agreement in connection therewith.
194. **Empire Electric Company, 2011, (Cause No. PUD 11-082)** – Participated as an expert witness on behalf of Enbridge before the OCC in Empire’s rate case to provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
195. **Nevada Power Company, 2011, (Docket No. 11-04010)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored written and oral testimony to address proposed changes to the Company’s customer deposit rules.
196. **Nevada Power Company, 2011, (Docket No. 11-06006)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
197. **Public Service Company of Oklahoma, 2011 (Cause No. PUD 2011-106)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking rider recovery of third party SPP transmission costs and fees.
198. **Oklahoma Gas and Electric Company, 2011 (Cause No. PUD 2011-087)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s rate case to provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
199. **Oklahoma Gas & Electric Company, 2011 (Docket No. 10-109-U)** – Participated as an expert witness on behalf of Gerdau Macsteel before the Arkansas Public Service Commission in OG&E’s application to recover Smart Grid costs to make recommendations regarding the allocation of the Smart Grid costs.
200. **Oklahoma Gas & Electric Company, 2011 (Cause No. PUD 2011-027)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking to include retiree medical expense in the Company’s pension tracker mechanism.

201. **Public Service Company of Oklahoma, 2011 (Cause No. PUD 2010-50)** – Participated as an expert witness on behalf of OIEC before the Oklahoma Corporation Commission in AEP/PSO’s application to recover ice storm O&M expenses through a regulatory asset/rider mechanism to address tax impact and return issues in the proposed rider.
202. **Public Service Company of Colorado, 2011 (Docket No. 10AL-908E)** – Participated as an expert witness on behalf of the Colorado Retail Council (“CRC”) before the Colorado Public Utilities Commission providing written and live testimony to address PSCo’s proposed Environmental Tariff.
203. **Oklahoma Gas & Electric Company, 2011 (Docket No. 10-067-U)** – Participated as an expert witness on behalf of the Northwest Arkansas Industrial Energy Consumers (“NWIEC”)⁵ before the Arkansas Public Service Commission in OG&E’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
204. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-146)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking rider recovery of third party SPP transmission costs and SPP administration fees.
205. **Massachusetts Electric Co. & Nantucket Electric Co. d/b/a National Grid, 2010 (Docket No. DPU 10-54)** – Participated as an expert witness providing both written and live testimony before the Massachusetts Department of Public Utilities on behalf of the Associated Industries of Massachusetts (“AIM”) to address the Company’s proposed participation in the 438MW Cape Wind project in Nantucket Sound.
206. **Public Service Company of Oklahoma, 2010 (Cause No. PUD 2010-50)** – Participated as an expert witness on behalf of the OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
207. **Texas-New Mexico Power Co., 2010 (Docket 38480)** – Participated as an expert witness on behalf of the Alliance of Texas Municipalities (“ATM”) before the Texas PUC in TMNP’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
208. **Southwestern Public Service Co., 2010 (PUCT Docket No. 38147)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
209. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-37)** – Participated as an expert witness on behalf of OIEC before the OCC to address the preapproval and ratemaking treatment of OG&E’s 220MW self-build wind project.
210. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-29)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking pre-approval of deployment of smart-grid technology and rider-recovery of the associated costs. Sponsored written testimony to address smart-grid deployment and time-differentiated fuel rates.

⁵ NWIEC is an association of industrial manufacturing facilities in northwest Arkansas.

211. **Public Service Company of Oklahoma, 2010 (Cause No. PUD 2010-01)** – Participated as an expert witness on behalf of the OIEC before the OCC in the Company’s proposed Green Energy Choice Tariff. Sponsored testimony to address the pricing and ratemaking treatment of the Company’s proposed wind subscription tariff.
212. **Nevada Power Company, 2010 (Docket No. 10-02009)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC to provide testimony in NPC’s Internal Resource Plan to address the ratemaking treatment of the proposed ON Line transmission line.
213. **Entergy Texas Inc., 2010 (PUC Docket No. 37744)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
214. **El Paso Electric Company, 2010 (PUC Docket No. 37690)** – Participated as an expert witness on behalf of the City of El Paso in the EPI general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
215. **Public Service Company of Oklahoma, 2009 (Cause No. 09-196)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application for approval of DSM programs and cost recovery. Sponsored testimony to address program costs, lost revenue recovery, cost allocations and incentives.
216. **Oklahoma Gas and Electric Company, 2009 (Cause No. PUD 09-230 and 09-231)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s application to add wind resources from two purchased power contracts. Sponsored written testimony to address the proper ratemaking treatment of the contract costs and the renewable energy certificates.
217. **Oklahoma Gas and Electric Company, 2009 (Cause No. PUD 08-398)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s rate case. Provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
218. **Nevada Power Company, 2009, (Docket No. 08-12002)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
219. **Public Service Company of Oklahoma, 2009 (Cause No. 09-031)** – Participated as an expert witness on behalf of OIEC before the OCC in PSO’s application to add wind resources from two purchased power contracts. Sponsored written testimony to address the proper ratemaking treatment of the contract costs and the renewable energy certificates.
220. **Oklahoma Natural Gas Co., 2009 (Cause No. PUD 08-348)** – Participated as an expert witness on witness on behalf of the OIEC before the OCC in ONG’s application to establish a Performance Based Rate tariff. Sponsored both written and oral testimony to address the merits of the utility’s proposed PBR.
221. **Rocky Mountain Power, 2009 (Docket No. 08-035-38)** – Participated as an expert witness on behalf

of the Division of Public Utilities (Staff) in PacifiCorp's general rate case to provide testimony on various revenue requirement issues.

222. **Texas-New Mexico Power Co., 2008 (Docket 36025)** – Participated as an expert witness on behalf of the Alliance of Texas Municipalities (“ATM”) before the Texas PUC in TMNP’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
223. **Public Service Company of Oklahoma, 2008 (Cause No. 08-144)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s general rate case application to address revenue requirement and rate design issues to establish prospective cost-of-service based rates.
224. **Public Service Company of Oklahoma, 2008 (Cause No. 08-150)** – Participated as an expert witness on behalf of the OIEC before the OCC to address PSO’s calculation of its Fuel Clause Adjustment for 2008.
225. **Oklahoma Gas and Electric Company, 2008 (Cause No. PUD 08-059)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking authorization of its Demand Side Management (“DSM”) programs and the establishment of a DSM Rider to recover program costs, lost revenues and utility incentives.
226. **Entergy Gulf States, 2008 (PUC Docket No. 34800, SOAH Docket No. 473-08-0334)** – Participated as an expert witness on behalf of the Cities in EGSI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
227. **Public Service Company of Oklahoma, 2008 (Cause No. 07-465)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application to recover the pre-construction costs of the cancelled Red Rock coal generation facility.
228. **Oklahoma Gas and Electric Company, 2008 (Cause No. 07-447)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking authorization to recover the pre-construction costs of the cancelled Red Rock coal generation facility using proceeds from sales of excess SO₂ allowances.
229. **Rocky Mountain Power, 2008 (Docket No. 07-035-93)** – Participated as an expert witness on behalf of Division of Public Utilities (Staff) in PacifiCorp’s general rate case to provide testimony on various revenue requirement issues.
230. **Public Service Company of Oklahoma, 2008 (Cause No. PUD 07-449)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking authorization of its Demand Side Management (“DSM”) programs and the establishment of a DSM Rider to recover program costs, lost revenues and utility incentives.
231. **Public Service Company of Oklahoma, 2008 (Cause No. PUD 07-397)** – Participated as an expert witness on behalf of OIEC before the OCC in PSO’s application seeking authorization to defer storm damage costs in a regulatory asset account and to recover the costs using the proceeds from sales of excess SO₂ allowances.
232. **Oklahoma Gas & Electric Co., 2007 (Cause No. PUD 07-012)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s application seeking pre-approval to construct the Red

Rock coal plant to address the Company's proposed rider recovery mechanism.

233. **Oklahoma Natural Gas Co., 2007 (Cause No. PUD 07-335)** – Participated as an expert witness on behalf of the OIEC before the OCC in ONG's application proposing alternative cost recovery for the Company's ongoing capital expenditures through the proposed Capital Investment Mechanism Rider ("CIM Rider"). Sponsored testimony to address ONG's proposal.
234. **Public Service Company of Oklahoma, 2007 (Cause No. PUD 06-030)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's application seeking a used and useful determination for its planned addition of the Red Rock coal plant to address the Company's use of debt equivalency in the competitive bidding process for new resources.
235. **Public Service Company of Oklahoma, 2006 (Cause No. PUD 06-285)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
236. **Nevada Power Company, 2007, (Docket No. 07-01022)** - Participated as an expert witness on behalf of the MGM MIRAGE before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
237. **Nevada Power Company, 2006, (Docket No. 06-11022)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
238. **Southwestern Public Service Co., 2006 (PUCT Docket No. 37766)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities ("AXM") in the SPS general rate case application. Provided testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsored the Accounting Exhibits on behalf of AXM.
239. **Atmos Energy Corp., Mid-Tex Division, 2006 (Texas GUD 9676)** – Participated as an expert witness in the Atmos Mid-Tex general rate case application on behalf of the Atmos Texas Municipalities ("ATM"). Provided written and oral testimony before the Railroad Commission of Texas regarding the revenue requirements of Mid-Tex including various rate base, operating expense, depreciation and tax issues. Sponsored the Accounting Exhibits for ATM.
240. **Nevada Power Company, 2006 (Docket No. 06-06007)** – Participated as an expert witness on behalf of the MGM MIRAGE in the Sinatra Substation Electric Line Extension and Service Contract case. Provided both written and oral testimony before the Nevada Public Utility Commission to provide the Commission with information as to why the application is consistent with the line extension requirements of Rule 9 and why the cost recovery proposals set forth in the application provide a least cost approach to adding necessary new capacity in the Las Vegas strip area.
241. **Public Service Co. of Oklahoma, 2006 (Cause No. PUD 05-00516)** - Participated as an expert witness on behalf of the OIEC to review PSO's application for a "used and useful" determination of its proposed peaking facility.
242. **Oklahoma Gas and Electric Co., 2006 (Cause No. PUD 06-00041)** – Participated as an expert witness on behalf of the OIEC in OG&E's application to propose an incentive sharing mechanism for

SO₂ allowance proceeds.

243. **Chermac Energy Corporation, 2006 (Cause No. PUD 05-00059 and 05-00177)** – Participated as an expert witness on behalf of the OIEC in Chermac’s PURPA application. Sponsored written responsive and rebuttal testimony to address various rate design issues arising under the application.
244. **Oklahoma Gas and Electric Co., 2006 (Cause No. PUD 05-00140)** – Participated as an expert witness on behalf of the OIEC in OG&E’s 2003 and 2004 Fuel Clause reviews. Sponsored written testimony to address the purchasing practices of the Company, its transactions with affiliates, and the prices paid for natural gas, coal and purchased power.
245. **Nevada Power Company, 2006, (Docket No. 06-01016)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written testimony in NPC’s deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
246. **Oklahoma Gas and Electric Co., 2005 (Cause No. PUD 05-151)** – Participated as an expert witness on behalf of the OIEC in OG&E’s general rate case application. Sponsored both written and oral testimony before the OCC to address various revenue requirement and rate design issues for the purpose of setting prospective cost-of-service based rates.
247. **Oklahoma Natural Gas Co., 2005 (Cause No. PUD 04-610)** – Participated as an expert witness on behalf of the Attorney General of Oklahoma. Sponsored written and oral testimony to address numerous rate base, operating expense and depreciation issues for the purpose of setting prospective cost-of-service based rates.
248. **CenterPoint Energy Arkla, 2004 (Cause No. PUD 04-0187)** – Participated as an expert witness on behalf of the Attorney General of Oklahoma: Sponsored written testimony to provide the OCC with analysis from an accounting and ratemaking perspective of the Co.’s proposed change in depreciation rates from an Average Life Group to an Equal Life Group methodology. Addressed the Co.’s proposed increase in depreciation rates associated with increased negative salvage value calculations.
249. **Public Service Co. of Oklahoma, 2004 (Cause No. PUD 02-0754)** – Participated as an expert witness on behalf of the OIEC. Sponsored written testimony (1) making adjustments to PSO’s requested recovery of an ICR programming error, (2) correcting errors in the allocation of trading margins on off-system sales of electricity from AEP East to West and among the AEP West utilities and (3) recommending an annual rather than a quarterly change in the FAC rates.
250. **PowerSmith Cogeneration Project, 2004 (Cause No. PUD 03-0564)** - Participated as an expert witness on behalf of the OIEC to provide the OCC with direction in setting an avoided cost for the PowerSmith Cogeneration project under PURPA requirements. Provided both written and oral testimony on the provisions of the proposed contract under PURPA:
251. **Electric Utility Rules for Affiliate Transactions, 2004 (Cause No. RM 03-0003)** – Participated as a consultant on behalf of the OIEC to draft comments to assist the OCC in developing rules for affiliate transactions. Assisted in drafting the proposed rules. Successful in having the Lower of Cost or Market rule adopted for affiliate transactions in Oklahoma.
252. **Nevada Power Company, 2003, (Docket No. 03-10001)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written and oral

testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.

253. **Nevada Power Company, 2003, (Docket No. 03-11019)** - Participated as an expert witness on behalf of the MGM MIRAGE before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
254. **Public Service Company of Oklahoma, 2003 (Cause No. PUD 03-0076)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
255. **Oklahoma Gas & Electric Co., 2003 (Cause No. PUD 03-0226)** – Participated as an expert witness on behalf of the OIEC. Provided both written and oral testimony before the OCC to determine the appropriate level to include in rates for natural gas transportation and storage services acquired from an affiliated company.
256. **Nevada Power Company, 2003 (Docket No. 02-5003-5007)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC. Sponsored written and oral testimony to calculate the appropriate exit fee in MGM Mirage's 661 Application to leave the system.
257. **McCarthy Family Farms, 2003** – Participated as a consultant to assist McCarthy Family Farms in converting a biomass and biosolids composting process into a renewable energy power producing business in California.
258. **Bice v. Petro Hunt, 2003 (ND, Supreme Court No. 20030306)** - Participated as an expert witness in a class certification proceeding to provide cost-of-service calculations for royalty valuation deductions for natural gas gathering, dehydration, compression, treatment and processing fees in North Dakota.
259. **Nevada Power Company, 2003 (Docket No. 03-11019)** - Participated as a consulting expert on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power. Provided written and oral testimony on the reasonableness of the cost allocations to the utility's various customer classes.
260. **Wind River Reservation, 2003 (Fed. Claims Ct. No. 458-79L, 459-79L)** – Participated as a consulting expert on behalf of the Shoshone and Arapaho Tribes to provide cost-of-service calculations for royalty valuation deductions for gathering, dehydration, treatment and compression of natural gas and the reasonableness of deductions for gas transportation.
261. **Oklahoma Gas & Electric Co., 2002 (Cause No. PUD 01-0455)** – Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored written and oral testimony on numerous revenue requirement issues including rate base, operating expense and rate design issues to establish prospective cost-of-service based rates.
262. **Nevada Power Company, 2002 (Docket No. 02-11021)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power and to make recommendations with respect to rate design.

263. **Nevada Power Company, 2002 (Docket No. 01-11029)** - Participated as a consulting expert on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power included in the Company's \$928 million deferred energy balances.
264. **Nevada Power Company, 2002 (Docket No. 01-10001)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
265. **Chesapeake v. Kinder Morgan, 2001 (CIV-00-397L)** - Participated as an expert witness on behalf of Chesapeake Energy in a gas gathering dispute. Sponsored testimony to calculate and support a reasonable rate on the gas gathering system. Performed necessary calculations to determine appropriate levels of operating expense, depreciation and cost of capital to include in a reasonable gathering charge and developed an appropriate rate design to recover these costs.
266. **Southern Union Gas Company, 2001** - Participated as a consultant to the City of El Paso in its review of SUG's gas purchasing practices, gas storage position, and potential use of financial hedging instruments and ratemaking incentives to devise strategies to help shelter customers from the risk of high commodity price spikes during the winter months.
267. **Nevada Power Company, 2001** - Participated as an expert witness on behalf of the MGM-Mirage, Park Place and Mandalay Bay Group before the Nevada Public Utility Commission to review NPC's Comprehensive Energy Plan (CEP) for the State of Nevada and make recommendations regarding the appropriate level of additional costs to include in rates for the Company's prospective power costs associated with natural gas and gas transportation, coal and coal transportation and purchased power.
268. **Bridenstine v. Kaiser-Francis Oil Co. et al., 2001 (CJ-95-54)** - Participated as an expert witness on behalf of royalty owner plaintiffs in a valuation dispute regarding gathering, dehydration, metering, compression, and marketing costs. Provided cost-of-service calculations to determine the reasonableness of the gathering rate charged to the royalty interest. Also provided calculations as to the average price available in the field based upon a study of royalty payments received on other wells in the area.
269. **Klatt v. Hunt et al., 2000 (ND)** - Participated as an expert witness and filed report in United States District Court for the District of North Dakota in a natural gas gathering contract dispute to calculate charges and allocations for processing, sour gas compression, treatment, overhead, depreciation expense, use of residue gas, purchase price allocations, and risk capital.
270. **Oklahoma Gas and Electric Co., 2000 (Cause No. PUD 00-0020)** - Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored testimony on OG&E's proposed Generation Efficiency Performance Rider (GEPR). Provided a list of criteria with which to measure a utility's proposal for alternative ratemaking. Recommended modifications to the Company's proposed GEPR to bring it within the boundaries of an acceptable alternative ratemaking formula.
271. **Oklahoma Gas and Electric Co., 1999** - Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored testimony on OG&E's proposed Performance Based Ratemaking (PBR) proposal including analysis of the Company's regulated return on equity, fluctuations in the capital investment and operating expense accounts of the Company and the impact that various rate base,

operating expense and cost of capital adjustments would have on the Company's proposal.

272. **Nevada Power Company, 1999 (Docket No. 99-7035)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony addressing the appropriate ratemaking treatment of the Company's deferred energy balances, prospective power costs for natural gas, coal and purchased power and deferred capacity payments for purchased power.
273. **Nevada Power Company, 1999 (Docket No. 99-4005)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony to unbundle the utility services of the NPC and to establish the appropriate cost-of-service allocations and rate design for the utility in Nevada's new competitive electric utility industry.
274. **Nevada Power Company, 1999 (Docket No. 99-4005)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony to establish the cost-of-service revenue requirement of the Company.
275. **Nevada Power/Sierra Pacific Merger, 1998 (Docket No. 98-7023)** - Participated as an expert witness on behalf of the Mirage and MGM Grand before the Nevada PUC. Sponsored written and oral testimony to establish (1) appropriate conditions on the merger (2) the proper sequence of regulatory events to unbundle utility services and deregulate the electric utility industry in Nevada (3) the proper accounting treatment of the acquisition premium and the gain on divestiture of generation assets. The recommendations regarding conditions on the merger, the sequence of regulatory events to unbundle and deregulate, and the accounting treatment of the acquisition premium were specifically adopted in the Commission's final order.
276. **Oklahoma Natural Gas Company, 1998 (Cause No. PUD 98-0177)** - Participated as an expert witness in ONG's unbundling proceedings before the OCC. Sponsored written and oral testimony on behalf of Transok, LLC to establish the cost of ONG's unbundled upstream gas services. Substantially all of the cost-of-service recommendations to unbundle ONG's gas services were adopted in the Commission's interim order.
277. **Public Service Company of Oklahoma, 1997 (Cause No. PUD 96-0214)** - Audited both rate base investment and operating revenue and expense to determine the Company's revenue requirement and cost-of-service. Sponsored written testimony before the OCC on behalf of the OIEC.
278. **Oklahoma Natural Gas /Western Resources Merger, 1997 (Cause No. PUD 97-0106)** - Sponsored testimony on behalf of the OIEC regarding the appropriate accounting treatment of acquisition premiums resulting from the purchase of regulated assets.
279. **Oklahoma Gas and Electric Co., 1996 (Cause No. PUD 96-0116)** - Audited both rate base investment and operating income. Sponsored testimony on behalf of the OIEC for the purpose of determining the Company's revenue requirement and cost-of-service allocations.
280. **Oklahoma Corporation Commission, 1996** - Provided technical assistance to Commissioner Anthony's office in analyzing gas contracts and related legal proceedings involving ONG and certain of its gas supply contracts. Assignment included comparison of pricing terms of subject gas contracts to portfolio of gas contracts and other data obtained through annual fuel audits analyzing ONG's gas purchasing practices.

281. **Tenkiller Water Company, 1996** - Provided technical assistance to the Attorney General of Oklahoma in his review of the Company's regulated cost-of-service for the purpose of setting prospective utility rates.
282. **Arkansas Oklahoma Gas Company, 1995 (Cause No. PUD 95-0134)** - Sponsored written and oral testimony before the OCC on behalf of the Attorney General of Oklahoma regarding the price of natural gas on AOG's system and the impact of AOG's proposed cost of gas allocations and gas transportation rates and tariffs on AOG's various customer classes.
283. **Enogex, Inc., 1995 (FERC 95-10-000)** - Analyzed Enogex's application before the FERC to increase gas transportation rates for the Oklahoma Independent Petroleum Association and made recommendations regarding revenue requirement, cost-of-service and rate design on behalf of independent producers and shippers.
284. **Oklahoma Natural Gas Company, 1995 (Cause No. PUD 94-0477)** - Analyzed a portfolio of ONG's gas purchase contracts in the Company's Payment-In-Kind (PIC) gas purchase program and made recommendations to the OCC Staff on behalf of Terra Nitrogen, Inc. regarding the inappropriate profits made by ONG on the sale of the gas commodity through the PIC program pricing formula. Also analyzed the price of gas on ONG's system, ONG's cost-of-service based rates, and certain class cross-subsidizations in ONG's existing rate design.
285. **Arkansas Louisiana Gas Company, 1994 (Cause No. PUD 94-0354)** - Planned and supervised the rate case audit for the OCC Staff and reviewed the workpapers and testimony of the other auditors on the case. Sponsored cost-of-service testimony on cash working capital and developed policy recommendations on post test year adjustments.
286. **Empire District Electric Company, 1994 (Cause No. PUD 94-0343)** - Planned and supervised the rate case audit for the OCC Staff and reviewed the workpapers and testimony of other auditors. Sponsored cost-of-service testimony on rate base investment areas including cash working capital.
287. **Oklahoma Natural Gas Company, 1992 through 1993 (Cause No. PUD 92-1190)** - Planned and supervised the rate case audit of ONG for the OCC Staff. Reviewed all workpapers and testimony of the other auditors on the case. Sponsored written and oral testimony on numerous cost-of-service adjustments. Analyzed ONG's gas supply contracts under the Company's PIC program.
288. **Oklahoma Gas and Electric Company, 1991 through 1992 (Cause No. PUD 91-1055)** - Audited the rate base, operating revenue and operating expense accounts of OG&E on behalf of the OCC Staff. Sponsored written and oral testimony on numerous revenue requirement adjustments to establish the appropriate level of costs to include for the purpose of setting prospective rates.

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

PETITION OF TENNESSEE-AMERICAN)
WATER COMPANY TO ADOPT ANNUAL)
REVIEW MECHANISM AND ARM)
TARIFF PURSUANT TO TENN. CODE)
ANN. § 65-5-103(d)(6))

DOCKET NO. 25-00089

STATE OF Oklahoma)

COUNTY OF Oklahoma)

I, MARK GARRETT, being duly sworn, state that I am authorized to testify on behalf of the City of Chattanooga in the above-referenced docket, that if present before the Commission and duly sworn, my testimony would be as set forth in my pre-filed testimony in this matter, and that my testimony herein is true and correct to the best of my knowledge, information, and belief.

Mark Garrett
MARK GARRETT

Sworn to and subscribed before me
This 3rd day of February, 2026.

Heather Garrett
Notary Public

My commission expires: 6/3/2029

