

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Northern States Power Company :
2013 Electric Rate Increase : Case No. PU-12-813
Application :

TRANSCRIPT OF

HEARING

VOLUME III

Taken At
State Capitol
Bismarck, North Dakota
August 27, 28 & 29, 2013

BEFORE THE HON. BONNY M. FETCH
-- ADMINISTRATIVE LAW JUDGE --

1 (The proceedings continued, commencing at
2 8:37 a.m., Thursday, the 29th day of August, 2013,
3 as follows:)

4 JUDGE FETCH: Good morning, everyone.

5 COMMISSIONER KALK: Good morning, Your
6 Honor.

7 JUDGE FETCH: For the record, today is
8 August 29th, 2013, and this is the third day of
9 hearing in this matter, and this is a rate
10 application from Northern States Power.

11 My name is Bonny Fetch. I'm the
12 administrative law judge. And present are the
13 three Commissioners, Commissioner Julie Fedorchak,
14 who holds the portfolio in this matter;
15 Commissioner Chairman Brian Kalk, and Commissioner
16 Randy Christmann.

17 And as of yesterday we concluded the case
18 for NSP and today we will move to the advocacy
19 staff case. Before we call the first witness,
20 though, I'll ask counsel whether there are any
21 preliminary matters we need to take care of this
22 morning.

23 MR. JOHNSON: None that I'm aware of, Your
24 Honor.

25 JUDGE FETCH: Thank you, Mr. Johnson.

1 MR. NORRELL: None that I'm aware of, Your
2 Honor.

3 JUDGE FETCH: All right. Thank you, Mr.
4 Norrell. Ms. Jeffcoat-Sacco?

5 MS. JEFFCOAT-SACCO: Nothing for me.
6 Thank you.

7 JUDGE FETCH: All right. Then if we're
8 ready to proceed, I will call on Mr. Norrell for
9 presentation of the staff advocacy case.

10 Have you prepared an opening statement
11 that you wish to give, Mr. Norrell, or do you want
12 to waive?

13 MR. NORRELL: Your Honor, advocacy staff
14 would respectfully waive any opening statement at
15 this point and we look forward to a vigorous
16 discussion of our side of the case.

17 JUDGE FETCH: All right. And how are you
18 proceeding? Did you have prepared witness
19 statements or --

20 MR. NORRELL: Yes, Your Honor, we do have
21 a couple prepared witness statements. We would
22 like to call Mr. Mike Majoros first and I would
23 like to hand out his statement too.

24 JUDGE FETCH: Please do. Okay. Mr.
25 Majoros, I think you were present yesterday and

1 heard -- he's already got his hand in the air. All
2 right.

3 (Witness sworn.)

4 JUDGE FETCH: All right. Thank you.

5 And by stipulation this exhibit, as soon
6 as I see how it's numbered, will be admitted into
7 the record.

8 MR. NORRELL: It will be number 16.

9 JUDGE FETCH: All right. This is PSC
10 Exhibit 16.

11 All right. Mr. Norrell.

12 MR. NORRELL: Thank you, Your Honor.

13 I would like to note that Mr. Majoros will
14 be -- we admitted all the PSC exhibits, 1 through
15 7, on first day; is that correct?

16 JUDGE FETCH: Yes, we did.

17 MR. NORRELL: So Mr. Majoros will be
18 testifying to PSC Exhibits 1 and 2.

19 **MICHAEL J. MAJOROS, JR.,**
20 being first duly sworn, was examined and testified
21 as follows:

22 **DIRECT EXAMINATION**

23 **BY MR. NORRELL:**

24 Q. And with that, Mr. Majoros, if you would
25 like to make your opening statement.

1 A. Yes. My name is Michael J. Majoros, Jr.
2 I'm the advocacy staff's witness on depreciation.
3 I have testified before this Commission on several
4 occasions, the last time in Case No. PU-07-776. I
5 was staff's revenue requirement witness in that
6 case which included a discussion of depreciation.
7 Depreciation was one of the primary issues in Case
8 No. PU-07-776.

9 The thrust of my direct and supplemental
10 testimony in this case is to obtain the
11 transparency and accountability North Dakota
12 ratepayers deserve regarding the cash flow they
13 provide to the company through depreciation
14 charges.

15 Depreciation is a ratemaking mechanism
16 used to transfer cash from ratepayers to a utility
17 to pay for the investment it made in property plant
18 and equipment. Depreciation is an after-the-fact
19 return of capital, accomplished using a constant
20 depreciation rate over the life of the property
21 plant and equipment.

22 When a utility includes depreciation in
23 its revenue requirement, it provides cash flow to
24 the utility, since there is -- since it is a
25 noncash expense, i.e., it is a return of a previous

1 expenditure. The higher the depreciation rate, the
2 greater the cash flow. Yesterday Mr. Tyson
3 discussed investor expectations. He explained that
4 cash flow is an important factor to investors since
5 the greater the cash flow, the less the future
6 dilution of stock prices.

7 I have prepared an example to show the
8 difference between the company's accrual basis
9 return, which Ms. Heuer discussed, and its cash
10 basis rates of return for 2011 and '12. The cash
11 basis rates of return far exceed the accrual basis
12 returns, and depreciation is one of the primary
13 contributors to this cash flow.

14 Getting back to depreciation rates,
15 somewhere along the line, utilities were successful
16 in increasing depreciation rates to account for
17 future cost of removal on the grounds of
18 intergenerational equity. That is, current
19 ratepayers should pay more to protect future
20 ratepayers from overpaying.

21 As a result, depreciation rates were
22 increased to account for future costs and then
23 increased again using inflated future costs, thus
24 increasing the cash transfer from ratepayers to the
25 utility.

1 In 2002, the professional accounting
2 community and the Securities & Exchange Commission
3 expressed their displeasure with this practice.
4 Normal companies are not allowed to include future
5 cost estimates in current depreciation rates,
6 inflated or otherwise. The professional
7 accountants determined that it was folly to charge
8 current periods for future costs that would not be
9 incurred. Thus, if a company has a legal
10 obligation to incur a future removal cost, it is
11 required to capitalize that cost at its present
12 value and charge it to expense over the life of the
13 asset, just as any other expenditure.

14 Not only did the professional accounting
15 community reaffirm that normal businesses were not
16 allowed to include future cost estimates in current
17 depreciation rates, it demonstrated its disdain for
18 the practice by requiring regulated utilities to
19 report the excess nonlegal collections as
20 regulatory liabilities; specifically, as amounts
21 owed to ratepayers if they were not spent on their
22 intended purpose.

23 As a result of these GAAP changes, the
24 company has reported a \$432 million regulatory
25 liability in its 2012 Form 10-K and its annual

1 report to its shareholders. This company owes its
2 ratepayers 432 million for cash it has collected
3 for cost of removal that it has not incurred. That
4 is, 432 million over and above the actual money it
5 has spent for cost of removal. The excess 432
6 million is not in a bank account somewhere as is
7 the case with the nuclear fund. Instead, it went
8 somewhere else, and we don't know where. It is
9 part of the cash flow embedded in ratemaking
10 service rates as I explained earlier.

11 The only thing North Dakota ratepayers
12 have by way of transparency and accountability is
13 that regulatory liability reported in GAAP
14 financial statements, but not in reports to this
15 Commission.

16 In Case No. PU-07-776, the staff and the
17 company reached an agreement which staff thought
18 would provide such accountability and transparency.
19 We believe the company has failed to comply with
20 the Case No. 07-776 stipulation.

21 So, again, the primary thrust of my
22 testimony is to obtain, by Commission recognition
23 and order, the transparency and accountability that
24 North Dakota ratepayers deserve regarding the
25 additional free cash flow they have provided to the

1 company for unincurred.

2 Ms. Perkett's testimony concerns me as she
3 asserts the company reports the 432 million
4 regulatory liability in its GAAP financial
5 statements as a result of the settlement in Case
6 No. PU-07-776. That is not true. The company
7 reports the \$432 million regulatory liability in
8 its GAAP financial statements because the
9 professional accounting community and the SEC
10 recognize that the company owes that money back to
11 its ratepayers. It has nothing to do with net
12 versus gross plant.

13 So my bottom line is given these facts,
14 the least North Dakota ratepayers should be able to
15 expect is that the company identify the rates and
16 the amounts involved and properly report its
17 regulatory liability to this Commission for further
18 scrutiny.

19 JUDGE FETCH: Go ahead, Mr. Norrell.

20 MR. NORRELL: Thank you, Your Honor. The
21 witness is available for cross-examination.

22 JUDGE FETCH: All right. Thank you. And,
23 Ms. Valley, are you or Mr. Johnson?

24 MR. JOHNSON: I will.

25 JUDGE FETCH: Mr. Johnson. All right.

1 Mr. Johnson, please proceed.

2 MR. JOHNSON: Thank you, Your Honor.

3 **CROSS-EXAMINATION**

4 **BY MR. JOHNSON:**

5 Q. Good morning, Mr. Majoros.

6 A. Good morning.

7 Q. We're going to have some questions here
8 this morning, and whenever possible, I'm going to
9 try to address my question to a specific reference
10 point in your testimony so we talk about the same
11 thing at the same time.

12 Looking at your opening statement, you
13 characterize the bottom line as being looking for
14 transparency and accountability, I believe. Does
15 that mean that you are no longer recommending that
16 depreciation rates be limited to legal AROs, the
17 retirement portion?

18 A. No.

19 Q. So you're still staying with that
20 position?

21 A. That's right.

22 Q. Thank you.

23 A. And I said my bottom line is, but I also
24 said twice earlier that the primary thrust of my
25 testimony was accountability and transparency.

1 Q. Thank you. Directing your attention to
2 page 12, line 28 of your testimony, you make a
3 statement that the ratepayers should not be
4 required to pay the company more than it expects to
5 spend upon removal of its assets from service. Is
6 there an inference there that ratepayers should pay
7 what the company expects to spend when it retires
8 assets?

9 A. The inference is that the ratepayers
10 should pay what the company spends in the provision
11 of public utility service.

12 Q. So you would agree that the ratepayers do
13 need to pay for what the utility spends?

14 A. Yes.

15 Q. Okay. On page 12, lines 21 and 22, you
16 comment that the company includes the cost of
17 demolition of production facilities in depreciation
18 rates, but it's not required to demolish the
19 production facilities. Do you see that?

20 A. Yes.

21 Q. Should the company as a matter of utility
22 practice demolish and remove its facilities or
23 should it leave them abandoned in place when
24 they're retired?

25 A. It should do what it is required to do.

1 It should not do something that is not economically
2 justified. If it's not required to demolish a
3 plant, it shouldn't demolish a plant, at least and
4 charge that cost to repairs. If you choose to
5 demolish a plant as a matter of good faith, then
6 you should charge that to your ratepayers -- I
7 mean, shareholders.

8 Q. Let's shift to distribution and
9 transmission facilities and I want to give you a
10 specific situation to think about. As a matter of
11 public policy, should the company be required to
12 remove distribution and transmission lines and
13 poles in North Dakota, or should the company simply
14 leave them in place when they're retired and
15 abandon them?

16 A. I think that your obligation should be to
17 provide service. If that requires replacement of a
18 transmission or distribution pole, you should
19 replace that pole, that's what you do, and the way
20 it works is that -- and Ms. Perkett confirms this
21 in her rebuttal testimony, that your planning
22 department prepares an estimate for the total
23 project cost of replacing a pole. A portion of
24 that total project cost -- or that total project
25 cost includes removing the old pole. That is the

1 expenditure. That is what goes into the capital
2 budget.

3 After the fact, the accountants take that
4 original expenditure and allocate, according to Ms.
5 Perkett, 10 percent of that expenditure to cost of
6 removal. That allocation goes into accumulated
7 depreciation as cost of removal. The company then
8 -- this company, and most, takes that cost of
9 removal in today's dollars and divides it by the
10 original cost of the old pole, which may be 50
11 years old, and that's different dollars. The
12 result is an inflated cost of removal ratio. That
13 is the ratio that the company seeks to use in this
14 case to recover cost of removal, and that is the
15 ratio that resulted in the \$432 million regulatory
16 liability to ratepayers.

17 Q. So somewhere in there did you agree that
18 the company should recover the cost of removing
19 that?

20 A. I think you should recover the cost of the
21 replacement.

22 Q. Should they recover the cost of removal,
23 sir?

24 A. They should recover the cost of the
25 replacement, then -- the cost of the replacement

1 includes the removal.

2 Q. So they should recover the cost of
3 removal?

4 A. They should recover the removal.

5 Q. Thank you.

6 A. Which includes the --

7 JUDGE FETCH: Wait for another question,
8 please.

9 Q. (MR. JOHNSON CONTINUING) Now, let's
10 assume that we agree, and I think we do, that the
11 company should recover the cost of removal. Which
12 ratepayers should pay for that, the ratepayers that
13 use the poles that are being replaced and removed
14 or future ratepayers that did not use them?

15 A. The ratepayers should pay for the cost of
16 the replacement. And my affirmation of that fact
17 and that requirement in the FERC USOA that you use
18 is in paragraph 32 instruction -- general
19 instruction number 32 which says that a replacement
20 includes the cost of the new pole and removal of
21 the old pole. That is the cost of the replacement
22 and that is how it is defined.

23 Q. Which ratepayers should pay for that, sir,
24 current ratepayers that are using the facilities or
25 future ratepayers that aren't?

1 A. The people that should pay for that
2 expenditure are the people that use the pole, get
3 service from the pole.

4 Q. That would be the current ratepayers?

5 A. No. You're replacing a pole.

6 Q. The pole that's being replaced is a pole
7 that's now being used; correct?

8 A. I'm saying that the cost of that
9 replacement is in the price of the expenditure, and
10 the people that should pay for that expenditure are
11 the people that get service from that expenditure.

12 Q. And those are current ratepayers, aren't
13 they?

14 A. No. Well, if you made a replacement last
15 year, a part of -- that total cost of that
16 replacement would be charged to ratepayers this
17 year, a pro rata share over the life of that asset.

18 Q. Over the life of the asset?

19 A. Yes.

20 Q. Thank you. I believe you agree with me
21 that all of the costs of removal that the company
22 has included in its depreciation rates are included
23 in its depreciation reserve account; is that
24 correct? I'll direct you to page 21 of your
25 testimony, lines 16 and 17.

1 A. I don't see that statement on this page.

2 Q. Why don't you take a look at lines --
3 excuse me -- lines 14 through 18. Why don't you
4 read that sentence and you tell me what that means.

5 A. "I also recommend that the company be
6 ordered to modify its FERC Form 1 language to state
7 that North Dakota's share of the nonlegal ARO
8 embedded in accumulated depreciation has been
9 recognized as a regulatory liability."

10 Q. I infer from that that you agree that
11 nonlegal AROs are reflected in accumulated
12 depreciation; is that correct?

13 A. On the regulated books, yes.

14 Q. Thank you. If that is the case, do you
15 agree that the North Dakota rate base has been
16 removed by the nonlegal ARO costs?

17 A. Removed?

18 Q. Reduced, I should say. Let me rephrase
19 the question.

20 If we agree that it is included in
21 accumulated depreciation, do you agree with me that
22 the rate base in North Dakota has been reduced by
23 the amount of nonlegal AROs that the company has
24 collected?

25 A. Yes.

1 Q. On page 19 of your testimony, and I'm just
2 going to give you a series of references so we get
3 grounded here, lines 7 through 9, you indicate that
4 the company has not recognized its recovery of
5 nonlegal AROs as a regulatory liability. Do you
6 see that statement?

7 A. Yes.

8 Q. Then at page 19, line 21, you say the
9 company denies the regulatory liability in its FERC
10 Form 1. And on page 20, you again -- line 1, you
11 again assert that the company denies the existence
12 of the nonlegal AROs in its regulatory and
13 ratemaking financial statements.

14 A. Yeah. Yes, sir.

15 Q. Is it correct that FERC Form 1 does not
16 have a separate category for nonlegal AROs?

17 A. FERC Form 1 has a separate category for
18 regulatory liabilities.

19 Q. Right.

20 A. And that's what we're talking about here.

21 Q. So your grievance is that the FERC Form 1
22 does not reflect nonlegal AROs -- let me rephrase
23 that.

24 Your grievance is that the FERC Form 1
25 allows nonlegal AROs to be reflected in accumulated

1 depreciation?

2 A. That is one of them. That's one of my
3 grievances, yes.

4 Q. And your grievance is with FERC on that
5 point?

6 A. Well, my grievance is with FERC and my
7 grievance is with the company who said they were
8 going to recognize it as a regulatory liability in
9 the stipulation in PU-07-776.

10 Q. Does "recognize" to you mean specifically
11 disclose? That's what it appears to be.

12 A. Yes.

13 Q. So it's not enough that it is reflected
14 appropriately in the cost of service, it should be
15 separately line item identified?

16 A. Yes. And I would like to explain that
17 answer. When this company requests that a
18 regulatory asset be included in its revenue
19 requirement, under FAS number 71 and whatever the
20 newest number is of that, it requires the company
21 to seek your recognition of that regulatory asset,
22 your specific recognition before it would be
23 allowed to include that regulatory asset in its
24 revenue requirement. All I'm saying is you owe it
25 to ratepayers to give the same recognition to that

1 regulatory liability.

2 Q. Isn't that what's happened in this
3 proceeding, sir?

4 A. No.

5 Q. We have spent an awful lot of attention
6 talking about legal and nonlegal AROs. Could the
7 Commission be better informed than it is now?

8 A. I don't know. Hope so. I'm trying to
9 inform them right now.

10 Q. Now, on a number of places you have
11 indicated your belief, at least I think you have,
12 that the amount of nonlegal AROs that the company
13 has collected, I guess for lack of a better phrase,
14 is \$432 million.

15 A. Yes.

16 Q. It's in your opening statement and
17 throughout your testimony. Would you accept as a
18 correction that the real amount of nonlegal AROs
19 that is included in the regulatory liability is
20 \$377 million?

21 A. Not without seeing the proof.

22 Q. Fair enough.

23 MR. JOHNSON: Your Honor, may I have an
24 exhibit marked and then approach the witness?

25 JUDGE FETCH: Yes, you may. The next

1 exhibit number for NSP would be 34, so I am
2 labeling this NSP Exhibit 34.

3 MR. JOHNSON: Thank you, Your Honor.

4 Q. (MR. JOHNSON CONTINUING) Mr. Majoros, I'd
5 like to direct your attention to NSP Exhibit 34 and
6 have you take a look at that for a few moments.

7 A. Yes.

8 Q. Does this appear to be an excerpt from the
9 company's 2012 Form 10-K which you've discussed?

10 A. Yes.

11 JUDGE FETCH: Are you asking to have this
12 admitted at this time, Mr. Johnson?

13 MR. JOHNSON: I am, Your Honor.

14 JUDGE FETCH: Mr. Norrell, you have a copy
15 of the exhibit. Do you have any objections?

16 MR. NORRELL: No, Your Honor.

17 JUDGE FETCH: Thank you. NSP Exhibit 34
18 is admitted.

19 Please proceed, Mr. Johnson.

20 MR. JOHNSON: Thank you, Your Honor.

21 Q. (MR. JOHNSON CONTINUING) Mr. Majoros, I
22 would like to direct your attention to the last
23 page of that excerpt, which is page 85 -- it's
24 marked page 85, I should say, and if you look at
25 the table at the top of the page, you see a

1 notation total regulatory liabilities and a number
2 \$432,471,000, second column from the left. Do you
3 see that?

4 A. That's correct.

5 Q. And if you go up to the top of that row --
6 column, I should say, you see plant removal costs
7 of \$377 million?

8 A. Yes, I do.

9 Q. And would that correspond to the nonlegal
10 AROs?

11 A. Yes.

12 Q. So the 432 includes \$377 million of
13 nonlegal AROs and several other regulatory
14 liabilities, as well?

15 A. That's correct. I stand corrected.

16 Q. Now, on -- let's see. Bear with me for a
17 moment, please. On page 16 of your direct
18 testimony you rely on the size of the regulatory
19 liability to demonstrate that there's a huge amount
20 of inflation included. Do you see that passage?
21 Lines 15 through 18 if I did not give you the
22 reference.

23 A. I see that, and I said that earlier.

24 Q. Yes. So we should substitute 377 million
25 for the 432 per our earlier discussion?

1 A. Yes.

2 Q. But even with that substitution, a number
3 is only significant in relation to another number;
4 would you not agree with me? Or you can't tell
5 anything from a single number standing by itself,
6 you don't know what it relates to; is that a fair
7 characterization?

8 A. Not in my opinion. I don't even
9 understand the question.

10 Q. Let me rephrase it then. The \$377 million
11 of nonlegal AROs that we're now referring to here
12 relates to a little over \$2 billion of underlying
13 assets, does it not?

14 A. It relates to \$377 million of cash that
15 you have collected from your ratepayers to pay for
16 a cost you have not incurred.

17 Q. Mr. Majoros, what plant accounts give rise
18 to the nonlegal AROs?

19 A. What plant accounts give rise to it?

20 Q. Yes.

21 A. All plant accounts where you've used
22 negative net salvage to calculate a depreciation.

23 Q. Would you agree with me or accept that the
24 company's transmission and distribution assets to
25 which these numbers relate is a little over \$2

1 billion in total?

2 A. I don't have that in front of me.

3 Q. Do you have any basis to dispute that?

4 A. No.

5 Q. So that would be a little bit under 20
6 percent, assuming those numbers are correct?

7 A. 20 percent?

8 Q. \$377 million is a little under 27 -- 20
9 percent of 2 billion, is it not?

10 A. A little, yes.

11 Q. Thank you. On page 10 of your testimony,
12 lines 2 through 16, you have a discussion of a
13 portion of the 2007 settlement and you make some
14 comments with respect to whether the company did or
15 did not comply with that portion of the settlement.
16 Do you see that?

17 A. Yes.

18 Q. Is it correct that the settlement pertains
19 to the company's next electric rate case? I'm
20 looking at lines 4 and 5.

21 A. Yes.

22 Q. And this is not the company's next
23 electric rate case, is it?

24 A. No.

25 Q. And on lines 5 and 6, the company's

1 obligation was to report to the Commission on, and
2 I quote, whether it intends to propose North Dakota
3 specific depreciable lives?

4 A. Yes.

5 Q. There was no obligation for the company to
6 in fact adopt those in this principle, was there?

7 A. Not based strictly on this principle in
8 form. In substance I think it does.

9 Q. Now, in your supplemental direct testimony
10 you withdraw or correct the reference to a
11 five-year average and you justify that change on
12 the basis of what you characterize as the
13 company's, quote, arbitrary accounting change to
14 surrogate numbers. Do you recall having testified
15 to that effect?

16 A. Yes.

17 Q. Is it not correct that the numbers that
18 the company proposed were the result of a North
19 Dakota-specific depreciation study that it
20 submitted in this proceeding?

21 A. You know, I don't know if those net
22 salvage studies were North Dakota specific or
23 systemwide. They may have been. They did indeed
24 -- the company did indeed propose specific North
25 Dakota distribution depreciation rates.

1 MR. JOHNSON: That's all I have. Thank
2 you. Thank you, Your Honor.

3 JUDGE FETCH: All right. Thank you.

4 Ms. Jeffcoat-Sacco, do you have any
5 questions?

6 EXAMINATION

7 BY MS. JEFFCOAT-SACCO:

8 Q. I was wondering if you could just kind of
9 summarize how -- I got the impression from your
10 overview today, your summary today, that many, many
11 utilities are handling the issue as NSP, but I
12 wondered if you could give me a breakdown, you
13 know, of jurisdiction how are the other commissions
14 -- have the other utilities in other jurisdictions
15 allowed or not allowed?

16 A. Delaware, not allowed. In D.C., not
17 allowed. In Maryland, not allowed. In Georgia, I
18 think not allowed. In New Jersey, not allowed. In
19 Pennsylvania, not allowed.

20 Q. Do you have access to a list of all of
21 them? I mean just out of curiosity.

22 A. I have access to the ones I'm aware of.

23 MS. JEFFCOAT-SACCO: That's all I have.
24 Thank you.

25 JUDGE FETCH: Mr. Norrell, did you have

1 questions?

2 MR. NORRELL: No.

3 JUDGE FETCH: All right. We'll go to the
4 Commission. Commissioner Fedorchak.

5 **EXAMINATION**

6 **BY COMMISSIONER FEDORCHAK:**

7 Q. Mr. Majoros, can you depreciate an asset
8 greater than its value?

9 A. You're not supposed to, but the way the
10 company proposes doing it, including future costs
11 in depreciation rates results, if you assume a
12 single asset, at the end of that asset's life
13 accumulated depreciation exceeds the plant value,
14 and that is one of the factors that the
15 professional accounting profession mentioned as
16 being problematic with this approach when it wrote
17 SFAS number 143, which defined asset retirement
18 obligations.

19 Q. So can you use a real simple example of a
20 real product that they might be depreciating, how
21 it works on their books. Like say a pole cost a
22 thousand dollars. Just walk through that and how
23 they are depreciating and resulting in this
24 inflated ratio that you're referring to.

25 A. Okay.

1 Q. Sorry.

2 A. Oh, no, no, no.

3 Q. I'm not an accountant.

4 A. That's fine. I'm going to scribble all
5 over my example here. So a thousand-dollar pole,
6 that's the example, and we're going to put a
7 thousand-dollar pole in service today. Now, this
8 company's -- this is distribution. This company's
9 distribution additions are largely driven by
10 replacements; in other words, there's already an
11 old pole there that's rotten. Ms. Perkett talked
12 about that old pole the other day. So let's assume
13 the old pole was put in service 50 years ago and
14 cost \$100.

15 What happens is the company does an
16 estimate of what it costs to replace the old pole,
17 and that cost is a thousand dollars in your
18 example. So it puts the thousand dollars into
19 plant and then it allocates 10 percent, according
20 to Ms. Perkett, to cost of removal. So what's left
21 in plant now is \$900 and a negative accumulated
22 depreciation of \$100. That's the allocated cost of
23 removal.

24 The next thing the company does -- now,
25 let's say the pole has a 10-year life. In total

1 the company has to recover a thousand dollars, so
2 that would be a hundred dollars a year for the
3 total pole and replacement of the old one.

4 Q. Where is the removal cost?

5 A. You look like I've lost you.

6 Q. No. I'm just wondering where the removal
7 cost is in.

8 A. It's in the thousand dollars.

9 Q. I thought that was the cost of the pole.

10 A. That is the cost of the pole. And that
11 cost, the way they do their budgeting, includes
12 removal of the old pole.

13 Q. So the pole maybe cost \$900 and they've
14 added a hundred dollars for the removal?

15 A. Right.

16 Q. Is that what they do?

17 A. I don't think they add a hundred dollars.
18 I think they say we're going to spend \$1,000 on a
19 new pole and that expenditure includes getting the
20 old pole out of there. It's \$1,000 for the total
21 pole job. That's the way this company does it.
22 That's the way all companies do it -- all
23 utilities.

24 Q. Okay.

25 A. So the cost of removal is a part of that

1 1,000, and they should get \$100 a year for 10
2 years, which adds up to \$1,000. But, remember,
3 they allocated \$100 to cost of removal. The next
4 thing they do -- the next thing they do is relate
5 that negative \$100 to the original cost of the
6 original pole, which was \$100. So that ratio is a
7 negative 100 percent. That is a negative net
8 salvage ratio, which they apply on top of the
9 original cost of the pole -- this pole and wind up
10 recovering twice the amount of the \$1,000
11 expenditure because of the inflation manifested --
12 or which occurred between the placement of the
13 original pole and the current cost. That ratio is
14 what they call, or what everybody calls, nonlegal
15 ARO. The difference in money is nonlegal AROs,
16 they collect it, and then the professional
17 accounting community recognizes this problematic
18 problem and requires them to report it as an
19 obligation back to ratepayers if they don't incur,
20 you know, the additional thousand dollars. And
21 that's what is in the now 377 million regulatory
22 liability that this company recognizes in its GAAP
23 financial statements. But I might add, they do not
24 want it recognized for regulatory purposes. That
25 is a loaded term, "recognized," as the gentleman

1 said.

2 Q. All right. That leads me then to my next
3 question, which is, are you suggesting that this is
4 just a matter of reporting this to us, or are you
5 suggesting that we not recognize these costs and
6 then they will need a smaller -- their revenue
7 requirement will go down?

8 A. Well, the actual cost of removal for this
9 pole when it is retired in 10 years, if they have
10 an obligation to do anything with it as a result of
11 environmental rules or something like that, the
12 present value of that cost is included in the legal
13 ARO, which they do record and they do report in
14 their Form 1. And I'm suggesting that at least on
15 a going-forward basis that that is what we use to
16 estimate future cost of removal. But I'm saying
17 I'm not proposing any huge reductions to
18 depreciation expense in this case. I'm asking for
19 transparency and accountability relating to what
20 they've already done, and then on a going-forward
21 basis, once they start reporting this, it should be
22 easier for staff and this Commission to look at
23 what is truly going on.

24 Earlier we talked about cash flow.

25 Q. Mm-hmm.

1 A. It's a fair expenditure.

2 Q. It is. It allows staff to bring in --

3 A. It should be allowed.

4 Q. I think it is actually. But, anyway,
5 thank you for coming out here.

6 A. Thank you.

7 Q. And thank you all for your patience the
8 last couple days as we got through the company's
9 case. I don't have a lot of questions. I want to
10 start out with, you referred to Case No. PU-07-776.

11 A. Yes, sir.

12 Q. And, interesting enough, if you look at
13 page 3 of that, my name is at the bottom of the
14 order, so I remember --

15 A. Oh, you were here?

16 Q. I was here. That was my first rate case,
17 so I remember the depreciation discussion very
18 intently.

19 But to get to your point, on page -- let
20 me look through here -- of course, I had it before
21 we started talking. Okay. On page 7 it talks
22 about the North Dakota depreciation study and I
23 read through that and I see a lot of things that
24 could be interpreted a lot of different ways about
25 what the company should have done or what we said,

1 so I don't think there's much sense for me to get
2 into that now, but I will tell you that at our work
3 session I intend to go through and see what
4 happened based on this order from our -- my staff's
5 viewpoint and I think we'll flesh that out because
6 I think there's definitely two different sides to
7 what we think happened on that.

8 The question I would ask to you is that --
9 I've also been involved in at least two other rate
10 cases with this company. Why didn't it come up
11 beforehand if there was something that was not
12 implemented in that rate case?

13 A. I don't know. I mean, that was the last
14 rate case I was in, 776, so I don't know what
15 happened.

16 Q. Did that discussion come up at all in your
17 discussion with your group, if you will? I'm sure
18 that question -- I wouldn't think -- I think that
19 would be a reasonable question to come up in your
20 discussion with advocacy staff.

21 A. Yeah, I don't recall having that
22 discussion. Probably should have.

23 Q. Fair enough. All right. So I think the
24 only other point I had was, you made your point, I
25 think, and that's my goal, is to go through that

1 with the work session. We'll see how that plays
2 out.

3 But you did make a reference that in 2002
4 the SEC expressed their displeasure with this
5 practice. Kind of a followup to Ms. Jeffcoat's
6 question, I mean, are you alleging that the company
7 is doing something illegal in their practices or
8 just highly frowned upon?

9 A. Highly frowned upon by the public
10 accounting community and the SEC.

11 Q. But there is no guidance from the SEC that
12 says specifically you cannot do this?

13 A. Oh, yes. Yes, there is. Yes, there is.

14 Q. Okay. So where would that be?

15 A. I think the public accounting --

16 Q. But you just contradicted yourself. You
17 just told me it was highly frowned upon, then you
18 just said the SEC said you cannot do it. It's one
19 or the other, I would think, unless it's gray
20 interpretation area, which oftentimes we see from
21 federal bodies to give states the ability to
22 interpret it.

23 A. I'm not a lawyer, and I don't profess to
24 be a lawyer, but I can say this, the SEC responded
25 to the public utility industry back in the days

1 when all of this was being debated that it
2 believed, it was its position that this money was a
3 regulatory liability, and that's documented.

4 Q. Okay.

5 A. Now, if the company did not report this as
6 a regulatory liability, its auditors -- its
7 external auditors would not be allowed -- would not
8 be able to give it what's called a clean audit
9 opinion. It would be a qualified audit opinion,
10 and that is what would be reported to the SEC, and
11 I don't know what would happen then.

12 COMMISSIONER KALK: Okay. All right.
13 Thank you, sir.

14 JUDGE FETCH: Chairman Kalk, I'm going
15 to -- before we move on, I'm just going to note
16 that this case that has been referred to,
17 Commission Case No. PU-07-776, need not be
18 introduced as evidence. The Commission can take
19 official notice of its own decisions. All right.

20 COMMISSIONER KALK: Thank you, Your Honor.

21 JUDGE FETCH: That's a legal point. All
22 right. Commissioner Christmann.

23 **EXAMINATION**

24 **BY COMMISSIONER CHRISTMANN:**

25 Q. Good morning, Mr. Majoros. I'm not sure I

1 fully understood the result of your conversation
2 with Mr. Johnson. The SEC line on the last page
3 that he had there and the \$300-and-some million at
4 the top, did we discover that that does give the
5 transparency that you were looking for, albeit not
6 agreeing with the whole concept, but at least the
7 transparency is there for us, or was that not what
8 we found in that line of questioning?

9 A. Well, you don't set rates based on this
10 report. You set rates based on the Form 1 and
11 earnings reports to this Commission. This report,
12 the 10-K, is not a price regulator's report. FERC
13 Form 1 is, and that's where I recommend we have
14 transparency, and then the earnings reports to this
15 Commission.

16 Q. Okay. Thank you.

17 A. And also specific recognition of the
18 regulatory liability just like the company requests
19 when it asks for a regulatory asset.

20 Q. If the cost of removing an old pole is
21 going to be figured into the cost of putting in the
22 new pole, what happens -- let me try and paint a
23 picture here. You have a line going from A to B
24 and a different line going from A to C. Well,
25 later on the line going -- I guess I'll change it.

1 We don't even need the A to C one anymore.

2 Disregard that. A to B this time is not going to
3 be just replace, those poles are getting bad,
4 there's a better way, they are going to get power
5 from somewhere else over to B, so now a line is
6 built over there, they get power from there.

7 Where -- if they're not building this revenue into
8 their system to dismantle and get rid of that line
9 from A to B, where do they get it now when it's not
10 just a simple pole-to-pole replacement?

11 A. Well, first of all, I'm not sure where
12 else they're getting it. They might consider that
13 to be a replacement for this. Nevertheless, I
14 think you're talking about what we would call an
15 abandonment, a final end-of-life retirement of the
16 original pole without replacement.

17 Q. Right.

18 A. And at that point they would incur
19 whatever removal costs they're required to incur
20 and they would debit those costs to accumulated
21 depreciation, which would either be flowed back to
22 them over the life of the next asset, the remaining
23 assets, or it could remain in rate base forever,
24 the original, the cost of that replacement removal.

25 Q. Okay.

1 A. The company is always protected. The
2 company doesn't lose money on this kind of
3 transaction. It's always kept whole.

4 Q. Lastly, I don't know if NSP has any
5 facilities in this jurisdiction that are bonded as
6 far as removal.

7 A. Mm-hmm.

8 Q. But who knows, they may in the future. So
9 how does that play into this if there's a bonding
10 requirement where a bond payment has to be made
11 annually that provides removal money for when that
12 time comes? Is that just a -- does that have
13 nothing to do with this, that that cost of that
14 bond is a year-to-year expense?

15 A. That has a lot to do with this. That's a
16 legal ARO. That is a legal ARO and that's what I'm
17 recommending be used to calculate the cost of
18 removal going forward.

19 Q. Okay.

20 A. That bonding requirement is a legal ARO.
21 In fact, all the company has to do is -- and I'm
22 not a lawyer, don't profess to be a lawyer, but the
23 way I read SFAS 143, if a company -- top company
24 official were to come up here and swear to you that
25 they will remove all of their poles when they

1 replace them, then that becomes a regulatory -- a
2 legal ARO under the premise of promissory estoppel,
3 and at that point you would use -- and they do have
4 legal AROs associated with poles reported in the
5 Form 1. They just don't want to use those numbers
6 because they're too low. They would rather use
7 higher numbers to build up their cash.

8 Q. I thought I was done, but why are those
9 other numbers so low?

10 A. Because they're stated at their present
11 value and they address only what the company is
12 required to do legally -- or legally required to
13 do.

14 COMMISSIONER CHRISTMANN: I have no more
15 questions. Thank you.

16 JUDGE FETCH: Thank you, Commissioner. Do
17 any of the Commissioners have further questions?

18 COMMISSIONER FEDORCHAK: Just a couple.

19 **FURTHER EXAMINATION**
20 **BY COMMISSIONER FEDORCHAK:**

21 Q. On this legal versus nonlegal ARO, I'm not
22 wild about the idea of the company walking away
23 from facilities that it isn't legally bound by some
24 designation to remove. Is that what you're
25 suggesting?

1 A. I'm suggesting that if it is not legally
2 bound to demolish a plant or dismantle a plant, I
3 don't -- I know you're not -- you're not in favor
4 of them walking away, but if they don't have any
5 obligation to do it, they have an obligation to
6 their shareholders to not do it because that would
7 be an uneconomic decision. They would spend,
8 according to their estimates, hundreds of millions
9 of dollars to remove a plant that they didn't have
10 to spend.

11 Now, there is a legal obligation to
12 decommission nuclear plants, and that is on their
13 books and that liability is at its present value.
14 If you are -- I think for your concern, you should
15 discuss it with the Commissioners and staff and if
16 this Commission were to direct the company that
17 that's their obligation and you can perfect that
18 into a legal obligation, then they have the legal
19 obligation, but that does not exist right now.

20 Q. Who determines what's legal? Who
21 determines the list of what they legally have to
22 remove?

23 A. They have a list. It was provided in the
24 response to 08 -- staff 08-68, and it was a
25 confidential response, but there is a list where

1 they went through every single asset category they
2 have and determined what they were legally
3 obligated to remove and what they were not. They
4 evaluated assets and determined in some cases they
5 weren't obligated to remove it so they weren't
6 going to record a legal ARO for that, they were not
7 going to accrue for that. What they're asking you
8 to approve is the assumption that they're going to
9 remove every damn -- every asset they have at an
10 inflated price.

11 Q. So they've got on their books things that
12 they aren't going to remove, but yet they're asking
13 us to include depreciation costs as if they are
14 going to remove them?

15 A. Yes, absolutely. That's what the entire
16 regulatory liability relates to. That's why it
17 exists, because they've collected \$377 million of
18 that kind of money.

19 COMMISSIONER FEDORCHAK: Okay. Thank you.

20 JUDGE FETCH: Thank you. Other
21 Commissioners? Any followup? Okay.

22 **EXAMINATION**

23 **BY JUDGE FETCH:**

24 I just have a question for clarification.
25 On your opening statement, the last paragraph on

1 the first page, you say that -- well, actually the
2 first two lines, but, first of all, define what you
3 mean by "normal companies."

4 A. Nonregulated is what I was talking about.

5 Q. Okay. Nonregulated companies.

6 A. Yes.

7 Q. Okay. And the first line then, in 2002,
8 you say the professional accounting community and
9 the SEC expressed displeasure with the practice
10 then. This is almost 12 years later. Is that
11 still the case or have things changed since then?

12 A. Things haven't changed.

13 Q. So your position is that's still the case?

14 A. Yes.

15 JUDGE FETCH: Thank you.

16 All right. At this time we'll go back to
17 Mr. Norrell if there is any redirect.

18 MR. NORRELL: Thank you, Your Honor.

19 There is.

20 **REDIRECT EXAMINATION**

21 **BY MR. NORRELL:**

22 Q. Mr. Majoros, do companies necessarily take
23 down assets that they don't use?

24 A. When you say a company, I assume you mean
25 public utility.

1 Q. Yes. I apologize. Yes.

2 A. I don't know.

3 Q. Have you ever seen poles or transformers
4 in front of abandoned homes or businesses?

5 A. Oh, yeah.

6 Q. Does the company, in this case NSPM, have
7 a surplus in its accumulated depreciation accounts
8 for production and transmission?

9 A. Yes.

10 Q. Did the Minnesota Commission in its recent
11 deliberations tell the company that it needed to
12 refund this amount -- this surplus amount to
13 ratepayers?

14 A. I understand that it did.

15 Q. The company has stated numerous times, and
16 you've sat through the testimony, and have you
17 heard where it talks about abiding by past
18 precedent and previous settlement decisions and the
19 company's urging the Commission to look back at the
20 past precedent and previous settlements? Have you
21 heard those statements?

22 A. I think so, yes.

23 Q. Do you think then -- if a company agrees
24 to report on a specific depreciation rate, do you
25 think that that should be bound then to just the

1 next case or to all subsequent cases?

2 A. Well, I don't know. I'm not a lawyer.
3 But in this case Ms. Perkett says in her testimony
4 -- her direct testimony that her depreciation
5 proposals comply with the principles adopted in the
6 settlement in Case No. PU-07-776. The company
7 asserts that. So I don't know what happened in the
8 last two cases. That's what she asserts here, and
9 I disagree with her, they don't comply.

10 MR. NORRELL: Thank you. No further
11 questions, Your Honor.

12 JUDGE FETCH: Thank you, Mr. Norrell.
13 I'll go to Ms. Jeffcoat-Sacco next.

14 **FURTHER EXAMINATION**

15 **BY MS. JEFFCOAT-SACCO:**

16 Q. I just want to be clear. For security
17 purpose, the disclosure that you're advocating here
18 is required -- for regulatory purposes, the
19 disclosure of the regulatory asset -- or liability
20 is required, correct, because that's why it's on
21 the 10-K?

22 A. Yes.

23 Q. For regulatory purposes, you're
24 recommending that the Commission require at least
25 the disclosure here, and are you also recommending

1 an approval process? I guess that's a two-part
2 question.

3 A. Well, I'm recommending how -- in the
4 stipulation in 07-776 one of the principles was
5 that future net salvage would be stated at its
6 present value. The company didn't do that here.
7 So I've said, okay, in the future let's use the
8 legal AROs as a basis for that and get rid of all
9 this controversy. But my primary thrust is getting
10 transparency of that regulatory liability and any
11 additions they're making to it and accruals, report
12 it to this Commission, and I'm trying to get
13 Commission recognition of that regulatory
14 liability.

15 Q. And I just want to be sure I understand so
16 I'm putting it in slightly different terms.

17 A. Okay.

18 Q. Your recommendation then is that the
19 Commission require the transparency, require the
20 telling us and require -- when you say
21 "recognition," I'm trying to sort out if that's
22 Commission approval or --

23 A. Well, requires -- the word "require" is
24 correct, but I'm asking for recognition --

25 Q. I guess that's the words --

1 A. -- which means that this Commission
2 recognizes that if this company does not spend the
3 North Dakota piece of that 377 million on cost of
4 removal, then what's left is owed back to
5 ratepayers. That's what I'm -- that's the
6 recognition I'm asking for.

7 Q. One second, please. If you know --
8 assuming the Commission requires the company to
9 report, and if you know, do you believe the company
10 could report them by asset category?

11 A. Yes, I do.

12 Q. And then I had one more question just on
13 the legal obligation of the legal ARO. It's my
14 understanding that the legal obligation could come
15 from a federal requirement, like a super fund
16 cleanup or something, a state requirement to clean
17 up or dismantle or decommission, a local ordinance
18 of some sort, and perhaps even a contractual
19 arrangement, I'm envisioning.

20 A. That's right.

21 Q. So the requirement could come from several
22 different sources, all of which are lumped together
23 in that category of legal ARO?

24 A. That's my understanding.

25 Q. Okay.

1 discussion with Commissioner Christmann and perhaps
2 with Commissioner Fedorchak, but, in any event, do
3 you agree with me that the 2007 settlement contains
4 the provision that the company will -- and I'll
5 read it to you, "Both parties agree that, unless
6 directed otherwise by the Commission, rate recovery
7 -- past, present, and future -- for the removal and
8 retirement of company utility property will be used
9 solely for the retirement of the company's utility
10 property." Do you recall that being in the 2007
11 settlement?

12 A. Yes.

13 Q. Now, you had some discussion with respect
14 to installation costs and removal costs and I was
15 left somewhat confused by that and I may get myself
16 more confused but I'll try a question.

17 Let's assume that we install a facility --
18 a pole and line facility of some sort and the
19 capital costs, that is to say, the equipment and
20 the installation alone, is a thousand dollars. If
21 there is an anticipated 10 percent removal
22 adjustment factor applied to that, wouldn't the
23 amount that was recorded initially be the thousand
24 dollars of capital plus the hundred dollars for
25 removal?

1 plant when it is retired from service. They were
2 removed to, I think, greenfield status.

3 COMMISSIONER CHRISTMANN: Thank you.

4 JUDGE FETCH: Mr. Norrell, anything
5 further?

6 MR. NORRELL: No, Your Honor. Thank you.

7 JUDGE FETCH: Ms. Jeffcoat-Sacco?

8 MS. JEFFCOAT-SACCO: Yes.

9 **FURTHER EXAMINATION**

10 **BY MS. JEFFCOAT SACCO:**

11 Q. Our depreciation expert on the advisory
12 staff would like to know how you interpret or
13 understand the sentence from the settlement that
14 was quoted to you by Mr. Johnson, the one about
15 unless directed otherwise by the Commission, that
16 it will be used solely for the retirement of the
17 company's utility property and recognized as a
18 regulatory liability. How do you -- what does that
19 mean to you? Do you want to look at the language?

20 A. Yeah, let me see the language.

21 MS. JEFFCOAT-SACCO: May I?

22 JUDGE FETCH: Where are you reading from?

23 THE WITNESS: I'm reading from the
24 settlement that's part of the order in 07-776.

25 JUDGE FETCH: All right.

1 MR. JOHNSON: In his testimony at page 10.

2 MS. JEFFCOAT-SACCO: Oh. If it's in his
3 testimony, then that's better than this.

4 JUDGE FETCH: All right. Page 10 of
5 direct testimony?

6 MR. JOHNSON: Yes.

7 JUDGE FETCH: All right. Thank you.

8 Q. (MS. JEFFCOAT-SACCO CONTINUING) So can
9 you tell us what that means to you, please?

10 A. Well, that means what it says. It says
11 that past rate recovery for removal and retirement,
12 present rate recovery for removal and retirement,
13 and future rate recovery for removal and retirement
14 will be solely used -- will be used solely for the
15 retirement of the company's utility property and be
16 recognized as a regulatory liability. And I
17 believe that is what the company does. I think it
18 probably -- well, I can't tell you where it
19 spends -- how it spends its cash. As I said
20 earlier, the cash comes in and floats around. I
21 think that what they're doing -- well, that says
22 what it says, and I think they're recognizing the
23 regulatory liability in the Form 10-K.

24 MS. JEFFCOAT-SACCO: There has been
25 another question, and I think I know your answer to

1 it, it's going to be I'm not a lawyer so -- and I'm
2 about to ask it, but I'm going to ask it for the
3 two parties to address in their briefs, and that is
4 whether that paragraph of that settlement
5 constitutes a legal ARO. I am not asking you to
6 make that legal interpretation.

7 JUDGE FETCH: All right. So he's not a
8 lawyer, you're not asking him to make a legal
9 conclusion, but you would like the parties to
10 address that in their briefs?

11 MS. JEFFCOAT-SACCO: Yes, please.

12 JUDGE FETCH: All right. You need not
13 answer.

14 Any other questions, Ms. Jeffcoat-Sacco?

15 MS. JEFFCOAT-SACCO: No.

16 JUDGE FETCH: Back to Mr. Johnson.

17 MR. JOHNSON: No, Your Honor.

18 JUDGE FETCH: Thank you. Back to the
19 Commission. Any further questions?

20 COMMISSIONER KALK: Just one on Illona's
21 comment. That was, I think, the point of taking
22 this to work session. I'll be looking forward to
23 your opinion on if that's a legal ARO. Thank you,
24 Your Honor.

25 JUDGE FETCH: Any further questions for

1 this witness from anyone?

2 MR. NORRELL: No, Your Honor.

3 JUDGE FETCH: We've been around a few
4 times. All right. Thank you, Mr. Majoros. You're
5 excused.

6 THE WITNESS: Thank you, all.

7 JUDGE FETCH: And at this time it's ten
8 minutes to ten and we're going to take a ten-minute
9 break.

10 (Recess taken.)

11 JUDGE FETCH: Okay. We are back on the
12 record. It is 10:05 a.m., Central Time, and at
13 this time we're going to proceed with the next
14 witness. I believe that is Charles King, Mr.
15 Norrell.

16 MR. NORRELL: Yes, Your Honor, that is
17 correct.

18 JUDGE FETCH: All right. And do you have
19 an opening statement for Mr. King?

20 MR. NORRELL: Yes, Your Honor.

21 THE WITNESS: Can I be sworn first?

22 JUDGE FETCH: Do you want to pass that out
23 at this time, please.

24 MR. NORRELL: Yes.

25 JUDGE FETCH: All right. Thank you. And

1 you've been present when I've instructed as to
2 penalties for perjury?

3 THE WITNESS: Yes.

4 JUDGE FETCH: Okay. Please speak up nice
5 and loudly and maybe if you can move that
6 microphone a little closer to you. Thank you.
7 Please raise your right hand.

8 (Witness sworn.)

9 JUDGE FETCH: Thank you. All right. And
10 what you've passed out is an opening statement of
11 Charles King labeled PSC 17 and by stipulation this
12 is admitted into the record.

13 MR. NORRELL: Thank you, Your Honor.

14 JUDGE FETCH: Please proceed, Mr. Norrell.

15 **CHARLES W. KING,**

16 being first duly sworn, was examined and testified
17 as follows:

18 **DIRECT EXAMINATION**

19 **BY MR. NORRELL:**

20 Q. Mr. King, you'll be testifying to PSC
21 Exhibit 3; is that correct?

22 A. I assume so. I didn't know it had that
23 designation, but --

24 Q. That's marked as the direct testimony and
25 exhibits of Charles W. King. Do you have any

1 corrections that you need to make on the record to
2 your testimony?

3 A. No, I do not.

4 MR. NORRELL: With that -- has the witness
5 been sworn?

6 JUDGE FETCH: Yes, he has.

7 MR. NORRELL: I apologize.

8 JUDGE FETCH: That's okay.

9 Q. (MR. NORRELL CONTINUING) Mr. King, you
10 may proceed with your opening statement.

11 A. Good morning. My name is Charles King.
12 I'm here representing the advocacy staff on the
13 subject of rate of return.

14 I recommend a return on equity of NSP --
15 for NSP's North Dakota rate base of 9 percent. The
16 basis of this recommendation is set forth in my
17 testimony and exhibits. The reasons why I arrive
18 at 9 percent while Ms. Bulkley arrives at 10.25
19 percent are listed in the last pages of my
20 testimony and I will not repeat them here.

21 The company's response to my
22 recommendation essentially boils down to two
23 points. First, that interest rates are increasing
24 and, second, that 9 percent is way below the return
25 awards being granted to other utilities.

1 Ms. Bulkley would have you believe that
2 interest rates are skyrocketing. That's something
3 of an exaggeration. Here are the numbers. In July
4 the average yield on a 30-year treasury bond was
5 3.61 percent, last week it was 3.87 percent, higher
6 but hardly skyrocketing. In July the Baa rated
7 corporate bonds were yielding 5.32 percent, last
8 week they were at 5.55 percent, again hardly a
9 skyrocketing increase. Ms. Bulkley admits that as
10 interest rates increase, the spread between bond
11 yields and stock returns narrows. If that's the
12 case, then the 20-point increase in interest rates
13 translates to a much smaller increase in ROE
14 requirements.

15 Ms. Bulkley also points to forecasts of
16 much higher interest rates with long-term
17 treasuries over 5 percent in a few years. The
18 problem here is that analysts have been forecasting
19 the interest rate increases for years and they have
20 yet to materialize. The Federal Reserve has made
21 clear that it will not allow interest rates to
22 increase significantly until the unemployment rate
23 falls below 6 percent. Sadly, we are still a long
24 way from that goal.

25 The company has placed its greatest

1 emphasis on the second objection, the 9.0 percent
2 would be lower than all but one return awarded in
3 the last year and a half.

4 In my testimony I guard against relying on
5 other commissions' returns on the grounds it makes
6 regulation circular. Decisions based on other
7 decisions do not allow for objective evidence that
8 departs from the conventional wisdom of the
9 regulatory community.

10 My response to NSP's complaint is twofold.
11 First, objective evidence does indicate that the
12 appropriate return is well below the average of the
13 allowed returns during the past year. And, second,
14 objective evidence also suggests the average
15 awarded return is too high.

16 The objective evidence supporting a lower
17 return is in my testimony. I did not invent a
18 single number in that testimony and exhibit. Every
19 number came from outside objective sources that
20 have no interest in skewing the equity returns up
21 or down. Those numbers show quite clearly that a
22 return of approximately 9 percent is all that
23 investors require at this time.

24 The objective evidence that is current --
25 that currently allowed returns are unnecessarily

1 high is found in my Exhibit CWK-2, Schedule 4, page
2 2. And I would hope you could turn to that, if you
3 could. I'm sorry to pull this on you. I have it
4 here if you would like me to pass it to you.

5 COMMISSIONER KALK: I'm good.

6 JUDGE FETCH: Is this your direct
7 testimony?

8 THE WITNESS: Well, I only have one
9 testimony, so it's the direct testimony. It's the
10 exhibit to it. There's two exhibits, CWK-2, CWK-1,
11 and this is CWK-2.

12 COMMISSIONER FEDORCHAK: Page 1?

13 THE WITNESS: Yep. And I focus on column
14 C, market-to-book ratio. That column shows the
15 ratios of the market price of each -- oh, and it's
16 page 2, not page 1 of Schedule 4.

17 JUDGE FETCH: Okay. Now, which exhibit
18 was it?

19 THE WITNESS: CWK-2.

20 JUDGE FETCH: Okay.

21 THE WITNESS: Schedule 4, page 2.

22 JUDGE FETCH: Schedule 4.

23 COMMISSIONER KALK: So you can zoom on the
24 iPad for the font, just so you know.

25 JUDGE FETCH: The setting isn't set right

1 on this.

2 COMMISSIONER CHRISTMANN: Okay. We're
3 good.

4 THE WITNESS: Are we good?

5 COMMISSIONER CHRISTMANN: Yeah.

6 THE WITNESS: Take a look at column C.
7 This column shows the -- it's labeled
8 market-to-book ratio and it shows a ratio of the
9 current market price of each company's stock to the
10 book value of each company's stock. And it's
11 relevant because ROE awards are applied to the book
12 value of plant. Now, if regulators are granting
13 the exact return on book equity that investors
14 require, then the amounts that they're willing --
15 investors are willing to pay for the company's
16 stock should be equal to book value, but it isn't.
17 In every case the returns on book value are such
18 that investors are bidding the market value of
19 utility stocks well over their book value. In
20 Xcel's case the market value is 153 percent of its
21 book value, but they run as high as 225 percent.
22 That persistent excess of market over book value
23 indicates quite clearly that utility returns exceed
24 considerably the minimum requirements of investors.
25 A 10 percent -- the 10 percent that regulators have

1 few topics as we go along, and as I move from topic
2 to topic, I'll try to make that apparent so that we
3 keep talking about the same thing at the same time.

4 And let's start with your opening
5 statement here. At the base of the second page,
6 you have a reference, and I guess also in your
7 direct testimony, to your peer group stock prices.

8 A. Yes.

9 Q. As of what date was that?

10 A. Well, let's see. The market price was 60
11 days previous to, and you'll find this at the
12 footnote of Exhibit CWK-2, Schedule 2. It's
13 average closing prices during the April -- period
14 April 29 through June 25.

15 Q. Thank you. Would you agree with me that
16 utility stock prices have slid recently?

17 A. I don't know whether they have or not.

18 Q. You have not checked that?

19 A. I'm sorry?

20 Q. You have not checked that?

21 A. No.

22 Q. In your opening statement you presented an
23 argument talking about the relative book values of
24 the peers and of Xcel Energy.

25 A. Yes.

1 Q. I don't recall you having discussed that
2 in your direct testimony. Did I miss something?

3 A. No.

4 Q. Now, on page 8 of your direct testimony,
5 lines 4 and 5, you talk about the implications of a
6 prior analysis and I believe that analysis was
7 largely concerning interest rates and their
8 movement.

9 A. Yes.

10 Q. Am I correct?

11 A. Yes.

12 Q. And you state at page 8, lines 7 and 8,
13 that the desirability of utility stocks to other
14 forms of investment has increased with the decline
15 of interest rates. The increase in desirability
16 and consequent decrease in demand has driven up the
17 prices of utility stocks.

18 A. That's right.

19 Q. So declining interest rates drive up
20 utility stocks. Is it fair for me to conclude that
21 rising interest rates have the opposite effect?

22 A. That's true. The estimate has been that
23 for every one percentage point increase in the
24 treasury bond rate -- 30-year treasury bond rate,
25 that the cost of equity goes up about .3 percent.

1 And I don't have that study with me and I'm not
2 even sure I subscribe to it, but that's an
3 indication of the trend.

4 Q. 30 basis points, .3 percent?

5 A. 30 basis points for a 100 basis point
6 change in the treasury bond rate.

7 Q. Thank you. And thinking about how prices
8 of utility stocks affect the cost of equity
9 analysis, is it correct that an increase in prices
10 decreases dividend yields holding all other factors
11 equal?

12 A. Yes.

13 Q. And, accordingly, a reduction in the
14 dividend yields would tend to reduce the calculated
15 cost of equity under the DCF model?

16 A. That's correct.

17 Q. Now, you've indicated that -- your
18 recognition that interest rates are increasing, but
19 you have characterized two of those interest rate
20 increases from July to current date, those being
21 the 30-year treasuries and the Moody's Baa index.

22 A. Yes.

23 MR. JOHNSON: Your Honor, I would like to
24 have an exhibit marked and then approach the
25 witness.

1 JUDGE FETCH: You may.

2 MR. JOHNSON: Thank you.

3 JUDGE FETCH: I will label this -- maybe I
4 just have two copies. Is it two pages?

5 MR. JOHNSON: It's two pages. I believe
6 you do have two copies, Judge.

7 JUDGE FETCH: Thank you. I will label
8 this PSC Exhibit 35.

9 COMMISSIONER FEDORCHAK: PSC or NSP?

10 MR. JOHNSON: NSP.

11 JUDGE FETCH: What did I say? Let's try
12 NSP 35. Thank you.

13 I'll let you identify -- have the witness
14 identify it before we offer it.

15 THE WITNESS: I have it.

16 Q. (MR. JOHNSON CONTINUING) Can you identify
17 that, Mr. King?

18 A. Well, I think it's a chart of yields on
19 the 30-year treasury bond.

20 MR. JOHNSON: Your Honor, I would move
21 admission of this document into evidence.

22 JUDGE FETCH: Thank you. Any objection?

23 MR. NORRELL: No.

24 JUDGE FETCH: Thank you. NSP Exhibit 35
25 is admitted. Continue, please.

1 Q. (MR. JOHNSON CONTINUING) Mr. King, just
2 so that people -- everyone understands what this
3 is, it's my understanding that this is from Yahoo
4 Finance and that it is a one-year look at 30-year
5 treasury yields.

6 A. Yep.

7 Q. And you can tell it's the one-year look
8 because the little square below the graph, the one
9 that says 1Y is colored in?

10 A. Yes.

11 Q. And it's my understanding that this shows
12 dividend yield changes in the 30-year treasury from
13 approximately August of 2012 through August of
14 2013?

15 A. That's correct.

16 Q. So by way of perspective, the July to
17 August change that you were talking about is sort
18 of in the 2 -- I don't know -- bars, columns,
19 whatever you'd want to call them, on the right and
20 the history from prior periods is to the left of
21 that?

22 A. That is correct.

23 Q. Now, it would be my interpretation that
24 over time, and based on our conversation, that as
25 the interest yields have increased for the 30-year

1 treasuries, the relative desirability of utility
2 stocks as an investment would have decreased?

3 A. Well, of all stocks would have decreased
4 somewhat.

5 Q. But we were talking about utilities
6 earlier.

7 A. Yes. Yes. But it would apply to all
8 stocks.

9 MR. JOHNSON: Your Honor, may I have a
10 second exhibit marked?

11 JUDGE FETCH: Yes, you may.

12 MR. JOHNSON: Thank you. Your Honor, I do
13 move admission of the -- did we do that? We did
14 that.

15 JUDGE FETCH: We did admit 35.

16 MR. JOHNSON: I apologize, Your Honor.

17 JUDGE FETCH: That's fine. This will be
18 marked NSP Exhibit 36. All right. I believe we
19 have those.

20 MR. JOHNSON: Thank you, Your Honor.

21 Q. (MR. JOHNSON CONTINUING) Mr. King, I
22 would like to direct your attention to what's been
23 marked as NSP 36. Can you identify that for me?

24 A. Well, let's see. It's from somebody
25 called FRED, and it's a Moody's seasoned Baa

1 corporate bond yield; Source, Governors -- Board of
2 Governors of the Federal Reserve system. It
3 appears to be -- I guess these are monthly data.
4 It's a line that shows the monthly change in yields
5 on Baa corporate bonds.

6 Q. And this is from the St. Louis Federal
7 Reserve?

8 A. I guess that's what it is. I'm just
9 reading the web page. Yes, I guess that's what
10 that is, St. Louis Fed.

11 MR. JOHNSON: Your Honor, I would move
12 receipt into evidence of this.

13 JUDGE FETCH: Any objections, Mr. Norrell?

14 MR. NORRELL: No, Your Honor.

15 JUDGE FETCH: Thank you. NSP Exhibit 36
16 is admitted.

17 Q. (MR. JOHNSON CONTINUING) And this appears
18 to show the change in the Moody's Baa corporates.
19 I don't know that this is the utilities, but this
20 is the corporates?

21 A. Yes, it's all corporate bonds.

22 Q. And this would show the changes in all
23 corporate bonds from the beginning of 2012 through
24 August of 2013?

25 A. I think it's July of 2013.

1 Q. You're right. I apologize. Through July
2 of 2013.

3 Now, you were -- in your direct testimony
4 at page 9, you indicated a criticism, I believe --
5 I'll characterize it as that -- regarding decisions
6 by other state -- utility entities in 2012 and you
7 characterized it as a persistent disbelief that
8 interest rates could stay as low as they have for
9 as long as they have.

10 A. That's right.

11 Q. It would appear that at this point,
12 anyway, interest rates are in fact no longer
13 holding at the low levels, they are increasing?

14 A. Not as low as they have been. They're
15 still quite low. And I don't think they'll go a
16 whole lot higher because the Fed has been very
17 emphatic that they're not going to allow a
18 significant increase in interest rates as long as
19 unemployment is as low as it is now.

20 Q. Other analysts are in fact predicting
21 fairly substantial increases in the treasuries, are
22 they not?

23 A. They have been predicting substantial
24 increases in treasuries and in interest rates in
25 general for years, and month after month after

1 month those forecasts have proved to be overstated,
2 and I can demonstrate that if you would like.

3 Q. Mr. King, let's go back to NSP 36 for a
4 moment.

5 A. Which one is that?

6 Q. That's the 30-year treasuries.

7 A. Okay.

8 Q. And you described your DCF analysis as
9 using stock price data from the period of June 25,
10 I believe, going back 60 days.

11 A. That's correct. That just happened to be
12 when I did this analysis.

13 Q. I appreciate that. I believe you were
14 using almost most current data available at that
15 time, were you not?

16 A. Yes.

17 Q. However, looking at NSP 36, it would
18 appear that by happenstance -- and I'll
19 characterize it that way -- you caught a
20 particularly low ebb in utility stock prices for
21 your analysis?

22 A. Well, I don't know that. I got a
23 particularly low ebb in treasury bond yields.

24 Q. Fair enough.

25 A. There's no indication -- unless you have

1 an exhibit showing utility stock prices, I can't
2 confirm that.

3 Q. Other than the character- -- other than
4 the characteristics we talked about earlier, which
5 is that low yields lead to high utility prices and
6 vice versa?

7 A. As a general proposition, but before I
8 admit or even imply that utility stock prices have
9 declined significantly, I'd like to see the
10 evidence. You may be right, but I don't know that
11 that's the case.

12 Q. The principles we talked about would
13 suggest that's the case, would they not?

14 A. Yeah, but I don't want to -- I don't want
15 to buy onto that suggestion unless it's
16 demonstrated. Maybe you have a demonstration.

17 Q. It was in your testimony.

18 A. What was in my testimony?

19 Q. The principles we were articulating a
20 moment ago.

21 A. Well, I don't know that it was in my --
22 yeah -- yeah, it is true the principles are in my
23 testimony. What is not true is that I agree that
24 stock prices have declined significantly in
25 response to these treasury bond yield increases

1 during the last few months.

2 MR. JOHNSON: I have no other questions.
3 Thank you, Your Honor.

4 JUDGE FETCH: All right. Thank you. I
5 believe the order of testimony then now comes -- or
6 questioning comes to Mr. Norrell. No. I'm sorry.
7 We'll go to the Commission. Ms. Fedorchak.

8 COMMISSIONER FEDORCHAK: To Illona.

9 MS. JEFFCOAT-SACCO: I don't have any
10 questions so it's okay.

11 JUDGE FETCH: Okay. Sorry. Yesterday it
12 was so clear.

13 COMMISSIONER FEDORCHAK: Hard to get into
14 a new routine.

15 JUDGE FETCH: Yeah. A little spacial
16 disorientation. All right. Commissioner
17 Fedorchak.

18 **EXAMINATION**

19 **BY COMMISSIONER FEDORCHAK:**

20 Q. I'll start with your opening statement,
21 Mr. King. Just for some clarification, you say
22 here that Ms. Bulkley admits that as interest rates
23 increase, the spread between bond yields and stocks
24 -- stock returns narrows and, if that's the case,
25 then the 20-point increase in interest rates

1 translates to a much smaller increase in ROE
2 requirements. Can you explain what you mean by
3 that? If you need to --

4 A. Well, it's been demonstrated what's
5 indicated. When I say demonstrated, it implies
6 that we know absolutely what stock return
7 requirements are, but it's been demonstrated at
8 least the apparent return on stocks increases as
9 interest rates increase, but not at the same rate.
10 That if you have an increase in treasury bond rates
11 like we see here --

12 Q. Mm-hmm.

13 A. -- the increase in required returns will
14 not be as steep. It will be much lower. It will
15 only be, according to the study I've seen, about 30
16 percent of the increase in treasury bond. Now, if
17 treasury bonds go up 20 points, that's 0.20
18 percent, then that means that the interest -- the
19 yield on utility stocks would go up only 0.06
20 percent.

21 Q. Okay. If you wouldn't mind, let's get
22 into some examples. Use a real example, like, you
23 know, a treasury bond and a utility stock.

24 A. Well, we have between July and now --
25 what, mid-July and now a 20-basis point increase in

1 treasury bond yields. That's in my statement. In
2 that time the utility or overall stock return
3 requirement will have increased, but not as much.
4 It will have increased 0.6 percent or six basis
5 points.

6 Q. And how does this tie to a smaller
7 increase in ROE?

8 A. Well, because the return to stock prices
9 is ROE, is return on equity, equity being the
10 stock.

11 Q. Right. Do you think -- talk to me a
12 little bit about your proposal at 9 percent and the
13 company's proposal at 10.25 and changing --
14 actually scratch that. Currently they get 10.4 and
15 you're recommending 9 percent.

16 A. Yes.

17 Q. Talk to me about how you feel that jump
18 will look to investors -- how does that large of a
19 swing, or maybe you don't think it's a large swing,
20 reflect on investors?

21 A. Be sure investors will squeal. They will
22 think it's terrible. But the issue I have is -- is
23 your constituency investors. To hear Ms. Bulkley
24 talk, your concern is making investors happy.
25 Well, if you want to make investors happy, by all

1 means stay at 10.4. But your responsibility is to
2 the citizens of North Dakota and your job is to set
3 this rate of return where it should be, that is,
4 minimum required to recover -- to maintain credit
5 and increase -- maintain credit and attract
6 capital.

7 As a practical matter, it probably won't
8 have much effect on Xcel because North Dakota is
9 very small potatoes in the total scope of things.
10 But we're not supposed to think that way. We're
11 supposed to assume that we are setting a new rate
12 of return for the entire company. And it is true
13 that if you set the rate at 9 percent, you will get
14 a lot of flak from the investor community and
15 probably the company's stock hypothetically would
16 go down, but that's as it should be because the
17 company has been over-awarded, it has been given a
18 rate of return too high. I don't want to criticize
19 you all, but 10.4 is much too high, at least now.
20 Maybe it was better when you awarded it. But you
21 have to bite the bullet and set the rate at what
22 the minimum investors require, because you'll hear
23 howls from investors. What you won't hear howls
24 from are those folks down in the trailer court who
25 now have to pay 6 bucks a month more for their

1 electricity and they can't afford it. I think
2 those are the people that you have a responsibility
3 to concern yourself with.

4 Q. Okay. Then what do you say to the
5 company's assertion that the ratepayers are
6 affected by increased borrowing costs?

7 A. First of all, I don't think the company's
8 borrowing costs will be affected one bit.
9 Borrowing costs are a function of a lot of ratios,
10 a return on equity being only one of them. It has
11 to do with the coverage of interest charges. It
12 has to do with free cash flow, which would include
13 depreciation and deferred taxes as well as return
14 on equity. I would question whether there's going
15 to be any significant change in the company's
16 borrowing costs even if we hypothesize that the
17 total return to Xcel would go down to 9 percent.

18 Q. I've been sort of intrigued by the
19 difference between the allowed return and the
20 actual return and wondering why there's so much
21 emphasis on what we allow by the investment
22 community versus them looking at what they actually
23 are going to make by historical -- you know, the
24 past couple years the company hasn't been meeting
25 its allowable returns.

1 A. Well, the concern is that what you allow
2 is the starting point. In other words, you allowed
3 10.4 and they only earned just under 9. The
4 presumption is if you allow 9, they'll only earn
5 under -- you know, about 7 and a half. The way I
6 think you repair this is try and come up with a
7 rate of return -- I mean, a decision that allows
8 them to actually earn the 9 percent, and that will
9 offset to some degree the perception that you're
10 anti-investor.

11 If you can allow -- make sure this company
12 is actually able to earn that 9 percent, investors
13 will be a lot happier than if you give them 10 and
14 a half -- well, 10.25 and then they don't have a
15 chance of earning it. I think that's the kind of
16 confidence that investors would much prefer than
17 just the flat-out award.

18 Q. I am interested in that, so what do we do
19 to get to that?

20 A. That's the other piece of this whole rate
21 case that I'm not involved in. The revenue
22 requirement guys are the ones to talk to about
23 that.

24 Q. And then my last question to you is, were
25 you here yesterday when Mr. Tyson testified?

1 A. Yes.

2 Q. Give me your thoughts on his comments.

3 A. Well, Mr. Tyson is an employee of Xcel,
4 and Xcel's interest is maximizing profit. He's
5 going to give you the picture solely from the
6 standpoint of investors in Xcel. And what he's
7 going to try and tell you is that if the company
8 makes a big return, it's going to be wonderful for
9 ratepayers. Well, it's wonderful for ratepayers if
10 the company makes a return sufficient to attract
11 capital and maintain credit, which a 9 percent
12 return will do.

13 It's even more wonderful for the company
14 if they make way over that, and that is not good
15 for ratepayers. Ratepayers need the minimum -- the
16 minimum return necessary to maintain credit and
17 attract capital, but they shouldn't pay a red cent
18 more, and that's the nut I'm asking you to bite,
19 namely, go down to what is the minimum even though
20 it isn't the conventional wisdom of the regulatory
21 community.

22 Q. What do you think of -- what would you
23 think of a compromise that sets a higher return
24 than what you're recommending but requires that if
25 the company exceeds it, it shares in its excess

1 earnings with the ratepayers?

2 A. A lot of commissions have done that,
3 usually when they have multi-year awards. Georgia,
4 for example, only has one rate case every three
5 years and they do a projection of the next year's
6 revenue requirement, the year after and the year
7 after, and then there is a set rate of return and
8 there is a dead band around it usually of about
9 half a percentage point. Let's say they set 10
10 percent and if they get -- the company earns over
11 10 and a half, anything over that they have to
12 share with ratepayers. And, similarly, if they go
13 under that, then they get a bump in their rates.
14 That's a multi-year kind of thing.

15 Now, on a one-year go I don't think you
16 would -- that doesn't make as much sense. In Maine
17 it's even more exaggerated, they go out five years,
18 and have these kind of adjustments for dead band,
19 plus sharing above a dead band, a dead band plus.
20 It isn't an automatic rate increase. They have to
21 come back in for it, but they have the right to
22 jump ahead of the five-year schedule if they don't
23 make their -- if they go below the dead band. It's
24 a feature you could think about.

25 Q. Interesting. And just to kind of take the

1 extreme scenario, say we went with the 9 percent
2 and the company couldn't raise its equity -- raise
3 capital to --

4 A. If there was a demonstration that the
5 company couldn't raise capital, then I think the 9
6 percent would be too low. But I would -- I
7 would -- I just don't think that's going to be the
8 case. I don't see how that could be the case.

9 COMMISSIONER FEDORCHAK: That's all for me
10 for now.

11 JUDGE FETCH: Thank you, Commissioner
12 Fedorchak. Commissioner Kalk.

13 COMMISSIONER KALK: Thank you, Your Honor.

14 **EXAMINATION**

15 **BY COMMISSIONER KALK:**

16 Q. Thank you, Mr. King, for your testimony.
17 And the same thing I told the previous witness,
18 thanks for coming out here and helping us out.
19 It's always good to get different perspectives.
20 Commissioner Fedorchak opened up some questions I
21 wanted to explore a little bit further.

22 The concept you were just talking about
23 about earning shares above a certain point, we've
24 used that in previous orders and I think that's a
25 good idea, but I never thought about the idea on

1 the other side, the undershares, if you will. Will
2 you walk me through that again? I know you talked
3 about it. Give me a little more detail how that
4 would flesh out.

5 A. Well, the theory of it is that if you give
6 an award for a multi-year -- a multi-year award and
7 you set a rate of return and if the company
8 overearns that return, it shares with the
9 ratepayers. If it underearns that return, it has a
10 constitutional -- and I'm not a lawyer, but it's my
11 understanding it has a constitutional right to get
12 more money; in other words, it becomes a taking by
13 the Commission where the company is forced to hold
14 its prices down to a point where it can't cover its
15 costs.

16 Q. So how would that practice -- we've seen
17 cases where companies have overearned and at the
18 end of the year they submit us paperwork that says
19 we overearned by this amount and we've already got
20 an agreement in place and, let's say, half of it
21 goes back to the customers, it's pretty easy to
22 figure that out.

23 A. Yes.

24 Q. So if we set it for the underearned, would
25 it be the same thing, the company would file their

1 underearnings?

2 A. No, no. You can't do that. It tends not
3 to work symmetrically, I'm afraid. If you
4 underearn, then they have to demonstrate that
5 they -- how much more money they have to have come.
6 It's a matter of probably law that you can't
7 increase rates without some demonstration.

8 Q. Sure. We can explore this more in a work
9 session, I guess. But it's not certainly going
10 through another rate case like this. It could be a
11 procedure, you think, that would be more of a
12 45-day window where the company would file --

13 A. It could be something shorter than that.

14 Q. Because the -- not to give out all my
15 cards here too early, but I would certainly like to
16 get to a point with all of our investor-owned
17 utilities where we're not having rate cases every
18 year. I would like to get to at least a three-year
19 period, maybe even longer.

20 A. Yeah.

21 Q. But the challenge is figuring out an ROE
22 that you could predict for that period of time.
23 How would you -- how would you envision something
24 like that where if my goal was to have a rate case
25 no less than every -- or no more than every three

1 years, how would you structure an ROE given the
2 variability that can take place in that three-year
3 period?

4 A. Well, what I would do is tie the ROE to
5 the treasury bond rate, and this is being
6 recommended in Maine where they have a five-year
7 window. There the proposal, and it hasn't been
8 adopted yet, is that for -- there's a dead band of
9 treasury bond changes of a hundred basis points.
10 In other words, from the get-go as long as the
11 treasury bond yield does not change more than a
12 hundred basis points -- and right now it is what,
13 3.8. As long as it doesn't exceed 4.8, there's no
14 change in the allowed return.

15 If it exceeds 4.8, then the allowed return
16 on equity to the company increases by approximately
17 30 basis points, and that's that one -- that one to
18 -- one to .3 relationship I was talking about where
19 the return on equity doesn't increase at the rate
20 that the treasury bond yield increases. And from
21 then on every change -- annual change in the
22 treasury bond yield gets a .3 percent change up or
23 down in the allowed return for that year.

24 Q. So the ROE that you're recommending today
25 is 9.0.

1 A. Yeah.

2 Q. How long do you feel comfortable that
3 that's the right amount?

4 A. Well, companies telegraph pretty
5 clearly --

6 Q. No, no. What do you think?

7 A. What do I think?

8 Q. What do you think?

9 A. I just can't say. If there is a dramatic
10 increase in interest rates, obviously an ROE of 9
11 percent is not appropriate, but it's got to be a
12 fairly hefty increase in interest rates.

13 Q. So one year? Do you think one year is
14 fair?

15 A. Oh, I would say certainly for one year.

16 Q. Okay.

17 A. But the company has telegraphed to you
18 that they're going to be in here next year and
19 you'll be looking at this whole thing all over
20 again, unfortunately.

21 Q. Were you here when I talked yesterday with
22 Ms. Ann Bulkley?

23 A. Yes.

24 Q. Are you familiar with what advance
25 determination of prudence is?

1 A. Yes.

2 Q. What would your thoughts be on if levying
3 a company an advance determination of prudence
4 should affect the ROE?

5 A. Well, the fact that you issue these
6 reduces the risk of new investment and, therefore,
7 lowers the demand for RO- -- I mean, the required
8 ROE.

9 Q. Did you determine -- did you include the
10 fact that this Commission has been very favorable
11 to ADPs in your calculation of return on equity?

12 A. No, I did not. Not explicitly.

13 Q. So if you would view the Commission more
14 favorably for ROE versus one not favorably, how
15 much do you think that could sway your ROE
16 calculation?

17 A. Well, Ms. Bulkley was right, that it's a
18 matter of comparison. I used 16 companies and I'd
19 have to look at all those 16 companies to see
20 whether they also issue ADPs.

21 Q. Okay.

22 A. And if they do, then the fact that you
23 issue ADPs won't have much effect. On the other
24 hand, if 15 of them don't and you do, then it's a
25 significant reduction in risk that's discrete only

1 to NSP and should be recognized in the return on
2 equity.

3 Q. Okay. Thank you. Then the last question
4 -- the company now is asking for a rate increase of
5 roughly 9.25 percent and they're given interim
6 rates right now. How do you see the relationship
7 between the actual rate increase they get to the
8 return on equity? How do you see that
9 relationship?

10 A. Oh. Well, the lower the return on equity,
11 the lower will be the rate increase.

12 Q. So I couldn't separate and give them a
13 rate increase of 11 percent but a return on equity
14 of 9 percent?

15 A. You would have to offset it with something
16 else. You'd have to do some disallowing. You're
17 talking about disallowing all those renewable
18 energy projects, well, have a go at that. That
19 would be an offset. But all things being equal,
20 you can't give them a high return and a lower rate
21 increase.

22 Q. Unless we make something else along the
23 way.

24 A. Yeah.

25 COMMISSIONER KALK: Maybe that will

1 happen. You never know. Thank you, sir.

2 THE WITNESS: Thank you.

3 JUDGE FETCH: Thank you, Commissioner.

4 Commissioner Christmann.

5 **EXAMINATION**

6 **BY COMMISSIONER CHRISTMANN:**

7 Q. Mr. King, in our discussion yesterday with
8 Ms. Bulkley about the downgrading of South Dakota
9 and Minnesota --

10 A. Yes.

11 Q. -- we talked about whether that was -- or
12 I asked the question whether it was purely because
13 of the ROEs. Are you familiar with that --

14 A. Yes.

15 Q. -- those decisions? And was that a -- you
16 know, the only factor or a major factor or just one
17 of many factors in those downgrades, in your
18 opinion?

19 A. Certainly it won't be the only factor. It
20 is a major factor, but it is not the only factor.
21 I mentioned to Commissioner --

22 COMMISSIONER FEDORCHAK: Fedorchak.

23 THE WITNESS: -- Fedorchak or Fedorchak --

24 COMMISSIONER FEDORCHAK: There you go.

25 Absolutely.

1 THE WITNESS: Now I've lost my train of
2 thought working on your name. Get me back on
3 track, please.

4 Q. (COMMISSIONER CHRISTMANN CONTINUING) The
5 correlation between the lower ROEs and the
6 downgrading of other jurisdictions.

7 A. Oh, that's right. If you -- even with a
8 low rate of return, if the probability of earning
9 that return is significantly greater in North
10 Dakota than elsewhere, then I think that's an
11 offsetting consideration that might improve their
12 view of North Dakota's regulation. It's not just
13 the absolute level of rate of return, but what they
14 call a quality of regulation, where the regulation
15 tends to have, inconsistent from case to case,
16 disallowances or treatments of various costs that
17 can't be forecast or anticipated by the investment
18 community, that makes for a very unstable and
19 unreliable form of regulation. There is some point
20 to consistency, but it is true, though, that the
21 allowed return is a major factor in setting these
22 regulatory environments.

23 Now, again, remember that the regulatory
24 environment is purely from the investor standpoint,
25 and I submit that the investors are not necessarily

1 your constituents.

2 Q. And I appreciated that clarity at the end
3 of your statement today, but I do want to ask one
4 more question on that from the perspective of the
5 investors. Am I understanding you right that if
6 everything else is done well, a 9 percent ROE would
7 not necessarily cause a downgrade, if the rest --

8 A. I can't promise you that, but certainly it
9 would reduce the likelihood.

10 Q. When we talk about this, we talk about
11 kind of an us-versus-them relationship between the
12 investors and the ratepayers. Is there some rule
13 of thumb or does this have to do with the 1 percent
14 to .3 percent correlation you were talking about,
15 the difference between what a ratepayer would
16 expect they're going to have to pay at 10 and a
17 quarter percent versus 9 percent? How do I
18 translate that difference to a ratepayer that
19 approaches me on the street?

20 A. Well, the ratepayer that approaches you on
21 the street neither knows nor cares what the rate of
22 return is. What he's worried about is the electric
23 bill, and if the electric bill goes up 9 percent,
24 which, incidentally, is multiples of the rate of
25 inflation, and it comes on top of other rate

1 increases, both past and future that apparently are
2 multiples of the rate of inflation, that's what he
3 cares about, and the difference between the 10.25
4 and 9 is reflected in that rate increase. If you
5 go 9 percent instead of 10.25, you have a much
6 smaller rate increase and that's the thing that the
7 ratepayer cares about.

8 Q. But is there a number that one could put
9 to just that part of the discussion? All the
10 things we're going to end up dealing with in this
11 whole rate case when it gets down to the difference
12 between 10 and a quarter or 9 percent, what is the
13 impact of that part of the puzzle to a ratepayer?

14 A. You know, I have that in my data request
15 here. I asked them what a 1 percent difference in
16 return on equity equals, and I have to look it up.
17 If I could find it quickly, I will try and do that.
18 Oh, here it is. I'll find it for you.

19 Here's the question I asked, "Please
20 provide a quantification of the net change in
21 NSPM's revenue requirement that results from a 1
22 percent, a hundred-basis point change, in the
23 allowed cost of equity." And it says, "The result
24 in a theoretical 1 percent change in the cost of
25 equity is a reduction of the revenue requirement

1 request in this proceeding of approximately 3.2
2 million." Now, we're at 1.25 difference, so think
3 maybe what, 3.5, 3.6 million out of the -- how much
4 are they asking for -- 14 million. So that's the
5 impact.

6 COMMISSIONER CHRISTMANN: Thank you. I
7 have no further questions.

8 JUDGE FETCH: All right. Thank you. Ms.
9 Jeffcoat-Sacco, any questions? And then we'll come
10 back to Mr. Norrell and make the rounds.

11 MS. JEFFCOAT-SACCO: I do but I thought
12 I'd wait till my turn came up.

13 **EXAMINATION**

14 **BY MS. JEFFCOAT-SACCO:**

15 Q. You've said several times that the
16 Commission's job is to find that number that is the
17 minimum required, and I always thought the
18 objective was a reasonable number as opposed to a
19 minimum number.

20 A. Well, that's the reasonable number. The
21 reasonable number, in my opinion, and maybe others
22 have different views, is the number that allows the
23 utility to raise capital and maintain credit, but
24 it should be no higher than that number, because
25 that's the number that best balances the interest

1 of ratepayers and the interest of the company.

2 Q. Do you have the docket number in Maine
3 that you're referring to where apparently they're
4 looking at the sharing mechanisms?

5 A. I can get it for you. It's underway.
6 What happened is the company filed a rate
7 application, they were looking for a capital budget
8 rider or tracker and the Commission rejected that
9 out of hand and so the company has to refile and so
10 the whole case has been put back, but part of the
11 case is this proposal for a tracker for the 30-year
12 treasury. I haven't talked to -- I represent the
13 consumer advocate there and I haven't talked to
14 them, but my personal preference is to favor it
15 because I think it reduces the risk of -- well, it
16 reduces the company's risk and, therefore, reduces
17 the required rate of return.

18 Q. So it is for one company, though? It's
19 not like a generic --

20 A. It's Central Maine Power.

21 Q. And if you could get the docket number
22 during one of the breaks or something, that would
23 be helpful.

24 A. I'll look. I can get it right off my
25 computer.

1 Q. Okay. And then we did have one further
2 question. Perhaps you should take a minute to
3 explain the difference between your recommended
4 capital structure -- in a summary fashion, your
5 recommended capital structure and the company's and
6 what sort of impact that has, if it's large or
7 small, to this question.

8 A. Well, I know what I used, and I can't
9 right off remember what the company used, but what
10 I used was the latest actual capital structure.
11 There is a propensity of utilities to forecast
12 capital structures, and I don't really know how
13 they do that. They forecast capital structures and
14 they forecast the cost of those capital structures,
15 particularly the cost of debt.

16 Now, we've been talking about the
17 uncertainty of future interest rate changes and I
18 have pointed out that there's been a propensity to
19 overstate future interest rates. That adds a new
20 area of uncertainty into the whole finding of rate
21 of return, so my preference, and the thing I urge
22 on all commissions that I testify before, is to use
23 the latest actual capital structure. I believe I
24 used the capital structure as of --

25 COMMISSIONER FEDORCHAK: I think what you

1 used -- I wrote it in -- March 2013.

2 Q. (MS. JEFFCOAT-SACCO CONTINUING) Do you
3 want to identify that piece of paper?

4 A. I don't see the capital structure on here.

5 COMMISSIONER FEDORCHAK: Isn't it that?

6 THE WITNESS: Oh, up here. Okay. I've
7 got that. What it doesn't tell me is when this --
8 oh, this is 2011 actual.

9 COMMISSIONER FEDORCHAK: This was yours.

10 THE WITNESS: Oh, March 13, 2003.

11 COMMISSIONER FEDORCHAK: 2013.

12 THE WITNESS: 2013. I'm sorry.

13 JUDGE FETCH: Do you want to identify that
14 piece of paper?

15 THE WITNESS: This is Exhibit AEH-1,
16 Schedule 3, page 5 of 6 that I'm looking at.

17 JUDGE FETCH: And Commissioner Fedorchak
18 just handed that to you?

19 THE WITNESS: Yeah, she wrote in the March
20 2013 capital structure, and the capital structure
21 that I used is in Exhibit CWK-1 and it's March 31.

22 COMMISSIONER FEDORCHAK: Same one?

23 THE WITNESS: Yeah, this is the capital
24 structure I used. Now, I don't know what the
25 company used right off the top of my head.

1 A. Well, probably individual customers buy
2 them because they're secure and they tend to have
3 highish dividend yields. The institutional
4 investors are probably more analytical in their
5 purchases and do go into the issues of return on
6 equity allowances, and so on.

7 Q. You've mentioned numerous times that
8 there's a tendency to overstate future interest
9 rates. Can you give us an example of that?

10 A. Well, I've got a chart here which you can
11 hand out -- I did have a chart -- which shows --
12 have you got that chart?

13 Q. I think I do.

14 A. Here it is.

15 MR. NORRELL: May I hand this chart out?
16 It's marked as Exhibit CWK, but I don't believe
17 it's been prefiled. No, it has not.

18 JUDGE FETCH: And it's not in the
19 testimony?

20 MR. NORRELL: It is not.

21 THE WITNESS: This was an exhibit --

22 JUDGE FETCH: Go forward with that,
23 please, Mr. Norrell.

24 MR. NORRELL: I'll seek to admit it as a
25 hearing exhibit.

1 JUDGE FETCH: Yes, this would be labeled
2 PSC Exhibit 18. And have the witness identify this
3 and then I'll see if there's any objections.

4 THE WITNESS: This is a chart which shows
5 the forecasts 18 months prior to the actual by the,
6 what's called, Blue Chip Financial Forecasts. Blue
7 Chip is an organization that --

8 JUDGE FETCH: Don't testify. Just
9 identify it.

10 THE WITNESS: I'm trying to identify what
11 Blue Chip is.

12 JUDGE FETCH: The document says Blue Chip
13 Financial Forecasts for 30-Year Treasury Bonds.

14 THE WITNESS: Oh, all right.

15 JUDGE FETCH: All right. At this time,
16 Mr. Johnson, any objections?

17 MR. JOHNSON: No, Your Honor, but I will
18 be very interested to find out what this is as Mr.
19 King is going forward with it.

20 JUDGE FETCH: Okay. And at the very
21 least, Mr. Norrell, have the witness identify who
22 prepared this or where this came from.

23 MR. NORRELL: Yes.

24 JUDGE FETCH: All right. Exhibit PSC 18
25 is admitted.

1 Q. (MR. NORRELL CONTINUING) Mr. King, could
2 you please identify who prepared this and where the
3 information came from?

4 A. Well, I prepared it. We subscribe to a
5 service called Blue Chip Financial Forecasts. It's
6 a monthly publication of the consensus of a whole
7 raft of different analysts. It's not just
8 securities analysts. They go to universities, they
9 go to -- they have 30 or 40 people that they ask
10 questions about what they expect, and these --
11 among the questions they ask, and there's a bunch
12 of others, is what is the forecast that you have
13 for 30-year treasury bonds in the next quarter, the
14 next quarter and the next quarter and the next
15 quarter, out six quarters, which is 18 months.

16 So what I did was, I went through my old
17 copies of these reports and I identified when the
18 forecast was made and for what quarter, and you
19 will see the forecast made in January 2008 was for
20 the second quarter of 2009 and the forecast was 4.9
21 percent. That's the top line. And then I went and
22 looked up in the Federal Reserve historical record
23 what the actual treasury bond yield was, and in the
24 case of that month the actual was 4.17, and I did
25 that for each of the monthly forecasts from January

1 of 2008 through December of 2011, which got me to
2 the forecast through the first quarter of 2013.

3 And what it shows is that except for a
4 period of about three quarters -- three months,
5 rather, forecasts, Blue Chip has consistently
6 forecast interest rates significantly higher than
7 ones that actually developed 18 months later, and
8 that's the basis of my statement that the forecasts
9 had been consistently overstated relative to the
10 actuals.

11 MR. NORRELL: Thank you, Your Honor. I
12 have no further questions.

13 JUDGE FETCH: Thank you, Mr. Norrell. Mr.
14 Johnson, recross?

15 MR. JOHNSON: Yes. Thank you, Your Honor.

16 **REXCROSS-EXAMINATION**

17 **BY MR. JOHNSON:**

18 Q. Mr. King, let's stay on this topic here
19 for a moment because I'm not sure I yet understand.

20 So the data ranges at the base of the page
21 pertain to the actual treasury yields or is that
22 the forecast? It appears to be the actuals.

23 A. Well, take a look at the top. You see
24 "for quarter," it says -- the top line says 2009,
25 4.9.

1 Q. I see that.

2 A. And that's the forecast. And then the
3 next column is the actual for that quarter.

4 Q. Okay. So that helps. So what you did was
5 you cut off your data, and I don't mean that in any
6 editorial sense, but your data ends for the actual
7 treasury bond yields in the first quarter of 2013,
8 if I understand?

9 A. Yes. And that's because, I have to
10 confess, our subscription ran out and I didn't
11 renew it.

12 Q. Fair enough. So if we were to extend this
13 through the recent rise in treasury yields, we may
14 get the same or a different result?

15 A. Well, in preparing this case, I
16 resubscribed, but I haven't yet gotten the reports.
17 Among the things I've got to do when I get to my
18 office is phone them up and say where are my
19 reports.

20 Q. And I appreciate that. I was trying to
21 figure out the implications of this. The recent
22 rise in treasury yields is not reflected in this
23 data as compared to what the forecasts were?

24 A. No.

25 Q. And is it correct that analysts or

1 investors, if you will, look at both actual data
2 and forecast data?

3 A. That's correct.

4 Q. So even though the forecasters are
5 consistently wrong per your chart here, investors
6 would be looking at that and giving it whatever
7 weight they thought it deserved?

8 A. Yeah. But in this case I'm concerned
9 about basing a rate of return finding on forecasts
10 that have consistently proven exaggerated. Ms.
11 Bulkley goes out to, I don't know, 2016, 2018,
12 something like that, in a couple of her models,
13 coming up with the treasury bond yield that she's
14 going to use as her risk-free rate in both the
15 interest rate risk premium methodology and in the
16 capital asset pricing study. She uses these
17 far-out forecasts, which I -- first of all, I don't
18 think you can forecast interest rates that far out
19 with any reliability regardless of what the trends
20 are, and, second, the pattern has been for over-
21 forecast.

22 Q. However, I believe a moment ago we did
23 agree that investors, whether they're wise or not
24 wise, do look at that data.

25 A. Yeah, they do, but I'm concerned this

1 Commission not.

2 Q. And isn't it correct that the goal here is
3 to determine what investors require? Hasn't this
4 Commission said that in so many words?

5 A. Well, in forecasting the growth rates
6 that's what we do look at. In using the capital
7 asset pricing model and in using the interest rate
8 risk premium, we're not -- that's not based on
9 investor forecasts or investor expectations.
10 That's based on the actual risk-free rate.

11 Q. And, Mr. King, I was not referring to a
12 particular model. Isn't it correct that this
13 Commission has said the ultimate test for the ROE
14 is what investors require?

15 A. It's what investors require, but you've
16 got to realize that Ms. Bulkley's 10.25 percent
17 return estimate is based on -- to some measure on
18 these very exaggerated future treasury bond yields.

19 Q. Which investors rely on to some degree?

20 A. Oh, no, no, no, no.

21 Q. But a moment ago we agreed on that.

22 A. No. What I said is that the two cases in
23 which she uses these forecasts have nothing to do
24 with investor expectations. They are estimates of
25 the added cost of stocks over risk-free rate, and

1 she set the risk-free rate at an unreasonably high
2 level, which the risk-free rate is what it is, it
3 isn't what investors expect it to be.

4 Q. So those comments you've just made are now
5 addressed to the CAPM model and the risk premium
6 model?

7 A. Exactly.

8 Q. Thank you. Earlier on you had some
9 discussion and you articulated your view on what
10 the appropriate ROE was which you characterized as
11 the minimum needed to raise capital and maintain
12 financial integrity.

13 A. That's correct.

14 Q. And I believe you characterized that as
15 not following the conventional wisdom of the
16 regulatory community.

17 A. Not necessarily following, yes.

18 Q. If I'm an investor and I have two
19 investments of comparable risk, one in an
20 environment -- or excuse me -- a jurisdiction that
21 has a more -- a higher view of the appropriate ROE
22 than North Dakota, assuming it were to follow your
23 recommendation, what incentive would I have to
24 invest in North Dakota when I could get a higher
25 authorized ROE elsewhere?

1 A. Well, an investor looking at a series of
2 utilities can't buy the book value. He can buy
3 only the market value, which is significantly less
4 than the return on book value. When you give an
5 excessive rate of return on book value, the effect
6 of that is to bid up the market price, and the
7 market price is what the investor has to pay, and
8 it is significantly lower than the book return if
9 the market-to-book ratio is well over one. So the
10 investor doesn't look at the return on book value,
11 he looks at the return on market value, which
12 arguably is equal for all utilities of comparable
13 risk. The difference is that the utility that gets
14 the high rate of return has a very high stock
15 price. The utility that gets the lower rate of
16 return has a lower stock price. But from the
17 investor's viewpoint, the return is the same.

18 Q. So you're suggesting that an investor will
19 get the same return with a 9 percent ROE as with a
20 10.25?

21 A. If the stock price of the company with the
22 10.25 is proportionately higher than that
23 differential, the answer is the same return.

24 Q. That would be the market-to-book
25 discussion we had earlier?

1 A. Exactly.

2 Q. Let's just clear up one point here. You
3 had some discussion about the effect of a 1 percent
4 change in the ROE and you quoted a response
5 provided by the company that would be about \$3.2
6 million.

7 A. Yes, for a 1 percent.

8 Q. Right. And if we were to take that 3.2
9 number and multiply it by 1.25, I believe that
10 would reflect the additional 25 basis point swing,
11 would it not?

12 A. That's right.

13 Q. My calculation leads to a \$4.0 million
14 impact rather than the 3.5 you sort of estimated?

15 A. I was just winging it. I was trying not
16 to overstate it.

17 Q. Right.

18 A. But if that's what the calculation is,
19 it's 4 million bucks.

20 MR. JOHNSON: Thank you. That's all I
21 have, Your Honor.

22 JUDGE FETCH: Thank you, Mr. Johnson. At
23 this time we'll go to the Commission. Commissioner
24 Fedorchak.

25

FURTHER EXAMINATION

1
2 **BY COMMISSIONER FEDORCHAK:**

3 Q. Yeah. Ms. Jeffcoat-Sacco was talking
4 about the company's capital structure and we didn't
5 actually get to the part where you were going to
6 talk about the differences, so I found the
7 official, not my scribbled-in references to both
8 the company's and yours, and if you could speak
9 to -- they aren't significant differences, but they
10 are different and I would like to know what the
11 impact of that is. So the company's is on page 41
12 of Ms. Bulkley's testimony in a chart and then
13 yours is on Exhibit --

14 A. Mrs. Bulkley's initial testimony or
15 rebuttal?

16 Q. Rebuttal.

17 A. Rebuttal. Okay.

18 Q. Yeah, rebuttal testimony. And I have
19 that.

20 A. Oh, dear. I have implied growth rates on
21 utility sector. Maybe I'm in the wrong place. Are
22 you sure it isn't the initial? Let me see.

23 Q. Oh, yes, it is the initial. Did it
24 change, though?

25 A. Yeah, I've got it here.

1 Q. Okay.

2 A. Here's the trouble. I don't really know
3 what the basis of Ms. Bulkley's capital structure
4 is.

5 Q. I'm mostly interested in your explanation
6 of what the difference is in how these are
7 structured, and they're fairly small, what you're
8 proposing and what they are, what the effect is and
9 should we be concerned about it.

10 A. Well, obviously Ms. Bulkley's capital
11 structure is different from mine because mine is as
12 of a date later than Ms. Bulkley's initial
13 testimony. So right off the bat that would explain
14 some of the difference.

15 Q. What's the effect, though?

16 A. Whether she used a historical capital
17 structure or forecast one, I just don't know. I
18 can't tell from this.

19 Q. So you can't speak to what the effects
20 those differences have?

21 A. The effect of the difference, that I can
22 speak to. One minute. She has an equity
23 percentage -- well, the biggest difference is she
24 has an equity percentage of 44.96 percent, I have
25 one of 45.24, and the effect of that -- that was

1 debt -- I'm sorry -- not equity. The effect of
2 having a little more debt is to lower the composite
3 rate of return. She has a common equity proportion
4 of 52.56 percent, I have a common equity proportion
5 of 53.42 percent. And the fact that I have a
6 slightly higher equity proportion means that my
7 cost of capital composite, cost of capital would be
8 slightly higher had I used her ratio. I have less
9 short-term debt, which has the effect of increasing
10 my composite rate of return. I think the overall
11 difference, to sum it up, is that using my capital
12 structure probably increases by a couple basis
13 points the overall rate of return.

14 Q. Okay. Thank you.

15 A. And I could work through it and give you a
16 precise number, if you'd like.

17 Q. Sure, that would be helpful.

18 THE WITNESS: Let me do that over the
19 break.

20 COMMISSIONER FEDORCHAK: Okay. Thank you.
21 That's all my questions. Thanks.

22 JUDGE FETCH: Thank you, Commissioner.
23 Commissioner Kalk?

24 COMMISSIONER KALK: No, ma'am.

25 JUDGE FETCH: Commissioner Christmann?

1 COMMISSIONER CHRISTMANN: I have no
2 further questions, either.

3 JUDGE FETCH: All right. Thank you,
4 Commissioner.

5 Ms. Jeffcoat-Sacco, any further questions?

6 **FURTHER EXAMINATION**
7 **BY MS. JEFFCOAT-SACCO:**

8 Q. Just one based on that because I thought I
9 understood. You are not recommending revisions to
10 the capital structure? As part of your
11 recommendation, you're not recommending they have
12 too much equity or too much debt or anything like
13 that? You were just using different numbers based
14 on a different date?

15 A. That's the only effective difference.

16 MS. JEFFCOAT-SACCO: Okay. That's all I
17 wanted to clear up. That's all.

18 JUDGE FETCH: All right. Thank you. And,
19 Mr. Norrell, any further questions?

20 MR. NORRELL: No, Your Honor. Thank you.

21 JUDGE FETCH: Thank you. Mr. Johnson, any
22 further questions?

23 MR. JOHNSON: No, Your Honor.

24 JUDGE FETCH: Commissioners? Any further
25 questions from any of the Commissioners?

1 All right. Hearing none, you're excused.

2 THE WITNESS: Thank you.

3 JUDGE FETCH: All right. Are we ready to
4 proceed to the next witness or does the Commission
5 want a five-minute break?

6 All right. We'll take five minutes.

7 (Recess taken.)

8 JUDGE FETCH: Okay. We are back on the
9 record and it is 11:30 a.m., Central Time. We are
10 planning to break at noon, between noon and one for
11 lunch, but we will begin with this next witness and
12 see how far we get. Mr. Norrell, please identify
13 your witness.

14 MR. NORRELL: Thank you very much, Judge.
15 The next witness would be Dr. Karl Pavlovic. He is
16 testifying to PSC Exhibits 4 and 5. I will note
17 that this is out of order from the proposed witness
18 list. Should I restate that?

19 JUDGE FETCH: That's fine.

20 MR. NORRELL: The exhibits will be kept
21 the same, but the witness -- the order of witnesses
22 is a little different due to logistics this morning
23 for the witnesses.

24 JUDGE FETCH: Okay. Then to back up, is
25 he testifying to Exhibits 4 and 5 or 5 and 6?

1 MR. NORRELL: 5 and 6.

2 JUDGE FETCH: Thank you.

3 MR. NORRELL: I'm sorry if I wasn't clear
4 on that.

5 JUDGE FETCH: All right. Thank you. All
6 right. Do you have a witness opening statement
7 that you're going to present?

8 MR. NORRELL: I do. I would ask Mr.
9 Pavlovic if he has any corrections to add to
10 Exhibits 5 and 6.

11 DR. PAVLOVIC: Yes. Excuse me. I have
12 some typographical corrections.

13 JUDGE FETCH: Let's place you under oath
14 first.

15 DR. PAVLOVIC: That would be good.

16 JUDGE FETCH: All right. And please
17 pronounce your last name for the record.

18 DR. PAVLOVIC: Pavlovic.

19 JUDGE FETCH: Pavlovic. All right.
20 Please raise your right hand. I know you've been
21 here and heard me instruct as to penalties for
22 perjury.

23 **KARL PAVLOVIC,**

24 being first duly sworn, was examined and testified
25 as follows:

1 JUDGE FETCH: Thank you. All right. I
2 believe Mr. Norrell asked you if you had
3 corrections to Exhibits PSC 5 and 6. And can you
4 give us those now, please.

5 THE WITNESS: Yes. This is to Exhibit 5,
6 my direct testimony, and while I'm not dyslexic, I
7 in my testimony managed only once to get the
8 acronym correctly for the transmission cost
9 recovery. That was its first incident. So I would
10 like to tell you those corrections. All these
11 corrections are replacing TRC with TCR.

12 The first of them is on page 5 at line 12.
13 The second is at page 6 on line 13. The third and
14 fourth are on page 19 at lines 13 and 16; on page
15 21 at line 13; on page 22, lines 17, 27, and 28;
16 and on page 23, lines 4, 5, and 10.

17 I also have two typographical corrections
18 to Exhibit 5 on page 19, and the first one is at
19 line 3 and I would like to insert between the words
20 "charges" and "purpose" "for the." And on line 9
21 I'd like to strike the only occurrence of the word
22 "of "and replace it with the word "or."

23 JUDGE FETCH: Okay. Thank you. Mr.
24 Norrell.

25 MR. NORRELL: Do you have any other

1 corrections, Mr. Pavlovic?

2 THE WITNESS: No, I do not.

3 MR. NORRELL: With that, then, I would
4 like to hand out Mr. Pavlovic's opening statement
5 and seek admission of this as PSC No. 19.

6 JUDGE FETCH: All right. And by
7 stipulation the opening -- witness opening
8 statement is admitted into the record as PSC
9 Exhibit 19. Thank you. Mr. Norrell.

10 MR. NORRELL: Thank you, Your Honor.

11 **DIRECT EXAMINATION**

12 **BY MR. NORRELL:**

13 Q. Mr. Pavlovic, would you care to read what
14 you have in front of you for the record?

15 A. Yes, I will.

16 My name is Karl Richard Pavlovic. My
17 testimony addresses, on behalf of the Commission's
18 advocacy staff, the assertions and proposals in
19 this proceeding by Northern States Power regarding
20 its North Dakota jurisdictional and class costs of
21 service, rate design, and proposed transmission
22 cost recovery tracker.

23 In my testimony I conclude that NSP's
24 jurisdictional cost assignment methods and
25 procedures are, with the exception of the use of a

1 12 coincident peak demand allocator, appropriate
2 and in accordance with the principles enunciated in
3 the NARUC Cost Allocation Manual. The 12
4 coincident peak demand overallocates system costs
5 to the North Dakota jurisdiction.

6 I also conclude that NSP's class cost
7 assignment methods and procedures are appropriate
8 and consistent with the NARUC cost allocation
9 principles and that NSP's proposed customer class
10 revenue distribution is cost based and reasonable.
11 While the class cost study does not directly
12 support the current rate structure, NSP's proposed
13 modifications to the rate components, moving
14 customer and demand charges towards full cost
15 recovery, are appropriate and reasonable. NSP's
16 rate structure, however, is overly complex and the
17 tariff is virtually incomprehensible.

18 Finally, I conclude that NSP's application
19 for a transmission cost recovery rider does not
20 comport with the statutory requirements for
21 Commission consideration and lacks a demonstration
22 that the costs proposed for the tracker meet the
23 criteria for inclusion in a tracker.

24 There are 13 generally accepted methods
25 for the allocation of electric production costs and

1 six generally accepted methods for the allocation
2 of electric transmission costs. The primary factor
3 considered in selection of an allocation method is
4 cost causation as reflected in the planning and
5 operation of an electric utility's production and
6 transmission facilities. The primary drivers/
7 metrics of cost causation on electric production
8 and transmission facilities are demand and energy.
9 Selection of an allocation method consists of
10 determining which method best reflects the
11 utility's actual system planning and operation. My
12 testimony provides explanations and illustrations
13 of each of these points drawn from the NARUC
14 Manual.

15 In my testimony I assessed the 12
16 coincident peak demand allocator that Northern
17 States Power uses to effect its jurisdictional
18 allocation of production and transmission costs and
19 recommended that NSP use a single coincident peak
20 demand allocator. My assessment is based on my
21 review of cost allocation and system planning
22 documents and other information provided by NSP in
23 testimony and discovery.

24 The 12 CP method is considered appropriate
25 where system monthly demand does not vary

1 significantly or where the utility plans and
2 operates its facilities so as to maintain equal
3 reserve margins, LOLPs or other reliability index
4 values in all months. As regards variation in
5 monthly peak demand, NSP is a strongly summer
6 peaking system and there is considerable variation
7 in its monthly peak demand. As regards equal
8 monthly reliability indexes, there is in the
9 documents and information that I reviewed no
10 indication or explanation that NSP plans and
11 operates its system to maintain equal monthly
12 reliability indexes.

13 In fact, other than statements that NSP
14 uses this 12 CP method to allocate production and
15 transmission, there is in the documents and
16 information that I reviewed no indication or
17 explanation that NSP plans and operates its
18 production and transmission facilities to anything
19 other than its annual system peak demand.

20 In addition, there are allocation methods
21 explained in the NARUC Manual that are designed to
22 account for timing and cost differences among
23 baseload, intermediate, and peaking production
24 facilities. NSP does not use any of these other
25 allocation methods. For these reasons, I conclude

1 that 1 CP is the appropriate method for allocation
2 of NSP's production and transmission costs to the
3 North Dakota jurisdiction.

4 Q. Thank you, Mr. Pavlovic. You've been in
5 the room for the testimony over the past few days,
6 have you not?

7 A. Yes, I have.

8 Q. And you've indicated on the record in
9 testimony there have been some issues that have
10 arisen that you would like to address and I have
11 informed the other parties of this. Could you
12 please briefly address those in the sake of moving
13 this along expeditiously towards cross-examination?

14 A. Yes, I can, and I will. I have four, it's
15 a mixture of responses and agreements with previous
16 -- previous testimony.

17 The first of these is that advocacy staff
18 supports NSP's proposal to move the PPA issues to a
19 separate proceeding on the fuel charge.

20 Second, I agree with Ms. Heuer that my
21 proposed allocation adjustment should be applied to
22 the test year adjustments as well.

23 Third, I recommend that the tariff
24 revisions and alignment of the class cost study
25 would be most efficiently undertaken in a

1 collaborative process.

2 And, fourth, if the broad outlines of
3 NSP's system planning and operations presented in
4 Ms. McCarten's, Mr. Brockett's, and Mr. Wishart's
5 testimony the last two days are correct, I can say
6 that it is likely that neither the 12 CP nor the
7 1 CP allocation method is the most appropriate
8 method to use -- to use to determine NSP's North
9 Dakota jurisdictional cost. Rather, one of the
10 energy weighting or time differentiating methods
11 should be adapted to NSP's actual system planning
12 and operations.

13 I would like to amend my recommendation
14 regarding the allocation method to be used in this
15 proceeding. I recommend that the Commission adopt
16 the 1 CP method for the purposes of this proceeding
17 and direct NSP to develop and use in its next rate
18 case a demonstrably accurate allocation of NSP's
19 production and transmission cost to its North
20 Dakota jurisdiction.

21 MR. NORRELL: Thank you. The witness is
22 available for cross.

23 JUDGE FETCH: All right. Thank you. At
24 this time, Mr. Johnson, you may cross-examine.

25 MR. JOHNSON: Thank you, Your Honor.

CROSS-EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY MR. JOHNSON:

Q. Bear with me just a moment, please.

A. Certainly.

Q. Dr. Pavlovic, I'm going to have just a very few questions for you, and the first few questions pertain to the NARUC Manual which you have included as an exhibit, and, fortunately, it appears our versions tie out by way of page reference.

I'd like to direct your attention first to page 22, at the base of the page, and I would ask that you read into the record simply for convenience the first two sentences of that last paragraph, starting with "This manual only." Do you see that?

A. Yes, I do see it. This manual -- excuse me. This is at page 22 of the 1992 NARUC Cost Allocation Manual. "This manual only discusses the major costing methodologies. It recognizes that no single costing methodology will be superior to any other and the choice of methodology will depend on the unique circumstances of each utility."

Q. And I would like to then direct your attention to page 39 of the manual.

1 A. I'm there.

2 Q. And this will take me a moment to find the
3 reference point for you. It's in the middle of the
4 first paragraph, in the line that starts with the
5 words "maximum peak approach," and if you could
6 read the next sentence into the record again simply
7 for convenience. It's the one that begins "Over
8 time."

9 A. Yes, I'm examining the content. "Over
10 time it became apparent to some that hours other
11 than the peak hour were critical from the system
12 planner's perspective and utilities moved towards
13 multiple peak allocation methods."

14 Q. And then at the base of the page, if you
15 could read that last paragraph.

16 A. "If the utility bases its generation
17 expansion planning on reliability criteria such as
18 loss of load probability or expected unserved
19 energy that has significant values in a number of
20 hours, then the classes demands in hours other than
21 the single peak hour may also provide an
22 appropriate basis for allocating demand-related
23 production costs. Use of the multiple hour methods
24 also greatly reduces the possibility of atypical
25 conditions influencing the load data used in the

1 cost allocation."

2 Q. Now, Dr. Pavlovic, when you put your
3 testimony together, were you aware of the prior
4 North Dakota Commission cases that discussed the CP
5 allocators?

6 A. No, I was not.

7 Q. Would you agree with me that for at least
8 the last 20 years, the Commission has consistently
9 applied some version of the 12 CP to NSP's cost
10 allocation?

11 A. It's my understanding that that is what
12 happened.

13 Q. Would you agree with me that the
14 Commission has also expressly rejected the use of
15 the 1 CP for NSP?

16 A. It's my understanding that that is --
17 under the circumstance in which that determination
18 was made, that is what happened.

19 MR. JOHNSON: Your Honor, I do have a
20 portion of an order that I would like to have again
21 read into the record for convenience purposes. I'm
22 not sure whether our protocol is to now mark
23 Commission orders or whether I can simply provide
24 one to the witness.

25 JUDGE FETCH: You can simply provide one

1 to the witness, cite what's relevant and the
2 Commission can take official notice of its own
3 order.

4 MR. JOHNSON: Thank you. Somewhere here I
5 have copies for the parties too for convenience.
6 If you'll bear with me just a second, I'll find
7 them.

8 JUDGE FETCH: Thank you.

9 MR. JOHNSON: Here they are. My apologies
10 for the delay.

11 JUDGE FETCH: That's fine. All right. I
12 believe everyone has a copy. Please proceed.

13 MR. JOHNSON: Thank you, Your Honor.

14 Q. (MR. JOHNSON CONTINUING) Dr. Pavlovic,
15 I've handed to you a copy of findings of fact,
16 conclusions of law and order in Case No.
17 PU-400-91-112, and that pertains to a Northern
18 States Power Company electric rates proceeding. Do
19 you see that?

20 A. Yes, I do.

21 Q. I would ask you to turn to page 8 of that
22 document and paragraph 6 and I would ask you to
23 read that into the record, please.

24 A. "The 1 CP method focuses on the size of
25 the single largest annual system peak. The

1 Commission previously found that this method
2 ignores the demand cost that off peak customers
3 impose on the system. We continue to believe that
4 1 CP is inappropriate."

5 Q. Now, in the context of the Commission
6 having expressly found that the 1 CP is
7 inappropriate and having applied a variant of the
8 12 CP for 20 years, wouldn't it be more sensible
9 for this Commission to apply the 12 CP now even if
10 it concludes that some other system should be used
11 perhaps in the future?

12 A. Well, it would certainly be consistent
13 with precedent if they were to do that. On the
14 other hand, of all the various factors that the
15 Commission should take into consideration in
16 selecting, adopting a cost allocation method, the
17 primary one should be cost causation and the
18 current circumstances under which NSP operates.

19 MR. JOHNSON: Thank you, Dr. Pavlovic.
20 Your Honor, I have no other questions.

21 JUDGE FETCH: Thank you, Mr. Johnson. Ms.
22 Jeffcoat-Sacco.

23 **EXAMINATION**

24 **BY MS. JEFFCOAT-SACCO:**

25 Q. Well, I had a slight variation of that

1 same question. In your opening statement you did
2 say that based on what you heard in testimony, that
3 you would say now that neither the 12 CP nor the 1
4 CP is the correct one, and that's why you would
5 recommend that the Commission order the company to
6 develop an appropriate one for North Dakota. Did I
7 hear that in that summary?

8 A. Yes.

9 Q. Yes. So I was going to ask, based on the
10 fact that you're kind of concluding 1 CP is not
11 necessarily the right answer either, why change
12 while the company is directed -- if the company
13 should be directed to develop one, why change to
14 the 1 CP from what has been happening for the last
15 many years while a new one is being developed and
16 reviewed?

17 A. The short answer is that I believe
18 requiring the 1 CP method in this application will
19 provide the company with the proper incentive to
20 develop a more appropriate allocation method.

21 Q. And might it have some of those offsetting
22 consequences of like not setting your rates
23 correctly, your whole revenue requirement
24 correctly, that we were just talking about with Dr.
25 King and whether the ROE is the correct number or

1 not? Might it have that consequence also to switch
2 now even if you're recognizing that there's not a
3 basis to switch in the methodology? Might be a
4 basis in the motivation, not in the methodology.
5 So would not -- the revenue requirement component
6 then would be skewed, which would contribute to the
7 company not being able to earn whatever its allowed
8 return was?

9 A. The revenue -- the revenue requirement
10 that the Commission sets, my understanding under
11 traditional -- the traditional regulatory model, is
12 intended to provide the company with an incentive
13 in order to operate its system in such a way that
14 it can recover its costs. It's entirely possible
15 that switching to the 1 CP might underestimate the
16 revenue requirement for NSP for its North Dakota
17 jurisdiction. It's also entirely possible that the
18 12 CP method is overestimating the revenue
19 requirement.

20 MS. JEFFCOAT-SACCO: That's all I have.
21 Thank you.

22 JUDGE FETCH: Thank you. Let's see if we
23 can try to complete this witness before we break
24 for lunch. Commissioner Fedorchak.

25

EXAMINATION

1
2 **BY COMMISSIONER FEDORCHAK:**

3 Q. Mr. Pavlovic, could you take a minute and
4 explain some of the -- some of the simple features
5 about a few of these methods, say the 1 CP, the 12
6 CP, and you mentioned a couple other in your
7 testimony, you know, the time -- some of the other
8 methods that account for different system design.
9 Talk about just a few of them that -- both the 1
10 CP, the 12 CP and one that might be a future
11 consideration and what system features each of them
12 are intended to be used to support. Do you know
13 what I'm saying?

14 A. Yes, I do.

15 Q. Because I went to rate school, believe it
16 or not, and people talked about this in a way that
17 you could really understand it, and I haven't heard
18 that in the last two days on this particular issue.
19 Like what 1 CP is used for this, 12 CP is used for
20 systems like this, and there's these other methods,
21 all of them are designed to account for certain
22 things. I think that would be helpful to get our
23 brains around a little bit some of the features of
24 how North Dakota is, what kind of a system we have
25 and how this cost allocation method would be used

1 to effectively relate to that.

2 A. All of the 13 methods are more or less
3 precise ways of recognizing that a customer or a
4 group of customers or a jurisdiction may have a
5 differential impact on different parts of the
6 company. We're talking production -- production
7 capacity. Because in the end it's the demand that
8 customers make for the capacity that drives the
9 decisions. That is what the company is trying to
10 do with all of its operation system and planning.

11 The peak methods -- all of the peak
12 methods, which is one of the three categories, they
13 basically assume that there really isn't much
14 difference in the demand of different -- of
15 individual customers, of individual aggregations of
16 customers or of a jurisdiction like North Dakota.

17 The single peak assumes that there really
18 is no differentiation in terms of the time on the
19 system that various customers' demand is
20 impacted -- is impacting the capacity. The
21 multiple peak methods make various assumptions
22 about basically the time, about the demand the
23 customers make, when they make this demand for
24 capacity and try to differentiate that.

25 As a general rule, customer demand can be

1 differentiated depending upon the season, and
2 that's the whole point of the multiple peak, is to
3 try to capture that in some way. That's basically
4 what the single peak and the multiple peak methods
5 are trying to get, is trying to make assumptions
6 about the way the system is operated and the way --
7 well, assumptions about customers' demand, the time
8 when it occurs and the company's response to that
9 demand.

10 There's a second class of methods that are
11 called the energy weighted method that basically
12 assume that these differences in the timing of the
13 demand the customers make can be measured and
14 estimated by looking not only at the capacity
15 demand that the customers make, but their total
16 consumption of energy on the system, and that's why
17 they're called energy weighting methodologies.

18 The third class -- and so the question --
19 well, let me continue.

20 The third class of methods really in a
21 much more precise fashion attempt to do what the
22 second class of methods do, which is to identify by
23 customer when the demand occurs and what portion of
24 the production fleet that demand is drawing on, the
25 baseload production facilities, intermediate or

1 cycling facilities or peaking facilities, and
2 that's why they're called time differentiated.
3 They're the most precise, I would say, in terms of
4 -- these methods are distinguished by their
5 precision. They still have to be adapted to the
6 particulars of any individual utility.

7 Q. Thank you. So the order that we just all
8 looked at was from 1991. The system that was being
9 operated in 1991 was far different from the system
10 today; is that correct?

11 A. NSP's -- we have to be clear that what
12 we're talking about is the operation of NSP's
13 system as a whole.

14 Q. Correct.

15 A. And, yes, it's very much different.

16 Q. So does it stand to reason that we should
17 be looking at taking a fresh look at the current
18 factors at play with MISO and wind and all the new
19 components that are being incorporated into the
20 system and how we are assigning those costs to
21 North Dakota customers?

22 A. Absolutely. That's my recommendation.
23 The biggest change -- Commissioner Kalk, you've
24 several times mentioned that times change and
25 circumstances change. The most significant change

1 in NSP from a cost causation perspective is its
2 entering into MISO.

3 As Mr. Wishart was explaining, NSP doesn't
4 actually make the decisions about when its
5 production is dispatched. All -- not all. I had a
6 side conversation with him and certain of the
7 production facilities, the nuclear facilities and I
8 think he was saying most of the baseload
9 facilities, are what are called self-scheduled and
10 that's where NSP decides they're just going to run
11 them, period, it doesn't matter what's happening in
12 the market, and then they dispatch the rest of
13 their facilities through MISO, but those facilities
14 are being dispatched not in response to just the
15 demand of NSP's customers, but the customers of all
16 of the participants in MISO.

17 Q. So we heard a lot from the company that it
18 would be very troublesome for them to have us
19 change our allocation method when their other
20 states are using this allocation method. So when
21 could we ever do this then in that scenario where,
22 you know, we're kind of -- sort of bound by what
23 other states are doing because it puts the company
24 in a box?

25 A. Let me give you a real world example to

1 think about. Pepco Holdings, Incorporated, PHI, is
2 structurally very similar to Xcel, has a number of
3 operating subsidiaries, Potomac Electric Power
4 Company, Atlantic City Electric, and Delmarva in
5 Delaware. Pepco spans the District of Columbia and
6 Maryland jurisdictions. Delmarva spans the
7 Delaware and Maryland jurisdictions. So they --
8 these are two subsidiaries -- two operating
9 subsidiaries, you could compare them to
10 NSP-Minnesota, NSP-Wisconsin. I don't know whether
11 they are multi-jurisdictional.

12 In any event, for decades Pepco has
13 operated under one cost methodology, a
14 noncoincident peak average in excess and in
15 Maryland under a 4 CP methodology. It happens that
16 you have two different cost allocation
17 methodologies. And in addition, I can't remember
18 whether it was you, Commissioner Fedorchak, but
19 someone asked, well, what's the effect of this. It
20 can be that only 98 percent of the company's
21 production assets and then as things are allocated
22 get assigned to either jurisdiction. In fact, the
23 practical consequence on Pepco in the District of
24 Columbia and in Maryland has been that Pepco
25 essentially assigns somewhat over a hundred percent

1 of its revenue requirement, as it were, to the two
2 jurisdictions. As Mr. Brockett said, you don't
3 know which way it's going to go.

4 Q. But it's never going to be a hundred
5 percent, it's always going to be less or more?

6 A. That would really depend on the
7 interaction between the two methodologies utilized.

8 COMMISSIONER FEDORCHAK: I think that
9 concludes my questions.

10 JUDGE FETCH: All right. Thank you.
11 Commissioner Kalk.

12 COMMISSIONER KALK: Thank you, Your Honor.

13 **EXAMINATION**

14 **BY COMMISSIONER KALK:**

15 Q. Thank you for your testimony. Just one
16 question for you.

17 It appears you don't like the transmission
18 cost rider. Can you kind of give me just in a
19 nutshell -- I don't need all the -- I read all the
20 other stuff -- just in a nutshell what is the
21 biggest thing you don't like about the transmission
22 cost rider?

23 A. The biggest thing I don't like about the
24 transmission cost rider is that I don't know
25 everything about it. All I know is conceptually

1 how it would be constructed because -- and what the
2 rate design basically would be is the surcharge.

3 Q. Okay. And you referred to in your
4 testimony that the company might be doing something
5 later. So if you had more information about what
6 they propose it to look like, that might clarify
7 your decision, you may support it if they had the
8 answers?

9 A. I might well support it if -- I mean, I'm
10 not opposed to trackers --

11 Q. Okay.

12 A. -- on principle. I don't think there's
13 any regulatory principle on which one should be
14 opposed to trackers, but they have to be
15 implemented very carefully because there's a great
16 danger particularly with investment riders of over
17 -- of the company overrecovering on its assets.

18 COMMISSIONER KALK: Okay. All right.
19 Thank you.

20 JUDGE FETCH: Thank you. Commissioner
21 Christmann.

22 **EXAMINATION**

23 **BY COMMISSIONER CHRISTMANN:**

24 Q. Mr. Pavlovic, from what you know of the
25 three jurisdictions in NSP-Minnesota, would you

1 expect that either of the other two jurisdictions
2 might also benefit their ratepayers with a 1 CP as
3 opposed to a 12 CP method?

4 A. You mean were NSP having to go to a 1 CP
5 method?

6 Q. Right. Would that -- apparently North
7 Dakota ratepayers would benefit from it.

8 A. Well, they would benefit from it in the
9 sense that I believe it is a more accurate estimate
10 of, in fact, what's North Dakota's cost
11 responsibility.

12 Q. Would that likely be the case with South
13 Dakota or Minnesota? I'm trying to gather whether
14 one or the other might follow North Dakota's lead
15 if North Dakota switched.

16 A. As I said earlier in my testimony, based
17 on what I now know about the way NSPM operates, I
18 think all the jurisdictions would benefit by going
19 to a more precise allocation methodology.

20 North Dakota is distinguished from the two
21 other jurisdictions by the fact that it is winter
22 peaking as opposed to the other. In recent time
23 it's been what you might call weekly winter
24 peaking, but in fact NSP's forecast for the test
25 year was that North Dakota would once again be

1 winter peaking in 2013, and that could -- that
2 difference may be being -- I think it's likely that
3 that difference is actually being captured in the 1
4 CP, although very grossly. I'm not sure -- in the
5 sense of imposing it on the entire system, there's
6 no question that North Dakota would benefit, as it
7 were, to the expense of South Dakota and Minnesota.
8 I mean, that's just the nature of the calculation.

9 Q. How much would North Dakota -- an
10 individual North Dakota ratepayer benefit? I mean,
11 is this a lot of discussion over something that
12 would be a couple pennies on a monthly bill or -- I
13 have no -- I haven't found any correlation between
14 this change -- or what this change would do to a
15 ratepayer.

16 A. I haven't calculated the impact of this
17 change on the application. Mr. Mugrace has in
18 fact, I believe, and he estimated that it would be
19 approximately -- that the change was approximately
20 3.2 million, but I'm not certain about that.

21 Q. Okay.

22 A. But it's a significant amount of money to
23 the revenue requirement and it would be a
24 significant amount of money in terms of rates.

25 Q. Okay. Then, lastly, I want to rephrase

1 something so I'm sure if I understood you right.
2 Yesterday in our discussion of having one
3 jurisdiction calculated under a different method
4 than the other -- others in this case, I clearly
5 see NSP's point about how it's going to leave some
6 dollars out there that aren't recovered, they're
7 not going to come out to an exact total. When you
8 talked about Pepco before, if -- the variation
9 between jurisdictions with using different methods,
10 if that's leaving the company 2 percent short, are
11 they just figuring they need 102 percent and then
12 using the methods in the various jurisdictions
13 calculating it out and thus it leaves them almost
14 right on a hundred percent, or did I misunderstand
15 that?

16 A. It is in fact a little more complicated
17 than that. What is actually being allocated are --
18 well, in this case, NSP properly directly assigns
19 all the distribution investment, all the
20 distribution expenses that occur in North Dakota to
21 North Dakota. That does not get allocated. So
22 we're just talking about transmission and
23 production.

24 What actually gets allocated is production
25 plant, that is, the plant investment, the plant in

1 service. I think it's proper to say that what in
2 the end -- although it's not direct, what gets
3 allocated to rate base and then what gets
4 allocated. So the production rate base and the
5 transmission rate base get allocated to the two or
6 the three jurisdictions. Then based on that
7 allocation -- and when they're operating on the
8 jurisdictional level, using in fact the same
9 allocator, NSP allocates production expenses and
10 transmission expenses on the same base. The
11 revenue requirement is in fact built on adjustments
12 to rate base and allowance, disallowance,
13 adjustment to expenses.

14 So to talk strictly speaking -- and that's
15 why I was careful to say what got -- in the case of
16 Pepco gets overallocated ends up with -- it ends up
17 with Maryland calculating its revenue requirement
18 for the Maryland Commission on the basis of 55
19 percent of the assets and the expenses and Pepco in
20 D.C. building its revenue requirement on a 46, 47
21 percent allocation of the rate base and the
22 expenses, which adds to 102 percent. That's where
23 the shortfall or the overage is occurring on the
24 basis of the revenue requirements base calculation
25 of rate base and expenses. The revenue requirement

1 is then built up by adjusting those numbers in each
2 jurisdiction.

3 You'd actually have to do a detailed
4 analysis of NSP's revenue requirement approved in
5 Minnesota and revenue requirement approved in North
6 Dakota, South Dakota to determine whether the
7 company is in terms of actual revenue requirement
8 costs overrecovering or underrecovering.

9 COMMISSIONER CHRISTMANN: Thank you. I
10 have no other questions.

11 JUDGE FETCH: Thank you. All right. Mr.
12 Norrell.

13 MR. NORRELL: No, Your Honor, not at this
14 time.

15 JUDGE FETCH: This may be your last
16 chance.

17 MR. NORRELL: Fully understood.

18 JUDGE FETCH: Thank you. Mr. Johnson.

19 MR. JOHNSON: Thank you, Your Honor. I do
20 have a few areas, but I think they'll go pretty
21 quick.

22 JUDGE FETCH: Thank you.

23 **RECROSS-EXAMINATION**

24 **BY MR. JOHNSON:**

25 Q. Dr. Pavlovic, were you here yesterday when

1 Mr. Brockett testified that the change from a 12 CP
2 to a 1 CP would cost the company \$20 million?

3 A. Yes, I heard him testify.

4 Q. Do you have any basis of personal
5 knowledge to dispute his estimate of the cost?

6 A. No, because I don't know what the basis of
7 his cost was.

8 Q. Thank you.

9 A. Mr. Murgace might well calculate a
10 different impact.

11 Q. Now, you talked about, you had dialogue
12 with respect to potential benefits from other
13 states moving to a 1 CP. And let's assume for
14 purposes of discussion that Mr. Brockett was
15 correct and we're talking about a \$20 million
16 change here. If all of the other states adopt
17 1 CP, it's my understanding that subject to timing
18 differences, the company's cost recovery will be
19 100 percent.

20 A. As I was just explaining to Commissioner
21 Christmann, the cost recovery on base rate base and
22 expenses would be a hundred percent. That doesn't
23 speak to whatever adjustments are made in the two
24 jurisdictions.

25 Q. I appreciate that distinction. Let's

1 assume that the adjustments are constant so we have
2 this \$20 million number that's in play if Mr.
3 Brockett is correct. So it would then stand to
4 reason that if North Dakota's revenue requirement
5 went down by \$20 million, that \$20 million would be
6 shifted to either or both of South Dakota and
7 Minnesota?

8 A. If I assume equal revenue requirements in
9 all three jurisdictions, then that's exactly right.

10 Q. Equal adjustments, I believe; correct?

11 A. Yeah, if you assume that you have exactly
12 the same revenue requirements being calculated in
13 both jurisdictions.

14 Q. Now, you talked about Pepco living in an
15 environment where it uses different cost allocators
16 in its different jurisdictions, and I believe you
17 characterized that as something that has been going
18 on, I believe it was, for decades.

19 A. Yeah, I'm pretty sure it's gone on for
20 decades.

21 Q. That would suggest that there has been a
22 period of stability of some duration for those
23 Pepco-operating companies?

24 A. Well, in each jurisdiction they've in fact
25 enjoyed exactly the same stability that NSP says

1 the 12 CP has given them in this jurisdiction.

2 Q. That is to say, each jurisdiction has
3 consistently applied its cost allocator and the
4 Pepco operating companies have not had to adjust to
5 changes in the allocator?

6 A. That's correct.

7 Q. Now, you had some discussion about the use
8 of the 12 CP in the context of 1991 as relates to
9 2013, thinking in the context of system changes,
10 operational changes, what have you. Do you recall
11 that?

12 A. Yes.

13 Q. And you mentioned among the factors that
14 have changed is the emergence of MISO as an entity
15 in the upper midwest region.

16 A. Yes.

17 Q. MISO has been in place for quite a while,
18 has it not? Ten years or so?

19 A. Quite possible ten years.

20 Q. And NSP has had three North Dakota rate
21 cases, has it not, since 2007 plus this one?

22 A. That's my understanding.

23 Q. And is it your understanding that in those
24 prior three cases, the Commission did in fact use
25 the method proposed by the company in this case?

1 out to be what we call a good estimator of a much
2 more complicated situation.

3 Q. Okay.

4 A. It's also entirely possible that this
5 could be done much more accurately and the results
6 would be close to the 1 CP.

7 Q. Okay. You might get there a different
8 route, the results might be close. And I would
9 like you to very summarily, please, because I know
10 time is of the essence here, but staff was
11 wondering what it was you heard that caused you to
12 change your recommendation. What can you point to
13 in a very summary fashion from the testimony?

14 A. Very summary. There in the -- I was
15 provided in discovery and also there's a discussion
16 of the cost -- there's a lengthy discussion of
17 jurisdictional cost allocation in Schedule 12 of
18 Ms. Heuer's testimony. There is no indication in
19 any of that document that NSP does its system
20 planning taking into account the fact that it's
21 operating in MISO and it's dispatching. There's
22 just no indication whatsoever.

23 Now, all of that documentation just gives
24 the impression that, in NSP's estimation, the 12 CP
25 is a better -- is a better indication than the 1 CP

1 or any of these other things. If it comes to the
2 question of selecting between the 1 CP and the peak
3 methods, the only criteria that are indicated is
4 making the 12 CP appropriate. There's no mention
5 of any of that in any of the documentation that
6 they plan to a particular reliability index and
7 there isn't significant variation in the monthly
8 peaks.

9 I mean, the fact that -- I mean, I know
10 that NSP operates in MISO, but I don't know how
11 they operate and I don't know that they -- and I
12 did not know that they did their planning, you
13 know, taking all of these things into account.

14 MS. JEFFCOAT-SACCO: Thank you. That's
15 all I have.

16 JUDGE FETCH: Thank you. Commissioner
17 Fedorchak, any followup?

18 COMMISSIONER FEDORCHAK: No.

19 JUDGE FETCH: Commissioner Kalk?

20 COMMISSIONER KALK: No, ma'am.

21 JUDGE FETCH: Commissioner -- is everyone
22 just hungry? Mr. Norrell, anything further?

23 COMMISSIONER CHRISTMANN: No.

24

25

REDIRECT EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY MR. NORRELL:

Q. I just have one. There was some concern expressed on the record about the accuracy with predicting the system peak using the 1 CP method. Can that concern be addressed by -- or smoothed by looking at other years to help determine that?

A. Oh, the variability?

Q. Yes.

A. Yes, it can. In addition, the variability of the actual -- no. Well, the most appropriate way to address that problem is to average in the adjustments that I recommended here. That's exactly what I did, I took the three-year average.

MR. NORRELL: No further questions.

JUDGE FETCH: Thank you. Mr. Johnson?

MR. JOHNSON: Nothing further, Your Honor.

JUDGE FETCH: Thank you. Ms.

Jeffcoat-Sacco?

MS. JEFFCOAT-SACCO: Nothing. Thanks.

JUDGE FETCH: From the Commission. I believe Commissioner Christmann has a question.

COMMISSIONER CHRISTMANN: Thank you, Your Honor. I did think of one more.

FURTHER EXAMINATION**BY COMMISSIONER CHRISTMANN:**

1 Q. Sir, would there be logic -- rather than
2 adopting a 1 CP method and using it and urging NSP
3 then to come up with a more accurate method, would
4 there be logic in continuing with the 12 CP method
5 but setting some date certain in the future, a year
6 or two down the road, at which we transition into a
7 1 CP method unless they have brought forward what
8 we deem to be a more accurate method and that
9 that's been approved by us?
10 A. Well, the truth be told, you're asking me
11 a question outside my expertise. I'm not a
12 commissioner. I'm not a rate regulator. But, yes,
13 there would be merit in such an approach.
14 COMMISSIONER CHRISTMANN: Thank you.

15 JUDGE FETCH: Any further questions from
16 Mr. Norrell or --

17 MR. NORRELL: No, Your Honor.

18 JUDGE FETCH: Mr. Johnson?

19 MR. JOHNSON: No, Your Honor.

20 JUDGE FETCH: Ms. Jeffcoat-Sacco?

21 MS. JEFFCOAT-SACCO: No.

22 JUDGE FETCH: Any further questions from
23 any of the Commissioners?
24
25

1 COMMISSIONER FEDORCHAK: No.

2 JUDGE FETCH: All right. Thank you. At
3 this time you are excused.

4 THE WITNESS: Thank you.

5 JUDGE FETCH: And it is 12:30 and we will
6 take an hour for lunch, so be back here at 1:30.
7 Thank you.

8 (Recess taken at 12:30 p.m. to 1:34 p.m.)

9 JUDGE FETCH: We'll come back to order.
10 The time is about 1:34 p.m., Central Time, and at
11 this time we're going to proceed with the staff
12 advocacy case and, Mr. Norrell, please identify
13 your witness.

14 MR. NORRELL: Thank you, Your Honor.

15 Staff at this point is going to call Mr.
16 Dante Mugrace to the stand to testify to PSC
17 Exhibit No. 4.

18 JUDGE FETCH: All right. And do you have
19 a witness opening statement?

20 MR. NORRELL: We do, but can we swear the
21 witness in and then we've got some corrections to
22 that exhibit.

23 JUDGE FETCH: All right. And, Mr.
24 Mugrace, you've been present and heard me instruct
25 as to penalties for perjury, have you not?

1 THE WITNESS: Yes.

2 JUDGE FETCH: Please raise your right
3 hand.

4 (Witness sworn.)

5 JUDGE FETCH: Thank you. All right. Mr.
6 Norrell.

7 MR. NORRELL: Thank you.

8 DANTE MUGRACE,

9 being first duly sworn, was examined and testified
10 as follows:

11 DIRECT EXAMINATION

12 BY MR. NORRELL:

13 Q. Dante, just for the record, could you --
14 how do you prefer your last name be pronounced?

15 A. Mugrace.

16 Q. Mugrace. Okay. Thank you. And you had
17 indicated -- or are there any corrections to PSC
18 Exhibit 4, which is your testimony and exhibits?

19 A. Yes, there are.

20 Q. And what would those be?

21 A. On page 31 of my testimony, line 13,
22 regarding the recommendations of the company's
23 proposed SO2 allowance credit of \$87,000, I
24 incorrectly amortized it over a three-year period,
25 and I should not have, so I'm agreeing with the

1 company the beginning balance of the CO2 -- SO2
2 allowance of \$87,000 was appropriate.

3 MR. NORRELL: And then I would also like
4 the record to reflect that late Friday evening we
5 noticed there were some trade secret materials
6 provided in the filed Exhibit 4 -- the prefiled
7 Exhibit 4. We have removed those from the
8 Commissioners' packets that they've got in front of
9 them, and we do have corrections here that we will
10 submit with the original. We are taking out the
11 trade secret information and putting the public
12 information in instead.

13 JUDGE FETCH: All right. Thank you. And
14 this witness opening statement, have you labeled
15 that PSC Exhibit 20?

16 MR. NORRELL: I have 19, but I could be --

17 JUDGE FETCH: 19 was Mr. Pavlovic's
18 opening statement.

19 MR. NORRELL: Okay. I apologize. And
20 this will need to be 20 and I will need to mark
21 these correctly.

22 JUDGE FETCH: All right. And by
23 stipulation, prior agreement, the opening statement
24 is admitted into the record as Exhibit 20.

25 MR. NORRELL: Just a minute, please, Your

1 Honor. Your Honor, I'd like to pass this out as
2 PSC Exhibit 20.

3 JUDGE FETCH: Yes, please.

4 Q. (MR. NORRELL CONTINUING) Mr. Mugrace, if
5 you would please read your opening statement for
6 the record.

7 A. Sure. My name is Dante Mugrace. I am a
8 senior consultant with the economic and management
9 consulting firm of Snavelly-King Majoros and
10 Associates, Inc. Our office is located in
11 Landover, Maryland. I am appearing on behalf of
12 the advocacy staff of the North Dakota Public
13 Service Commission. I have provided testimony with
14 respect to the company, Northern States Power
15 Company's, revenue requirement for its electric
16 service operations in North Dakota.

17 My approach in calculating the recommended
18 revenue requirement is based upon the use of a
19 three-year historical average (2010, 2011, and
20 2012) for the company's other operating revenues
21 and its operating expenses.

22 The use of a three-year average provides
23 for:

24 A normalized level of its other operating
25 revenues which takes into consideration the

1 variations and fluctuations occurring year to year,
2 and the operating cycle to operating cycle, and
3 providing for a smoothening of other operating
4 revenues going forward.

5 A normalized level of operating expenses
6 which takes into consideration the variations and
7 fluctuations occurring year to year and operating
8 cycle to operating cycle and provides for a
9 smoothening of expenses going forward.

10 The results of a three-year historical
11 average approach provides the basis to set a
12 foundational level related to the company's other
13 operating revenues and operating expenses instead
14 of the company's 2013 fully forecasted test year
15 approach for its financial data. The main factor
16 for the use of a three-year historical average is
17 that the company does not produce interim or
18 semiannual financial statements. It is therefore
19 difficult to test whether the company's projections
20 are comparable and reliable with known actual
21 results. I have also taken into consideration and
22 made recommendations regarding the company's
23 forecasted and individual 2013 adjustments to its
24 other operating revenues and its operating
25 expenses.

1 For the setting of the company's retail
2 operating revenues I've relied on the company's
3 public notice, Schedule 2, which the company has
4 projected total megawatt sales of 2.27 million
5 megawatt sales. Based upon the company's data
6 requests in 5-025, which shows five months of usage
7 as of May 2013 and annualized it shows 2.4 million
8 megawatts, so it's clear the megawatt sales have
9 increased since the company filed its rate
10 proceeding in December 2012. I have used a
11 percentage factor and applied 2,270,000, which was
12 in the notice, and factored in a 1.54 percent
13 increase as described in my testimony to set
14 projected megawatt sales in 2013 along with an
15 historical average of three years of kilowatt costs
16 and about 7.68 cents to compute my recommended
17 sales revenue of \$177 million.

18 My approach to the company's proposed rate
19 base is the use of the company as-filed 2011
20 earnings report for the North Dakota jurisdiction
21 which shows the plant in service average balance.
22 I have taken into account the company's various
23 proposed and forecasted adjustments expected to
24 occur in 2013 as shown in my Exhibit -- as shown in
25 company Exhibit AEH-1, Schedule 5.

1 I have also taken into account and have
2 accepted the company's various data responses with
3 regard to its North Dakota jurisdictional capital
4 additions for 2013 and applied the company's
5 allocation factor applicable to the North Dakota
6 operations to compute a projected capital plant
7 addition balance that is expected to be placed in
8 service in 2013.

9 Based upon this approach, my
10 recommendation is a rate base balance of
11 \$326,528,000 and a rate of return, as recommended
12 by witness Charles King, of 7.138 percent, which
13 calculates to a utility operating income of
14 \$23,307,000. The recommended ratemaking components
15 calculates to an overall revenue requirement
16 decrease of approximately \$10 million as opposed to
17 the company's revenue requirement increase of
18 \$14.884 million as calculated by company witness
19 Ms. Heuer in her rebuttal testimony.

20 I've relied on the testimony of Michael
21 Majoros regarding the recommended depreciation
22 expense to include in my revenue requirement
23 calculation and on testimony of Dr. Karl Pavlovic
24 regarding the various jurisdictional allocators to
25 the company's rate base components and certain of

1 the company's operating expenses.

2 MR. NORRELL: Thank you, Mr. Mugrace.

3 This witness is available for cross-examination.

4 JUDGE FETCH: All right. Thank you, Mr.
5 Norrell. Mr. -- I believe Ms. Valley is going to
6 cross-examine.

7 MS. VALLEY: Yes. Thank you, Your Honor.

8 **CROSS-EXAMINATION**

9 **BY MS. VALLEY:**

10 Q. Mr. Mugrace, I would like to begin with a
11 discussion of the test year in this case.

12 A. Sure.

13 Q. Do you agree that the company has a right
14 to select a projected test year?

15 A. Yes.

16 JUDGE FETCH: Ms. Valley, could you speak
17 up just slightly or get the microphone a little
18 closer.

19 MS. VALLEY: Sure.

20 JUDGE FETCH: Thank you.

21 Q. (MS. VALLEY CONTINUING) And is the
22 company's right to select a projected test year
23 provided by statute?

24 A. Yes.

25 Q. And did the company in fact select a

1 projected 2013 test year?

2 A. Yes, a forecasted projected test year,
3 correct.

4 Q. And did you say that that was reasonable
5 to do so?

6 A. That was reasonable to do so.

7 Q. Do you agree that a test year is intended
8 to match 12 consecutive months of revenue with the
9 same 12 consecutive months of expense?

10 A. Yes.

11 MS. VALLEY: Now, I do have an exhibit
12 here. It's already entered into the record. I
13 would like to direct the parties -- or the
14 Commissioners and staff and everyone here to
15 Exhibit AEH-1, Schedule 11 in Anne Heuer's
16 testimony. I do have copies that I could just hand
17 out. It doesn't need to be admitted as a separate
18 exhibit, if that would be easier.

19 JUDGE FETCH: You said it's already been
20 admitted?

21 MS. VALLEY: It is in the record.

22 JUDGE FETCH: But for ease of reference,
23 maybe if you want to do that, that's fine.

24 All right. I believe everyone has it.
25 Thank you.

1 Q. (MS. VALLEY CONTINUING) Mr. Mugrace, what
2 you have in front of you is Anne Heuer's direct
3 Schedule 11, which is a statement of operating
4 revenues and expenses. And am I correct that you
5 have replaced all of the test year operating
6 expenses found on lines 7 through 14 of that
7 schedule with a three-year average expense for the
8 2010, 2011, and 2012?

9 A. I did.

10 Q. And did you include 2013 test year
11 expenses in your cost averaging approach?

12 A. No.

13 Q. Now, moving up that table, did you replace
14 operating revenues found on lines 1 through 5 of
15 that schedule with a three-year average of
16 operating revenues from 2010, 2011, and 2012?

17 A. I replaced the other operating revenue
18 with a three-year average. I used the retail based
19 on the company's most recent kilowatt-hour sales to
20 calculate a retail revenue -- retail revenues. I
21 didn't use a three-year average for the retail
22 revenues.

23 Q. You used your forecasted sales for the
24 2013?

25 A. And based on my historic three-year

1 average of the kilowatt percent.

2 Q. You used the kilowatt-hours --

3 A. Kilowatt-hours.

4 Q. -- based at a three-year average of the
5 kilowatt-hour rate on forecasted 2013 sales?

6 A. Yes.

7 Q. And looking again at Ms. Heuer's Schedule
8 11, line 17, did you replace 2013 amortizations
9 with a three-year average?

10 A. For the amortizations I made adjustments
11 to the amortizations. I started with the 373, but
12 I made adjustments going forward with amortizations
13 that were going to occur in 2013.

14 Q. And with respect to taxes on lines 18 to
15 22, did you replace taxes with a three-year
16 historical average.

17 A. No. I accepted the company's property
18 taxes, which is higher than the \$7 million that
19 they have here. I think they used an \$8.1 million
20 property tax. I accepted that. The rest of them
21 are just based -- they're just components of the
22 revenue requirement. You have to get an operating
23 income to calculate the taxes, the federal and
24 state income taxes and payroll. It's another
25 process you have to calculate the bottom-line

1 operating income -- the net operating income before
2 you calculate these taxes. They're not three-year
3 averages.

4 Q. So they're calculated using a different
5 method than you did for calculating expenses?

6 A. Yes.

7 Q. Now, the table -- so it doesn't include
8 the three-year average adjustment that you made for
9 fuel and purchased power. And if I could point you
10 to page 33 of your direct testimony, if you look at
11 line 15, you state that the company recovers any
12 changes in the fuel and purchased energy costs
13 through the fuel cost rider; is that correct?

14 A. Yes.

15 Q. And were you aware that because fuel and
16 purchased power costs flow through the fuel clause,
17 that a matching amount of revenues is included in
18 the test year to avoid recognizing those costs in
19 base rates?

20 A. Say that again, please.

21 Q. Were you aware that because fuel and
22 purchased power costs flow through the fuel clause,
23 that a matching amount of revenues is included in
24 the test year to avoid recognizing those costs in
25 base rates?

1 A. Yes.

2 Q. And when you made your adjustment to fuel
3 and purchased power in your Schedule DM-14, did you
4 make an equal and offsetting reduction to revenues?

5 A. No, I did not.

6 MS. VALLEY: I would like to refer now to
7 the testimony of NSP witness Mr. Stephen Foss, and
8 I believe everybody has a copy of that, but for
9 purposes of Mr. Mugrace, who likely does not have a
10 copy of Mr. Foss's testimony, I did bring the
11 exhibit out for him, if it's okay to provide that
12 to Mr. Mugrace.

13 JUDGE FETCH: That's fine. Thank you.

14 Q. (MS. VALLEY CONTINUING) Mr. Mugrace, did
15 you review the direct testimony of Mr. Stephen Foss
16 on the 2013 level of costs for power production,
17 transmission, and distribution?

18 A. I don't think I did.

19 Q. Now, you have a copy of Mr. Foss's
20 testimony in front of you for your convenience.
21 What I would like you to go to is on page 15, Table
22 4 of Mr. Foss's testimony. And you'll see there
23 that table discusses which expenses have increased
24 and by how much and compares those costs to actual
25 costs in 2011. Do you see that, Mr. Mugrace?

1 A. Yes.

2 Q. And am I correct that your testimony does
3 not discuss those costs and the reasons for those
4 cost increases in 2013 as compared to 2011 actuals?

5 A. I did not compare the costs in 2013
6 because they were budgeted, they weren't actual
7 costs that I could get my hands around.

8 Q. And when you look at table 14 -- Table 4
9 on page 15, does that table indicate that
10 vegetation management has increased by \$1 million?

11 A. It says that, but what has actually
12 happened -- and is that on companywide basis or is
13 it specific to North Dakota? I'm not sure by
14 reading this table whether it's an actual amount or
15 whether it's specific to companywide or it's
16 allocated to the North Dakota jurisdictional
17 operations.

18 Q. Certainly, Mr. Mgrace, this is for North
19 Dakota.

20 A. I see that it's a \$1 million, but that's a
21 budgeted amount. I haven't seen anything that has
22 been actual of the 2013 test year.

23 Q. So you did not look at the company's
24 anticipated expenses and the reasons for those
25 expenses in 2013?

1 A. I looked at them, but I couldn't accept
2 them because I don't have any reliability on what
3 has actually happened in 2013. Since the company
4 doesn't provide any interim or updated financial
5 statements, it's hard to test what the company has
6 budgeted versus what the company has realized.
7 It's been nine -- almost nine months into the test
8 year and it's taxing to me just to find out how to
9 match the budget which the company has proposed to
10 its actual.

11 Q. And, Mr. Murgace, could you point to me
12 where in your testimony you challenge the company's
13 budgeting process?

14 A. I think on page 34 but the recommended --
15 the setting -- I recommended a three-year average
16 for setting the fuel and purchased energy costs
17 because the costs are evident and historic in
18 nature and are documented. And as stated in the
19 Cost Assignment and Allocation Manual, these
20 allocations are jurisdictional, these
21 jurisdictional costs are an annual process, they
22 change from year to year, so the rate base, related
23 costs, rate base investments, they change as well.
24 So I didn't challenge the manual, but I would like
25 to know what the actual costs are. I see the

1 allocations, and I accept some of the allocations,
2 but it's tough and it's difficult for me to see
3 what has been projected as to what has actually
4 happened.

5 Q. But you -- Mr. Mugrace, my question was
6 where in your testimony you challenge the company's
7 budgeting process for calculating these.

8 A. I didn't challenge the budget -- I didn't
9 challenge the process. I just challenged they
10 change from year to year.

11 Q. Thank you, Mr. Mugrace. And going back to
12 Mr. Foss's testimony, just as looking at the
13 overall proposal, on line -- on page 14, line 16,
14 he discusses the \$650,000 increase for distribution
15 O&M, and did you challenge that level of increase
16 in your testimony?

17 A. Again, I didn't challenge it, but I would
18 like to know what the actual costs are in 2013
19 compared to what has been budgeted at the amount of
20 \$650,000.

21 Q. And do you agree that the Table 4 on page
22 15 identifies capital support, vegetation
23 management, damage prevention materials, and a
24 reduction for other expenses?

25 A. I see those numbers, yes.

1 Q. Thank you, Mr. Mugrace. And if I could
2 point you then to page 23, line 3 of Mr. Foss's
3 testimony, Mr. Foss explains that the increase in
4 transmission O&M for 2013 over 2011 actuals is 4.8
5 million, and did you increase the 2013 budget for
6 transmission expenses in your analysis?

7 A. 4.8 or 41.8?

8 Q. It's 4.8. I apologize if I misspoke.

9 A. I see 41.8. On Table 5, page --

10 Q. I'm sorry. No. 23, line 3.

11 A. Oh, page 23, line 3.

12 Q. Yes.

13 A. Okay. I see that, but, like I said, if
14 the company can provide me actual data, then I can
15 test whether the \$4.8 million that has been
16 budgeted over the 2011 actual expenses, then I can
17 compare what the company has budgeted to what has
18 been actually expensed.

19 Q. And did you state that as a reason in your
20 testimony for not addressing these?

21 A. No, I didn't.

22 Q. Thank you, Mr. Mugrace. Now, Mr. Mugrace,
23 you had mentioned one-time amortizations in your
24 opening statement, and does the company propose to
25 amortize one-time expenses over three years?

1 A. Yes.

2 Q. And do you accept using a three-year
3 amortization?

4 A. Yes, I do.

5 Q. And did the company take the test year
6 expense and divide it by three?

7 A. Yes.

8 Q. And is the --

9 A. The outstanding balance and divided it by
10 three.

11 Q. Yes. Thank you for that clarification.
12 Is the company's assumption that it would receive
13 one-third of the cost in year one through interim
14 rates and the second third of the cost in the first
15 year final rates are in effect?

16 A. No, I don't see it like that.

17 Q. Mr. Mugrace, if the company is proposing
18 to amortize the costs over three years, would you
19 agree that one-third of the cost would be recovered
20 in each of those three years?

21 A. It depends on -- it depends on the
22 amortization, because some of these amortizations
23 have already been approved by the Commission to
24 recover those costs in rates, so they have a set
25 annual cost that they're already allowed to

1 recover, so I would like to know if they're still
2 recovering those costs now and, if they are, then
3 they are amortizing those costs in 2013 so the new
4 rates or the new change in amortization would be
5 2014, not 2013.

6 Q. Mr. Murgace, do you understand that the
7 company currently has interim rates in effect?

8 A. Yes, they did.

9 Q. And do you agree that if final rates set
10 in this proceeding are less than interim rates,
11 that they will be set on the final revenue
12 requirement and to the extent that final rates are
13 less than interim rates, refunds will go -- be paid
14 to ratepayers?

15 A. Yes.

16 Q. And do you agree that if a one-third cost
17 is not included in final rates, that those costs
18 will be then included in that refund obligation to
19 ratepayers?

20 A. I don't think that's the -- I don't think
21 that's the answer. I don't think that's the
22 reason, because like the prior rate case expenses,
23 the company has already set in place by the
24 Commission a level of amortization they're allowed
25 to recover in rates, so barring any rate increase,

1 the company can still recover those costs under its
2 old rate structure. I'm just extending it
3 because -- I'm adding an extra year of amortization
4 because the company is already recovering those
5 costs from the last rate structure -- the last rate
6 order. So those costs should be reduced by a third
7 and then that balance should be out by three years.

8 Q. And, Mr. Mugrace, it's my understanding
9 you haven't disagreed with the amount of the --

10 A. No, I do not disagree with the amount.

11 Q. -- to be amortized?

12 A. I accept the amount. That's the balance
13 of the amount.

14 Q. But do you agree if you disallow those
15 costs -- that one-third of the cost in the first
16 year rates are in effect, you would reduce that
17 recovery by a third?

18 A. No, I disagree with that.

19 Q. Mr. Mugrace, did the company calculate its
20 2013 test year plant in service by averaging the
21 2012 end-of-year balance with the 2013 end-of-year
22 balance?

23 A. They started with a 2011 average balance
24 and then they gave us the 2012 annual reports, then
25 they use a 2013 forecasted average balance.

1 Q. Would you agree that the purpose of
2 averaging the beginning and ending plant in service
3 balance is to provide an average 2013 rate base?

4 A. I agree with that.

5 Q. Now, did you calculate the 2013 test year
6 plant in service by taking the plant in service as
7 reported in the 2012 earnings report and add the
8 2013 plant additions?

9 A. I took the 2012 average balance in the
10 earnings report and I applied the company's
11 proposed capital additions with the company's 5.11
12 to 1 allocation factor applicable to North Dakota
13 to get a total gross capital additions expected to
14 be placed in service in 2013.

15 Q. Now, do you agree if your starting place
16 is the reported plant in service in the 2012
17 earnings report, that that's the average rate base
18 for 2012 and not the end-of-year 2012 rate base?

19 A. In the earnings report from -- the
20 earnings report provided by the Public Service
21 Commission, it says average rate base plant in
22 service \$780 million -- \$780,660,000. That's what
23 was my starting point and that's the average.

24 Q. That is the average?

25 A. That is the average.

1 Q. So you agree it's not the end-of-year 2012
2 rate base?

3 A. I don't see an end-of-year balance here,
4 so I didn't use that.

5 Q. So if your starting place is the average
6 2012 plant in service, do you agree that your
7 proposal has the effect of removing 50 percent of
8 the plant additions made in 2012 from plant in
9 service?

10 A. I don't see the information in front of me
11 to make a determination on that. I used what the
12 company used, average balance. In this earnings
13 report I don't see an end-of-year balance; I see an
14 average balance.

15 Q. Do you know what the revenue requirement
16 effect of your plant in service recommendation is?

17 A. Actually I've accepted almost all of the
18 company's utility plant in service barring \$10
19 million of it. In my spreadsheets I think I have
20 \$859 million of plant in service and the company is
21 proposing 869, so I have a \$10 million difference.

22 Q. In the plant in service, but that's not
23 the revenue requirement?

24 A. Just the plant in service, correct.

25 Q. Thank you. And I just have one additional

1 question here. If I could point you to page 25 of
2 your revised testimony, and you state on lines 10
3 through 18 that you used the increase in sales in
4 the first quarter 2013 over the first quarter 2012
5 to support an increase in the company's sales
6 figures of 1.54 percent.

7 A. Correct.

8 Q. Did you apply this increase to the
9 company's 2013 forecast?

10 A. No, I did not.

11 Q. And what number did you apply that to?

12 A. I applied this number by the company's
13 public notice, which shows 2,270,721 megawatt
14 sales. That's what they publicly noticed that's
15 going to be in effect or expected in 2013. So I
16 used the 2013 number. But I looked at some of the
17 data requests and it seems like some of the
18 megawatts are increasing more than what the company
19 had proposed it to increase. But I used the 1.5
20 because I used the -- like you said, the first
21 quarter 2012 over the first quarter of 2013, that
22 1.54 percent, I used that as an increase over the
23 company's increase over the 2013 projected sales.

24 Q. So you applied a 1.54 percent increase to
25 the company's sales forecast for 2013?

1 A. Yes.

2 Q. And did the company update its forecast in
3 July 2013 to represent a 2 percent over 2012 actual
4 sales?

5 A. If you can show me where that is, I'd be
6 happy to look at it.

7 Q. It is in Anne Heuer's rebuttal on page 24.
8 I don't -- I'm not sure -- we could pull that for
9 you.

10 A. I'm sorry. I don't have Ms. Heuer's
11 rebuttal. Sorry.

12 Q. Well, in terms of how you presented the
13 sales forecast, is it correct then to say that you
14 did not back out the company's projected increase
15 in sales over 2012 from your projected increase in
16 sales for 2012?

17 A. I did not back that out.

18 MS. VALLEY: Thank you, Mr. Mugrace. No
19 further questions at this time.

20 JUDGE FETCH: Thank you, Ms. Valley. Ms.
21 Jeffcoat-Sacco.

22 **EXAMINATION**

23 **BY MS. JEFFCOAT-SACCO:**

24 Q. I'm just going to say right upfront that
25 I'm probably not going to get these correct. We

1 would like, though, some additional information on
2 your basis for using the three-year average, and in
3 doing that, I am trying to sort out if every --
4 okay. You're not applying the three-year average
5 to every line item; correct? I mean, some you're
6 saying don't deserve a three-year average?

7 A. I'm not applying to any of the rate base
8 components and I'm not applying to the retail
9 revenue, but from basically the operating expenses
10 and the other operating revenues because they
11 fluctuate from year to year.

12 Q. Okay. So basically if we wanted to
13 oversimplify perhaps or simplify, we would say it's
14 those operating line items that you apply the
15 three-year average to. Okay. Can you tell us then
16 a little bit more about your reasoning for doing
17 that?

18 A. Sure. Usually when a company projects
19 forecasted data 2013, they usually supplement that
20 with up-to-date information, so every quarter,
21 every month, every six months they provide actual
22 data and they supplement or replace the actual --
23 the forecasted data to actual data so you can test
24 whether the actual data is in line with what has
25 been projected. In this case one of my data

1 requests says please provide updated reports on a
2 monthly basis so we can test and track that data.
3 The company, unfortunately, doesn't do it on the
4 jurisdictional basis, they do it on a companywide
5 basis, so it's difficult to me that the reliability
6 is not there. If the company can produce actual
7 data especially during a rate case proceeding, it
8 would make my life a lot easier.

9 Q. And we saw that in one of the exhibits
10 yesterday, correct, that the answer was it's overly
11 burdensome to produce that?

12 A. I have to start someplace. I can't start
13 with projections because I don't know what the end
14 result is going to be. I've got to start with
15 something that's concrete and historic in nature.
16 And people may think that it's a mismatch of test
17 year components, but it's basically not. You have
18 to start someplace and where do you start? The
19 annual reports.

20 Q. Okay. Well, I don't want to pin you down
21 here if you don't -- if you don't have an opinion
22 or an answer for this, I understand, but if you had
23 that actual data up to this point -- as you said,
24 we're almost at nine months -- and let's assume
25 that it convinced you that the forecast was

1 accurate, as accurate as you would want, as you
2 would feel comfortable with, would you abandon the
3 three-year average recommendation because of nine
4 months of proving it correct?

5 A. It would give me a different approach -- a
6 different approach to the test year and I would
7 accept the company's projections because I see from
8 convincing, reliable data that their projections
9 are accurate.

10 Q. Okay. Then I have one further question on
11 that. If you recall from yesterday, there was a
12 bit of discussion -- I think it was yesterday -- a
13 bit of discussion about the statute that allows
14 them to file a projected test year and the fact
15 that it's supposed to be accompanied with the
16 budgeted versus actual for some number of years
17 before that -- not one but something more than one.
18 If -- let's say that this case had come in with
19 budgeted and actual North Dakota data for 2012,
20 2010, and 2011, but no updates for 2013, that stays
21 as it is because they don't do it or something,
22 would those -- and let's say those comparisons
23 showed fairly good accuracy in the budgeting, how
24 would that affect your analysis?

25 A. It would give me more of a comfort level

1 to accept their projections because I could see
2 that three years they've been on target, but I
3 would like to see the actuals also because things
4 change during the years. I mean, sometimes you
5 have a good set of revenues going up but then they
6 drop. I mean, it's always good to have actual --
7 as most recent data as appropriate.

8 MS. JEFFCOAT-SACCO: I think that's all at
9 this time, anyway. Thank you.

10 JUDGE FETCH: All right. Thank you. At
11 this time we'll go to the Commission for
12 questioning. Commissioner Fedorchak.

13 **EXAMINATION**

14 **BY COMMISSIONER FEDORCHAK:**

15 Q. Yes. Mr. Murgace, I see by your resume
16 that you have worked on a commission, the New
17 Jersey Board of Public Utilities.

18 A. Yes.

19 Q. When you were working on that commission
20 and doing rate cases, what was your experience in
21 terms of the use of test years and how companies
22 tested their assumptions?

23 A. There's a two-pronged approach. The
24 company can use a fully historical test year, so
25 let's say in this case they come in in November

1 2012, they can use a 2012 test year, which will be
2 fully historical two months after the fact, or a
3 post-test year adjusted, which means they can go
4 out six months beyond the historical test year.
5 But in order to get those plant in service balances
6 and all the other ratemaking components in service,
7 they have to provide monthly updates to track what
8 they're projecting as to what's actually happening,
9 balance sheet and income statements. And before
10 the commission makes the determination on rates,
11 the post-test year plant -- the post-test year
12 period must be fully historical. That's how New
13 Jersey does it. But they have to constantly update
14 their projections, usually it's on a month-to-month
15 basis. We do accept quarterly basis too for
16 smaller companies.

17 Q. Do you feel that they're -- that it's
18 feasible with how this company operates to
19 incorporate some of those methods into testing
20 their test year assumption?

21 A. I think if the company could at least
22 during rate case proceedings provide some type of
23 update to track the projections, balance sheet or
24 income statements, even if it's quarterly, at least
25 we know, we have a comfort level to show what the

1 company has projected to what the company has
2 actually incurred. I'm all for a future
3 forecast -- a full year forecast, but it's got to
4 be backed up by data -- convincing and reliable
5 data.

6 Q. If I'm following correctly the discussion
7 here, yesterday it sort of sounded like the company
8 was suggesting that you were using the three-year
9 average when it was convenient and not when it
10 wasn't convenient, but what you said today made
11 me -- seemed like you had a more systematic way of
12 applying the three-year average.

13 A. I used the three-year average when I
14 didn't have any data that I could actually test, so
15 I had to use something, but I used the company's
16 rate base. I gave them all the rate base
17 components. I adjusted revenues. I believe
18 revenues are going up, but the cost per kilowatt is
19 going down. Other operating revenues, they
20 fluctuate from year to year, and the main focus of
21 the three-year average is the expenses. How do you
22 track something that's projected? You have to show
23 something that's in line with what they're
24 projecting.

25 Q. Okay. Does the company in their

1 calculations -- in your understanding of their
2 calculations, do they take into account increased
3 sales in 2013?

4 A. I think they do. I think in Anne Heuer's
5 testimony they used a kilowatt-hour that's less
6 than 2.27 million. They used something less than
7 that and they applied a 2 percent factor in their
8 2013. So I think in their public notice it's 2.27
9 million kilowatts that they used in 2013 projected.

10 Q. And is that --

11 A. That's under \$82,724,000 retail revenue
12 increase -- retail revenue level.

13 Q. And how does that track to what you're
14 seeing as happening in reality?

15 A. If you go -- it's data request 5-025,
16 which gives you annualized five months of usage --
17 of actual data. For the first five months I see
18 1,015,000 kilowatts and the revenues of 79,366,000
19 for five months. And I know that includes the
20 interim rate increase in there too. If you
21 annualize that out, they come up with 192 million
22 dollars 878 in total revenues, but you've got to
23 back out the interim rate that they've recovered or
24 they've been allowed to recover from February 16th
25 to the end of the test year, which is about \$12.8

1 million. So that gives me an interim annual -- an
2 interim -- or not interim -- an annual level of
3 revenues of about \$180 million if you project it
4 out. They're forecasting 182,724,000, which is
5 close, and I recommended 177, so it's close also.

6 Q. Okay. So they aren't real off on their
7 estimate?

8 A. They're not real off, but if we had this
9 kind of data for the expenses and the plant in
10 service, we can track it evenly across everything.

11 Q. Yep. Okay. Does the company -- how do
12 they test their projections?

13 A. They just have this budget forecast, it's
14 companywide, and then you have your allocations and
15 then you allocate the rate base revenues and O&M
16 expenses across their band of jurisdictional
17 operations. Minnesota, I think, is 87 percent,
18 North Dakota is 6 percent, and I think South Dakota
19 is 6-point-something percent, and it adds up to 100
20 percent. That's how they allocate. And I'm okay
21 with their allocations, how they process it, but my
22 concern and my hookup is I need actual data just to
23 make sure it's convincing and reliable to me.

24 Q. Your methodology in your estimation would
25 be more precise -- or you're looking for something

1 that's more precise?

2 A. I've done the best I can with what I have
3 in front of me, but, like I said, the expenses are
4 taxing because expenses change from year to year
5 and it would be nice to see what their January
6 forecast is, their January budget is, February
7 forecast, February budget. It would be nice to
8 track that. You can look at the variances. If
9 they're small, you can project out for the whole
10 year.

11 Q. Okay. And by your calculations, the
12 company has too much revenue. Am I concluding --

13 A. Based on what I have for five months, it
14 looks like the company is accumulating more revenue
15 than they projected, but, like I said, it's only
16 been five months. I haven't seen any other
17 updates, like a six-month or almost a nine-month.
18 That could change too.

19 Q. Okay. But you have a -- your calculations
20 in the whole matter come out with a nearly \$10
21 million revenue excess; right?

22 A. That 192 includes the interim increase.
23 You have to back that out. So it's like about
24 \$12.8 million you've got to back out, so the actual
25 on an annual basis is about \$180 million, which is

1 pretty close to 182. It's pretty close.

2 Q. Let me just direct you to page 5 of your
3 testimony -- your direct testimony.

4 A. Yes.

5 Q. In point number 6, the recommended
6 ratemaking components as indicated above calculates
7 to an overall revenue requirement decrease --

8 A. Yes.

9 Q. -- of \$9.9 million. So they basically
10 would need to be refunding; correct?

11 A. Based on my numbers, correct.

12 COMMISSIONER FEDORCHAK: Based on your
13 numbers. Okay. Thank you.

14 JUDGE FETCH: Thank you, Commissioner.
15 Commissioner Kalk.

16 COMMISSIONER KALK: Thank you, Your Honor.

17 **EXAMINATION**

18 **BY COMMISSIONER KALK:**

19 Q. Thank you, Dante, for your testimony. So
20 did you work for Commissioners Butler and Jeanne
21 Fox out there?

22 A. Yes, for many, many, many years.

23 Q. You know Fred never said New Jersey. He
24 always said Jersey, just for the record.

25 So you agree with the Brookings and the

1 Bemidji CapX lines costs?

2 A. I've accepted all the company's
3 adjustments to their 2013 test year.

4 Q. Was there anything that -- granted, you
5 accepted them in the end. Was there anything that
6 you had to go back and double-check at,
7 particularly the Brookings line that --

8 A. The Brookings I know is not going to be in
9 service until 2015, but I've accepted that those
10 costs are going to be incurred in 2013 because
11 there's some interconnection between one terminal
12 and the other. So I've accepted that because it is
13 a critical piece in the whole puzzle.

14 Q. All right. Great. Then to go a different
15 way back to your prepared testimony, there's some
16 discussion you have about advertising expenses.
17 You're recommending to not include the -- I think
18 it's \$191,000.

19 A. Where's -- can you tell me --

20 Q. Let's see if I can find it again. It's
21 about page 60. You talk about advertising -- page
22 58, the company --

23 A. Advertising.

24 Q. The company has proposed a decrease of
25 191,000. I just wanted to hear some more of your

1 thoughts about their advertising expenses.

2 A. It's a decrease in advertising expense, so
3 I'm accepting their decreasing the advertising
4 expense. I think this is companywide and the
5 allocated piece of that to North Dakota, \$48,000 of
6 that relates to customer programs and the other 143
7 is brand imaging, so they reduced all that out.

8 Q. And you, of course, agree with that?

9 A. Yeah, because brand imaging and
10 sponsorship does not provide any kind of service to
11 customers. It actually promotes the company for
12 its corporate image. But they took that out and I
13 accept that.

14 Q. Okay. Then the chamber dues going on down
15 the road, you don't think that they should be
16 paying chamber dues?

17 A. Chamber of commerce dues, it all depends.
18 I think they're lobbying in nature and, again, it
19 doesn't provide any benefit to the customer. It
20 provides a benefit to the corporation.

21 Q. Okay. Charitable donations, specifics on
22 page 61, you laid out several different groups that
23 receive donations and you don't think that's
24 necessarily appropriate either?

25 A. I don't think charitable donations should

1 be included at all for ratemaking purposes. It
2 does nothing to the customer. If we took
3 charitable donations out, the company would still
4 be receiving safe and reliable service. It is just
5 something that the company likes to do to promote
6 their corporate image and their social
7 responsibility, but social responsibility is not
8 their regulatory compact. Safe, adequate, and
9 reliable service is their regulatory compact.

10 Q. And that was \$157,000?

11 A. That was half of it. They removed half of
12 it, but they wanted to recover the other half.

13 Q. Okay. And a couple more down this line of
14 discussion. Aircraft expenses, you don't think
15 that their -- you think it's okay, but you would
16 recommend a cap of 104,000, I think it was?

17 A. It looks like their aircraft or the
18 aviation usage is cheaper than the commercial
19 flights, and they're only using one plane rather
20 than two planes, so they're cutting it in half.
21 But I would like to track it and just in case that
22 those commercial flights are cheaper than the
23 aviation, maybe down the road there should be some
24 adjustments to that.

25 Q. Okay.

1 A. But it's less than what -- I agree it's
2 less than what the commercial airlines are offering
3 as far as flight.

4 Q. And then the last one, incentive comp,
5 which we've talked quite a bit about so I don't
6 want to open up that whole discussion again, but
7 the -- I did think it was unique this morning, we
8 talked about the rate case in 2007 and that's when
9 this Commission, which that was my first rate case,
10 went from 25 to 15, and so this is kind of trying
11 to bring it back up the other way. You basically
12 say no need for incentive comp at all?

13 A. If the company wants to provide incentive
14 comp to its customers, they could do it on the
15 shareholder side. The ratepayers should not be
16 allowed to recover those costs in rates. They have
17 an obligation to provide safe, adequate, and proper
18 service. To provide even more of an incentive to
19 provide service, the shareholders can pay for it.

20 COMMISSIONER KALK: Fair enough. All
21 right. Thank you very much.

22 JUDGE FETCH: Thank you, Commissioner.
23 Commissioner Christmann.

24

25

EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY COMMISSIONER CHRISTMANN:

Q. How common or uncommon is it for regulatory bodies to allow either economic development or charitable donations to be built into their costs?

A. I know in New Jersey that we don't allow it at all since 1999.

Q. Either one?

A. Either one. I think it went to the Supreme Court and the ratepayer advocate in that state won it. I don't know -- I think in New York there are some levels of charitable contributions and donations and economics embedded into the costs, but that's how New York does its regulatory ratemaking. I know in New Jersey we don't allow it at all. It depends on the commission and it varies from commission to commission.

COMMISSIONER CHRISTMANN: I have no other questions. Thank you.

JUDGE FETCH: All right. Thank you. Mr. Norrell, back to you.

MR. NORRELL: Thank you, Your Honor. I do have a point of clarification. I'm not sure -- I can't ask Mr. Mugrace to testify to Mr. Foss's

1 testimony, but I do have a question for NSP and I
2 don't know how to put this forward, but just the
3 testimony that was put forth by Mr. Foss relates to
4 the NSPM expenses and I'm wondering if that -- to
5 me that would seem to indicate systemwide. I'm
6 wondering if we could get some clarification from
7 NSP on that.

8 MS. VALLEY: Thank you. Certainly
9 distribution is jurisdictional specific. The
10 transmission expense, I will ask Ms. Heuer. One
11 moment. And the transmission was provided as a
12 companywide figure.

13 MR. NORRELL: Okay. Thank you.

14 **REDIRECT EXAMINATION**

15 **BY MR. NORRELL:**

16 Q. Mr. Murgace, I was just wondering, when
17 did the company provide you with the 2012 data?
18 What did you look at for that? When did you
19 receive it?

20 A. I think it was received in their updates
21 in May or June. It was probably in their -- it
22 wasn't a data request to provide the annual reports
23 for 2012 and their adjustments from their projected
24 test year. There was some adjustments to Sherco,
25 avi- -- not aviation -- Sherco, incentive

1 compensation, Black Dog removal, Monticello uprate,
2 they took pieces of that out. They readjusted
3 their depreciation schedules or their studies.
4 They took certain pieces out. I think there were
5 like six of them.

6 Q. That was an earnings report, you said?

7 A. It was just off of their proposed revenue
8 requirement increase. It wasn't really a balance
9 sheet or income statement. It was a summary of
10 their updates to their forecasted data.

11 Q. Did the company furnish the end-of-year
12 2012 plant in service balance prior to its rebuttal
13 testimony?

14 A. I did not see that in any of my
15 documentation. All I see was average plant in
16 service.

17 MR. NORRELL: Thank you. No further
18 questions.

19 JUDGE FETCH: Thank you, Mr. Norrell. Ms.
20 Valley.

21 MS. VALLEY: Thank you.

22 **RE-CROSS-EXAMINATION**

23 **BY MS. VALLEY:**

24 Q. Just a few more questions, Mr. Murgace.
25 Did you review Ms. Heuer's direct and rebuttal

1 testimony?

2 A. Yes, I did.

3 Q. And did you review Tables 1 and 2 on pages
4 11 and 12 of her direct testimony, which shows
5 actual versus budget O&M expenses for years 2007
6 through 2011?

7 A. I'm sure I did, but if you could refresh
8 my memory or provide me something, I would be happy
9 to look at it.

10 MS. VALLEY: Your Honor, I could show Mr.
11 Mugrace my copies here, if that would help him.

12 JUDGE FETCH: Yes, that would be fine.

13 COMMISSIONER FEDORCHAK: What pages are
14 those?

15 MS. JEFFCOAT-SACCO: Could you identify
16 the page numbers again, please?

17 MS. VALLEY: Pages 11 and 12.

18 MS. JEFFCOAT-SACCO: Of which testimony?

19 MS. VALLEY: Of the direct.

20 COMMISSIONER FEDORCHAK: Heuer?

21 MS. JEFFCOAT-SACCO: Thank you.

22 Q. (MS. VALLEY CONTINUING) So, Mr. Mugrace,
23 do you agree that the company provided historical
24 data of actual versus budget?

25 A. Yes, they did on a companywide basis, yes.

1 Q. Thank you.

2 A. From 2007 to 2011.

3 MS. VALLEY: Thank you, Your Honor. No
4 further questions.

5 JUDGE FETCH: All right. Thank you. Ms.
6 Jeffcoat-Sacco?

7 MS. JEFFCOAT-SACCO: We have no questions.

8 JUDGE FETCH: I'll go back then to the
9 Commissioners for any followup. Commissioner
10 Fedorchak?

11 COMMISSIONER FEDORCHAK: One second,
12 please. No, I do not have any more questions.

13 JUDGE FETCH: Thank you. Commissioner
14 Kalk?

15 COMMISSIONER KALK: No, Your Honor.

16 JUDGE FETCH: Thank you. Commissioner
17 Christmann.

18 COMMISSIONER CHRISTMANN: No questions.

19 JUDGE FETCH: All right. Mr. Norrell, do
20 you have any further questions?

21 MR. NORRELL: No. Thank you, Your Honor.

22 JUDGE FETCH: I think we've made it around
23 the room then. That will comprise your testimony
24 and thank you, Mr. Mugrace.

25 And I believe, Mr. Norrell, you have one

1 final witness.

2 MR. NORRELL: That is correct, Your Honor.
3 Would the Court -- could we entertain just a
4 five-minute break to get everything sorted?

5 JUDGE FETCH: Yes. We'll take ten
6 minutes.

7 (Recess taken.)

8 JUDGE FETCH: Okay. We'll come back to
9 order. We're back on the record and the time is
10 about 2:40 p.m., Central Time.

11 And before we move to the next witness,
12 counsel approached me and there is a matter of an
13 agreement to admit an exhibit. And, Ms. Valley,
14 would you identify that exhibit, please?

15 MS. VALLEY: Thank you, Your Honor. This
16 is a response to an information request that
17 includes the jurisdictional cost of service. It's
18 NDPSC-1-04, the IR. And what it includes is the
19 cost of service study that has the beginning,
20 ending and average plant balances for 2012 that was
21 provided in this case, and it is marked as NSP 37
22 and it's a supplement to an initial request that
23 was provided.

24 JUDGE FETCH: Okay. And by stipulation
25 then NSP Exhibit 37 is admitted. All right. Thank

1 you. And you don't need to recall a witness to
2 have any testimony about that, Ms. Valley?

3 MS. VALLEY: I'm sorry, Your Honor. I
4 missed your question.

5 JUDGE FETCH: You don't need to recall any
6 witness for any testimony about this exhibit?

7 MS. VALLEY: No, Your Honor. The parties
8 agree to its admission.

9 JUDGE FETCH: Thank you. All right. Then
10 if we're ready to proceed to the advocacy staff
11 witness Sara Cardwell. I'll turn it over to you,
12 Mr. Norrell.

13 MR. NORRELL: Thank you, Your Honor. I
14 move that the witness be placed under oath and then
15 we can do some introductory matters.

16 JUDGE FETCH: Opening statement. All
17 right. Ms. Cardwell, you've been present and heard
18 me instruct as to penalties for perjury. Please
19 raise your right hand.

20 (Witness sworn.)

21 JUDGE FETCH: Thank you. And maybe just
22 move that mike a little closer to you, if you can.
23 Thank you.

24 All right. Mr. Norrell. And you've
25 passed out the opening statement, which you've

1 labeled PSC 21?

2 MR. NORRELL: That is correct, Your Honor.

3 JUDGE FETCH: All right. And by agreement
4 or stipulation, this is entered into the record as
5 PSC Exhibit 21. Okay. Please proceed.

6 MR. NORRELL: Thank you, Your Honor. Ms.
7 Cardwell will be testifying to PSC Exhibit 7.

8 **SARA CARDWELL,**

9 being first duly sworn, was examined and testified
10 as follows:

11 **DIRECT EXAMINATION**

12 **BY MR. NORRELL:**

13 Q. And, Ms. Cardwell, do you have any
14 corrections that you'd like to make or anything for
15 Exhibit 7?

16 A. No.

17 Q. Thank you. You may proceed with your
18 statement.

19 A. I am a public utility analyst with the
20 North Dakota Public Service Commission and am
21 appearing on behalf of advocacy staff. The purpose
22 of my testimony is to express concerns on the part
23 of the advocacy staff as to NSP's spending that has
24 caused the company to ask for an increase from
25 customers for a 2008, 2011, 2012, and now a 2013

1 test period.

2 In the company's rebuttal, Vice President
3 McCarten states that the company is considering the
4 ratepayer and points to their offer to spread the
5 2008 market losses in their pension plan over
6 multiple years. Yet this is a small component of
7 the rate case and we don't know how postponing this
8 small amount may affect a future increase. She
9 also points to two projects, the Black Dog
10 repowering and the Prairie Island uprate, that the
11 company canceled as cost reduction programs.
12 However, the primary reason that the company
13 canceled these projects was because the load growth
14 that necessitated them did not materialize.

15 And when questioned by Commissioner
16 Fedorchak, Ms. McCarten indicated that the company
17 will have at least two more years of significant
18 spending as they complete their nuclear projects
19 and the CapX2020 projects. In summary, the company
20 has not alleviated our concerns regarding cost
21 control.

22 MR. NORRELL: Thank you, Ms. Cardwell.
23 This witness is available for cross-examination.

24 JUDGE FETCH: Thank you, Mr. Norrell. Ms.
25 Valley.

1 MS. VALLEY: Thank you, Your Honor.

2 CROSS-EXAMINATION

3 BY MS. VALLEY:

4 Q. Good afternoon, Ms. Cardwell. Starting on
5 page 3, line 14 of your testimony, you question
6 whether some of the acquisitions that the company
7 is making are wise at this time. Do you agree that
8 the wind resources you identify are not part of
9 this docket and that the prudence of those
10 investments for North Dakota customers will be
11 addressed in a separate ADP proceeding?

12 A. I agree with that. However, the
13 Commission should be made aware of other spending
14 that the company is planning going forward.

15 Q. And thank you, Ms. Cardwell. Do you agree
16 that those ADP applications have been filed in
17 advance of the in-service dates of those projects?

18 A. Yes, they have.

19 Q. On page 4, line 21, you indicate that
20 ratepayers have saved \$1.3 million from not paying
21 for Prairie Rose costs during 2013. How do you
22 calculate that savings?

23 A. I calculate that savings by looking at the
24 monthly fuel cost rider adjustment filings that the
25 company makes.

1 Q. And do you agree that the actual
2 adjustment in the fuel cost reflects an average
3 cost of energy from North Dakota -- for North
4 Dakota customers who are not actually backing out
5 all of the Prairie Wind costs related to those --
6 all of the costs related to those kilowatt-hours?

7 A. I believe that Mr. Wishart in his
8 testimony said the savings to customers as the
9 company calculates them are closer to \$300,000, but
10 I don't have any calculations to back that up other
11 than the system average cost that is being used for
12 the purposes of the fuel cost rider at this current
13 time.

14 Q. Now, you had also questioned the company's
15 proposal to site a gas plant in Hankinson and
16 whether it's needed. Are the costs of those plants
17 in this proceeding?

18 A. No, they are not. Again, my purpose is to
19 ensure that the Commissioners and the rest of the
20 Commission has adequate knowledge of what the
21 company's plans are going forward.

22 Q. And do you agree that the company filed an
23 ADP for those plants?

24 A. Yes, the company did.

25 Q. In a rate case does the Commission review

1 costs and expenses in a test year and evaluate
2 whether those are appropriate for recovery in a
3 rate case?

4 A. Yes, the Commission does, but as
5 Commissioner Fedorchak mentioned earlier, and she
6 asked the company's witness, Vice President
7 McCarten, about what do you tell customers, and
8 Vice President McCarten said, yeah, there are more
9 expenditures coming down the trail. So, again, the
10 purpose of my testimony was to ensure that the
11 Commission has full knowledge that the company is
12 still continuing to spend tremendous amounts of
13 money in the next couple of years as a minimum.

14 Q. Now, do you agree that the company has an
15 obligation to provide electric service in its
16 service territory?

17 A. Yes, the company has an obligation to
18 provide service and, in fact, we pointed out in
19 some of our information that we provided that there
20 are concerns that at least advocacy staff has in
21 terms of the reliability of the service that the
22 company is currently providing to customers in
23 North Dakota.

24 Q. And do you agree that the company has made
25 significant investments in its distribution network

1 in compliance with the Commission's order in the
2 last case and that that has demonstrated
3 significant improvement to its reliability?

4 A. I don't have knowledge of the significance
5 of this.

6 Q. Do you agree that the company has an
7 obligation to serve -- has also an obligation to
8 invest -- or make the system investments necessary
9 to ensure that it meets its obligation?

10 A. Yes, but I also know that there is an
11 excess in -- of over and above reserve margins in
12 the MISO region right now.

13 MS. VALLEY: Thank you, Ms. Cardwell. I
14 don't have any further questions at this time.

15 JUDGE FETCH: Thank you. Ms.
16 Jeffcoat-Sacco.

17 **EXAMINATION**

18 **BY MS. JEFFCOAT-SACCO:**

19 Q. The last statement that you just made
20 about the excess in reserve margins, can you expand
21 on that a little bit? You know that how and its
22 relationship to your testimony?

23 A. Oh. Well, I believe that what the company
24 attorney was referring to is that the company's
25 perspective is that these investments that they're

1 going to be making that are part of these ADPs
2 coming up are needed to provide reliable services
3 to their customers, and I was merely pointing out
4 that MISO's reserve margins are currently showing
5 excess capacity, and I guess I'd have to pull those
6 documents up from the MISO website.

7 Q. So you're implying that use the excess
8 capacity in MISO, purchase the power rather than
9 investing to produce it or investing in purchasing
10 it from a specific contract? Is that what you're
11 saying, go to the market?

12 A. No. We will address the ADPs within those
13 particular proceedings. I was just -- it was just
14 merely a comment that there are excess reserves in
15 the MISO market currently, so I don't think that
16 currently reliability from a production perspective
17 is a problem for customers.

18 MS. JEFFCOAT-SACCO: Okay. I understand.
19 That's all I have. Thank you.

20 JUDGE FETCH: Thank you, Ms.
21 Jeffcoat-Sacco. We'll go to the Commission at this
22 time. Commissioner Fedorchak.

23 COMMISSIONER FEDORCHAK: Thank you, Judge.
24
25

EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY COMMISSIONER FEDORCHAK:

Q. Ms. Cardwell, can you tell me a little bit about -- in your testimony you talked about needing to reassess the need for the Minnesota competitive resource docket. What is that and how does it relate to this case?

A. Well, in Minnesota they have a competitive resource process docket open right now, and the three units that they applied for an ADP for are within that docket, and so there are two processes going on currently, our ADP as well as the Minnesota process. But between the fact that they have filed for this 600 megawatts of additional simple cycle CTs as well as 750 megawatts of wind, even within the State of Minnesota there are parties questioning whether all this is necessary at this time.

Q. But we don't have any role to play in that docket in terms of telling them that they shouldn't be doing it? Are you suggesting that we do that or --

A. No. We are monitoring that docket and we have filed as intervenors, but we will be not suggesting necessarily that they do not have a need

1 for those facilities within that docket.

2 Q. Okay. So in one of the recommendations
3 under -- recommendations for the Commission's
4 consideration, reassess the need for the Minnesota
5 competitive resource docket based on wind
6 acquisition just announced, clarify what you mean
7 by that.

8 A. Okay. Well, it seems like the
9 Minnesota -- because that's their largest
10 jurisdiction, seems to take precedence over any
11 other jurisdiction in which they serve, so they are
12 going to be filing another resource plan in
13 February of 2014 and then they also have all these
14 other pending dockets, and so maybe what they
15 should do is wait until that next resource plan
16 before they make decisions on all of this
17 additional need for power.

18 Q. Okay. And we'll take that into
19 consideration. We'll continue that discussion in
20 our --

21 A. ADPs.

22 Q. -- ADP process.

23 A. Yes.

24 Q. Okay. You have in your testimony also the
25 chart of recent -- well, not recent, but rate

1 increases, it's on page 2 of your testimony, and
2 you list the -- you list them all here going back
3 to 1980. I'm particularly interested in the two in
4 2010 and then 2012 is pending. Why is that listed
5 as pending, the authorized increase?

6 A. That's the current case that we're --

7 Q. Oh, that's this case?

8 A. Yes.

9 Q. Okay. I see. So if you go back to '07
10 until now, have you done the math as to what is the
11 cumulative rate increases that customers have
12 weathered -- NSP customers? Can we just add those
13 all together? Would that be effective math? Can
14 you do that?

15 A. You're not supposed to add percentages
16 mathematically, but you could probably kind of, you
17 know, for squishiness kind of say it's like a 15,
18 16 percent increase since. And you have to
19 remember that the 2007 filing was for a 2008 test
20 period, so those rates didn't go into effect until
21 either late 2008 or the first part of 2009.

22 Q. So this would be for about the past six
23 years and then whatever sort of a decision we make
24 would be added on top of that?

25 A. That's correct.

1 Q. Okay. Is this -- has advocacy staff done
2 any research back into past periods of build-out?
3 From what I understand and have learned about this
4 industry, it goes through phases of build-out, and
5 is this level of increase consistent with past
6 phases where the companies have had to invest a
7 whole bunch to update their system and then there's
8 a period where the rates stabilize. Is this
9 consistent with that? Is that what we're
10 experiencing, or are you just concerned that this
11 is just runaway spending by NSP?

12 A. No, it could have -- it could very likely
13 have something to do with the spending cycle, but,
14 you know, what I'm trying to say, have they looked
15 at all things that they could do within the company
16 to ensure that the spending cycle and the increases
17 to customers are the best they can do at this point
18 in time.

19 COMMISSIONER FEDORCHAK: Fair enough.
20 Thank you. That's all my questions.

21 JUDGE FETCH: Thank you. Commissioner
22 Kalk.

23 COMMISSIONER KALK: Thank you, Your Honor.
24
25

EXAMINATION

1

2

BY COMMISSIONER KALK:

3

4

5

6

7

8

9

10

11

Q. Thank you, Sara, for your testimony and, quite honestly, for your work with the advocacy staff because I know we've got a lot of good people that came to provide their work, but between you and Mike, I think you pulled probably the lion's share of coordinating all this over the last year or so. So thank you. You guys presented a pretty good case, and so has the company too, but thank you for that.

12

13

14

15

16

17

18

19

20

21

Just a couple questions, I guess. You've done a good job of pointing out the potential wind resources that are coming in front of this Commission via ADP, and this Commission rejected an ADP from the company because it wasn't timely, they already bought the wind farm and then they came to us after the fact. So I share your frustration with the company just acquiring wind just for the sake of acquiring wind to meet Minnesota's mandate. In my opinion, that's very clear.

22

23

24

25

But the question is, what do we do? We're faced with a set of facts that says we're putting money into nuclear plants so they get some return, they're building new transmission so they get some

1 return. What are you recommending that this
2 Commission really do during this rate case to curb
3 this, what you'd call, excessive spending other
4 than making these verbal comments, and which they
5 hear, but what do you recommend, we disallow --
6 what are you trying to get to that you would like
7 to see this Commission do for discipline in their
8 spending?

9 A. That is a very good question. I don't
10 know that we have a complete set of facts to make
11 that kind of determination, but what we can do is
12 there are certain things that we cannot include for
13 sure. I mean, economic development costs,
14 charitable contributions, incentive compensation,
15 and then, too, some of the things that we talked
16 about in terms of the wind projects and the biomass
17 projects where the company has paid above-market
18 rates for those projects, what we can do is within
19 that fuel cost adjustment review filing that we'll
20 be doing is look at those intently and determine
21 the extent to which those particular projects were
22 done merely to meet Minnesota requirements and as a
23 result potentially look at ways that we can cut
24 costs there.

25 But, you know, I don't have all the

1 answers as to how the company could cut costs. I
2 think one of the things was just trying to make an
3 awareness to the company as to think about it.

4 Q. Because the rate cases you've talked about
5 and Commissioner Fedorchak brought out, I mean,
6 I've lived all those rate cases since 2007.

7 You had a comment the last thing in page 7
8 of your testimony, "Consider capping future rate
9 increases so that NSP has an incentive to not
10 spend." So how would you envision that
11 recommendation playing out?

12 A. Well, you know, there's different ways
13 that you can do this sort of thing -- I think
14 Charlie King might have talked about something
15 too -- where you have a rate of return cap type
16 thing where you say, if you earn more than this,
17 you know, there's a sharing and below this, you can
18 ask for a certain percentage of a rate change. So
19 there are various mechanisms out there in use that
20 put so-called caps or incentives, so to speak.

21 Q. So I understand that discussion because I
22 thought that was good with Mr. King. But do you
23 know if it's legal? And it's a question I can ask
24 our attorney, but if as a result of this order we
25 say this is what -- now to the company -- you get,

1 don't come see us again for 36 months, is that
2 something the Commission can legally put in an
3 order, or would that be only a settlement agreement
4 kind of thing?

5 A. Well, I'm not sure, but I know in South
6 Dakota in their most recent rate case they got an
7 infrastructure rider, and as part of that
8 infrastructure rider, the company is not supposed
9 to come back for an increase prior to 2015. And I
10 believe in the 2007 -- settlement of the 2007 case,
11 the company was also told that they could not come
12 back such that any interim rate increase would be
13 in effect prior to the beginning of 2011.

14 COMMISSIONER KALK: Thank you, Sara.

15 JUDGE FETCH: Thank you, Commissioner.
16 Commissioner Christmann.

17 COMMISSIONER CHRISTMANN: I think all my
18 questions have been asked, Judge.

19 JUDGE FETCH: All right. We'll go back to
20 Mr. Norrell.

21 MR. NORRELL: Thank you, Your Honor. No
22 questions.

23 JUDGE FETCH: Ms. Valley, any further
24 questions?

25 MS. VALLEY: No, Your Honor.

1 JUDGE FETCH: Ms. Jeffcoat-Sacco?

2 MS. JEFFCOAT-SACCO: No. Thank you.

3 JUDGE FETCH: Well, we're back to
4 Commissioner Fedorchak.

5 COMMISSIONER FEDORCHAK: No thanks.

6 JUDGE FETCH: No followup. All right.
7 Then you're excused, Ms. Cardwell.

8 Mr. Norrell, does that comprise the staff
9 advocacy case?

10 MR. NORRELL: Yes, Your Honor, it does.

11 JUDGE FETCH: Before I ask whether the
12 company has any rebuttal witnesses, I'm going to
13 ask at this time -- I think it's apparent, the
14 answer, but I, for the record, am going to ask
15 whether there is anyone else who wishes to provide
16 any testimony today? Any members of the public?

17 All right. Seeing none, then I'm going to
18 go back to NSP and ask Ms. Valley and/or Mr.
19 Johnson whether the company wishes to recall any
20 witnesses.

21 MS. VALLEY: No, Your Honor, we don't
22 intend to recall any witnesses, but we have one
23 other exhibit.

24 MR. JOHNSON: Your Honor, we do now have
25 available late-filed Exhibit F and perhaps this

1 would be a good time to make that available to
2 people.

3 JUDGE FETCH: That would be fine. Thank
4 you. I will mark that then -- I mean, it's already
5 been admitted, but I will mark that as having been
6 received.

7 And we are going to handle exhibits,
8 counsel -- I'm going to ask the attorneys to stay.
9 We don't need to take up Commission time for that,
10 but we'll sort through and make sure we're on the
11 same page as far as all the exhibits and what needs
12 to be admitted. So we have Exhibit F. All right.

13 And I believe that -- Ms. Valley, that the
14 company was also going to handle the corrections
15 and replacements or whatever for the exhibits in an
16 exhibit at the end, is that correct, rather than
17 try to go through each exhibit for the record, not
18 the Commissioners' copies now. I'm talking about
19 the official exhibits for the record. And rather
20 than go through and red-line and handle that, was
21 it your intent to submit all of the corrections in
22 an additional exhibit?

23 MS. VALLEY: Yes, Your Honor.

24 JUDGE FETCH: All right. And I have to
25 get back to my numbering here. That would be NSP

1 Exhibit 38. And what about you, Mr. Norrell, there
2 were a few corrections?

3 MR. NORRELL: Your Honor, advocacy staff
4 would propose the same arrangement, and I believe I
5 had spoken about this with Ms. Valley and Ms.
6 Jeffcoat-Sacco as well. We would propose that as a
7 late-filed exhibit.

8 JUDGE FETCH: Okay. And that is -- okay.
9 That would be PSC Exhibit 22 then.

10 MR. NORRELL: Yes, Your Honor.

11 JUDGE FETCH: And that's the corrections.
12 Okay. And both PSC Exhibit 22 and NSP Exhibit 38
13 are admitted.

14 All right. Counsel, anything else before
15 we proceed to the agreed-upon time for closing
16 statements. Ms. Jeffcoat-Sacco?

17 MS. JEFFCOAT-SACCO: I do have one request
18 and we talked about this at the break also and I
19 think maybe it should have an exhibit number. We
20 talked about -- staff had requested of the parties,
21 and it could be jointly filed, a spreadsheet that
22 basically showed the main issues, the company's
23 numbers, the staff's numbers, the difference, so
24 that it was a simple -- I say a spreadsheet, but I
25 mean a simple spreadsheet.

1 JUDGE FETCH: You mean like a comparison?

2 MS. JEFFCOAT-SACCO: With the numbers, the
3 revenue requirement number changes. So I think the
4 parties probably can file that together because I'm
5 going to guess that they're going to agree on those
6 numbers. If not, they can each file one
7 separately, but we can give it an exhibit number or
8 two, if that's okay.

9 JUDGE FETCH: So that will be a
10 joint-filed exhibit.

11 MS. VALLEY: Your Honor, we can certainly
12 work to put that together jointly.

13 JUDGE FETCH: And then as a late-filed
14 exhibit, I'm going to label that Exhibit N, as in
15 Nancy, and that will be admitted as well. And
16 that -- what are you going to call that?

17 MS. JEFFCOAT-SACCO: I'd say revenue
18 requirement impact of the positions -- the two
19 positions -- two parties' positions, something like
20 that. Have you got a better name over there?

21 MS. VALLEY: Sure. Sometimes, you know,
22 we have put similar things together and we just
23 call them the issues list. It's sort of just a
24 summary of what the issues are and the parties'
25 positions, if that would be acceptable.

1 JUDGE FETCH: Issues list. I like it.
2 All right.

3 MS. JEFFCOAT-SACCO: That's fine. As long
4 as the dollars are in there, not just the issues.
5 I can do that one myself. Thanks. It's true.

6 JUDGE FETCH: Well, I think revenue
7 probably is one of the issues. All right.
8 Anything else, counsel, before we proceed to
9 closing statements?

10 MR. NORRELL: Your Honor.

11 JUDGE FETCH: Mr. Norrell.

12 MR. NORRELL: I do have one thing that was
13 requested by Commissioner Fedorchak, and that was a
14 capital structure comparison between advocacy
15 staff's witness and the company's witness. Mr.
16 King did prepare that. However, he fell ill and is
17 back at the hotel. I have presented this to a
18 couple members of the company's -- of the company.
19 What staff is proposing at this point is to have
20 that admitted as a late-filed exhibit so that way
21 the company could do their due process and
22 double-check to make sure these are correct before
23 this comes on the record without an opportunity to
24 examine the preparer.

25 JUDGE FETCH: Okay. So are you asking

1 that I not rule on that until there has been an
2 opportunity to review?

3 MR. NORRELL: Yes, Your Honor.

4 MR. JOHNSON: Your Honor, I wonder if we
5 could -- I mean, following the protocol we've just
6 talked about to fit within the -- admitted during
7 the hearing part, we'll either agree to it or we'll
8 provide whatever variant on it we think is
9 appropriate. I mean, it will be kind of like the
10 issues list, we can either get it right or we'll
11 each tell you what we think and with all -- with
12 good luck, it will be the same.

13 JUDGE FETCH: Okay. Thank you. Then with
14 that caveat it is admitted. And what are you
15 calling that?

16 MR. NORRELL: The title that Mr. King put
17 on this is the response to Commissioner Fedorchak's
18 question regarding capital structure.

19 JUDGE FETCH: Okay. Capital structure.
20 I'm going to back up and I'm going to label that
21 Exhibit N, as in Nancy, and the issues list Exhibit
22 O. I see some closure in having the issues list be
23 last.

24 Anything else, counsel?

25 MR. NORRELL: No, Your Honor.

1 JUDGE FETCH: Do you need a few minutes to
2 get your thoughts together or do you have them
3 together?

4 MS. VALLEY: Thank you, Your Honor. I
5 have them together. I can proceed.

6 COMMISSIONER KALK: Your Honor, can I
7 interject a quick question?

8 JUDGE FETCH: Yes, Commissioner Kalk.

9 COMMISSIONER KALK: Different times,
10 different protocol for the Commissioners to give
11 their two minutes of closing thoughts. That's
12 something you don't have to let us do, but it would
13 be nice.

14 JUDGE FETCH: Do you want to do that
15 before their closing?

16 COMMISSIONER KALK: That's what I would
17 ask the attorneys, because it doesn't matter to me.
18 I just don't want them to give their thoughts and
19 me to pontificate. They might want to say their
20 thoughts after they've heard our thoughts. I don't
21 know. That's really up to counsel. For me
22 personally I would like about two minutes just to
23 give my thoughts, then trust me --

24 JUDGE FETCH: I had intended to do that at
25 the end, but we can proceed with that now.

1 COMMISSIONER KALK: Whatever. I just
2 wanted to make sure we were thinking that.
3 Whatever the company wants and advocacy staff.

4 MR. NORRELL: Advocacy staff is fine with
5 that at the end.

6 MS. VALLEY: And thank you, Commissioner
7 Kalk and Judge Fetch. We'll defer to your
8 preference.

9 COMMISSIONER KALK: I think you should go
10 then.

11 COMMISSIONER CHRISTMANN: Your Honor.

12 JUDGE FETCH: Yes, Commissioner
13 Christmann.

14 COMMISSIONER CHRISTMANN: Before we start
15 these closing comments, could I have just a few
16 seconds to consult with Ms. Jeffcoat-Sacco?

17 JUDGE FETCH: Sure. But let me get this
18 straight. We're going to go with the Commission's
19 sort of closing statements before we go to the
20 attorney's; right?

21 MS. JEFFCOAT-SACCO: After.

22 COMMISSIONER KALK: After.

23 JUDGE FETCH: After. All right. We'll
24 take just a couple minutes.

25 (Recess taken.)

1 JUDGE FETCH: All right. It is 3:20 p.m.,
2 Central Time. We're back on the record. At this
3 time we're going to proceed to closing statements
4 by the counsel for the two parties and then we'll
5 take some closing statements from the Commissioners
6 and after that I will finish up with some
7 instructions about briefing and such.

8 Ms. Valley, are you prepared to proceed?

9 MS. VALLEY: Yes. Thank you, Your Honor.

10 JUDGE FETCH: Thank you.

11 MS. VALLEY: Thank you, Commissioners,
12 Judge Fetch and Commission staff. The company
13 appreciates the time and attention the Commission
14 and its staff have taken to review our case, and we
15 thank you for the opportunity to present additional
16 information and answer the Commission's questions
17 directly through the course of this proceeding.

18 As Commissioner Fedorchak stated as this
19 hearing began, the goal is the result that balances
20 the interests of our customers and the company and
21 that ensures continued safe, reliable service at
22 reasonable rates. The record supports that the
23 company's request appropriately balances these
24 interests.

25 As explained by company witnesses Laura

1 McCarten, Tim O'Connor, and Steve Foss, to reliably
2 serve our customers we must invest in and maintain
3 our infrastructure and operate our business to meet
4 our obligation to serve today and into the future.
5 The overall purpose of this ratemaking process is
6 to set rates that allow the utility to recover its
7 reasonable costs it incurs to satisfy that
8 obligation.

9 Our rate request reflects the costs
10 necessary to serve our customers and is consistent
11 with standard ratemaking principles, is consistent
12 with the Commission's precedence, and follows
13 standard accounting procedures and reflects an
14 equitable distribution of costs between
15 jurisdictions.

16 In contrast, the staff consultants'
17 proposals depart from standard ratemaking processes
18 and this Commission's precedence and violates the
19 regulatory compact between the state and the
20 company.

21 Company witness Ms. Ann Bulkley explained
22 the standards used by this Commission and
23 established by the Supreme Court for setting ROE.
24 This includes consistency with the allowed return
25 of other businesses having similar risks, adequacy

1 of the return to provide access to capital and
2 support credit quality and that is reflective of
3 current market conditions.

4 Company witness Mr. Tyson further
5 explained the adverse result of an ROE outside the
6 range of comparable returns.

7 In this case, the staff consultant has
8 proposed an ROE so low as to fail to meet the test
9 of being reasonably comparable to like investment
10 opportunities and is not consistent with the market
11 conditions. Such a result doesn't balance the
12 interest of our customers and the company and, as
13 Mr. Tyson explained, could adversely affect
14 customers by raising cost of capital needed to
15 support system investments.

16 Mr. Tyson explained that North Dakota is
17 not insignificant. The investment community is
18 paying attention to what happens here. The ROE is
19 -- the ROE should be set at a rate comparable to
20 investments of similar risk to ensure credit
21 quality and that directly benefits customers in a
22 time like today of significant system investment.

23 With respect to the jurisdictional
24 allocator, Mr. Brockett testified that the 12 CP
25 method does continue to be the appropriate method

1 in this case and is consistent with the standard
2 expressly set by the Commission. It reasonably
3 reflects the incremental cost caused by each
4 jurisdiction, is consistently applied among each of
5 the jurisdictions and is understandable,
6 inexpensive to administer and does not result in
7 large swings in jurisdictional costs or
8 responsibility.

9 In contrast, the 1 CP method recommended
10 by Dr. Pavlovic fails to meet that test. It is
11 inconsistent with precedent and could result in --
12 and would result in large swings in jurisdictional
13 cost responsibility and is not consistently
14 applied. Dr. Pavlovic failed to identify any basis
15 to adopt the method the Commission has repeatedly
16 rejected for the NSP system.

17 As Dr. Pavlovic recommended that we
18 continue to look at something in the future,
19 adopting the 1 CP method in the interim when
20 admittedly it is not the right fit for this company
21 would result in a \$20 million reduction to our
22 revenue requirement without any basis in the
23 record.

24 Company witness Ms. Lisa Perkett further
25 supported the depreciation expense in this case,

1 both legal and nonlegal asset retirement
2 obligations or cost of service that need to be
3 recovered from customers. If nonlegal AROs are
4 excluded, those costs will be recovered from future
5 ratepayers who may have never received the benefit
6 of the asset. The accounting treatment proposed by
7 the company in this case is consistent with
8 standards of accounting and the history of
9 regulatory practice.

10 With respect to the test year, Ms. Anne
11 Heuer explained that it's consistent -- our
12 proposed test year is consistent with the statutory
13 requirement that it be based on 12 consecutive
14 months of data.

15 In contrast, Mr. Mugrace's recommendations
16 match a historical average of expenses with
17 projected future test year revenues in sales. It
18 fails to apply a consistent allocator to the cost
19 and adjustments and it in fact doubles the sales
20 forecast. He has not provided any evidence that
21 any of the costs are imprudent in this case and has
22 not questioned the company's budgeting process.

23 With respect to the annual incentive, the
24 company has proposed recovery of this incentive
25 capped at 25 percent of base pay, and as company

1 witness Ms. Sharon Koenig explained, it is part of
2 a total compensation package, and by including
3 compensation that is at risk for our employees does
4 save costs for our customers.

5 In order to attract and retain the
6 talented workforce that we need to support company
7 operations, we do need to compensate them at market
8 comparable rates. And by having this
9 differentiated process actually keeps us keep costs
10 low for our customers as other benefits such as
11 retirement, other offerings the company makes to
12 its employees are often tied to the base salary.
13 And by keeping the base salary low with the annual
14 incentive component on top of that to get to a
15 market level actually reduces the cost of these
16 other benefits.

17 And Mr. O'Connor explained the extremely
18 competitive market for nuclear employees. Those
19 employees are particularly vulnerable to
20 recruitment from other companies that offer higher
21 compensation, more advancement opportunities and
22 sometimes a more preferable location. So retention
23 agreements to keep those folks at our plants once
24 they're trained, they know our systems is a
25 cost-effective practice for our customers in terms

1 of avoiding the costs of recruiting, training and
2 getting new employees.

3 We are listening to the concerns of staff
4 and the Commission about the investments that we're
5 planning to make in the future and we have filed
6 those advance determinations of prudence to allow
7 the Commission, as it has the right under statute,
8 to review whether those are the right investments
9 for our customers, and we look forward to the
10 opportunity to do that, recognizing that those
11 costs aren't part of the case today.

12 We appreciate the discussion on the power
13 purchase agreements and the additional information
14 that the Commission and staff would like regarding
15 those. We do think that the appropriate treatment
16 of those or review of those should be in a separate
17 proceeding, but we look forward to the opportunity
18 to provide the Commission with the information that
19 it's looking for for these resources that are
20 currently being used.

21 As the Commission knows, its role is to
22 weigh the evidence presented and exercise its
23 reasoned judgment to determine just and reasonable
24 rates, rates that are fair for the customer and
25 fair for the company. In determining just and

1 reasonable rates, the Commission considers the
2 public need for adequate, efficient, economical,
3 and reasonable service and the utility's need for
4 revenue sufficient to enable it to meet its cost of
5 service and to earn a fair return.

6 The testimony in the record and the
7 evidence provided by the witnesses through this
8 proceeding supports the company's rate request, is
9 reasonable to recover the costs of service, and
10 that balances the interests of our customers and
11 the company ensuring the continued safe, reliable
12 service at reasonable rates. Thank you.

13 JUDGE FETCH: Thank you, Ms. Valley.

14 Mr. Norrell, please give the staff
15 advocacy closing statement.

16 MR. NORRELL: Thank you, Your Honor.
17 Judge Fetch, members of the Commission,
18 representatives of NSP-Minnesota. I would like to
19 thank you for your time and engagement in this
20 case. I would also like to thank my fellow members
21 of advocacy staff for their hard work, which has
22 highlighted the big issues in play in this case.

23 These issues have an impact on everyday
24 North Dakotans. We urge you to keep in mind that
25 impact that your decision will have on the fellow

1 North Dakotans as you take this case under
2 advisement. Thank you.

3 JUDGE FETCH: Thank you, Mr. Norrell.

4 Do you want to say anything in closing,
5 Ms. Jeffcoat-Sacco?

6 MS. JEFFCOAT-SACCO: No. Thank you.

7 JUDGE FETCH: I thought I would give you
8 the chance. All right.

9 MS. JEFFCOAT-SACCO: Nice of you. Thanks.

10 JUDGE FETCH: Thank you. And at this time
11 I'd like to give the opportunity to Commissioners
12 to give closing statements, and we'll go first with
13 Commissioner Fedorchak.

14 COMMISSIONER FEDORCHAK: Thank you. Well,
15 I too want to start by saying thanks to everyone,
16 to the company for all the efforts you made to
17 presenting your best case, digging up all the
18 information we've asked for over the last eight
19 months, for your very professional presentations,
20 and all-around general pleasantness. It's been
21 appreciated. The same with you, staff. You're
22 pleasant too, and the consultants were too,
23 although I think we made them sick and now they
24 left.

25 No, but I really do appreciate the extra

1 time that everyone has taken to help educate me and
2 willingness to do so. This is a complicated matter
3 and I really have great respect for all the
4 experience of everyone in the room and everyone who
5 has left and the professionalism as well.

6 Energy is one of the core components of
7 our society, and while there wasn't a lot of -- or
8 any members of the public who came today or the
9 last few days to participate in this process, we
10 know it isn't because they don't care about energy.
11 If we didn't -- if we don't get this right, our
12 lives as we know it come to a standstill, so what
13 you all are doing as a company is vital and what
14 we're doing here helps shape that and so what we're
15 doing is also extremely vital, and I don't think we
16 should ever interpret the public's lack of
17 involvement as decreasing importance of these
18 proceedings.

19 This has been -- this is a complicated
20 case. I'm glad of it because it's given us an
21 opportunity to learn about a whole bunch of things
22 that I don't know we'd otherwise have dug into, so
23 that's great and it's revealed some areas that I
24 think that we can dig into and need to perhaps
25 consider.

1 We're in dynamic times and this industry
2 has changed a lot and is continuing to change, and
3 so while precedent is important, and I appreciate
4 the consistency and the measured approach that this
5 Commission has followed over the past 20 years, 30
6 years, and I want to continue that, I also think
7 that changing times demand some alternative
8 approaches, and so I think we need to all be open
9 to that and to work on some of those issues that
10 we've identified, moving forward with an open mind
11 and with an eye on having the best possible outcome
12 for today's era regardless of how it has been done
13 in the past, and then setting out a -- I'm not
14 changing everything overnight, by any means, but
15 setting out a course to get to where we need to be
16 for the current state of the industry.

17 So that kind of concludes where my mind is
18 at today. I don't know if we're in -- if this is
19 halftime or if this is the third period. I have no
20 idea having been the first rate case. It feels to
21 me like halftime, and so we've got a lot of work
22 left to do, a lot of material still to consider, a
23 lot of discussions to be had, and I look forward to
24 doing that together with all of you. Thank you.

25 JUDGE FETCH: Sounds like everyone's minds

1 is going to football, so thank you, Commissioner
2 Fedorchak.

3 COMMISSIONER FEDORCHAK: Basketball for
4 me.

5 JUDGE FETCH: Oh, okay. Basketball. And
6 now we'll hear from Commissioner Kalk.

7 COMMISSIONER KALK: Thank you, Your Honor.
8 Thank you, like Julie and, I guess, everyone, Randy
9 has talked about, thanks everyone for all their
10 work.

11 My biggest concern coming into this
12 hearing was that it would degrade into a
13 free-for-all of finger-pointing, because the issues
14 are pretty far apart. We've seen that in different
15 hearings before, and that's just the way it lays
16 out, but I appreciate, you disagreed, you weren't
17 disagreeable about it.

18 And as we get to what this final solution
19 is, I don't know whether we are at halftime or
20 we're at the first quarter. I mean, the issues are
21 pretty big right now. But when I go through -- I
22 mean, kind of like Kari laid out the first time the
23 12 CP, 1 CP, the depreciation, return on equity,
24 employee compensation, the fuel cost rider,
25 incentive compensation, charitable contributions,

1 the transmission cost recovery rider, these are all
2 issues that I have definite thoughts on today, but
3 I won't share at this time, Illona, but I will say
4 that I have made decisions on these in previous
5 rate cases that will have some bearing on what I'll
6 say in our first work session, which we'll probably
7 schedule pretty quick.

8 But I will say for me coming into this
9 proceeding, this being the third or fourth rate
10 case I've been involved with Xcel Energy, this is
11 where I'm at right now today. If we craft a
12 decision that puts you back here next year, it will
13 be the most stringent decision that I can come up
14 with. If we craft a decision that gives the
15 ratepayers some time to deal with this decision,
16 there may be more flexibility in that decision, so
17 I'll put that out there to all of you to haggle
18 with, but I know that there's many different ways
19 this can play out, that sides can get together and
20 figure out what they agree on, present it to the
21 Commission and we can accept and make changes and
22 move forward, or you can leave it all to the three
23 of us to decide. So that goes back to whether
24 we're in the first quarter or in the third quarter,
25 I think. I do really appreciate the dialogue.

1 The power purchase agreements, I know
2 we've talked about separate hearings. I'm not
3 against that, but I certainly wouldn't be against
4 if all this stuff got put away this time around
5 either. So throw that out there. Thank you.

6 JUDGE FETCH: Thank you, Commissioner.
7 All right. Commissioner Christmann, you get to
8 follow up two excellent closing statements here.

9 COMMISSIONER CHRISTMANN: I'll apologize
10 in advance, Judge, I don't have any sports
11 metaphors to throw around, but before I'm done
12 every once in a while the rancher ones slip out, so
13 there's nothing you can do about them once the
14 horse is out of the barn.

15 JUDGE FETCH: See, always appreciated.

16 COMMISSIONER CHRISTMANN: At any rate, I
17 felt like I've worked hard on this case in
18 preparing for it, and I appreciate the leadership
19 that Commissioner Kalk has brought forward having
20 actually done these before, and I know Commissioner
21 Fedorchak has worked many, many hours preparing for
22 this with this being her portfolio and I think with
23 the questioning that we've seen here today has
24 really helped also provide great leadership in
25 this.

1 I will say a lot has been talked about
2 with Commission precedence, and I'm a big one on
3 historical things and maintaining consistency, but
4 there are times when things do change, and the
5 world of utilities has evolved considerably since a
6 lot of these precedences were established and
7 sometimes elected officials can get used to doing
8 something a certain way because they've already
9 made that decision once and so then subsequently
10 it's always easier to reach that same conclusion,
11 but this is a unique time in North Dakota where two
12 of the three have never done a rate case before and
13 so I think a lot of these things that have maybe
14 been done the last few times because they were
15 precedence are going to get a fresher, tougher look
16 here to see if we are doing things the way they
17 ought to be done in 2013.

18 Commissioner Kalk mentioned this with the
19 power purchase agreements. If I had my druthers,
20 the PPAs would be in this, as would all the ADPs
21 that are already on the table. It just seems to me
22 we're doing something big and ignoring something
23 that we know is out there in doing it. And this is
24 one place where I'm going to certainly acknowledge
25 past precedence and agree that there probably is

1 good reason for not biting off more than we can
2 chew here and that those things will be addressed
3 later, but I'm still not convinced that it wouldn't
4 be better to just have done everything all at once
5 and look at the whole picture in one good look.

6 Lastly, just as kind of a summary, I think
7 people from NSP, from our advocacy staff, from our
8 own staff, as well as you, Judge, have been
9 acknowledged for doing a great job, but, you know,
10 it goes even further than that. It goes to Scott
11 and to our IT people and our record keeper, I can't
12 remember the --

13 MS. JEFFCOAT-SACCO: Court reporter.

14 COMMISSIONER CHRISTMANN: -- court
15 reporter, you know, all the people in the whole
16 Commission that make things go so we can be
17 properly prepared. And also I can't help but sit
18 here now for three days in a big hearing, my first
19 really big hearing in here, multiple days like
20 this, and think back to a few years ago sitting in
21 the State Senate helping the Commissioners at that
22 time push through the money to redo this hearing
23 room. And the fact that we've brought everyone
24 together with volumes of information, it's
25 recorded, people can listen electronically, they

1 can watch us on the Internet, all these things are
2 possible.

3 Commissioner Fedorchak mentioned nobody
4 from the public. I challenge that. We did have
5 one young lady stop in for a few minutes. Believe
6 it or not, it was Ms. Fedorchak's mother, even
7 though she looks far too spry for that to be
8 possible, but I'm confident --

9 COMMISSIONER FEDORCHAK: Those were just
10 fans.

11 COMMISSIONER CHRISTMANN: -- because of
12 the great system this Commission has to make
13 something like this possible, that there are a lot
14 of people monitoring us, although not present in
15 the room, and that's as it ought to be. This is
16 open government and I think it will help us all to
17 do what's right for the ratepayers and citizens of
18 North Dakota. So thank you, everybody.

19 JUDGE FETCH: Thank you, everyone. And
20 I'm not going to even try to follow that up. I'll
21 just echo, you know, all the recognition all the
22 way around. It's excellent.

23 And, yes, I -- sitting in on this hearing
24 as I have, you know, literally thousands of others,
25 I always appreciate parties' professionalism, and

1 this could have been a very contentious hearing
2 because the issues are contentious, but, thank you,
3 we have some excellent staff and counsel and it's
4 been handled extremely professionally and I always
5 appreciate that. Thank you.

6 And as we agreed in a prehearing
7 conference prior to the hearing, the parties will
8 be submitting written briefs of their positions,
9 and included with the written briefs will be
10 proposed findings for the Commission to consider.

11 And I will hold the record open because we
12 have a number of late-filed exhibits coming in and
13 the record cannot be closed until we receive all
14 the evidence and until we receive the briefs and
15 the proposed findings, so -- and I'm not going to
16 actually set a deadline date for that because it
17 works better if the parties can work on those
18 schedules themselves.

19 And I am going to ask counsel to stay
20 after I close the hearing so we can work it out.
21 However, I want to go through and make sure we have
22 all the briefs -- I mean, all the exhibits labeled
23 and everybody is on the same page with those.

24 Before I actually officially close the
25 hearing today, is there any other matter which

1 anyone wishes to bring to my attention or the
2 attention of the Commission?

3 And I'll start first with -- because
4 you're looking at me, Mr. Norrell, I'll start with
5 you.

6 MR. NORRELL: I was just going to say no,
7 Your Honor.

8 JUDGE FETCH: Thank you. Ms. Valley or
9 Mr. Johnson?

10 MS. VALLEY: No, Your Honor.

11 JUDGE FETCH: Ms. Jeffcoat-Sacco?

12 MS. JEFFCOAT-SACCO: Do you need to
13 mention on the record the Exhibit P, the
14 Minnesota -- the chronology of the Minnesota
15 legislation?

16 JUDGE FETCH: Thank you. I am going to
17 mention on the record that Commissioner Christmann
18 brought to counsel's attention and my attention
19 that we actually talked about an exhibit, but -- or
20 something that -- information that Commissioner
21 Christmann wanted and we have now placed a label on
22 it, it's Exhibit P, as in Peter, which will be late
23 filed, and we've called that a chronology of
24 legislative and regulatory actions in Minnesota.

25 All right. Anything else? Anything else

1 from the Commission?

2 Thank you. And thank you for your
3 professionalism.

4 All right. Then if there is nothing else,
5 I will close this hearing, noting the date and time
6 is August 29th, 2013, at 3:45 p.m., Central Time.

7 This hearing is closed. Thank you,
8 everyone.

9 (Concluded at 3:45 p.m., August 29, 2013.)

10 -----

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF COURT REPORTER

I, Denise M. Andahl, a Registered Professional Reporter,

DO HEREBY CERTIFY that I recorded in shorthand the foregoing proceedings had and made of record at the time and place hereinbefore indicated.

I DO HEREBY FURTHER CERTIFY that the foregoing typewritten pages (Pages 1-140 and 306-870) contain an accurate transcript of my shorthand notes then and there taken.

Bismarck, North Dakota, this 16th day of September, 2013.

Denise M. Andahl
Registered Professional Reporter

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF COURT REPORTER

I, Linda L. Gingery, a Registered
Professional Reporter,

DO HEREBY CERTIFY that I recorded in
shorthand the foregoing proceedings had and made of
record at the time and place hereinbefore
indicated.

I DO HEREBY FURTHER CERTIFY that the
foregoing typewritten pages (Pages 141-305) contain
an accurate transcript of my shorthand notes then
and there taken.

Bismarck, North Dakota, this 16th day of
September, 2013.

Linda L. Gingery
Registered Professional Reporter

<p style="text-align: center;">\$</p> <p>\$1,000 [4] - 665:18, 665:20, 666:2, 666:10</p> <p>\$1,100 [1] - 686:2</p> <p>\$10 [4] - 789:16, 804:18, 804:21, 815:20</p> <p>\$100 [6] - 664:14, 664:22, 666:1, 666:3, 666:5, 666:6</p> <p>\$14,884 [1] - 789:18</p> <p>\$157,000 [1] - 819:10</p> <p>\$177 [1] - 788:17</p> <p>\$180 [2] - 814:3, 815:25</p> <p>\$191,000 [1] - 817:18</p> <p>\$20 [6] - 775:2, 775:15, 776:2, 776:5, 854:21</p> <p>\$23,307,000 [1] - 789:14</p> <p>\$300,000 [1] - 831:9</p> <p>\$326,528,000 [1] - 789:11</p> <p>\$377 [7] - 656:20, 658:7, 658:12, 659:10, 659:14, 660:8, 678:17</p> <p>\$432 [4] - 644:24, 646:7, 650:15, 656:14</p> <p>\$432,471,000 [1] - 658:2</p> <p>\$48,000 [1] - 818:5</p> <p>\$502 [1] - 668:2</p> <p>\$650,000 [2] - 798:14, 798:20</p> <p>\$715 [1] - 668:4</p> <p>\$780 [1] - 803:22</p> <p>\$780,660,000 [1] - 803:22</p> <p>\$82,724,000 [1] - 813:11</p> <p>\$859 [1] - 804:20</p> <p>\$87,000 [2] - 784:23, 785:2</p> <p>\$900 [2] - 664:21, 665:13</p>	<p>673:10, 673:13, 676:5, 695:12, 695:16, 725:13, 726:15, 726:21, 726:24, 741:3, 741:7, 753:1, 754:7, 754:16, 757:15, 758:24, 759:4, 759:6, 760:3, 760:10, 760:14, 760:18, 761:15, 762:5, 762:9, 762:19, 770:2, 770:4, 771:3, 775:2, 775:13, 775:17, 778:19, 778:23, 778:25, 779:6, 779:25, 780:2, 781:5, 782:4, 782:9, 792:14, 796:10, 796:20, 803:12, 824:3, 854:9, 854:19, 862:23</p> <p>1,000 [1] - 666:1</p> <p>1,015,000 [1] - 813:18</p> <p>1-140 [1] - 872:10</p> <p>1.25 [2] - 727:2, 741:9</p> <p>1.3 [1] - 830:20</p> <p>1.5 [1] - 805:19</p> <p>1.54 [4] - 788:12, 805:6, 805:22, 805:24</p> <p>10 [17] - 650:5, 660:11, 664:19, 666:1, 667:9, 685:21, 688:1, 688:4, 696:25, 713:13, 715:9, 715:11, 725:16, 726:12, 748:16, 805:2</p> <p>10-K [5] - 644:25, 657:9, 673:12, 681:21, 688:23</p> <p>10-Q [1] - 731:5</p> <p>10-year [1] - 664:25</p> <p>10.25 [8] - 692:18, 710:13, 713:14, 726:3, 726:5, 738:16, 740:20, 740:22</p> <p>10.4 [4] - 710:14, 711:1, 711:19, 713:3</p> <p>100 [4] - 666:7, 700:5, 775:19, 814:19</p> <p>102 [2] - 772:11, 773:22</p> <p>104,000 [1] - 819:16</p> <p>10:05 [1] - 690:12</p> <p>11 [6] - 722:13, 791:15, 792:3, 793:8, 824:4, 824:17</p> <p>11:30 [1] - 746:9</p> <p>12 [33] - 648:2, 648:15, 679:10, 748:12, 750:1, 750:3, 751:15, 751:24, 752:14, 754:6, 757:9, 759:8, 759:9, 760:3, 761:18, 762:5, 762:10, 762:19, 770:3, 775:1, 777:1, 777:8, 779:17, 779:24, 780:4, 782:6, 791:8, 791:9, 824:4, 824:17, 853:24, 855:13, 862:23</p>	<p>12.8 [2] - 813:25, 815:24</p> <p>12:30 [2] - 783:5, 783:8</p> <p>13 [7] - 730:10, 748:13, 748:14, 748:15, 750:24, 763:2, 784:21</p> <p>14 [6] - 653:3, 727:4, 792:6, 796:8, 798:13, 830:5</p> <p>141-305 [1] - 873:10</p> <p>143 [3] - 663:17, 675:23, 818:6</p> <p>15 [8] - 658:21, 721:24, 794:11, 795:21, 796:9, 798:22, 820:10, 837:17</p> <p>153 [1] - 696:20</p> <p>16 [10] - 641:8, 641:10, 652:25, 658:17, 660:12, 721:18, 721:19, 748:14, 798:13, 837:18</p> <p>16th [3] - 813:24, 872:13, 873:13</p> <p>17 [4] - 652:25, 691:11, 748:15, 793:8</p> <p>177 [1] - 814:5</p> <p>18 [10] - 653:3, 658:21, 733:2, 733:5, 733:24, 734:15, 735:7, 793:14, 805:3, 864:22</p> <p>182 [1] - 816:1</p> <p>182,724,000 [1] - 814:4</p> <p>19 [8] - 654:1, 654:8, 748:14, 748:18, 749:5, 749:9, 785:16, 785:17</p> <p>191,000 [1] - 817:25</p> <p>192 [2] - 813:21, 815:22</p> <p>1980 [1] - 837:3</p> <p>1991 [3] - 765:8, 765:9, 777:8</p> <p>1992 [1] - 755:18</p> <p>1999 [1] - 821:8</p> <p>1:30 [1] - 783:6</p> <p>1:34 [2] - 783:8, 783:10</p> <p>1Y [1] - 702:9</p>	<p>20-basis [1] - 709:25</p> <p>20-point [2] - 693:12, 708:25</p> <p>2002 [3] - 644:1, 671:3, 679:7</p> <p>2003 [1] - 730:10</p> <p>2007 [11] - 660:13, 685:3, 685:10, 777:21, 820:8, 824:5, 825:2, 837:19, 841:6, 842:10</p> <p>2008 [6] - 734:19, 735:1, 828:25, 829:5, 837:19, 837:21</p> <p>2009 [3] - 734:20, 735:24, 837:21</p> <p>2010 [5] - 786:19, 792:8, 792:16, 809:20, 837:4</p> <p>2011 [17] - 643:10, 730:8, 735:1, 786:19, 788:19, 792:8, 792:16, 795:25, 796:4, 799:4, 799:16, 802:23, 809:20, 824:6, 825:2, 828:25, 842:13</p> <p>2012 [35] - 644:25, 657:9, 668:1, 668:4, 702:13, 704:23, 705:6, 786:20, 788:10, 792:8, 792:16, 802:21, 802:24, 803:7, 803:9, 803:16, 803:18, 804:1, 804:6, 804:8, 805:4, 805:21, 806:3, 806:15, 806:16, 809:19, 811:1, 822:17, 822:23, 823:12, 826:20, 828:25, 837:4</p> <p>2013 [69] - 638:6, 638:18, 639:2, 639:8, 702:14, 704:24, 704:25, 705:2, 730:1, 730:11, 730:12, 730:20, 735:2, 736:7, 771:1, 777:9, 787:14, 787:23, 788:7, 788:14, 788:24, 789:4, 789:8, 791:1, 792:10, 792:24, 793:5, 793:8, 793:13, 795:16, 796:4, 796:5, 796:22, 796:25, 797:3, 798:18, 799:4, 799:5, 801:3, 801:5, 802:20, 802:21, 802:25, 803:3, 803:5, 803:8, 803:14, 805:4, 805:9, 805:15, 805:16, 805:21, 805:23, 805:25, 806:3, 807:19, 809:20, 813:3, 813:8, 813:9, 817:3, 817:10, 828:25, 830:21, 866:17, 871:6, 871:9, 872:14, 873:14</p> <p>2014 [2] - 801:5, 836:13</p> <p>2015 [2] - 817:9, 842:9</p> <p>2016 [1] - 737:11</p> <p>2018 [1] - 737:11</p>
<p style="text-align: center;">.</p>			
<p>'07 [1] - 837:9</p> <p>'12 [1] - 643:10</p>			
<p style="text-align: center;">0</p>			
<p>0.06 [1] - 709:19</p> <p>0.20 [1] - 709:17</p> <p>0.6 [1] - 710:4</p> <p>07-776 [3] - 645:20, 682:4, 687:24</p> <p>08 [1] - 677:24</p> <p>08-68 [1] - 677:24</p>			
<p style="text-align: center;">1</p>			
<p>1 [61] - 641:14, 641:18, 653:6, 654:10, 654:15, 654:17, 654:21, 654:24, 667:14, 668:2, 668:4,</p>		<p style="text-align: center;">2</p> <p>2 [16] - 641:18, 659:12, 659:25, 660:9, 660:12, 695:2, 695:16, 695:21, 698:12, 702:18, 772:10, 788:3, 806:3, 813:7, 824:3, 837:1</p> <p>2,270,000 [1] - 788:11</p> <p>2,270,721 [1] - 805:13</p> <p>2.27 [3] - 788:4, 813:6, 813:8</p> <p>2.4 [1] - 788:7</p> <p>20 [12] - 654:10, 660:5, 660:7, 660:8, 709:17, 757:8, 759:8, 785:15, 785:20, 785:24, 786:2, 861:5</p>	

<p>21 [7] - 648:15, 652:24, 654:8, 748:15, 828:1, 828:5, 830:19</p> <p>22 [7] - 648:15, 748:15, 755:12, 755:18, 793:15, 845:9, 845:12</p> <p>225 [1] - 696:21</p> <p>23 [4] - 748:16, 799:2, 799:10, 799:11</p> <p>24 [1] - 806:7</p> <p>25 [6] - 698:14, 706:9, 741:10, 805:1, 820:10, 855:25</p> <p>27 [3] - 638:18, 660:8, 748:15</p> <p>28 [3] - 638:18, 648:2, 748:15</p> <p>29 [3] - 638:18, 698:14, 871:9</p> <p>29th [3] - 639:2, 639:8, 871:6</p> <p>2:40 [1] - 826:10</p>	<p>3:45 [2] - 871:6, 871:9</p>	<p>600 [1] - 835:14</p> <p>61 [1] - 818:22</p>	<p>absolutely [4] - 678:15, 709:6, 723:25, 765:22</p> <p>accept [11] - 656:17, 659:23, 797:1, 798:1, 800:2, 802:12, 809:7, 810:1, 811:15, 818:13, 863:21</p> <p>acceptable [1] - 846:25</p> <p>accepted [10] - 750:24, 751:1, 789:2, 793:17, 793:20, 804:17, 817:2, 817:5, 817:9, 817:12</p> <p>accepting [1] - 818:3</p> <p>access [3] - 662:20, 662:22, 853:1</p> <p>accompanied [1] - 809:15</p> <p>accomplished [1] - 642:19</p> <p>accordance [1] - 750:2</p> <p>according [4] - 650:4, 664:19, 677:8, 709:15</p> <p>accordingly [1] - 700:13</p> <p>account [12] - 643:16, 643:22, 645:6, 652:23, 752:22, 762:8, 762:21, 779:20, 780:13, 788:22, 789:1, 813:2</p> <p>accountability [7] - 642:11, 645:12, 645:18, 645:23, 647:14, 647:25, 667:19</p> <p>accountant [1] - 664:3</p> <p>accountants [2] - 644:7, 650:3</p> <p>accounting [12] - 644:1, 644:14, 646:9, 661:13, 663:15, 666:17, 671:10, 671:15, 679:8, 852:13, 855:6, 855:8</p> <p>accounts [4] - 659:17, 659:19, 659:21, 680:7</p> <p>accrual [2] - 643:8, 643:11</p> <p>accruals [1] - 682:11</p> <p>accrue [1] - 678:7</p> <p>accumulated [9] - 650:6, 653:8, 653:11, 653:21, 654:25, 663:13, 664:21, 674:20, 680:7</p> <p>accumulating [1] - 815:14</p> <p>accuracy [2] - 781:4, 809:23</p> <p>accurate [9] - 754:18, 770:9, 782:5, 782:10, 809:1, 809:9, 872:11, 873:11</p> <p>accurately [1] - 779:5</p> <p>acknowledge [1] - 866:24</p> <p>acknowledged [1] - 867:9</p> <p>acquiring [2] - 839:19, 839:20</p> <p>acquisition [1] - 836:6</p> <p>acquisitions [1] - 830:6</p> <p>acronym [1] - 748:8</p> <p>actions [1] - 870:24</p> <p>actual [47] - 645:4, 667:8,</p>
3	4	7	
<p>3 [13] - 669:13, 691:21, 699:25, 700:4, 719:18, 719:22, 725:14, 730:16, 748:19, 799:2, 799:10, 799:11, 830:5</p> <p>3.2 [4] - 727:1, 741:5, 741:8, 771:20</p> <p>3.5 [2] - 727:3, 741:14</p> <p>3.6 [1] - 727:3</p> <p>3.61 [1] - 693:5</p> <p>3.8 [1] - 719:13</p> <p>3.87 [1] - 693:5</p> <p>30 [6] - 700:4, 700:5, 709:15, 719:17, 734:9, 861:5</p> <p>30-year [11] - 693:4, 699:24, 700:21, 701:19, 702:4, 702:12, 702:25, 706:6, 728:11, 733:13, 734:13</p> <p>300-and-some [1] - 673:3</p> <p>306-870 [1] - 872:11</p> <p>31 [4] - 730:21, 731:2, 731:4, 784:21</p> <p>32 [2] - 651:18, 651:19</p> <p>33 [1] - 794:10</p> <p>34 [5] - 657:1, 657:2, 657:5, 657:17, 797:14</p> <p>35 [4] - 701:8, 701:12, 701:24, 703:15</p> <p>36 [6] - 703:18, 703:23, 704:15, 706:3, 706:17, 842:1</p> <p>37 [2] - 826:21, 826:25</p> <p>373 [1] - 793:11</p> <p>377 [3] - 658:24, 666:21, 683:3</p> <p>38 [2] - 845:1, 845:12</p> <p>39 [1] - 755:25</p> <p>3:20 [1] - 851:1</p>	<p>4 [19] - 660:20, 695:1, 695:16, 695:21, 695:22, 699:5, 741:19, 746:16, 746:25, 748:16, 767:15, 783:17, 784:18, 785:6, 785:7, 795:22, 796:8, 798:21, 830:19</p> <p>4.0 [1] - 741:13</p> <p>4.17 [1] - 734:24</p> <p>4.8 [6] - 719:13, 719:15, 799:4, 799:7, 799:8, 799:15</p> <p>4.9 [2] - 734:20, 735:25</p> <p>40 [1] - 734:9</p> <p>41 [1] - 742:11</p> <p>41.8 [2] - 799:7, 799:9</p> <p>432 [6] - 645:2, 645:4, 645:5, 646:3, 658:12, 658:25</p> <p>44.96 [1] - 743:24</p> <p>45-day [1] - 718:12</p> <p>45.24 [1] - 743:25</p> <p>46 [1] - 773:20</p> <p>47 [1] - 773:20</p>	<p>7 [10] - 641:15, 654:3, 669:21, 699:12, 713:5, 792:6, 793:18, 828:7, 828:15, 841:7</p> <p>7.138 [1] - 789:12</p> <p>7.68 [1] - 788:16</p> <p>71 [1] - 655:19</p> <p>750 [1] - 835:15</p> <p>776 [1] - 670:14</p> <p>79,366,000 [1] - 813:18</p>	<p style="text-align: center;">8</p> <p>8 [4] - 699:4, 699:12, 758:21</p> <p>8.1 [1] - 793:19</p> <p>85 [2] - 657:23, 657:24</p> <p>869 [1] - 804:21</p> <p>87 [1] - 814:17</p> <p>878 [1] - 813:22</p> <p>8:37 [1] - 639:2</p>
	5	9	<p style="text-align: center;">9</p> <p>9 [29] - 654:3, 692:15, 692:18, 692:24, 694:22, 697:2, 697:13, 705:4, 710:12, 710:15, 711:13, 712:17, 713:3, 713:4, 713:8, 713:12, 714:11, 716:1, 716:5, 720:10, 722:14, 725:6, 725:17, 725:23, 726:4, 726:5, 726:12, 740:19, 748:20</p> <p>9.0 [2] - 694:1, 719:25</p> <p>9.25 [1] - 722:5</p> <p>9.9 [1] - 816:9</p> <p>98 [1] - 767:20</p>
6	<p>5 [19] - 660:20, 660:25, 693:17, 699:5, 730:16, 746:16, 746:25, 747:1, 747:10, 748:3, 748:5, 748:12, 748:16, 748:18, 788:25, 792:14, 799:9, 816:2</p> <p>5-025 [2] - 788:6, 813:15</p> <p>5.11 [1] - 803:11</p> <p>5.32 [1] - 693:7</p> <p>5.55 [1] - 693:8</p> <p>50 [3] - 650:10, 664:13, 804:7</p> <p>52.56 [1] - 744:4</p> <p>53.42 [1] - 744:5</p> <p>55 [1] - 773:18</p> <p>58 [1] - 817:22</p>	A	<p>a.m [3] - 639:2, 690:12, 746:9</p> <p>abandon [2] - 649:15, 809:2</p> <p>abandoned [2] - 648:23, 680:4</p> <p>abandonment [1] - 674:15</p> <p>abiding [2] - 680:17, 684:17</p> <p>ability [1] - 671:21</p> <p>able [4] - 646:14, 672:8, 713:12, 761:7</p> <p>above-market [1] - 840:17</p> <p>absolute [1] - 724:13</p>
	6		
	<p>6 [12] - 660:25, 693:23, 711:25, 730:16, 746:25, 747:1, 747:10, 748:3, 748:13, 758:22, 814:18, 816:5</p> <p>6-point-something [1] - 814:19</p> <p>60 [3] - 698:10, 706:10, 817:21</p>		

<p>712:20, 722:7, 729:10, 729:23, 730:8, 731:2, 731:4, 733:5, 734:23, 734:24, 735:21, 736:3, 736:6, 737:1, 738:10, 751:11, 754:11, 774:7, 781:11, 787:20, 795:24, 796:6, 796:14, 796:22, 797:10, 797:25, 798:18, 799:14, 799:16, 806:3, 807:21, 807:22, 807:23, 807:24, 808:6, 808:23, 809:16, 809:19, 810:6, 813:17, 814:22, 815:24, 824:5, 824:24, 831:1</p> <p>actuals [5] - 735:10, 735:22, 796:4, 799:4, 810:3</p> <p>adapted [2] - 754:11, 765:5</p> <p>add [6] - 665:17, 666:23, 747:9, 803:7, 837:12, 837:15</p> <p>added [3] - 665:14, 738:25, 837:24</p> <p>adding [1] - 802:3</p> <p>addition [4] - 752:20, 767:17, 781:10, 789:7</p> <p>additional [10] - 645:25, 666:20, 741:10, 804:25, 807:1, 835:14, 836:17, 844:22, 851:15, 857:13</p> <p>additions [7] - 664:9, 682:11, 789:4, 803:8, 803:11, 803:13, 804:8</p> <p>address [8] - 647:9, 676:11, 689:3, 689:10, 753:10, 753:12, 781:12, 834:12</p> <p>addressed [4] - 739:5, 781:6, 830:11, 867:2</p> <p>addresses [1] - 749:17</p> <p>addressing [1] - 799:20</p> <p>adds [4] - 666:2, 729:19, 773:22, 814:19</p> <p>adequacy [1] - 852:25</p> <p>adequate [4] - 819:8, 820:17, 831:20, 858:2</p> <p>adjust [1] - 777:4</p> <p>adjusted [2] - 811:3, 812:17</p> <p>adjusting [1] - 774:1</p> <p>adjustment [8] - 685:22, 753:21, 773:13, 794:8, 795:2, 830:24, 831:2, 840:19</p> <p>adjustments [17] - 715:18, 753:22, 773:11, 775:23, 776:1, 776:10, 778:4, 781:13, 787:23, 788:23, 793:10, 793:12, 817:3, 819:24, 822:23, 822:24, 855:19</p> <p>administer [1] - 854:6</p>	<p>ADMINISTRATIVE [1] - 638:23</p> <p>administrative [1] - 639:12</p> <p>admission [4] - 701:21, 703:13, 749:5, 827:8</p> <p>admit [4] - 703:15, 707:8, 732:24, 826:13</p> <p>admits [2] - 693:9, 708:22</p> <p>admitted [20] - 641:6, 641:14, 657:12, 657:18, 691:12, 701:25, 704:16, 733:25, 749:8, 785:24, 791:17, 791:20, 826:25, 844:5, 844:12, 845:13, 846:15, 847:20, 848:6, 848:14</p> <p>admittedly [1] - 854:20</p> <p>adopt [4] - 661:6, 754:15, 775:16, 854:15</p> <p>adopted [2] - 681:5, 719:8</p> <p>adopting [3] - 759:16, 782:4, 854:19</p> <p>ADP [9] - 830:11, 830:16, 831:23, 835:10, 835:12, 836:22, 839:15, 839:16, 864:10</p> <p>ADPs [7] - 721:11, 721:20, 721:23, 834:1, 834:12, 836:21, 866:20</p> <p>advance [5] - 720:24, 721:3, 830:17, 857:6, 865:10</p> <p>advancement [1] - 856:21</p> <p>adverse [1] - 853:5</p> <p>adversely [1] - 853:13</p> <p>advertising [6] - 817:16, 817:21, 817:23, 818:1, 818:2, 818:3</p> <p>advisement [1] - 859:2</p> <p>advisory [1] - 687:11</p> <p>advocacy [25] - 639:18, 640:9, 640:13, 642:2, 668:21, 670:20, 692:12, 749:18, 753:17, 783:12, 786:12, 827:10, 828:21, 828:23, 832:20, 838:1, 839:4, 843:9, 845:3, 847:14, 850:3, 850:4, 858:15, 858:21, 867:7</p> <p>advocate [2] - 728:13, 821:11</p> <p>advocating [1] - 681:17</p> <p>AEH-1 [3] - 730:15, 788:25, 791:15</p> <p>affect [5] - 700:8, 721:4, 809:24, 829:8, 853:13</p> <p>affected [2] - 712:6, 712:8</p> <p>affirmation [1] - 651:16</p> <p>afford [1] - 712:1</p> <p>afraid [1] - 718:3</p> <p>after-the-fact [1] - 642:18</p>	<p>afternoon [1] - 830:4</p> <p>aggregations [1] - 763:15</p> <p>ago [5] - 664:13, 707:20, 737:22, 738:21, 867:20</p> <p>agree [47] - 648:12, 650:17, 651:10, 652:20, 653:10, 653:15, 653:20, 653:21, 659:4, 659:23, 685:3, 685:5, 698:15, 707:23, 737:23, 753:20, 757:7, 757:13, 790:13, 791:7, 798:21, 800:19, 801:9, 801:16, 802:14, 803:1, 803:4, 803:15, 804:1, 804:6, 816:25, 818:8, 820:1, 824:23, 827:8, 830:7, 830:12, 830:15, 831:1, 831:22, 832:14, 832:24, 833:6, 846:5, 848:7, 863:20, 866:25</p> <p>agreed [3] - 738:21, 845:15, 869:6</p> <p>agreed-upon [1] - 845:15</p> <p>agreeing [2] - 673:6, 784:25</p> <p>agreement [8] - 645:17, 684:4, 684:5, 717:20, 785:23, 826:13, 828:3, 842:3</p> <p>agreements [5] - 753:15, 856:23, 857:13, 865:1, 866:19</p> <p>agrees [1] - 680:23</p> <p>ahead [2] - 646:19, 715:22</p> <p>air [1] - 641:1</p> <p>aircraft [2] - 819:14, 819:17</p> <p>airlines [1] - 820:2</p> <p>albeit [1] - 673:5</p> <p>alignment [1] - 753:24</p> <p>all-around [1] - 859:20</p> <p>alleging [1] - 671:6</p> <p>alleviated [1] - 829:20</p> <p>allocate [4] - 650:4, 752:14, 814:15, 814:20</p> <p>allocated [11] - 664:22, 666:3, 767:21, 772:17, 772:21, 772:24, 773:3, 773:4, 773:5, 796:16, 818:5</p> <p>allocates [2] - 664:19, 773:9</p> <p>allocating [1] - 756:22</p> <p>allocation [30] - 650:6, 750:8, 750:25, 751:1, 751:3, 751:9, 751:18, 751:21, 752:20, 752:25, 753:1, 753:21, 754:7, 754:14, 754:18, 756:13, 757:1, 757:10, 759:16, 760:20, 762:25, 766:19, 766:20, 767:16, 770:19, 773:7, 773:21, 779:17,</p>	<p>789:5, 803:12</p> <p>Allocation [3] - 750:3, 755:19, 797:19</p> <p>allocations [5] - 797:20, 798:1, 814:14, 814:21</p> <p>allocator [8] - 750:1, 751:16, 751:20, 773:9, 777:3, 777:5, 853:24, 855:18</p> <p>allocators [3] - 757:5, 776:15, 789:24</p> <p>allow [13] - 693:21, 694:7, 697:10, 705:17, 712:21, 713:1, 713:4, 713:11, 821:4, 821:7, 821:16, 852:6, 857:6</p> <p>allowable [1] - 712:25</p> <p>allowance [3] - 773:12, 784:23, 785:2</p> <p>allowances [1] - 732:6</p> <p>allowed [28] - 644:4, 644:16, 655:23, 662:15, 662:16, 662:17, 662:18, 662:19, 669:3, 672:7, 694:13, 694:25, 712:19, 713:2, 719:14, 719:15, 719:23, 724:21, 726:23, 761:7, 800:25, 801:24, 813:24, 820:16, 852:24</p> <p>allows [5] - 654:25, 669:2, 713:7, 727:22, 809:13</p> <p>almost [7] - 679:10, 706:14, 772:13, 797:7, 804:17, 808:24, 815:17</p> <p>alone [1] - 685:20</p> <p>alternative [1] - 861:7</p> <p>amend [1] - 754:13</p> <p>amortization [5] - 800:3, 800:22, 801:4, 801:24, 802:3</p> <p>amortizations [6] - 793:8, 793:10, 793:11, 793:12, 799:23, 800:22</p> <p>amortize [2] - 799:25, 800:18</p> <p>amortized [2] - 784:24, 802:11</p> <p>amortizing [1] - 801:3</p> <p>amount [22] - 653:23, 656:12, 656:18, 658:19, 666:10, 680:12, 685:23, 717:19, 720:3, 771:22, 771:24, 794:17, 794:23, 796:14, 796:21, 798:19, 802:9, 802:10, 802:12, 802:13, 829:8</p> <p>amounts [4] - 644:20, 646:16, 696:14, 832:12</p> <p>analysis [9] - 699:6, 700:9, 706:8, 706:12, 706:21, 774:4, 799:6, 809:24</p> <p>analyst [1] - 828:19</p>
---	---	---	--

<p>analysts [5] - 693:18, 705:20, 734:7, 734:8, 736:25</p> <p>analytical [1] - 732:4</p> <p>Andahl [2] - 872:3, 872:16</p> <p>animated [1] - 864:18</p> <p>Ann [2] - 720:22, 852:21</p> <p>Anne [5] - 791:15, 792:2, 806:7, 813:4, 855:10</p> <p>announced [1] - 836:6</p> <p>annual [14] - 644:25, 719:21, 752:19, 758:25, 797:21, 800:25, 802:24, 808:19, 814:1, 814:2, 815:25, 822:22, 855:23, 856:13</p> <p>annualize [1] - 813:21</p> <p>annualized [2] - 788:7, 813:16</p> <p>annually [1] - 675:11</p> <p>answer [11] - 655:17, 688:25, 689:13, 740:23, 760:11, 760:17, 801:21, 808:10, 808:22, 843:14, 851:16</p> <p>answers [2] - 769:8, 841:1</p> <p>anti [1] - 713:10</p> <p>anti-investor [1] - 713:10</p> <p>anticipated [3] - 685:21, 724:17, 796:24</p> <p>anyway [3] - 669:4, 705:12, 810:9</p> <p>apart [1] - 862:14</p> <p>apologies [1] - 758:9</p> <p>apologize [7] - 680:1, 692:7, 703:16, 705:1, 785:19, 799:8, 865:9</p> <p>apparent [4] - 698:2, 709:8, 756:10, 843:13</p> <p>appear [3] - 657:8, 705:11, 706:18</p> <p>appearing [2] - 786:11, 828:21</p> <p>applicable [2] - 789:5, 803:12</p> <p>Application [1] - 638:7</p> <p>application [5] - 639:10, 728:7, 750:18, 760:18, 771:17</p> <p>applications [1] - 830:16</p> <p>applied [16] - 685:22, 686:22, 696:11, 753:21, 757:9, 759:7, 777:3, 788:11, 789:4, 803:10, 805:12, 805:24, 813:7, 835:10, 854:4, 854:14</p> <p>apply [7] - 666:8, 703:7, 759:9, 805:8, 805:11, 807:14, 855:18</p> <p>applying [4] - 807:4, 807:7, 807:8, 812:12</p> <p>appreciate [11] - 706:13,</p>	<p>736:20, 775:25, 857:12, 859:25, 861:3, 862:16, 863:25, 865:18, 868:25, 869:5</p> <p>appreciated [3] - 725:2, 859:21, 865:15</p> <p>appreciates [1] - 851:13</p> <p>approach [15] - 656:24, 663:16, 700:24, 756:5, 782:15, 786:17, 787:11, 787:15, 788:18, 789:9, 792:11, 809:5, 809:6, 810:23, 861:4</p> <p>approached [1] - 826:12</p> <p>approaches [3] - 725:19, 725:20, 861:8</p> <p>appropriate [24] - 684:21, 694:12, 720:11, 739:10, 739:21, 750:1, 750:7, 750:15, 751:24, 753:1, 754:7, 756:22, 760:6, 760:20, 778:19, 780:4, 781:11, 785:2, 810:7, 818:24, 832:2, 848:9, 853:25, 857:15</p> <p>appropriately [2] - 655:14, 851:23</p> <p>approval [2] - 682:1, 682:22</p> <p>approve [1] - 678:8</p> <p>approved [4] - 774:4, 774:5, 782:11, 800:23</p> <p>April [2] - 698:13, 698:14</p> <p>arbitrary [1] - 661:13</p> <p>area [3] - 668:8, 671:20, 729:20</p> <p>areas [2] - 774:20, 860:23</p> <p>arguably [1] - 740:12</p> <p>argument [1] - 698:23</p> <p>arisen [1] - 753:10</p> <p>ARO [15] - 653:7, 653:16, 666:15, 667:13, 675:16, 675:20, 676:2, 676:21, 678:6, 683:13, 683:23, 686:19, 689:5, 689:23</p> <p>AROs [19] - 647:16, 653:11, 653:23, 654:5, 654:12, 654:16, 654:22, 654:25, 656:6, 656:12, 656:18, 658:10, 658:13, 659:11, 659:18, 666:15, 676:4, 682:8, 855:3</p> <p>arose [1] - 778:5</p> <p>arrangement [2] - 683:19, 845:4</p> <p>arrive [1] - 692:17</p> <p>arrives [1] - 692:18</p> <p>articulated [1] - 739:9</p> <p>articulating [1] - 707:19</p> <p>as-filed [1] - 788:19</p> <p>assert [1] - 654:11</p>	<p>assertion [1] - 712:5</p> <p>assertions [1] - 749:18</p> <p>asserts [3] - 646:3, 681:7, 681:8</p> <p>assessed [1] - 751:15</p> <p>assessment [1] - 751:20</p> <p>asset [19] - 644:13, 652:17, 652:18, 655:18, 655:21, 655:23, 663:7, 663:12, 663:17, 673:19, 674:22, 678:1, 678:9, 681:19, 683:10, 737:16, 738:7, 855:1, 855:6</p> <p>asset's [1] - 663:12</p> <p>assets [10] - 648:5, 648:8, 659:13, 659:24, 674:23, 678:4, 679:23, 767:21, 769:17, 773:19</p> <p>assigned [1] - 767:22</p> <p>assigning [1] - 765:20</p> <p>Assignment [1] - 797:19</p> <p>assignment [2] - 749:24, 750:7</p> <p>assigns [2] - 767:25, 772:18</p> <p>associated [1] - 676:4</p> <p>Associates [1] - 786:10</p> <p>assume [14] - 651:10, 663:11, 664:12, 679:24, 685:17, 691:22, 711:11, 763:13, 764:12, 775:13, 776:1, 776:8, 776:11, 808:24</p> <p>assumes [1] - 763:17</p> <p>assuming [3] - 660:6, 683:8, 739:22</p> <p>assumption [3] - 678:8, 800:12, 811:20</p> <p>assumptions [4] - 763:21, 764:5, 764:7, 810:22</p> <p>Atlantic [1] - 767:4</p> <p>attempt [1] - 764:21</p> <p>attention [14] - 648:1, 656:5, 657:5, 657:22, 697:25, 703:22, 755:11, 755:25, 851:13, 853:18, 870:1, 870:2, 870:18</p> <p>attorney [2] - 833:24, 841:24</p> <p>attorney's [1] - 850:20</p> <p>attorneys [2] - 844:8, 849:17</p> <p>attract [5] - 697:11, 711:5, 714:10, 714:17, 856:5</p> <p>atypical [1] - 756:24</p> <p>audit [2] - 672:8, 672:9</p> <p>auditors [2] - 672:6, 672:7</p> <p>Auditor [9] - 638:18, 639:2, 639:8, 702:13, 702:17, 704:24, 871:6, 871:9</p> <p>authorized [2] - 739:25, 837:5</p> <p>automatic [1] - 715:20</p>	<p>available [8] - 646:21, 697:18, 706:14, 754:22, 790:3, 829:23, 843:25, 844:1</p> <p>average [50] - 661:11, 693:4, 694:12, 694:14, 698:13, 767:14, 781:12, 781:14, 786:19, 786:22, 787:11, 787:16, 788:15, 788:21, 792:7, 792:15, 792:18, 792:21, 793:1, 793:4, 793:9, 793:16, 794:8, 797:15, 802:23, 802:25, 803:3, 803:9, 803:17, 803:21, 803:23, 803:24, 803:25, 804:5, 804:12, 804:14, 807:2, 807:4, 807:6, 807:15, 809:3, 812:9, 812:12, 812:13, 812:21, 823:15, 826:20, 831:2, 831:11, 855:16</p> <p>averages [1] - 794:3</p> <p>averaging [3] - 792:11, 802:20, 803:2</p> <p>avi [1] - 822:25</p> <p>aviation [3] - 819:18, 819:23, 822:25</p> <p>avoid [2] - 794:18, 794:24</p> <p>avoiding [1] - 857:1</p> <p>award [6] - 697:3, 697:7, 697:13, 713:17, 717:6</p> <p>awarded [4] - 694:2, 694:15, 711:17, 711:20</p> <p>awards [3] - 692:25, 696:11, 715:3</p> <p>aware [9] - 639:23, 640:1, 662:22, 686:16, 686:20, 757:3, 794:15, 794:21, 830:13</p> <p>awareness [1] - 841:3</p> <p>awful [1] - 656:5</p>
B			
<p>Baa [5] - 693:6, 700:21, 703:25, 704:5, 704:18</p> <p>backed [1] - 812:4</p> <p>backing [1] - 831:4</p> <p>bad [1] - 674:3</p> <p>balance [22] - 785:1, 788:21, 789:7, 789:10, 800:9, 802:7, 802:12, 802:21, 802:22, 802:23, 802:25, 803:3, 803:9, 804:3, 804:12, 804:13, 804:14, 811:9, 811:23, 823:8, 823:12, 853:11</p> <p>balances [6] - 727:25, 811:5, 826:20, 851:19, 851:23,</p>			

<p>858:10 band [7] - 715:8, 715:18, 715:19, 715:23, 719:8, 814:16 bank [1] - 645:6 barn [1] - 865:14 barring [2] - 801:25, 804:18 bars [1] - 702:18 base [37] - 653:15, 653:22, 674:23, 692:15, 698:5, 735:20, 755:12, 756:14, 773:3, 773:4, 773:5, 773:10, 773:12, 773:21, 773:24, 773:25, 775:21, 788:19, 789:10, 789:25, 794:19, 794:25, 797:22, 797:23, 803:3, 803:17, 803:18, 803:21, 804:2, 807:7, 812:16, 814:15, 855:25, 856:12, 856:13 based [29] - 661:7, 670:4, 673:9, 673:10, 694:6, 702:24, 738:8, 738:10, 738:17, 745:8, 745:13, 750:10, 751:20, 760:2, 760:9, 770:16, 773:6, 786:18, 788:5, 789:9, 792:18, 792:25, 793:4, 793:21, 815:13, 816:11, 816:12, 836:5, 855:13 baseload [3] - 752:23, 764:25, 766:8 bases [1] - 756:16 basing [1] - 737:9 basis [42] - 643:8, 643:10, 643:11, 660:3, 661:12, 667:15, 667:21, 668:3, 682:8, 692:16, 700:4, 700:5, 710:4, 719:9, 719:12, 719:17, 726:22, 735:8, 741:10, 743:3, 744:12, 756:22, 761:3, 761:4, 773:18, 773:24, 775:4, 775:6, 787:11, 796:12, 807:2, 808:2, 808:4, 808:5, 811:15, 815:25, 824:25, 854:14, 854:22 basketball [2] - 862:3, 862:5 bat [1] - 743:13 bear [3] - 658:16, 755:3, 758:6 bearing [1] - 863:5 became [1] - 756:10 becomes [2] - 676:1, 717:12 BEFORE [1] - 638:22 beforehand [1] - 670:11 began [1] - 851:19 begin [2] - 746:11, 790:10 beginning [5] - 704:23,</p>	<p>785:1, 803:2, 826:19, 842:13 begins [1] - 756:7 behalf [3] - 749:17, 786:11, 828:21 belief [1] - 656:11 below [6] - 692:24, 693:23, 694:12, 702:8, 715:23, 841:17 Bemidji [1] - 817:1 benefit [9] - 770:2, 770:7, 770:8, 770:18, 771:6, 771:10, 818:19, 818:20, 855:5 benefits [4] - 775:12, 853:21, 856:10, 856:16 best [6] - 727:25, 751:10, 815:2, 838:17, 859:17, 861:11 better [10] - 656:7, 656:13, 674:4, 688:3, 711:20, 779:25, 846:20, 867:4, 869:17 between [25] - 643:8, 666:12, 693:10, 708:23, 709:24, 712:19, 722:7, 724:5, 725:11, 725:15, 726:3, 726:12, 729:3, 746:10, 748:19, 768:7, 771:13, 772:9, 780:2, 817:11, 835:13, 839:6, 847:14, 852:14, 852:19 beyond [1] - 811:4 bid [1] - 740:6 bidding [1] - 696:18 big [7] - 714:8, 858:22, 862:21, 866:2, 866:22, 867:18, 867:19 biggest [5] - 743:23, 765:23, 768:21, 768:23, 862:11 bill [3] - 725:23, 771:12 billion [3] - 659:12, 660:1, 660:9 biomass [1] - 840:16 Bismarck [3] - 638:18, 872:13, 873:13 bit [11] - 660:5, 710:12, 712:8, 716:21, 762:23, 807:16, 809:12, 809:13, 820:5, 833:21, 835:3 bite [2] - 711:21, 714:18 biting [1] - 867:1 Black [2] - 823:1, 829:9 Blue [5] - 733:6, 733:11, 733:12, 734:5, 735:5 blue [1] - 733:6 Board [2] - 704:1, 810:17 bodies [2] - 671:21, 821:4 boils [1] - 692:22 bond [25] - 675:10, 675:14,</p>	<p>693:4, 693:10, 699:24, 700:6, 701:19, 704:1, 706:23, 707:25, 708:23, 709:10, 709:16, 709:23, 710:1, 719:5, 719:9, 719:11, 719:20, 719:22, 734:23, 736:7, 737:13, 738:18 bonded [1] - 675:5 bonding [2] - 675:9, 675:20 Bonds [1] - 733:13 bonds [6] - 693:7, 704:5, 704:21, 704:23, 709:17, 734:13 BONNY [1] - 638:22 Bonny [1] - 639:11 book [18] - 695:14, 696:8, 696:10, 696:11, 696:13, 696:16, 696:17, 696:19, 696:21, 696:22, 698:23, 740:2, 740:4, 740:5, 740:8, 740:9, 740:10, 740:24 books [4] - 653:13, 663:21, 677:13, 678:11 borrowing [4] - 712:6, 712:8, 712:9, 712:16 bottom [5] - 646:13, 647:13, 647:23, 669:13, 793:25 bottom-line [1] - 793:25 bought [1] - 839:17 bound [4] - 676:23, 677:2, 680:25, 766:22 box [1] - 766:24 brains [1] - 762:23 brand [2] - 818:7, 818:9 break [7] - 690:9, 744:19, 746:5, 746:10, 761:23, 826:4, 845:18 breakdown [1] - 662:12 breaks [1] - 728:22 Brian [1] - 639:15 briefing [1] - 851:7 briefly [1] - 753:12 briefs [6] - 689:3, 689:10, 869:8, 869:9, 869:14, 869:22 bring [4] - 669:2, 795:10, 820:11, 870:1 broad [1] - 754:2 Brockett [5] - 768:2, 775:1, 775:14, 776:3, 853:24 Brockett's [1] - 754:4 Brookings [3] - 816:25, 817:7, 817:8 brought [5] - 782:9, 841:5, 865:19, 867:23, 870:18 bucks [2] - 711:25, 741:19 budget [10] - 650:2, 728:7, 797:9, 798:8, 799:5, 814:13, 815:6, 815:7,</p>	<p>824:5, 824:24 budgeted [8] - 796:6, 796:21, 797:6, 798:19, 799:16, 799:17, 809:16, 809:19 budgeting [5] - 665:11, 797:13, 798:7, 809:23, 855:22 build [4] - 676:7, 686:22, 838:2, 838:4 build-out [2] - 838:2, 838:4 building [3] - 674:7, 773:20, 839:25 built [4] - 674:6, 773:11, 774:1, 821:5 Bulkley [11] - 692:18, 693:1, 693:9, 693:15, 708:22, 710:23, 720:22, 721:17, 723:8, 737:11, 852:21 bulkley's [1] - 738:16 Bulkley's [5] - 742:12, 742:14, 743:3, 743:10, 743:12 bullet [1] - 711:21 bump [1] - 715:13 bunch [3] - 734:11, 838:7, 860:21 burdensome [1] - 808:11 business [1] - 852:3 businesses [3] - 644:15, 680:4, 852:25 Butler [1] - 816:20 buy [5] - 707:15, 731:23, 732:1, 740:2 BY [46] - 641:23, 647:4, 662:7, 663:6, 668:18, 672:24, 676:20, 678:23, 679:21, 681:15, 684:13, 686:15, 687:10, 691:19, 697:22, 708:19, 716:15, 723:6, 727:14, 731:11, 735:17, 742:2, 745:7, 749:12, 755:2, 759:24, 762:2, 768:14, 769:23, 774:24, 778:12, 781:2, 782:2, 784:12, 790:9, 806:23, 810:14, 816:18, 821:2, 822:15, 823:23, 828:12, 830:3, 833:18, 835:2, 839:2</p>
C			
<p>calculate [11] - 659:22, 675:17, 775:9, 792:20, 793:23, 793:25, 794:2, 802:19, 803:5, 830:22, 830:23 calculated [6] - 700:14,</p>			

<p>771:16, 772:3, 776:12, 789:18, 794:4</p> <p>calculates [4] - 789:13, 789:15, 816:6, 831:9</p> <p>calculating [5] - 772:13, 773:17, 786:17, 794:5, 798:7</p> <p>calculation [7] - 721:11, 721:16, 741:13, 741:18, 771:8, 773:24, 789:23</p> <p>calculations [5] - 813:1, 813:2, 815:11, 815:19, 831:10</p> <p>canceled [2] - 829:11, 829:13</p> <p>cannot [4] - 671:12, 671:18, 840:12, 869:13</p> <p>cap [2] - 819:16, 841:15</p> <p>capacity [7] - 763:7, 763:8, 763:20, 763:24, 764:14, 834:5, 834:8</p> <p>capital [46] - 642:19, 650:1, 685:19, 685:24, 686:1, 697:11, 711:6, 714:11, 714:17, 716:3, 716:5, 727:23, 728:7, 729:4, 729:5, 729:10, 729:12, 729:13, 729:14, 729:23, 729:24, 730:4, 730:20, 730:23, 737:16, 738:6, 739:11, 742:4, 743:3, 743:10, 743:16, 744:7, 744:11, 745:10, 789:3, 789:6, 798:22, 803:11, 803:13, 847:14, 848:18, 848:19, 853:1, 853:14</p> <p>capitalize [1] - 644:11</p> <p>Capitol [1] - 638:17</p> <p>CAPM [1] - 739:5</p> <p>capped [1] - 855:25</p> <p>capping [1] - 841:8</p> <p>caps [1] - 841:20</p> <p>capture [1] - 764:3</p> <p>captured [1] - 771:3</p> <p>CapX [1] - 817:1</p> <p>CapX2020 [1] - 829:19</p> <p>cards [1] - 718:15</p> <p>Cardwell [10] - 827:11, 827:17, 828:7, 828:13, 829:22, 830:4, 830:15, 833:13, 835:3, 843:7</p> <p>CARDWELL [1] - 828:8</p> <p>care [3] - 639:21, 749:13, 860:10</p> <p>careful [1] - 773:15</p> <p>carefully [1] - 769:15</p> <p>cares [3] - 725:21, 726:3, 726:7</p> <p>Case [10] - 638:6, 642:4, 642:7, 645:16, 645:20,</p>	<p>646:5, 669:10, 672:17, 681:6, 758:16</p> <p>case [90] - 639:17, 639:19, 640:9, 640:16, 642:6, 642:10, 645:7, 650:14, 653:14, 660:19, 660:23, 667:18, 668:9, 668:23, 669:9, 669:16, 670:12, 670:14, 672:16, 679:11, 679:13, 680:6, 681:1, 681:3, 693:12, 696:17, 696:20, 707:11, 707:13, 708:24, 713:21, 715:4, 716:8, 718:10, 718:24, 724:15, 726:11, 728:10, 728:11, 734:24, 736:15, 737:8, 754:18, 770:12, 772:4, 772:18, 773:15, 777:25, 783:12, 790:11, 801:22, 807:25, 808:7, 809:18, 810:25, 811:22, 819:21, 820:8, 820:9, 826:21, 829:7, 831:25, 832:3, 833:2, 835:7, 837:6, 837:7, 839:10, 840:2, 842:6, 842:10, 843:9, 851:14, 853:7, 854:1, 854:25, 855:7, 855:21, 857:11, 858:20, 858:22, 859:1, 859:17, 860:20, 861:20, 863:10, 865:17, 866:12</p> <p>cases [17] - 670:10, 678:4, 681:1, 681:8, 717:17, 718:17, 738:22, 757:4, 777:21, 777:24, 778:2, 778:3, 778:5, 810:20, 841:4, 841:6, 863:5</p> <p>cash [20] - 642:12, 642:16, 642:23, 643:2, 643:4, 643:5, 643:9, 643:10, 643:13, 643:24, 645:2, 645:9, 645:25, 659:14, 667:24, 668:3, 676:7, 688:19, 688:20, 712:12</p> <p>categories [1] - 763:12</p> <p>category [5] - 654:16, 654:17, 678:1, 683:10, 683:23</p> <p>caught [1] - 706:19</p> <p>causation [4] - 751:4, 751:7, 759:17, 766:1</p> <p>caused [3] - 779:11, 828:24, 854:3</p> <p>caveat [1] - 848:14</p> <p>cent [1] - 714:17</p> <p>Central [7] - 690:12, 728:20, 746:9, 783:10, 826:10, 851:2, 871:6</p> <p>cents [1] - 788:16</p>	<p>certain [10] - 716:23, 762:21, 766:6, 771:20, 782:7, 789:25, 823:4, 840:12, 841:18, 866:8</p> <p>certainly [12] - 718:9, 718:15, 720:15, 723:19, 725:8, 755:4, 759:12, 796:18, 822:8, 846:11, 865:3, 866:24</p> <p>certificate [1] - 686:24</p> <p>CERTIFICATE [2] - 872:1, 873:1</p> <p>CERTIFY [4] - 872:5, 872:9, 873:5, 873:9</p> <p>chairman [2] - 668:15, 672:14</p> <p>Chairman [1] - 639:15</p> <p>challenge [11] - 697:5, 718:21, 797:12, 797:24, 798:6, 798:8, 798:9, 798:15, 798:17, 864:5, 868:4</p> <p>challenged [1] - 798:9</p> <p>chamber [3] - 818:14, 818:16, 818:17</p> <p>chance [3] - 713:15, 774:16, 859:8</p> <p>change [44] - 661:11, 661:13, 673:25, 700:6, 702:17, 704:4, 704:18, 712:15, 719:11, 719:14, 719:21, 719:22, 726:20, 726:22, 726:24, 741:4, 742:24, 760:11, 760:13, 765:23, 765:24, 765:25, 766:19, 771:14, 771:17, 771:19, 775:1, 775:16, 779:12, 797:22, 797:23, 798:10, 801:4, 810:4, 815:4, 815:18, 841:18, 861:2, 864:9, 866:4</p> <p>changed [4] - 679:11, 679:12, 777:14, 861:2</p> <p>changes [13] - 644:23, 702:12, 704:22, 719:9, 729:17, 777:5, 777:9, 777:10, 778:14, 794:12, 846:3, 863:21, 864:6</p> <p>changing [3] - 710:13, 861:7, 861:14</p> <p>character [1] - 707:3</p> <p>characteristics [1] - 707:4</p> <p>characterization [1] - 659:7</p> <p>characterize [4] - 647:13, 661:12, 705:5, 706:19</p> <p>characterized [5] - 700:19, 705:7, 739:10, 739:14, 776:17</p> <p>charge [5] - 644:7, 644:12, 649:4, 649:6, 753:19</p>	<p>charged [1] - 652:16</p> <p>charges [4] - 642:14, 712:11, 748:20, 750:14</p> <p>charitable [7] - 818:21, 818:25, 819:3, 821:5, 821:13, 840:14, 862:25</p> <p>Charles [5] - 690:14, 691:11, 691:25, 692:11, 789:12</p> <p>CHARLES [1] - 691:15</p> <p>Charlie [1] - 841:14</p> <p>chart [9] - 701:18, 732:10, 732:11, 732:12, 732:15, 733:4, 737:5, 742:12, 836:25</p> <p>cheaper [2] - 819:18, 819:22</p> <p>check [2] - 817:6, 847:22</p> <p>checked [2] - 698:18, 698:20</p> <p>chew [1] - 867:2</p> <p>Chip [5] - 733:7, 733:11, 733:12, 734:5, 735:5</p> <p>choice [1] - 755:22</p> <p>choose [1] - 649:4</p> <p>CHRISTMANN [27] - 672:24, 676:14, 686:12, 686:15, 687:3, 696:2, 696:5, 723:6, 724:4, 727:6, 745:1, 769:23, 774:9, 780:23, 781:23, 782:2, 782:16, 821:2, 821:19, 825:18, 842:17, 850:11, 850:14, 865:9, 865:16, 867:14, 868:11</p> <p>Christmann [16] - 639:16, 672:22, 685:1, 686:11, 723:4, 744:25, 769:21, 775:21, 781:22, 820:23, 825:17, 842:16, 850:13, 865:7, 870:17, 870:21</p> <p>chronology [2] - 870:14, 870:23</p> <p>circular [1] - 694:6</p> <p>circumstance [1] - 757:17</p> <p>circumstances [3] - 755:23, 759:18, 765:25</p> <p>cite [1] - 758:1</p> <p>citizens [4] - 697:8, 697:12, 711:2, 868:17</p> <p>City [1] - 767:4</p> <p>clarification [5] - 678:24, 708:21, 800:11, 821:24, 822:6</p> <p>clarify [2] - 769:6, 836:6</p> <p>clarity [1] - 725:2</p> <p>class [9] - 749:20, 750:6, 750:9, 750:11, 753:24, 764:10, 764:18, 764:20, 764:22</p> <p>classes [1] - 756:20</p> <p>clause [2] - 794:16, 794:22</p> <p>clean [2] - 672:8, 683:16</p>
--	--	--	---

<p>cleanup ^[1] - 683:16</p> <p>clear ^[9] - 681:16, 693:21, 708:12, 741:2, 745:17, 747:3, 765:11, 788:8, 839:21</p> <p>clearly ^[5] - 694:21, 696:23, 697:1, 720:5, 772:4</p> <p>Clip ^[1] - 733:6</p> <p>close ^[9] - 779:6, 779:8, 814:5, 816:1, 869:20, 869:24, 871:5</p> <p>closed ^[2] - 869:13, 871:7</p> <p>closer ^[4] - 691:6, 790:18, 827:22, 831:9</p> <p>closing ^[13] - 698:13, 845:15, 847:9, 849:11, 849:15, 850:15, 850:19, 851:3, 851:5, 858:15, 859:4, 859:12, 865:8</p> <p>closure ^[1] - 848:22</p> <p>CO2 ^[1] - 785:1</p> <p>coincident ^[4] - 750:1, 750:4, 751:16, 751:19</p> <p>collaborative ^[1] - 754:1</p> <p>collected ^[1] - 666:16</p> <p>collected ^[5] - 645:2, 653:24, 656:13, 659:15, 678:17</p> <p>collections ^[1] - 644:19</p> <p>colored ^[1] - 702:9</p> <p>Columbia ^[2] - 767:5, 767:24</p> <p>column ^[7] - 658:2, 658:6, 695:13, 695:14, 696:6, 696:7, 736:3</p> <p>columns ^[1] - 702:18</p> <p>combined ^[1] - 686:23</p> <p>comfort ^[2] - 809:25, 811:25</p> <p>comfortable ^[2] - 720:2, 809:2</p> <p>coming ^[9] - 669:5, 716:18, 737:13, 832:9, 834:2, 839:14, 862:11, 863:8, 869:12</p> <p>commencing ^[1] - 639:1</p> <p>comment ^[4] - 648:16, 689:21, 834:14, 841:7</p> <p>comments ^[5] - 660:14, 714:2, 739:4, 840:4, 850:15</p> <p>commerce ^[1] - 818:17</p> <p>commercial ^[3] - 819:18, 819:22, 820:2</p> <p>commission ^[6] - 810:16, 810:19, 811:10, 821:17, 821:18</p> <p>COMMISSION ^[1] - 638:3</p> <p>Commission ^[92] - 642:3, 644:2, 645:15, 645:22, 646:17, 656:7, 661:1, 663:4, 667:22, 672:17, 672:18, 673:11, 673:15,</p>	<p>677:16, 680:10, 680:19, 681:24, 682:12, 682:13, 682:19, 682:22, 683:1, 683:8, 684:21, 685:6, 687:15, 689:19, 708:7, 717:13, 721:10, 721:13, 728:8, 738:1, 738:4, 738:13, 741:23, 746:4, 750:21, 754:15, 757:4, 757:8, 757:14, 757:23, 758:2, 759:1, 759:5, 759:9, 759:15, 760:5, 761:10, 773:18, 777:24, 781:21, 786:13, 800:23, 801:24, 803:21, 810:11, 820:9, 828:20, 830:13, 831:20, 831:25, 832:4, 832:11, 834:21, 839:15, 840:2, 840:7, 842:2, 844:9, 851:12, 851:13, 852:22, 854:2, 854:15, 857:4, 857:7, 857:14, 857:18, 857:21, 858:1, 858:17, 861:5, 863:21, 866:2, 867:16, 868:12, 869:10, 870:2, 871:1</p> <p>Commission's ^[8] - 727:16, 749:17, 833:1, 836:3, 850:18, 851:16, 852:12, 852:18</p> <p>COMMISSIONER ^[95] - 639:5, 663:6, 668:12, 668:16, 668:18, 672:12, 672:20, 672:24, 676:14, 676:18, 676:20, 678:19, 686:8, 686:10, 686:12, 686:15, 687:3, 689:20, 695:5, 695:12, 695:23, 696:2, 696:5, 701:9, 708:8, 708:13, 708:19, 716:9, 716:13, 716:15, 722:25, 723:6, 723:22, 723:24, 724:4, 727:6, 729:25, 730:5, 730:9, 730:11, 730:22, 742:2, 744:20, 744:24, 745:1, 762:2, 768:8, 768:12, 768:14, 769:18, 769:23, 774:9, 780:18, 780:20, 780:23, 781:23, 782:2, 782:16, 783:1, 810:14, 816:12, 816:16, 816:18, 820:20, 821:2, 821:19, 824:13, 824:20, 825:11, 825:15, 825:18, 834:23, 835:2, 838:19, 838:23, 839:2, 842:14, 842:17, 843:5, 849:6, 849:9, 849:16, 850:1, 850:9, 850:11, 850:14, 850:22, 859:14, 862:3, 862:7, 865:9,</p>	<p>865:16, 867:14, 868:9, 868:11</p> <p>Commissioner ^[69] - 639:13, 639:15, 663:4, 668:14, 672:22, 676:16, 685:1, 685:2, 686:6, 686:9, 686:11, 708:16, 716:11, 716:12, 716:20, 723:3, 723:4, 723:21, 730:17, 741:23, 744:22, 744:23, 744:25, 745:4, 761:24, 765:23, 767:18, 768:11, 769:20, 775:20, 778:17, 780:16, 780:19, 780:21, 781:22, 810:12, 816:14, 816:15, 820:22, 820:23, 825:9, 825:13, 825:16, 829:15, 832:5, 834:22, 838:21, 841:5, 842:15, 842:16, 843:4, 847:13, 848:17, 849:8, 850:6, 850:12, 851:18, 859:13, 862:1, 862:6, 865:6, 865:7, 865:19, 865:20, 866:18, 868:3, 870:17, 870:20</p> <p>commissioner ^[1] - 782:14</p> <p>commissioners ^[1] - 745:24</p> <p>Commissioners ^[15] - 639:13, 676:17, 677:15, 678:21, 745:25, 782:25, 791:14, 816:20, 825:9, 831:19, 849:10, 851:5, 851:11, 859:11, 867:21</p> <p>Commissioners' ^[2] - 785:8, 844:18</p> <p>commissions ^[3] - 662:13, 715:2, 729:22</p> <p>commissions' ^[1] - 694:5</p> <p>commitments ^[1] - 684:21</p> <p>common ^[3] - 744:3, 744:4, 821:3</p> <p>community ^[15] - 644:2, 644:15, 646:9, 666:17, 671:10, 679:8, 694:9, 697:7, 697:14, 711:14, 712:22, 714:21, 724:18, 739:16, 853:17</p> <p>comp ^[3] - 820:4, 820:12, 820:14</p> <p>compact ^[3] - 819:8, 819:9, 852:19</p> <p>companies ^[15] - 644:4, 665:22, 679:3, 679:5, 679:22, 717:17, 720:4, 721:18, 721:19, 776:23, 777:4, 810:21, 811:16, 838:6, 856:20</p> <p>company ^[230] - 642:13, 644:9, 644:24, 645:1, 645:17, 645:19, 646:1,</p>	<p>646:3, 646:6, 646:10, 646:15, 648:4, 648:7, 648:10, 648:16, 648:21, 649:11, 649:13, 650:7, 650:8, 650:13, 650:18, 651:11, 652:21, 653:5, 653:23, 654:4, 654:9, 654:11, 655:7, 655:17, 655:20, 656:12, 660:14, 661:5, 661:18, 661:24, 663:10, 664:15, 664:24, 665:1, 665:21, 666:22, 668:23, 669:25, 670:10, 671:6, 672:5, 673:18, 675:1, 675:2, 675:21, 675:23, 676:11, 676:22, 677:16, 679:24, 680:6, 680:11, 680:15, 680:23, 681:6, 682:6, 683:2, 683:8, 683:9, 684:2, 684:16, 684:20, 685:4, 685:8, 688:17, 693:25, 697:11, 711:12, 711:17, 712:24, 713:11, 714:7, 714:10, 714:13, 714:25, 715:10, 716:2, 716:5, 717:7, 717:13, 717:25, 718:12, 719:16, 720:17, 721:3, 722:4, 728:1, 728:6, 728:9, 728:18, 729:9, 730:25, 731:2, 731:4, 731:5, 731:16, 731:22, 740:21, 741:5, 760:5, 760:12, 760:19, 761:7, 761:12, 763:6, 763:9, 766:17, 766:23, 769:4, 769:17, 772:10, 774:7, 775:2, 777:25, 778:1, 785:1, 786:14, 787:17, 788:3, 788:9, 788:19, 788:25, 789:18, 790:13, 790:25, 794:11, 797:3, 797:5, 797:6, 797:9, 799:14, 799:17, 799:24, 800:5, 800:17, 801:7, 801:23, 802:1, 802:4, 802:19, 804:12, 804:20, 805:18, 806:2, 807:18, 808:3, 808:6, 810:24, 811:18, 811:21, 812:1, 812:7, 812:25, 814:11, 815:12, 815:14, 817:22, 817:24, 818:11, 819:3, 819:5, 820:13, 822:17, 823:11, 824:23, 828:24, 829:3, 829:11, 829:12, 829:16, 829:19, 830:6, 830:14, 830:25, 831:9, 831:22, 831:24, 832:11, 832:14, 832:17, 832:22, 832:24, 833:6, 833:23, 838:15,</p>
---	---	---	---

<p>839:10, 839:16, 839:19, 840:17, 841:1, 841:3, 841:25, 842:8, 842:11, 843:12, 843:19, 844:14, 847:18, 847:21, 850:3, 851:12, 851:20, 851:25, 852:20, 852:21, 853:4, 853:12, 854:20, 854:24, 855:7, 855:24, 855:25, 856:6, 856:11, 857:25, 858:11, 859:16, 860:13, 864:7, 864:17</p> <p>Company [3] - 638:6, 758:18, 767:4</p> <p>Company's [1] - 786:15</p> <p>company's [80] - 643:8, 657:9, 659:24, 660:19, 660:22, 660:25, 661:13, 664:8, 668:1, 668:3, 669:8, 680:19, 685:9, 687:17, 688:15, 692:21, 696:9, 696:10, 696:15, 710:13, 711:15, 712:5, 712:7, 712:15, 728:16, 729:5, 742:4, 742:8, 742:11, 764:8, 767:20, 775:18, 778:5, 784:22, 786:20, 787:12, 787:14, 787:19, 787:22, 788:1, 788:2, 788:5, 788:18, 788:22, 789:2, 789:4, 789:17, 789:25, 790:1, 790:22, 792:19, 793:17, 796:23, 797:12, 798:6, 800:12, 803:10, 803:11, 804:18, 805:5, 805:9, 805:12, 805:23, 805:25, 806:14, 809:7, 812:15, 817:2, 829:2, 831:14, 831:21, 832:6, 833:24, 845:22, 847:15, 847:18, 851:23, 855:22, 858:8</p> <p>companywide [7] - 796:12, 796:15, 808:4, 814:14, 818:4, 822:12, 824:25</p> <p>comparable [7] - 739:19, 740:12, 787:20, 853:6, 853:9, 853:19, 856:8</p> <p>compare [3] - 767:9, 796:5, 799:17</p> <p>compared [3] - 736:23, 796:4, 798:19</p> <p>compares [1] - 795:24</p> <p>comparison [3] - 721:18, 846:1, 847:14</p> <p>comparisons [1] - 809:22</p> <p>compensate [1] - 856:7</p> <p>compensation [7] - 823:1, 840:14, 856:2, 856:3, 856:21, 862:24, 862:25</p>	<p>competitive [4] - 835:5, 835:8, 836:5, 856:18</p> <p>complaint [1] - 694:10</p> <p>complete [3] - 761:23, 829:18, 840:10</p> <p>complex [1] - 750:16</p> <p>compliance [1] - 833:1</p> <p>complicated [4] - 772:16, 779:2, 860:2, 860:19</p> <p>comply [4] - 645:19, 660:15, 681:5, 681:9</p> <p>component [3] - 761:5, 829:6, 856:14</p> <p>components [11] - 750:13, 765:19, 789:14, 789:25, 793:21, 807:8, 808:17, 811:6, 812:17, 816:6, 860:6</p> <p>comport [1] - 750:20</p> <p>composite [3] - 744:2, 744:7, 744:10</p> <p>comprise [2] - 825:23, 843:8</p> <p>compromise [1] - 714:23</p> <p>compute [2] - 788:16, 789:6</p> <p>computer [1] - 728:25</p> <p>concept [3] - 673:6, 716:22, 778:20</p> <p>conceptually [1] - 768:25</p> <p>concern [8] - 677:14, 710:24, 712:3, 713:1, 781:3, 781:6, 814:22, 862:11</p> <p>concerned [4] - 737:8, 737:25, 743:9, 838:10</p> <p>concerning [1] - 699:7</p> <p>concerns [5] - 646:2, 828:22, 829:20, 832:20, 857:3</p> <p>conclude [5] - 699:20, 749:23, 750:6, 750:18, 752:25</p> <p>concluded [2] - 639:17, 871:9</p> <p>concludes [3] - 759:10, 768:9, 861:17</p> <p>concluding [2] - 760:10, 815:12</p> <p>conclusion [2] - 689:9, 866:10</p> <p>conclusions [1] - 758:16</p> <p>concrete [1] - 808:15</p> <p>conditions [3] - 756:25, 853:3, 853:11</p> <p>conference [1] - 869:7</p> <p>confess [1] - 736:10</p> <p>confidence [1] - 713:16</p> <p>confident [1] - 868:8</p> <p>confidential [1] - 677:25</p> <p>confirm [2] - 686:21, 707:2</p> <p>confirming [1] - 684:18</p> <p>confirms [1] - 649:20</p> <p>confused [2] - 685:15,</p>	<p>685:16</p> <p>consecutive [3] - 791:8, 791:9, 855:13</p> <p>consensus [1] - 734:6</p> <p>consequence [2] - 761:1, 767:23</p> <p>consequences [1] - 760:22</p> <p>consequent [1] - 699:16</p> <p>consider [4] - 674:12, 860:25, 861:22, 869:10</p> <p>Consider [1] - 841:8</p> <p>considerable [1] - 752:6</p> <p>considerably [2] - 696:24, 866:5</p> <p>consideration [9] - 724:11, 750:21, 759:15, 762:11, 786:25, 787:6, 787:21, 836:4, 836:19</p> <p>considered [2] - 751:3, 751:24</p> <p>considering [1] - 829:3</p> <p>considers [1] - 858:1</p> <p>consistency [4] - 724:20, 852:24, 861:4, 866:3</p> <p>consistent [12] - 750:8, 759:12, 838:5, 838:9, 852:10, 852:11, 853:10, 854:1, 855:7, 855:11, 855:12, 855:18</p> <p>consistently [8] - 735:5, 735:9, 737:5, 737:10, 757:8, 777:3, 854:4, 854:13</p> <p>consists [1] - 751:9</p> <p>constant [2] - 642:19, 776:1</p> <p>constantly [1] - 811:13</p> <p>constituency [1] - 710:23</p> <p>constituents [1] - 725:1</p> <p>constitutes [1] - 689:5</p> <p>constitutional [2] - 717:10, 717:11</p> <p>constructed [1] - 769:1</p> <p>consult [1] - 850:16</p> <p>consultant [2] - 786:8, 853:7</p> <p>consultants [1] - 859:22</p> <p>consultants' [1] - 852:16</p> <p>consulting [1] - 786:9</p> <p>consumer [1] - 728:13</p> <p>consumption [1] - 764:16</p> <p>contain [2] - 872:11, 873:10</p> <p>contains [1] - 685:3</p> <p>content [1] - 756:9</p> <p>contentious [2] - 869:1, 869:2</p> <p>context [3] - 759:5, 777:8, 777:9</p> <p>contingent [1] - 686:24</p> <p>continue [7] - 701:25, 759:3, 764:19, 836:19, 853:25, 854:18, 861:6</p>	<p>continued [3] - 639:1, 851:21, 858:11</p> <p>continuing [3] - 782:6, 832:12, 861:2</p> <p>CONTINUING [19] - 651:9, 657:4, 657:21, 688:8, 692:9, 701:16, 702:1, 703:21, 704:17, 724:4, 730:2, 731:1, 734:1, 758:14, 786:4, 790:21, 792:1, 795:14, 824:22</p> <p>contract [1] - 834:10</p> <p>contractual [3] - 683:18, 684:4, 684:5</p> <p>contradicted [1] - 671:16</p> <p>contrary [1] - 778:23</p> <p>contrast [3] - 852:16, 854:9, 855:15</p> <p>contribute [1] - 761:6</p> <p>contributions [3] - 821:13, 840:14, 862:25</p> <p>contributors [1] - 643:13</p> <p>control [1] - 829:21</p> <p>controversy [1] - 682:9</p> <p>convenience [6] - 686:24, 755:14, 756:7, 757:21, 758:5, 795:20</p> <p>convenient [2] - 812:9, 812:10</p> <p>conventional [3] - 694:8, 714:20, 739:15</p> <p>conversation [3] - 673:1, 702:24, 766:6</p> <p>convicted [3] - 808:25, 864:2, 867:3</p> <p>convincing [3] - 809:8, 812:4, 814:23</p> <p>coordinating [1] - 839:8</p> <p>copies [7] - 701:4, 701:6, 734:17, 758:5, 791:16, 824:11, 844:18</p> <p>copy [6] - 657:14, 758:12, 758:15, 795:8, 795:10, 795:19</p> <p>core [1] - 860:6</p> <p>corporate [7] - 693:7, 704:1, 704:5, 704:21, 704:23, 818:12, 819:6</p> <p>corporates [2] - 704:18, 704:20</p> <p>corporation [1] - 818:20</p> <p>correct [53] - 641:15, 652:7, 652:24, 653:12, 654:15, 658:4, 658:15, 660:6, 660:18, 661:10, 661:17, 681:20, 682:24, 690:17, 691:21, 699:10, 700:9, 700:16, 702:15, 702:22, 706:11, 736:25, 737:3, 738:2, 738:12, 739:13,</p>
--	--	--	---

<p>754:5, 760:4, 760:25, 765:10, 765:14, 775:15, 776:3, 776:10, 777:6, 791:3, 792:4, 794:13, 796:2, 804:24, 805:7, 806:13, 806:25, 807:5, 808:10, 809:4, 816:10, 816:11, 826:2, 828:2, 837:25, 844:16, 847:22</p> <p>corrected [1] - 658:15</p> <p>correction [1] - 656:18</p> <p>corrections [16] - 692:1, 747:9, 747:12, 748:3, 748:10, 748:11, 748:17, 749:1, 783:21, 784:17, 785:9, 828:14, 844:14, 844:21, 845:2, 845:11</p> <p>correctly [5] - 748:8, 760:23, 760:24, 785:21, 812:6</p> <p>correlation [3] - 724:5, 725:14, 771:13</p> <p>correspond [1] - 658:9</p> <p>cost [135] - 643:17, 644:5, 644:10, 644:11, 644:16, 645:3, 645:5, 648:16, 649:4, 649:23, 649:24, 649:25, 650:5, 650:7, 650:8, 650:10, 650:12, 650:14, 650:18, 650:20, 650:22, 650:24, 650:25, 651:2, 651:11, 651:15, 651:20, 651:21, 652:8, 652:15, 655:14, 659:16, 663:21, 664:14, 664:17, 664:20, 664:22, 665:4, 665:7, 665:9, 665:10, 665:11, 665:13, 665:25, 666:3, 666:5, 666:9, 666:13, 667:8, 667:12, 667:16, 673:20, 673:21, 674:24, 675:13, 675:17, 683:3, 699:25, 700:8, 700:15, 726:23, 726:24, 729:14, 729:15, 738:25, 744:7, 748:8, 749:22, 749:24, 750:6, 750:8, 750:10, 750:11, 750:14, 750:19, 751:4, 751:7, 751:21, 752:22, 753:24, 754:9, 754:19, 757:1, 757:9, 759:2, 759:16, 759:17, 762:25, 766:1, 767:13, 767:16, 768:18, 768:22, 768:24, 770:10, 775:2, 775:5, 775:7, 775:18, 775:21, 776:15, 777:3, 779:16, 779:17, 792:11, 794:13, 796:4, 800:13, 800:14, 800:19, 800:25, 801:16, 802:15,</p>	<p>812:18, 826:17, 826:19, 829:11, 829:20, 830:24, 831:2, 831:3, 831:11, 831:12, 840:19, 853:14, 854:3, 854:13, 855:2, 855:18, 856:15, 856:25, 858:4, 862:24, 863:1</p> <p>Cost [3] - 750:3, 755:18, 797:19</p> <p>cost-effective [1] - 856:25</p> <p>costing [2] - 755:20, 755:21</p> <p>costs [84] - 643:22, 643:23, 644:8, 652:21, 653:16, 658:6, 663:10, 664:16, 667:5, 674:19, 674:20, 678:13, 684:22, 685:14, 685:19, 712:6, 712:8, 712:9, 712:16, 717:15, 724:16, 749:20, 750:4, 750:22, 750:25, 751:2, 751:18, 753:2, 756:23, 761:14, 765:20, 774:8, 788:15, 794:12, 794:16, 794:18, 794:22, 794:24, 795:16, 795:24, 795:25, 796:3, 796:5, 796:7, 797:16, 797:17, 797:21, 797:23, 797:25, 798:18, 800:18, 800:24, 801:2, 801:3, 801:17, 802:1, 802:5, 802:6, 802:15, 817:1, 817:10, 820:16, 821:6, 821:15, 830:21, 831:5, 831:6, 831:16, 832:1, 840:13, 840:24, 841:1, 852:7, 852:9, 852:14, 854:7, 855:4, 855:21, 856:4, 856:9, 857:1, 857:11, 858:9</p> <p>counsel [10] - 639:20, 826:12, 844:8, 845:14, 847:8, 848:24, 849:21, 851:4, 869:3, 869:19</p> <p>counsel's [1] - 870:18</p> <p>country [1] - 864:3</p> <p>couple [13] - 640:21, 669:8, 676:18, 712:24, 737:12, 744:12, 762:6, 771:12, 819:13, 832:13, 839:12, 847:18, 850:24</p> <p>course [4] - 669:20, 818:8, 851:17, 861:15</p> <p>Court [3] - 821:11, 826:3, 852:23</p> <p>court [3] - 711:24, 867:13, 867:14</p> <p>COURT [2] - 872:1, 873:1</p> <p>cover [1] - 717:14</p> <p>coverage [1] - 712:11</p> <p>CP [55] - 751:24, 752:14,</p>	<p>753:1, 754:6, 754:7, 754:16, 757:4, 757:9, 757:15, 758:24, 759:4, 759:6, 759:8, 759:9, 760:3, 760:4, 760:10, 760:14, 760:18, 761:15, 761:18, 762:5, 762:6, 762:10, 762:19, 767:15, 770:2, 770:3, 770:4, 771:4, 775:1, 775:2, 775:13, 775:17, 777:1, 777:8, 778:19, 778:23, 778:25, 779:6, 779:24, 779:25, 780:2, 780:4, 781:5, 782:4, 782:6, 782:9, 853:24, 854:9, 854:19, 862:23</p> <p>craft [2] - 863:11, 863:14</p> <p>created [2] - 864:11, 864:13</p> <p>credit [9] - 697:11, 711:4, 711:5, 714:11, 714:16, 727:23, 784:23, 853:2, 853:20</p> <p>criteria [3] - 750:23, 756:17, 780:3</p> <p>critical [2] - 756:11, 817:13</p> <p>criticism [1] - 705:4</p> <p>criticize [1] - 711:18</p> <p>cross [8] - 646:21, 697:18, 753:13, 754:22, 754:24, 790:3, 790:6, 829:23</p> <p>CROSS [5] - 647:3, 697:21, 755:1, 790:8, 830:2</p> <p>cross-examination [5] - 646:21, 697:18, 753:13, 790:3, 829:23</p> <p>CROSS-EXAMINATION [5] - 647:3, 697:21, 755:1, 790:8, 830:2</p> <p>cross-examine [2] - 754:24, 790:6</p> <p>CTs [1] - 835:15</p> <p>cumulative [1] - 837:11</p> <p>curb [1] - 840:2</p> <p>curiosity [1] - 662:21</p> <p>current [19] - 643:18, 644:5, 644:8, 644:16, 651:24, 652:4, 652:12, 666:13, 694:24, 696:9, 700:20, 706:14, 750:12, 759:18, 765:17, 831:12, 837:6, 853:3, 861:16</p> <p>customer [9] - 750:9, 750:14, 763:3, 763:25, 764:23, 818:6, 818:19, 819:2, 857:24</p> <p>customers [39] - 717:21, 732:1, 759:2, 763:4, 763:8, 763:15, 763:16, 763:23, 764:13, 764:15, 765:21, 766:15, 778:22, 818:11,</p>	<p>820:14, 828:25, 830:10, 831:4, 831:8, 832:7, 832:22, 834:3, 834:17, 837:11, 837:12, 838:17, 851:20, 852:2, 852:10, 853:12, 853:14, 853:21, 855:3, 856:4, 856:10, 856:25, 857:9, 858:10</p> <p>customers' [2] - 763:19, 764:7</p> <p>cut [3] - 736:5, 840:23, 841:1</p> <p>cutting [1] - 819:20</p> <p>CWK [1] - 732:16</p> <p>CWK-1 [2] - 695:10, 730:21</p> <p>CWK-2 [5] - 695:1, 695:10, 695:11, 695:19, 698:12</p> <p>cycle [8] - 686:23, 787:2, 787:8, 835:15, 838:13, 838:16</p> <p>cycling [1] - 765:1</p>
D			
<p>D.C [2] - 662:16, 773:20</p> <p>DAKOTA [1] - 638:2</p> <p>Dakota [75] - 638:18, 642:11, 645:11, 645:24, 646:14, 649:13, 653:15, 653:22, 661:2, 661:19, 661:22, 661:25, 669:22, 683:3, 692:15, 697:3, 697:9, 697:13, 711:2, 711:8, 723:8, 724:10, 739:22, 739:24, 749:20, 750:5, 753:3, 754:9, 754:20, 757:4, 760:6, 761:16, 762:24, 763:16, 765:21, 770:7, 770:13, 770:15, 770:20, 770:25, 771:6, 771:7, 771:9, 771:10, 772:20, 772:21, 774:6, 776:6, 777:20, 786:12, 786:16, 788:20, 789:3, 789:5, 796:13, 796:16, 796:19, 803:12, 809:19, 814:18, 818:5, 828:20, 830:10, 831:3, 831:4, 832:23, 842:6, 853:16, 864:8, 866:11, 868:18, 872:13, 873:13</p> <p>Dakota's [5] - 653:7, 724:12, 770:10, 770:14, 776:4</p> <p>Dakota-specific [1] - 661:19</p> <p>Dakotans [2] - 858:24, 859:1</p> <p>damage [1] - 798:23</p> <p>damn [1] - 678:9</p> <p>danger [1] - 769:16</p> <p>Dante [4] - 783:16, 784:13, 786:7, 816:19</p>			

<p>DANTE [1] - 784:8</p> <p>data [41] - 704:3, 706:9, 706:14, 726:14, 735:20, 736:5, 736:6, 736:23, 737:1, 737:2, 737:24, 756:25, 787:15, 788:5, 789:2, 799:14, 805:17, 807:19, 807:22, 807:23, 807:24, 807:25, 808:2, 808:7, 808:23, 809:8, 809:19, 810:7, 812:4, 812:5, 812:14, 813:15, 813:17, 814:9, 814:22, 822:17, 822:22, 823:10, 824:24, 855:14</p> <p>date [8] - 698:9, 700:20, 743:12, 745:14, 782:7, 807:20, 869:16, 871:5</p> <p>dates [1] - 830:17</p> <p>days [10] - 669:8, 671:25, 698:11, 706:10, 753:5, 754:5, 762:18, 860:9, 867:18, 867:19</p> <p>DCF [2] - 700:15, 706:8</p> <p>dead [6] - 715:8, 715:18, 715:19, 715:23, 719:8</p> <p>deadline [1] - 869:16</p> <p>deal [1] - 863:15</p> <p>dealing [1] - 726:10</p> <p>dear [1] - 742:20</p> <p>debated [1] - 672:1</p> <p>debit [1] - 674:20</p> <p>debt [5] - 729:15, 744:1, 744:2, 744:9, 745:12</p> <p>decades [3] - 767:12, 776:18, 776:20</p> <p>December [2] - 735:1, 788:10</p> <p>decide [1] - 863:23</p> <p>decides [1] - 766:10</p> <p>decision [13] - 677:7, 686:1, 713:7, 769:7, 837:23, 858:25, 863:12, 863:13, 863:14, 863:15, 863:16, 864:18, 866:9</p> <p>decisions [11] - 672:19, 680:18, 694:6, 694:7, 705:5, 723:15, 763:9, 766:4, 778:21, 836:16, 863:4</p> <p>decline [1] - 699:14</p> <p>declined [2] - 707:9, 707:24</p> <p>declining [1] - 699:19</p> <p>decommission [2] - 677:12, 683:17</p> <p>decrease [5] - 699:16, 789:16, 816:7, 817:24, 818:2</p> <p>decreased [2] - 703:2, 703:3</p> <p>decreases [1] - 700:10</p>	<p>decreasing [2] - 818:3, 860:17</p> <p>deem [1] - 782:10</p> <p>defer [1] - 850:7</p> <p>deferred [2] - 668:5, 712:13</p> <p>define [1] - 679:2</p> <p>defined [2] - 651:22, 663:17</p> <p>definite [1] - 863:2</p> <p>definitely [1] - 670:6</p> <p>degrade [1] - 862:12</p> <p>degree [2] - 713:9, 738:19</p> <p>Delaware [3] - 662:16, 767:5, 767:7</p> <p>delay [1] - 758:10</p> <p>deliberations [1] - 680:11</p> <p>Delmarva [2] - 767:4, 767:6</p> <p>demand [28] - 699:16, 721:7, 750:1, 750:4, 750:14, 751:8, 751:16, 751:20, 751:25, 752:5, 752:7, 752:19, 756:22, 759:2, 763:7, 763:14, 763:19, 763:22, 763:23, 763:25, 764:7, 764:9, 764:13, 764:15, 764:23, 764:24, 766:15, 861:7</p> <p>demand-related [1] - 756:22</p> <p>demands [2] - 756:20, 778:22</p> <p>demolish [6] - 648:18, 648:22, 649:2, 649:3, 649:5, 677:2</p> <p>demolition [1] - 648:17</p> <p>demonstrably [1] - 754:18</p> <p>demonstrate [3] - 658:19, 706:2, 718:4</p> <p>demonstrated [6] - 644:17, 707:16, 709:4, 709:5, 709:7, 833:2</p> <p>demonstration [4] - 707:16, 716:4, 718:7, 750:21</p> <p>denies [2] - 654:9, 654:11</p> <p>Denise [2] - 872:3, 872:16</p> <p>depart [1] - 852:17</p> <p>department [1] - 649:22</p> <p>departs [1] - 694:8</p> <p>depreciable [1] - 661:3</p> <p>depreciate [1] - 663:7</p> <p>depreciating [2] - 663:20, 663:23</p> <p>depreciation [46] - 642:2, 642:6, 642:7, 642:13, 642:15, 642:18, 642:20, 642:22, 643:1, 643:12, 643:14, 643:16, 643:21, 644:5, 644:17, 647:16, 648:17, 650:7, 652:22, 652:23, 653:8, 653:12, 653:21, 655:1, 659:22, 661:19, 661:25, 663:11,</p>	<p>663:13, 664:22, 667:18, 668:5, 668:10, 669:17, 669:22, 674:21, 678:13, 680:7, 680:24, 681:4, 687:11, 712:13, 789:21, 823:3, 854:25, 862:23</p> <p>described [3] - 686:2, 706:8, 788:13</p> <p>deserve [3] - 642:12, 645:24, 807:6</p> <p>deserved [1] - 737:7</p> <p>design [3] - 749:21, 762:8, 769:2</p> <p>designation [2] - 676:24, 691:23</p> <p>designed [2] - 752:21, 762:21</p> <p>desirability [3] - 699:13, 699:15, 703:1</p> <p>detail [1] - 717:3</p> <p>detailed [1] - 774:3</p> <p>determination [6] - 720:25, 721:3, 757:17, 804:11, 811:10, 840:11</p> <p>determinations [1] - 857:6</p> <p>determine [7] - 721:9, 738:3, 754:8, 774:6, 781:7, 840:20, 857:23</p> <p>determined [3] - 644:7, 678:2, 678:4</p> <p>determines [2] - 677:20, 677:21</p> <p>determining [2] - 751:10, 857:25</p> <p>develop [4] - 754:17, 760:6, 760:13, 760:20</p> <p>developed [4] - 735:7, 760:15, 864:5, 864:21</p> <p>development [2] - 821:5, 840:13</p> <p>dialogue [2] - 775:11, 863:25</p> <p>difference [23] - 643:8, 666:15, 668:5, 712:19, 725:15, 725:18, 726:3, 726:11, 726:15, 727:2, 729:3, 740:13, 743:6, 743:14, 743:21, 743:23, 744:11, 745:15, 763:14, 771:2, 771:3, 804:21, 845:23</p> <p>differences [6] - 742:6, 742:9, 743:20, 752:22, 764:12, 775:18</p> <p>different [37] - 650:11, 669:24, 670:6, 673:24, 682:16, 683:22, 716:19, 727:22, 734:7, 736:14, 742:10, 743:11, 745:13, 745:14, 746:22, 762:8, 763:5, 763:14, 765:9,</p>	<p>765:15, 767:16, 772:3, 772:9, 775:10, 776:15, 776:16, 779:7, 794:4, 809:5, 809:6, 817:14, 818:22, 841:12, 849:9, 849:10, 862:14, 863:18</p> <p>differential [2] - 740:23, 763:5</p> <p>differentiate [1] - 763:24</p> <p>differentiated [3] - 764:1, 765:2, 856:9</p> <p>differentiating [1] - 754:10</p> <p>differentiation [1] - 763:18</p> <p>difficult [3] - 787:19, 798:2, 808:5</p> <p>dig [1] - 860:24</p> <p>digging [1] - 859:17</p> <p>dilution [1] - 643:6</p> <p>DIRECT [5] - 641:22, 691:18, 749:11, 784:11, 828:11</p> <p>direct [32] - 642:9, 652:24, 657:5, 657:22, 658:17, 661:9, 677:16, 681:4, 688:5, 691:24, 695:6, 695:9, 697:25, 698:7, 699:2, 699:4, 703:22, 705:3, 748:6, 754:17, 755:11, 755:24, 773:2, 791:13, 792:2, 794:10, 795:15, 816:2, 816:3, 823:25, 824:4, 824:19</p> <p>directed [4] - 685:6, 687:15, 760:12, 760:13</p> <p>directing [1] - 648:1</p> <p>directly [4] - 750:11, 772:18, 851:17, 853:21</p> <p>disagree [3] - 681:9, 802:10, 802:18</p> <p>disagreeable [1] - 862:17</p> <p>disagreed [2] - 802:9, 862:16</p> <p>disallow [2] - 802:14, 840:5</p> <p>disallowance [1] - 773:12</p> <p>disallowances [1] - 724:16</p> <p>disallowing [2] - 722:16, 722:17</p> <p>disbelief [1] - 705:7</p> <p>discipline [1] - 840:7</p> <p>disclose [1] - 655:11</p> <p>disclosure [3] - 681:17, 681:19, 681:25</p> <p>discover [1] - 673:4</p> <p>discovery [2] - 751:23, 779:15</p> <p>discrete [1] - 721:25</p> <p>discuss [2] - 677:15, 796:3</p> <p>discussed [5] - 643:3, 643:9, 657:9, 699:1, 757:4</p> <p>discusses [3] - 755:19, 795:23, 798:14</p> <p>discussion [36] - 640:16,</p>
---	---	---	--

<p>642:6, 658:25, 660:12, 669:17, 670:16, 670:17, 670:20, 670:22, 684:14, 684:19, 685:1, 685:13, 723:7, 726:9, 739:9, 740:25, 741:3, 771:11, 772:2, 775:14, 777:7, 778:14, 778:16, 779:15, 779:16, 790:11, 809:12, 809:13, 812:6, 817:16, 819:14, 820:6, 836:19, 841:21, 857:12</p> <p>discussions [1] - 861:23</p> <p>disdain [1] - 644:17</p> <p>dismantle [3] - 674:8, 677:2, 683:17</p> <p>disorientation [1] - 708:16</p> <p>dispatch [1] - 766:12</p> <p>dispatched [2] - 766:5, 766:14</p> <p>dispatching [2] - 778:20, 779:21</p> <p>displeasure [3] - 644:3, 671:4, 679:9</p> <p>dispute [2] - 660:3, 775:5</p> <p>disregard [1] - 674:2</p> <p>distinction [1] - 775:25</p> <p>distinguished [2] - 765:4, 770:20</p> <p>distribution [15] - 649:8, 649:12, 649:18, 659:24, 661:25, 664:8, 664:9, 750:10, 772:19, 772:20, 795:17, 798:14, 822:9, 832:25, 852:14</p> <p>District [2] - 767:5, 767:23</p> <p>divide [1] - 800:6</p> <p>divided [1] - 800:9</p> <p>dividend [4] - 700:10, 700:14, 702:12, 732:3</p> <p>divides [1] - 650:9</p> <p>DM-14 [1] - 795:3</p> <p>DO [4] - 872:5, 872:9, 873:5, 873:9</p> <p>docket [10] - 728:2, 728:21, 830:9, 835:6, 835:9, 835:11, 835:20, 835:23, 836:1, 836:5</p> <p>dockets [1] - 836:14</p> <p>document [4] - 701:21, 733:12, 758:22, 779:19</p> <p>documentation [3] - 779:23, 780:5, 823:15</p> <p>documented [2] - 672:3, 797:18</p> <p>documents [4] - 751:22, 752:9, 752:15, 834:6</p> <p>Dog [2] - 823:1, 829:9</p> <p>dollar [2] - 664:5, 664:7</p> <p>dollars [18] - 650:9, 650:11,</p>	<p>663:22, 664:17, 664:18, 665:1, 665:2, 665:8, 665:14, 665:17, 666:20, 677:9, 685:20, 685:24, 772:6, 813:22, 847:4</p> <p>donations [6] - 818:21, 818:23, 818:25, 819:3, 821:5, 821:14</p> <p>done [18] - 667:20, 669:25, 676:8, 715:2, 725:6, 779:5, 815:2, 837:10, 838:1, 839:13, 840:22, 861:12, 865:11, 865:20, 866:12, 866:14, 866:17, 867:4</p> <p>double [2] - 817:6, 847:22</p> <p>double-check [2] - 817:6, 847:22</p> <p>doubles [1] - 855:19</p> <p>down [19] - 667:7, 679:23, 692:22, 694:21, 711:16, 711:24, 712:17, 714:19, 717:14, 719:23, 726:11, 776:5, 782:8, 808:20, 812:19, 818:14, 819:13, 819:23, 832:9</p> <p>downgrade [1] - 725:7</p> <p>downgraded [1] - 697:3</p> <p>downgrades [1] - 723:17</p> <p>downgrading [2] - 723:8, 724:6</p> <p>dR [1] - 747:15</p> <p>Dr [11] - 746:15, 755:5, 757:2, 758:14, 759:19, 760:24, 774:25, 789:23, 854:10, 854:14, 854:17</p> <p>DR [2] - 747:11, 747:18</p> <p>dramatic [1] - 720:9</p> <p>drawing [1] - 764:24</p> <p>drawn [1] - 751:13</p> <p>drive [1] - 699:19</p> <p>driven [3] - 664:9, 668:5, 699:16</p> <p>drivers [1] - 751:6</p> <p>drives [1] - 763:8</p> <p>drop [1] - 810:6</p> <p>druthers [1] - 866:19</p> <p>due [2] - 746:22, 847:21</p> <p>dues [3] - 818:14, 818:16, 818:17</p> <p>dug [1] - 860:22</p> <p>duly [5] - 641:20, 691:16, 747:24, 784:9, 828:9</p> <p>duration [1] - 776:22</p> <p>during [10] - 694:13, 698:13, 708:1, 728:22, 808:7, 810:4, 811:22, 830:21, 840:2, 848:6</p> <p>dynamic [1] - 861:1</p> <p>dyslexic [1] - 748:6</p>	<p style="text-align: center;">E</p> <p>early [1] - 718:15</p> <p>earn [6] - 713:4, 713:8, 713:12, 761:7, 841:16, 858:5</p> <p>earned [1] - 713:3</p> <p>earning [3] - 713:15, 716:23, 724:8</p> <p>earnings [11] - 673:11, 673:14, 715:1, 788:20, 803:7, 803:10, 803:17, 803:19, 803:20, 804:12, 823:6</p> <p>earns [1] - 715:10</p> <p>ease [1] - 791:22</p> <p>easier [4] - 667:22, 791:18, 808:8, 866:10</p> <p>easy [1] - 717:21</p> <p>ebb [2] - 706:20, 706:23</p> <p>echo [1] - 868:21</p> <p>economic [3] - 786:8, 821:4, 840:13</p> <p>economical [1] - 858:2</p> <p>economically [1] - 649:1</p> <p>economics [1] - 821:14</p> <p>editorial [1] - 736:6</p> <p>educate [1] - 860:1</p> <p>effect [22] - 661:15, 699:21, 711:8, 721:23, 740:5, 741:3, 743:8, 743:15, 743:21, 743:25, 744:1, 744:9, 751:17, 767:19, 800:15, 801:7, 802:16, 804:7, 804:16, 805:15, 837:20, 842:13</p> <p>effective [3] - 745:15, 837:13, 856:25</p> <p>effectively [1] - 763:1</p> <p>effects [1] - 743:19</p> <p>efficient [1] - 858:2</p> <p>efficiently [1] - 753:25</p> <p>efforts [1] - 859:16</p> <p>eight [1] - 859:18</p> <p>either [15] - 674:21, 686:17, 745:2, 760:11, 767:22, 770:1, 776:6, 818:24, 821:4, 821:9, 821:10, 837:21, 848:7, 848:10, 865:5</p> <p>elected [1] - 866:7</p> <p>electric [11] - 660:19, 660:23, 725:22, 725:23, 750:25, 751:2, 751:5, 751:7, 758:18, 786:15, 832:15</p> <p>Electric [3] - 638:6, 767:3, 767:4</p> <p>electricity [1] - 712:1</p> <p>electronically [1] - 867:25</p>	<p>elsewhere [2] - 724:10, 739:25</p> <p>embedded [3] - 645:9, 653:8, 821:14</p> <p>emergence [1] - 777:14</p> <p>emphasis [2] - 694:1, 712:21</p> <p>emphatic [1] - 705:17</p> <p>employee [2] - 714:3, 862:24</p> <p>employees [5] - 856:3, 856:12, 856:18, 856:19, 857:2</p> <p>enable [1] - 858:4</p> <p>end [20] - 663:12, 674:15, 717:18, 725:2, 726:10, 763:7, 773:2, 802:21, 803:18, 804:1, 804:3, 804:13, 808:13, 813:25, 817:5, 823:11, 844:16, 849:25, 850:5</p> <p>end-of-life [1] - 674:15</p> <p>end-of-year [7] - 802:21, 803:18, 804:1, 804:3, 804:13, 823:11</p> <p>ending [2] - 803:2, 826:20</p> <p>ends [3] - 736:6, 773:16</p> <p>energy [12] - 722:18, 751:8, 754:10, 756:19, 764:11, 764:16, 764:17, 794:12, 797:16, 831:3, 860:6, 860:10</p> <p>Energy [2] - 698:24, 863:10</p> <p>engagement [1] - 858:19</p> <p>enjoyed [1] - 776:25</p> <p>ensure [6] - 697:9, 831:19, 832:10, 833:9, 838:16, 853:20</p> <p>ensures [1] - 851:21</p> <p>ensuring [1] - 858:11</p> <p>entered [2] - 791:12, 828:4</p> <p>entering [1] - 766:2</p> <p>entertain [1] - 826:3</p> <p>entire [3] - 678:15, 711:12, 771:5</p> <p>entirely [3] - 761:14, 761:17, 779:4</p> <p>entities [1] - 705:6</p> <p>entity [1] - 777:14</p> <p>enunciated [1] - 750:2</p> <p>environment [4] - 697:4, 724:24, 739:20, 776:15</p> <p>environmental [1] - 667:11</p> <p>environments [1] - 724:22</p> <p>envision [2] - 718:23, 841:10</p> <p>envisioning [1] - 683:19</p> <p>equal [10] - 696:16, 700:11, 722:19, 740:12, 752:2, 752:7, 752:11, 776:8, 776:10, 795:4</p> <p>equals [1] - 726:16</p> <p>equipment [3] - 642:18,</p>
---	--	--	---

<p>642:21, 685:19 equitable [1] - 852:14 equity [31] - 643:18, 692:14, 694:20, 696:13, 699:25, 700:8, 700:15, 710:9, 712:10, 712:14, 716:2, 719:16, 719:19, 721:11, 722:2, 722:8, 722:10, 722:13, 726:16, 726:23, 726:25, 732:6, 743:22, 743:24, 744:1, 744:3, 744:4, 744:6, 745:12, 862:23 era [1] - 861:12 especially [1] - 808:7 essence [1] - 779:10 essentially [3] - 686:18, 692:22, 767:25 established [2] - 852:23, 866:6 estimate [8] - 649:22, 664:16, 667:16, 699:22, 738:17, 770:9, 775:5, 814:7 estimated [3] - 741:14, 764:14, 771:18 estimates [4] - 644:5, 644:16, 677:8, 738:24 estimation [2] - 779:24, 814:24 estimator [1] - 779:1 estoppel [1] - 676:2 evaluate [1] - 832:1 evaluated [1] - 678:4 evening [1] - 785:4 evenly [1] - 814:10 event [2] - 685:2, 767:12 everyday [1] - 858:23 evidence [13] - 672:18, 694:7, 694:11, 694:14, 694:16, 694:24, 701:21, 704:12, 707:10, 855:20, 857:22, 858:7, 869:14 evident [1] - 797:17 evolved [1] - 866:5 exact [2] - 696:13, 772:7 exactly [6] - 739:7, 741:1, 776:9, 776:11, 776:25, 781:14 exaggerated [3] - 715:17, 737:10, 738:18 exaggeration [1] - 693:3 EXAMINATION [46] - 641:22, 647:3, 662:6, 663:5, 668:17, 672:23, 676:19, 678:22, 679:20, 681:14, 684:12, 686:14, 687:9, 691:18, 697:21, 708:18, 716:14, 723:5, 727:13, 731:10, 735:16, 742:1,</p>	<p>745:6, 749:11, 755:1, 759:23, 762:1, 768:13, 769:22, 774:23, 778:11, 781:1, 782:1, 784:11, 790:8, 806:22, 810:13, 816:17, 821:1, 822:14, 823:22, 828:11, 830:2, 833:17, 835:1, 839:1 examination [5] - 646:21, 697:18, 753:13, 790:3, 829:23 examine [3] - 754:24, 790:6, 847:24 examined [5] - 641:20, 691:16, 747:24, 784:9, 828:9 examining [1] - 756:9 example [9] - 643:7, 663:19, 664:5, 664:6, 664:18, 709:22, 715:4, 732:9, 766:25 examples [1] - 709:22 exceed [3] - 643:11, 696:23, 719:13 exceeds [3] - 663:13, 714:25, 719:15 excellent [3] - 865:8, 868:22, 869:3 except [1] - 735:3 exception [1] - 749:25 excerpt [2] - 657:8, 657:23 excess [11] - 644:19, 645:5, 815:21, 833:11, 833:20, 834:5, 834:7, 834:14 excessive [3] - 697:1, 740:5, 840:3 Exchange [1] - 644:2 excluded [1] - 855:4 excuse [4] - 653:3, 739:20, 747:11, 755:17 excused [4] - 690:5, 746:1, 783:3, 843:7 exercise [1] - 857:22 exhibit [31] - 641:5, 656:24, 657:1, 657:15, 694:18, 695:10, 695:17, 700:24, 703:10, 707:1, 732:21, 732:25, 755:8, 783:22, 791:11, 791:18, 795:11, 826:13, 826:14, 827:6, 843:23, 844:16, 844:17, 844:22, 845:7, 845:19, 846:7, 846:10, 846:14, 847:20, 870:19 Exhibit [45] - 641:10, 657:2, 657:5, 657:17, 691:21, 695:1, 698:12, 701:8, 701:24, 703:18, 704:15, 730:15, 730:21, 732:16,</p>	<p>733:2, 733:24, 742:13, 748:5, 748:18, 749:9, 783:17, 784:18, 785:6, 785:7, 785:15, 785:24, 786:2, 788:24, 788:25, 791:15, 826:25, 828:5, 828:7, 828:15, 843:25, 844:12, 845:1, 845:9, 845:12, 846:14, 848:21, 870:13, 870:22 exhibits [13] - 641:14, 691:25, 692:17, 695:10, 746:20, 784:18, 808:9, 844:7, 844:11, 844:15, 844:19, 869:12, 869:22 Exhibits [5] - 641:18, 746:16, 746:25, 747:10, 748:3 exist [1] - 677:19 existence [1] - 654:11 exists [1] - 678:17 expand [1] - 833:20 expansion [1] - 756:17 expect [5] - 646:15, 725:16, 734:10, 739:3, 770:1 expectations [3] - 643:3, 738:9, 738:24 expected [5] - 756:18, 788:23, 789:7, 803:13, 805:15 expects [2] - 648:4, 648:7 expeditiously [1] - 753:13 expenditure [13] - 643:1, 644:13, 650:1, 650:4, 650:5, 652:2, 652:9, 652:10, 652:11, 665:19, 666:11, 669:1, 686:1 expenditures [1] - 832:9 expense [13] - 642:25, 644:12, 667:18, 675:14, 771:7, 789:22, 791:9, 792:7, 800:6, 818:2, 818:4, 822:10, 854:25 expensed [1] - 799:18 expenses [40] - 668:7, 772:20, 773:9, 773:10, 773:13, 773:19, 773:22, 773:25, 775:22, 786:21, 787:5, 787:9, 787:13, 787:25, 790:1, 792:4, 792:6, 792:11, 794:5, 795:23, 796:24, 796:25, 798:24, 799:6, 799:16, 799:25, 801:22, 807:9, 812:21, 814:9, 814:16, 815:3, 815:4, 817:16, 818:1, 819:14, 822:4, 824:5, 832:1, 855:16 experience [2] - 810:20, 860:4 experiencing [1] - 838:10</p>	<p>expert [1] - 687:11 expertise [1] - 782:13 explain [5] - 655:16, 709:2, 729:3, 743:13, 762:4 explained [11] - 643:3, 645:10, 752:21, 851:25, 852:21, 853:5, 853:13, 853:16, 855:11, 856:1, 856:17 explaining [2] - 766:3, 775:20 explains [1] - 799:3 explanation [3] - 743:5, 752:10, 752:17 explanations [1] - 751:12 explicitly [1] - 721:12 explore [2] - 716:21, 718:8 express [1] - 828:22 expressed [4] - 644:3, 671:4, 679:9, 781:4 expressly [3] - 757:14, 759:6, 854:2 extend [1] - 736:12 extending [1] - 802:2 extent [2] - 801:12, 840:21 external [1] - 672:7 extra [2] - 802:3, 859:25 extreme [1] - 716:1 extremely [3] - 856:17, 860:15, 869:4 eye [1] - 861:11</p> <p style="text-align: center;">F</p> <p>faced [1] - 839:23 facilities [21] - 648:17, 648:19, 648:22, 649:9, 651:24, 675:5, 676:23, 751:6, 751:8, 752:2, 752:18, 752:24, 764:25, 765:1, 766:7, 766:9, 766:13, 836:1 facility [2] - 685:17, 685:18 fact [34] - 642:18, 650:3, 651:16, 661:6, 675:21, 705:12, 705:20, 721:5, 721:10, 721:22, 744:5, 752:13, 758:15, 760:10, 767:22, 770:10, 770:21, 770:24, 771:18, 772:16, 773:8, 773:11, 776:24, 777:24, 779:20, 780:9, 790:25, 809:14, 811:2, 832:18, 835:13, 839:18, 855:19, 867:23 factor [14] - 643:4, 685:22, 723:16, 723:19, 723:20, 724:21, 751:2, 787:15, 788:11, 789:5, 803:12,</p>
---	---	---	--

<p>813:7 factored [1] - 788:12 factors [6] - 663:14, 700:10, 723:17, 759:14, 765:18, 777:13 facts [3] - 646:13, 839:23, 840:10 fail [1] - 853:8 failed [2] - 645:19, 854:14 fails [2] - 854:10, 855:18 fair [13] - 656:22, 659:6, 669:1, 670:23, 699:20, 706:24, 720:14, 736:12, 820:20, 838:19, 857:24, 857:25, 858:5 fairly [4] - 705:21, 720:12, 743:7, 809:23 faith [1] - 649:5 falls [1] - 693:23 familiar [2] - 720:24, 723:13 fans [1] - 868:10 far [10] - 643:11, 675:6, 737:17, 737:18, 746:12, 765:9, 820:3, 844:11, 862:14, 868:7 far-out [1] - 737:17 farm [1] - 839:17 FAS [1] - 655:19 fashion [3] - 729:4, 764:21, 779:13 favor [2] - 677:3, 728:14 favorable [1] - 721:10 favorably [2] - 721:14 feasible [1] - 811:18 feature [1] - 715:24 features [3] - 762:4, 762:11, 762:23 February [4] - 813:24, 815:6, 815:7, 836:13 Fed [2] - 704:10, 705:16 Federal [4] - 693:20, 704:2, 704:6, 734:22 federal [3] - 671:21, 683:15, 793:23 Fedorchak [30] - 639:13, 663:4, 685:2, 686:7, 708:7, 708:17, 716:12, 716:20, 723:22, 723:23, 730:17, 741:24, 761:24, 767:18, 778:17, 780:17, 810:12, 825:10, 829:16, 832:5, 834:22, 841:5, 843:4, 847:13, 851:18, 859:13, 862:2, 865:21, 868:3 FEDORCHAK [37] - 663:6, 668:12, 676:18, 676:20, 678:19, 686:8, 695:12, 701:9, 708:8, 708:13, 708:19, 716:9, 723:22, 723:24, 729:25, 730:5,</p>	<p>730:9, 730:11, 730:22, 742:2, 744:20, 762:2, 768:8, 780:18, 783:1, 810:14, 816:12, 824:13, 824:20, 825:11, 834:23, 835:2, 838:19, 843:5, 859:14, 862:3, 868:9 Fedorchak's [2] - 848:17, 868:6 fell [1] - 847:16 fellow [2] - 858:20, 858:25 felt [1] - 865:17 FERC [10] - 651:17, 653:6, 654:9, 654:15, 654:17, 654:21, 654:24, 655:4, 655:6, 673:12 FETCH [217] - 638:22, 639:4, 639:7, 639:25, 640:3, 640:7, 640:17, 640:24, 641:4, 641:9, 641:16, 646:19, 646:22, 646:25, 651:7, 656:25, 657:11, 657:14, 657:17, 662:3, 662:25, 663:3, 668:14, 672:14, 672:21, 676:16, 678:20, 678:23, 679:15, 681:12, 684:8, 684:10, 686:6, 686:9, 686:11, 687:4, 687:7, 687:22, 687:25, 688:4, 688:7, 689:7, 689:12, 689:16, 689:18, 689:25, 690:3, 690:7, 690:11, 690:18, 690:22, 690:25, 691:4, 691:9, 691:14, 692:6, 692:8, 695:6, 695:17, 695:20, 695:22, 695:25, 697:19, 701:1, 701:3, 701:7, 701:11, 701:22, 701:24, 703:11, 703:15, 703:17, 704:13, 704:15, 708:4, 708:11, 708:15, 716:11, 723:3, 727:8, 730:13, 730:17, 731:8, 732:18, 732:22, 733:1, 733:8, 733:12, 733:15, 733:20, 733:24, 735:13, 741:22, 744:22, 744:25, 745:3, 745:18, 745:21, 745:24, 746:3, 746:8, 746:19, 746:24, 747:2, 747:5, 747:13, 747:16, 747:19, 748:1, 748:23, 749:6, 754:23, 757:25, 758:8, 758:11, 759:21, 761:22, 768:10, 769:20, 774:11, 774:15, 774:18, 774:22, 778:9, 780:16, 780:19, 780:21, 781:16, 781:18, 781:21, 782:17,</p>	<p>782:20, 782:22, 782:24, 783:2, 783:5, 783:9, 783:18, 783:23, 784:2, 784:5, 785:13, 785:17, 785:22, 786:3, 790:4, 790:16, 790:20, 791:19, 791:22, 795:13, 806:20, 810:10, 816:14, 820:22, 821:21, 823:19, 824:12, 825:5, 825:8, 825:13, 825:16, 825:19, 825:22, 826:5, 826:8, 826:24, 827:5, 827:9, 827:16, 827:21, 828:3, 829:24, 833:15, 834:20, 838:21, 842:15, 842:19, 842:23, 843:1, 843:3, 843:6, 843:11, 844:3, 844:24, 845:8, 845:11, 846:1, 846:9, 846:13, 847:1, 847:6, 847:11, 847:25, 848:13, 848:19, 849:1, 849:8, 849:14, 849:24, 850:12, 850:17, 850:23, 851:1, 851:10, 858:13, 859:3, 859:7, 859:10, 861:25, 862:5, 865:6, 865:15, 868:19, 870:8, 870:11, 870:16 Fetch [4] - 639:11, 850:7, 851:12, 858:17 few [20] - 657:6, 684:9, 690:3, 693:17, 698:1, 708:1, 753:5, 755:6, 762:5, 762:9, 774:20, 823:24, 845:2, 849:1, 850:15, 860:9, 866:14, 867:20, 868:5 figure [4] - 717:22, 736:21, 822:12, 863:20 figured [1] - 673:21 figures [1] - 805:6 figuring [2] - 718:21, 772:11 file [5] - 717:25, 718:12, 809:14, 846:4, 846:6 filed [17] - 728:6, 785:6, 788:9, 788:19, 830:16, 831:22, 835:14, 835:24, 843:25, 845:7, 845:21, 846:10, 846:13, 847:20, 857:5, 869:12, 870:23 files [2] - 668:23, 731:5 filing [4] - 684:17, 836:12, 837:19, 840:19 filings [2] - 684:15, 830:24 final [8] - 674:15, 800:15, 801:9, 801:11, 801:12, 801:17, 826:1, 862:18 finally [1] - 750:18 Finance [1] - 702:4</p>	<p>Financial [3] - 733:6, 733:13, 734:5 financial [9] - 645:14, 646:4, 646:8, 654:13, 666:23, 739:12, 787:15, 787:18, 797:4 findings [3] - 758:15, 869:10, 869:15 fine [10] - 664:4, 703:17, 746:19, 758:11, 791:23, 795:13, 824:12, 844:3, 847:3, 850:4 finger [1] - 862:13 finger-pointing [1] - 862:13 finish [1] - 851:6 firm [1] - 786:9 first [47] - 639:19, 640:22, 641:15, 641:20, 669:16, 674:11, 679:1, 679:2, 679:7, 690:21, 691:16, 692:23, 694:11, 712:7, 735:2, 736:7, 737:17, 747:14, 747:24, 748:9, 748:12, 748:18, 753:17, 755:6, 755:11, 755:14, 756:4, 784:9, 800:14, 802:15, 805:4, 805:20, 805:21, 813:17, 820:9, 828:9, 837:21, 859:12, 861:20, 862:20, 862:22, 863:6, 863:24, 867:18, 870:3 fit [3] - 848:6, 854:20, 864:4 five [13] - 661:11, 715:17, 715:22, 719:6, 746:5, 746:6, 788:6, 813:16, 813:17, 813:19, 815:13, 815:16, 826:4 five-minute [2] - 746:5, 826:4 five-year [3] - 661:11, 715:22, 719:6 flak [1] - 711:14 flat [1] - 713:17 flat-out [1] - 713:17 fleet [1] - 764:24 flesh [3] - 668:21, 670:5, 717:4 flexibility [1] - 863:16 flight [1] - 820:3 flights [2] - 819:19, 819:22 floats [1] - 688:20 flow [12] - 642:12, 642:23, 643:2, 643:4, 643:5, 643:13, 645:9, 645:25, 667:24, 712:12, 794:16, 794:22 flowed [1] - 674:21 fluctuate [2] - 807:11, 812:20 fluctuations [2] - 787:1,</p>
---	---	--	--

<p>787:7 focus [2] - 695:13, 812:20 focuses [1] - 758:24 folks [2] - 711:24, 856:23 follow [4] - 739:22, 770:14, 865:8, 868:20 followed [1] - 861:5 following [4] - 739:15, 739:17, 812:6, 848:5 follows [8] - 639:3, 641:21, 691:17, 747:25, 778:14, 784:10, 828:10, 852:12 followup [5] - 671:5, 678:21, 780:17, 825:9, 843:6 folly [1] - 644:7 font [1] - 695:24 football [1] - 862:1 footnote [1] - 698:12 forced [1] - 717:13 forecast [28] - 724:17, 729:11, 729:13, 729:14, 734:12, 734:18, 734:19, 734:20, 735:2, 735:6, 735:22, 736:2, 737:2, 737:18, 737:21, 743:17, 770:24, 805:9, 805:25, 806:2, 806:13, 808:25, 812:3, 814:13, 815:6, 815:7, 855:20 forecasted [10] - 787:14, 787:23, 788:23, 791:2, 792:23, 793:5, 802:25, 807:19, 807:23, 823:10 forecasters [1] - 737:4 forecasting [3] - 693:18, 738:5, 814:4 Forecasts [3] - 733:6, 733:13, 734:5 forecasts [11] - 693:15, 706:1, 733:5, 734:25, 735:5, 735:8, 736:23, 737:9, 737:17, 738:9, 738:23 foregoing [4] - 872:6, 872:10, 873:6, 873:10 forever [1] - 674:23 form [3] - 661:8, 724:19, 731:5 Form [15] - 644:25, 653:6, 654:10, 654:15, 654:17, 654:21, 654:24, 657:9, 667:14, 668:2, 668:3, 673:10, 673:13, 676:5, 688:23 forms [1] - 699:14 forth [3] - 684:15, 692:16, 822:3 fortunately [1] - 755:8 forward [22] - 640:15, 667:15, 667:20, 675:18,</p>	<p>689:22, 732:22, 733:19, 782:9, 787:4, 787:9, 793:12, 822:2, 830:14, 831:21, 857:9, 857:17, 861:10, 861:23, 863:22, 864:25, 865:19 Foss [5] - 795:7, 795:15, 799:3, 822:3, 852:1 Foss's [6] - 795:10, 795:19, 795:22, 798:12, 799:2, 821:25 foundational [1] - 787:12 four [1] - 753:14 fourth [3] - 748:14, 754:2, 863:9 Fox [1] - 816:21 FRED [1] - 703:25 Fred [1] - 816:23 free [8] - 645:25, 712:12, 737:14, 738:10, 738:25, 739:1, 739:2, 862:13 free-for-all [1] - 862:13 fresh [1] - 765:17 fresher [1] - 866:15 Friday [1] - 785:4 front [9] - 660:2, 680:4, 749:14, 785:8, 792:2, 795:20, 804:10, 815:3, 839:14 frowned [3] - 671:8, 671:9, 671:17 frustration [1] - 839:18 fuel [15] - 753:19, 794:9, 794:12, 794:13, 794:15, 794:16, 794:21, 794:22, 795:2, 797:16, 830:24, 831:2, 831:12, 840:19, 862:24 full [3] - 750:14, 812:3, 832:11 fully [6] - 673:1, 774:17, 787:14, 810:24, 811:2, 811:12 function [1] - 712:9 fund [2] - 645:7, 683:15 furnish [1] - 823:11 FURTHER [10] - 676:19, 681:14, 686:14, 687:9, 742:1, 745:6, 778:11, 782:1, 872:9, 873:9 future [34] - 643:5, 643:17, 643:19, 643:22, 643:23, 644:4, 644:8, 644:10, 644:16, 651:14, 651:25, 663:10, 667:16, 675:8, 682:5, 682:7, 685:7, 688:13, 726:1, 729:17, 729:19, 732:8, 738:18, 759:11, 762:10, 782:7, 812:2, 829:8, 841:8, 852:4,</p>	<p>854:18, 855:4, 855:17, 857:5 G GAAP [5] - 644:23, 645:13, 646:4, 646:8, 666:22 gas [1] - 831:15 gather [1] - 770:13 general [5] - 651:18, 705:25, 707:7, 763:25, 859:20 generally [3] - 684:23, 750:24, 751:1 generation [1] - 756:16 generic [1] - 728:19 gentleman [1] - 666:25 Georgia [2] - 662:17, 715:3 get-go [1] - 719:10 Gingery [2] - 873:3, 873:16 given [6] - 646:13, 711:17, 719:1, 722:5, 777:1, 860:20 glad [1] - 860:20 goal [5] - 670:25, 693:24, 718:24, 738:2, 851:19 going-forward [2] - 667:15, 667:20 government [1] - 868:16 Governors [2] - 704:1, 704:2 grant [1] - 686:25 granted [3] - 686:23, 692:25, 817:4 granting [2] - 696:12, 697:1 graph [1] - 702:8 gray [1] - 671:19 great [7] - 769:15, 817:14, 860:3, 860:23, 865:24, 867:9, 868:12 greater [4] - 643:2, 643:5, 663:8, 724:9 greatest [1] - 693:25 greatly [1] - 756:24 greenfield [1] - 687:2 grievance [5] - 654:21, 654:24, 655:4, 655:6, 655:7 grievances [1] - 655:3 gross [2] - 646:12, 803:13 grossly [1] - 771:4 grounded [1] - 654:3 grounds [2] - 643:17, 694:5 group [3] - 670:17, 698:7, 763:4 groups [1] - 818:22 growth [3] - 738:5, 742:20, 829:13 guard [1] - 694:4 guess [13] - 656:13, 673:25, 682:1, 682:25, 698:6,</p>	<p>704:3, 704:8, 704:9, 718:9, 834:5, 839:12, 846:5, 862:8 guidance [1] - 671:11 guys [2] - 713:22, 839:9 H haggle [1] - 863:17 half [10] - 694:3, 713:5, 713:14, 715:9, 715:11, 717:20, 819:11, 819:12, 819:20 halftime [3] - 861:19, 861:21, 862:19 hand [13] - 640:23, 641:1, 691:7, 721:24, 728:9, 732:11, 732:15, 747:20, 749:4, 759:14, 784:3, 791:16, 827:19 handed [2] - 730:18, 758:15 handle [3] - 844:7, 844:14, 844:20 handled [1] - 869:4 handling [1] - 662:11 hands [1] - 796:7 Hankinson [1] - 831:15 happenstance [1] - 706:18 happier [1] - 713:13 happy [4] - 710:24, 710:25, 806:6, 824:8 hard [4] - 708:13, 797:5, 858:21, 865:17 hardly [2] - 693:6, 693:8 head [1] - 730:25 hear [7] - 710:23, 711:22, 711:23, 760:7, 817:25, 840:5, 862:6 heard [13] - 641:1, 680:17, 680:21, 686:21, 747:21, 760:2, 762:17, 766:17, 775:3, 779:11, 783:24, 827:17, 849:20 HEARING [1] - 638:12 hearing [16] - 639:9, 732:25, 746:1, 848:7, 851:19, 862:12, 867:18, 867:19, 867:22, 868:23, 869:1, 869:7, 869:20, 869:25, 871:5, 871:7 hearings [2] - 862:15, 865:2 hefty [1] - 720:12 help [6] - 668:21, 781:7, 824:11, 860:1, 867:17, 868:16 helped [1] - 865:24 helpful [3] - 728:23, 744:17, 762:22 helping [2] - 716:18, 867:21</p>
---	--	---	--

<p>helps [2] - 736:4, 860:14 HEREBY [4] - 872:5, 872:9, 873:5, 873:9 hereinbefore [2] - 872:7, 873:7 Heuer [6] - 643:9, 753:20, 789:19, 822:10, 824:20, 855:11 Heuer's [8] - 779:18, 791:15, 792:2, 793:7, 806:7, 806:10, 813:4, 823:25 high [10] - 694:15, 695:1, 696:21, 707:5, 711:18, 711:19, 722:20, 739:1, 740:14 higher [15] - 643:1, 676:7, 693:5, 693:16, 705:16, 714:23, 727:24, 735:6, 739:21, 739:24, 740:22, 744:6, 744:8, 793:18, 856:20 highish [1] - 732:3 highlighted [1] - 858:22 highly [3] - 671:8, 671:9, 671:17 hire [1] - 668:24 historic [3] - 792:25, 797:17, 808:15 historical [15] - 712:23, 734:22, 743:16, 786:19, 787:10, 787:16, 788:15, 793:16, 810:24, 811:2, 811:4, 811:12, 824:23, 855:16, 866:3 historically [1] - 731:24 history [2] - 702:20, 855:8 hmm [3] - 667:25, 675:7, 709:12 hold [2] - 717:13, 869:11 holding [2] - 700:10, 705:13 Holdings [1] - 767:1 holds [1] - 639:14 homes [1] - 680:4 HON [1] - 638:22 honestly [1] - 839:4 Honor [99] - 639:6, 639:24, 640:2, 640:13, 640:20, 641:12, 646:20, 647:2, 656:23, 657:3, 657:13, 657:16, 657:20, 662:2, 668:16, 672:20, 679:18, 681:11, 684:9, 686:10, 686:12, 687:6, 689:17, 689:24, 690:2, 690:16, 690:20, 691:13, 697:20, 700:23, 701:20, 703:9, 703:12, 703:16, 703:20, 704:11, 704:14, 708:3, 716:13, 731:9, 733:17, 735:11, 735:15, 741:21,</p>	<p>745:20, 745:23, 749:10, 754:25, 757:19, 758:13, 759:20, 768:12, 774:13, 774:19, 778:8, 781:17, 781:24, 782:19, 782:21, 783:14, 786:1, 790:7, 816:16, 821:23, 824:10, 825:3, 825:15, 825:21, 826:2, 826:15, 827:3, 827:7, 827:13, 828:2, 828:6, 830:1, 838:23, 842:21, 842:25, 843:10, 843:21, 843:24, 844:23, 845:3, 845:10, 846:11, 847:10, 848:3, 848:4, 848:25, 849:4, 849:6, 850:11, 851:9, 858:16, 862:7, 870:7, 870:10 hookup [1] - 814:22 hope [2] - 656:8, 695:2 horse [1] - 865:14 hotel [1] - 847:17 hour [7] - 756:11, 756:21, 756:23, 783:6, 792:19, 793:5, 813:5 hours [7] - 756:10, 756:20, 793:2, 793:3, 831:6, 865:21 howls [2] - 711:23 huge [2] - 658:19, 667:17 hundred [11] - 665:2, 665:14, 665:17, 685:24, 719:9, 719:12, 726:22, 767:25, 768:4, 772:14, 775:22 hundred-basis [1] - 726:22 hundreds [1] - 677:8 hungry [1] - 780:22 hypothesize [1] - 712:16 hypothetically [1] - 711:15</p>	<p>ill [1] - 847:16 illegal [1] - 671:7 Illona [2] - 708:8, 863:3 Illona's [1] - 689:20 illustrations [1] - 751:12 image [2] - 818:12, 819:6 imaging [2] - 818:7, 818:9 impact [11] - 726:13, 727:5, 729:6, 741:14, 742:11, 763:5, 771:16, 775:10, 846:18, 858:23, 858:25 impacted [1] - 763:20 impacting [1] - 763:20 implemented [2] - 670:12, 769:15 implications [2] - 699:5, 736:21 implied [1] - 742:20 implies [1] - 709:5 imply [1] - 707:8 implying [1] - 834:7 importance [1] - 860:17 important [2] - 643:4, 861:3 impose [1] - 759:3 imposing [1] - 771:5 impression [2] - 662:9, 779:24 improve [1] - 724:11 improvement [1] - 833:3 imprudent [1] - 855:21 in-service [1] - 830:17 inappropriate [2] - 759:4, 759:7 Inc [1] - 786:10 incentive [14] - 739:23, 760:19, 761:12, 820:4, 820:12, 820:13, 820:18, 822:25, 840:14, 841:9, 855:23, 855:24, 856:14, 862:25 incentives [1] - 841:20 incident [1] - 748:9 incidentally [1] - 725:24 include [11] - 644:4, 644:16, 655:23, 678:13, 712:12, 721:9, 789:22, 792:10, 794:7, 817:17, 840:12 included [16] - 642:6, 652:22, 653:20, 655:18, 656:19, 658:20, 667:12, 668:7, 755:8, 794:17, 794:23, 801:17, 801:18, 819:1, 869:9 includes [14] - 642:22, 648:16, 649:25, 651:1, 651:6, 651:20, 658:12, 665:11, 665:19, 813:19, 815:22, 826:17, 826:18, 852:24 including [2] - 663:10, 856:2</p>	<p>inclusion [1] - 750:23 income [8] - 789:13, 793:23, 793:24, 794:1, 811:9, 811:24, 823:9 incomprehensible [1] - 750:17 inconsistent [2] - 724:15, 854:11 incorporate [1] - 811:19 Incorporated [1] - 767:1 incorporated [1] - 765:19 incorrectly [1] - 784:24 increase [58] - 693:9, 693:10, 693:12, 693:13, 693:22, 699:15, 699:23, 700:9, 705:18, 708:23, 708:25, 709:1, 709:9, 709:10, 709:13, 709:16, 709:25, 710:7, 711:5, 715:20, 718:7, 719:19, 720:10, 720:12, 722:4, 722:7, 722:11, 722:13, 722:21, 726:4, 726:6, 788:13, 789:17, 798:14, 798:15, 799:3, 799:5, 801:25, 805:3, 805:5, 805:8, 805:19, 805:22, 805:23, 805:24, 806:14, 806:15, 813:12, 813:20, 815:22, 823:8, 828:24, 829:8, 837:5, 837:18, 838:5, 842:9, 842:12 Increase [1] - 638:6 increased [11] - 643:22, 643:23, 699:14, 702:25, 710:3, 710:4, 712:6, 788:9, 795:23, 796:10, 813:2 increases [15] - 693:19, 700:20, 705:21, 705:24, 707:25, 709:8, 719:16, 719:20, 726:1, 744:12, 796:4, 837:1, 837:11, 838:16, 841:9 increasing [7] - 643:16, 643:24, 692:23, 700:18, 705:13, 744:9, 805:18 incremental [1] - 854:3 incur [4] - 644:10, 666:19, 674:18, 674:19 incurred [5] - 644:9, 645:3, 659:16, 812:2, 817:10 incurs [1] - 852:7 indeed [2] - 661:23, 661:24 index [3] - 700:21, 752:3, 780:6 indexes [2] - 752:8, 752:12 indicate [5] - 654:3, 694:11, 796:9, 822:5, 830:19 indicated [11] - 656:11, 700:17, 705:4, 709:5,</p>
	<p style="text-align: center;">I</p> <p>i.e [1] - 642:25 idea [4] - 676:22, 716:25, 861:20 ideas [1] - 864:20 identified [3] - 655:15, 734:17, 861:10 identifies [1] - 798:22 identify [19] - 646:15, 701:13, 701:14, 701:16, 703:23, 730:3, 730:13, 733:2, 733:9, 733:10, 733:21, 734:2, 746:12, 764:22, 783:12, 824:15, 826:14, 830:8, 854:14 ignores [1] - 759:2 ignoring [1] - 866:22 Ill [1] - 638:13</p>		

<p>753:8, 780:3, 784:17, 816:6, 829:16, 872:8, 873:8</p> <p>indicates [1] - 696:23</p> <p>indication [7] - 700:3, 706:25, 752:10, 752:16, 779:18, 779:22, 779:25</p> <p>individual [8] - 731:18, 731:20, 732:1, 763:15, 765:6, 771:10, 787:23</p> <p>industry [4] - 671:25, 838:4, 861:1, 861:16</p> <p>inexpensive [1] - 854:6</p> <p>infer [1] - 653:10</p> <p>inference [2] - 648:6, 648:9</p> <p>inferring [1] - 684:16</p> <p>inflated [5] - 643:23, 644:6, 650:12, 663:24, 678:10</p> <p>inflation [4] - 658:20, 666:11, 725:25, 726:2</p> <p>influencing [1] - 756:25</p> <p>inform [1] - 656:9</p> <p>information [18] - 734:3, 751:22, 752:9, 752:16, 769:5, 785:11, 785:12, 804:10, 807:1, 807:20, 826:16, 832:19, 851:16, 857:13, 857:18, 859:18, 867:24, 870:20</p> <p>informed [2] - 656:7, 753:11</p> <p>infrastructure [3] - 842:7, 842:8, 852:3</p> <p>initial [5] - 742:14, 742:22, 742:23, 743:12, 826:22</p> <p>insert [1] - 748:19</p> <p>insignificant [1] - 853:17</p> <p>install [1] - 685:17</p> <p>installation [2] - 685:14, 685:20</p> <p>instead [4] - 645:7, 726:5, 785:12, 787:13</p> <p>institutional [2] - 731:17, 732:3</p> <p>instruct [3] - 747:21, 783:24, 827:18</p> <p>instructed [1] - 691:1</p> <p>instruction [2] - 651:18, 651:19</p> <p>instructions [1] - 851:7</p> <p>integrity [1] - 739:12</p> <p>intend [2] - 670:3, 843:22</p> <p>intended [5] - 644:22, 761:12, 762:12, 791:7, 849:24</p> <p>intends [1] - 661:2</p> <p>intent [1] - 844:21</p> <p>intently [2] - 669:18, 840:20</p> <p>interaction [1] - 768:7</p> <p>interconnection [1] - 817:11</p> <p>interest [37] - 692:23, 693:2,</p>	<p>693:10, 693:12, 693:16, 693:19, 693:21, 694:20, 699:7, 699:15, 699:19, 699:21, 700:18, 700:19, 702:25, 705:8, 705:12, 705:18, 705:24, 708:22, 708:25, 709:9, 709:18, 712:11, 714:4, 720:10, 720:12, 727:25, 728:1, 729:17, 729:19, 732:8, 735:6, 737:15, 737:18, 738:7, 853:12</p> <p>interested [4] - 713:18, 733:18, 743:5, 837:3</p> <p>interesting [3] - 668:22, 669:12, 715:25</p> <p>interests [3] - 851:20, 851:24, 858:10</p> <p>intergenerational [1] - 643:18</p> <p>interim [19] - 722:5, 787:17, 797:4, 800:13, 801:7, 801:10, 801:13, 813:20, 813:23, 814:1, 814:2, 815:22, 842:12, 854:19, 864:13, 864:14, 864:16</p> <p>interject [1] - 849:7</p> <p>intermediate [2] - 752:23, 764:25</p> <p>Internet [1] - 868:1</p> <p>interpret [3] - 671:22, 687:12, 860:16</p> <p>interpretation [3] - 671:20, 689:6, 702:23</p> <p>interpreted [1] - 669:24</p> <p>intervenors [1] - 835:24</p> <p>intrigued [1] - 712:18</p> <p>introduced [1] - 672:18</p> <p>introductory [1] - 827:15</p> <p>invent [1] - 694:17</p> <p>invest [4] - 739:24, 833:8, 838:6, 852:2</p> <p>investing [3] - 731:22, 834:9</p> <p>investment [14] - 642:17, 697:14, 699:14, 703:2, 712:21, 721:6, 724:17, 731:25, 769:16, 772:19, 772:25, 853:9, 853:17, 853:22</p> <p>investments [10] - 739:19, 797:23, 830:10, 832:25, 833:8, 833:25, 853:15, 853:20, 857:4, 857:8</p> <p>investor [16] - 643:3, 697:4, 697:7, 711:14, 713:10, 718:16, 724:24, 738:9, 738:24, 739:18, 740:1, 740:7, 740:10, 740:18, 864:4</p> <p>investor's [1] - 740:17</p>	<p>investor-owned [2] - 718:16, 864:4</p> <p>investors [33] - 643:4, 694:23, 696:13, 696:15, 696:18, 696:24, 710:18, 710:20, 710:21, 710:23, 710:24, 710:25, 711:22, 711:23, 713:12, 713:16, 714:6, 724:25, 725:5, 725:12, 731:16, 731:17, 731:18, 731:20, 732:4, 737:1, 737:5, 737:23, 738:3, 738:14, 738:15, 738:19, 739:3</p> <p>involved [4] - 646:16, 670:9, 713:21, 863:10</p> <p>involvement [1] - 860:17</p> <p>iPad [1] - 695:24</p> <p>IR [1] - 826:18</p> <p>Island [1] - 829:10</p> <p>issue [6] - 662:11, 710:22, 721:5, 721:20, 721:23, 762:18</p> <p>issued [1] - 686:17</p> <p>issues [22] - 642:7, 668:22, 732:5, 753:9, 753:18, 845:22, 846:23, 846:24, 847:1, 847:4, 847:7, 848:10, 848:21, 848:22, 858:22, 858:23, 861:9, 862:13, 862:20, 863:2, 864:16, 869:2</p> <p>IT [1] - 867:11</p> <p>item [2] - 655:15, 807:5</p> <p>items [1] - 807:14</p> <p>itself [1] - 659:5</p>	<p>782:23, 806:23, 810:8, 824:15, 824:18, 824:21, 825:7, 833:18, 834:18, 843:2, 845:17, 846:2, 846:17, 847:3, 850:21, 859:6, 859:9, 867:13, 870:12</p> <p>Jeffcoat's [1] - 671:5</p> <p>Jeffcoat-Sacco [22] - 640:4, 662:4, 681:13, 687:7, 689:14, 727:9, 742:3, 745:5, 759:22, 778:10, 781:19, 782:22, 806:21, 825:6, 833:16, 834:21, 843:1, 845:6, 845:16, 850:16, 859:5, 870:11</p> <p>JEFFCOAT-SACCO [44] - 640:5, 662:7, 662:23, 681:15, 684:3, 687:8, 687:21, 688:2, 688:8, 688:24, 689:11, 689:15, 708:9, 727:11, 727:14, 730:2, 731:1, 731:7, 745:7, 745:16, 759:24, 761:20, 778:12, 780:14, 781:20, 782:23, 806:23, 810:8, 824:15, 824:18, 824:21, 825:7, 833:18, 834:18, 843:2, 845:17, 846:2, 846:17, 847:3, 850:21, 859:6, 859:9, 867:13, 870:12</p> <p>Jersey [7] - 662:18, 810:17, 811:13, 816:23, 816:24, 821:7, 821:16</p> <p>job [6] - 665:21, 668:9, 711:2, 727:16, 839:13, 867:9</p> <p>JOHNSON [56] - 639:23, 646:24, 647:2, 647:4, 651:9, 656:23, 657:3, 657:4, 657:13, 657:20, 657:21, 662:1, 684:9, 684:11, 684:13, 686:4, 688:1, 688:6, 689:17, 697:20, 697:22, 700:23, 701:2, 701:5, 701:10, 701:16, 701:20, 702:1, 703:9, 703:12, 703:16, 703:20, 703:21, 704:11, 704:17, 708:2, 733:17, 735:15, 735:17, 741:20, 745:23, 754:25, 755:2, 757:19, 758:4, 758:9, 758:13, 758:14, 759:19, 774:19, 774:24, 778:7, 781:17, 782:21, 843:24, 848:4</p> <p>Johnson [23] - 639:25, 646:23, 646:25, 647:1,</p>
J			
		<p>January [4] - 734:19, 734:25, 815:5, 815:6</p> <p>Jeanne [1] - 816:20</p> <p>Jeffcoat [22] - 640:4, 662:4, 681:13, 687:7, 689:14, 727:9, 742:3, 745:5, 759:22, 778:10, 781:19, 782:22, 806:21, 825:6, 833:16, 834:21, 843:1, 845:6, 845:16, 850:16, 859:5, 870:11</p> <p>JEFFCOAT [45] - 640:5, 662:7, 662:23, 681:15, 684:3, 687:8, 687:10, 687:21, 688:2, 688:8, 688:24, 689:11, 689:15, 708:9, 727:11, 727:14, 730:2, 731:1, 731:7, 745:7, 745:16, 759:24, 761:20, 778:12, 780:14, 781:20,</p>	<p>693:10, 693:12, 693:16, 693:19, 693:21, 694:20, 699:7, 699:15, 699:19, 699:21, 700:18, 700:19, 702:25, 705:8, 705:12, 705:18, 705:24, 708:22, 708:25, 709:9, 709:18, 712:11, 714:4, 720:10, 720:12, 727:25, 728:1, 729:17, 729:19, 732:8, 735:6, 737:15, 737:18, 738:7, 853:12</p> <p>interested [4] - 713:18, 733:18, 743:5, 837:3</p> <p>interesting [3] - 668:22, 669:12, 715:25</p> <p>interests [3] - 851:20, 851:24, 858:10</p> <p>intergenerational [1] - 643:18</p> <p>interim [19] - 722:5, 787:17, 797:4, 800:13, 801:7, 801:10, 801:13, 813:20, 813:23, 814:1, 814:2, 815:22, 842:12, 854:19, 864:13, 864:14, 864:16</p> <p>interject [1] - 849:7</p> <p>intermediate [2] - 752:23, 764:25</p> <p>Internet [1] - 868:1</p> <p>interpret [3] - 671:22, 687:12, 860:16</p> <p>interpretation [3] - 671:20, 689:6, 702:23</p> <p>interpreted [1] - 669:24</p> <p>intervenors [1] - 835:24</p> <p>intrigued [1] - 712:18</p> <p>introduced [1] - 672:18</p> <p>introductory [1] - 827:15</p> <p>invent [1] - 694:17</p> <p>invest [4] - 739:24, 833:8, 838:6, 852:2</p> <p>investing [3] - 731:22, 834:9</p> <p>investment [14] - 642:17, 697:14, 699:14, 703:2, 712:21, 721:6, 724:17, 731:25, 769:16, 772:19, 772:25, 853:9, 853:17, 853:22</p> <p>investments [10] - 739:19, 797:23, 830:10, 832:25, 833:8, 833:25, 853:15, 853:20, 857:4, 857:8</p> <p>investor [16] - 643:3, 697:4, 697:7, 711:14, 713:10, 718:16, 724:24, 738:9, 738:24, 739:18, 740:1, 740:7, 740:10, 740:18, 864:4</p> <p>investor's [1] - 740:17</p>

<p>657:12, 657:19, 673:2, 684:8, 687:14, 689:16, 697:19, 733:16, 735:14, 741:22, 745:21, 754:24, 759:21, 774:18, 778:9, 781:16, 782:20, 843:19, 870:9</p> <p>joint ^[1] - 846:10</p> <p>joint-filed ^[1] - 846:10</p> <p>jointly ^[2] - 845:21, 846:12</p> <p>JR ^[1] - 641:19</p> <p>Jr ^[1] - 642:1</p> <p>JUDGE ^[217] - 638:23, 639:4, 639:7, 639:25, 640:3, 640:7, 640:17, 640:24, 641:4, 641:9, 641:16, 646:19, 646:22, 646:25, 651:7, 656:25, 657:11, 657:14, 657:17, 662:3, 662:25, 663:3, 668:14, 672:14, 672:21, 676:16, 678:20, 678:23, 679:15, 681:12, 684:8, 684:10, 686:6, 686:9, 686:11, 687:4, 687:7, 687:22, 687:25, 688:4, 688:7, 689:7, 689:12, 689:16, 689:18, 689:25, 690:3, 690:7, 690:11, 690:18, 690:22, 690:25, 691:4, 691:9, 691:14, 692:6, 692:8, 695:6, 695:17, 695:20, 695:22, 695:25, 697:19, 701:1, 701:3, 701:7, 701:11, 701:22, 701:24, 703:11, 703:15, 703:17, 704:13, 704:15, 708:4, 708:11, 708:15, 716:11, 723:3, 727:8, 730:13, 730:17, 731:8, 732:18, 732:22, 733:1, 733:8, 733:12, 733:15, 733:20, 733:24, 735:13, 741:22, 744:22, 744:25, 745:3, 745:18, 745:21, 745:24, 746:3, 746:8, 746:19, 746:24, 747:2, 747:5, 747:13, 747:16, 747:19, 748:1, 748:23, 749:6, 754:23, 757:25, 758:8, 758:11, 759:21, 761:22, 768:10, 769:20, 774:11, 774:15, 774:18, 774:22, 778:9, 780:16, 780:19, 780:21, 781:16, 781:18, 781:21, 782:17, 782:20, 782:22, 782:24, 783:2, 783:5, 783:9, 783:18, 783:23, 784:2, 784:5, 785:13, 785:17,</p>	<p>785:22, 786:3, 790:4, 790:16, 790:20, 791:19, 791:22, 795:13, 806:20, 810:10, 816:14, 820:22, 821:21, 823:19, 824:12, 825:5, 825:8, 825:13, 825:16, 825:19, 825:22, 826:5, 826:8, 826:24, 827:5, 827:9, 827:16, 827:21, 828:3, 829:24, 833:15, 834:20, 838:21, 842:15, 842:19, 842:23, 843:1, 843:3, 843:6, 843:11, 844:3, 844:24, 845:8, 845:11, 846:1, 846:9, 846:13, 847:1, 847:6, 847:11, 847:25, 848:13, 848:19, 849:1, 849:8, 849:14, 849:24, 850:12, 850:17, 850:23, 851:1, 851:10, 858:13, 859:3, 859:7, 859:10, 861:25, 862:5, 865:6, 865:15, 868:19, 870:8, 870:11, 870:16</p> <p>Judge ^[8] - 701:6, 746:14, 834:23, 842:18, 850:7, 851:12, 865:10, 867:8</p> <p>judge ^[2] - 639:12, 858:17</p> <p>judgment ^[1] - 857:23</p> <p>Julie ^[2] - 639:13, 862:8</p> <p>July ^[9] - 693:3, 693:6, 700:20, 702:16, 704:25, 705:1, 709:24, 709:25, 806:3</p> <p>jump ^[2] - 710:17, 715:22</p> <p>June ^[3] - 698:14, 706:9, 822:21</p> <p>jurisdiction ^[19] - 662:13, 675:5, 739:20, 750:5, 753:3, 754:20, 761:17, 763:4, 763:16, 767:22, 772:3, 774:2, 776:24, 777:1, 777:2, 788:20, 836:10, 836:11, 854:4</p> <p>jurisdictional ^[19] - 749:20, 749:24, 751:17, 754:9, 767:11, 773:8, 779:17, 789:3, 789:24, 796:16, 797:20, 797:21, 808:4, 814:16, 822:9, 826:17, 853:23, 854:7, 854:12</p> <p>jurisdictions ^[19] - 662:14, 686:16, 724:6, 767:6, 767:7, 768:2, 769:25, 770:1, 770:18, 770:21, 772:9, 772:12, 773:6, 775:24, 776:9, 776:13, 776:16, 852:15, 854:5</p> <p>justified ^[1] - 649:2</p>	<p>justify ^[1] - 661:11</p> <hr/> <p style="text-align: center;">K</p> <hr/> <p>Kalk ^[17] - 639:15, 668:15, 672:14, 686:9, 716:12, 744:23, 765:23, 768:11, 780:19, 816:15, 825:14, 838:22, 849:8, 850:7, 862:6, 865:19, 866:18</p> <p>KALK ^[31] - 639:5, 668:16, 668:18, 672:12, 672:20, 686:10, 689:20, 695:5, 695:23, 716:13, 716:15, 722:25, 744:24, 768:12, 768:14, 769:18, 780:20, 816:16, 816:18, 820:20, 825:15, 838:23, 839:2, 842:14, 849:6, 849:9, 849:16, 850:1, 850:9, 850:22, 862:7</p> <p>Kansas ^[1] - 686:22</p> <p>Kari ^[1] - 862:22</p> <p>Karl ^[3] - 746:15, 749:16, 789:23</p> <p>KARL ^[1] - 747:23</p> <p>keep ^[4] - 698:3, 856:9, 856:23, 858:24</p> <p>keeper ^[1] - 867:11</p> <p>keeping ^[1] - 856:13</p> <p>keeps ^[1] - 856:9</p> <p>kept ^[2] - 675:3, 746:20</p> <p>kilowatt ^[9] - 788:15, 792:19, 793:1, 793:2, 793:3, 793:5, 812:18, 813:5, 831:6</p> <p>kilowatt-hour ^[3] - 792:19, 793:5, 813:5</p> <p>kilowatt-hours ^[3] - 793:2, 793:3, 831:6</p> <p>kilowatts ^[2] - 813:9, 813:18</p> <p>kind ^[27] - 662:8, 671:5, 675:2, 678:18, 713:15, 715:14, 715:18, 715:25, 725:11, 760:10, 762:24, 766:22, 768:18, 778:22, 814:9, 818:10, 820:10, 837:16, 837:17, 840:11, 842:4, 848:9, 861:17, 862:22, 864:19, 864:21, 867:6</p> <p>King ^[28] - 690:14, 690:19, 691:11, 691:20, 691:25, 692:9, 692:11, 697:17, 697:23, 701:17, 702:1, 703:21, 706:3, 708:21, 716:16, 723:7, 731:12, 733:19, 734:1, 735:18, 738:11, 760:25, 786:9, 789:12, 841:14, 841:22,</p>	<p>847:16, 848:16</p> <p>KING ^[1] - 691:15</p> <p>knowledge ^[4] - 775:5, 831:20, 832:11, 833:4</p> <p>known ^[1] - 787:20</p> <p>knows ^[3] - 675:8, 725:21, 857:21</p> <p>Koenig ^[1] - 856:1</p> <hr/> <p style="text-align: center;">L</p> <hr/> <p>label ^[5] - 701:3, 701:7, 846:14, 848:20, 870:21</p> <p>labeled ^[6] - 691:11, 696:7, 733:1, 785:14, 828:1, 869:22</p> <p>labeling ^[1] - 657:2</p> <p>lack ^[2] - 656:13, 860:16</p> <p>lacks ^[1] - 750:21</p> <p>lady ^[1] - 868:5</p> <p>laid ^[2] - 818:22, 862:22</p> <p>Landover ^[1] - 786:11</p> <p>language ^[3] - 653:6, 687:19, 687:20</p> <p>large ^[5] - 710:18, 710:19, 729:6, 854:7, 854:12</p> <p>largely ^[2] - 664:9, 699:7</p> <p>largest ^[2] - 758:25, 836:9</p> <p>last ^[36] - 642:4, 652:14, 657:22, 669:8, 670:13, 673:2, 678:25, 681:8, 692:19, 693:5, 693:7, 694:3, 708:1, 713:24, 722:3, 747:17, 754:5, 755:14, 756:15, 757:8, 760:14, 762:18, 774:15, 784:14, 802:5, 820:4, 833:2, 833:19, 839:8, 841:7, 848:23, 859:18, 860:9, 864:1, 866:14</p> <p>lastly ^[3] - 675:4, 771:25, 867:6</p> <p>late ^[8] - 785:4, 837:21, 843:25, 845:7, 846:13, 847:20, 869:12, 870:22</p> <p>late-filed ^[5] - 843:25, 845:7, 846:13, 847:20, 869:12</p> <p>latest ^[2] - 729:10, 729:23</p> <p>Laura ^[1] - 851:25</p> <p>LAW ^[1] - 638:23</p> <p>law ^[6] - 639:12, 686:17, 718:6, 758:16, 864:6, 864:8</p> <p>laws ^[1] - 864:21</p> <p>lawyer ^[8] - 671:23, 671:24, 675:22, 681:2, 689:1, 689:8, 717:10</p> <p>lays ^[1] - 862:15</p> <p>lead ^[2] - 707:5, 770:14</p>
--	--	--	--

<p>leadership [2] - 865:18, 865:24</p> <p>leads [2] - 667:2, 741:13</p> <p>learn [1] - 860:21</p> <p>learned [1] - 838:3</p> <p>lease [1] - 684:6</p> <p>least [16] - 646:14, 649:3, 656:11, 667:14, 670:9, 673:6, 681:24, 709:8, 711:19, 718:18, 733:21, 757:7, 811:21, 811:24, 829:17, 832:20</p> <p>leave [4] - 648:23, 649:14, 772:5, 863:22</p> <p>leaves [1] - 772:13</p> <p>leaving [1] - 772:10</p> <p>left [8] - 658:2, 664:20, 683:4, 685:15, 702:20, 859:24, 860:5, 861:22</p> <p>legal [28] - 644:9, 647:16, 656:6, 667:12, 672:21, 675:16, 675:20, 676:2, 676:4, 676:21, 677:11, 677:18, 677:20, 678:6, 682:8, 683:13, 683:14, 683:23, 686:19, 689:5, 689:6, 689:8, 689:23, 841:23, 855:1</p> <p>legally [7] - 676:12, 676:23, 677:1, 677:21, 678:2, 842:2</p> <p>legislation [1] - 870:15</p> <p>legislative [1] - 870:24</p> <p>lengthy [1] - 779:16</p> <p>less [13] - 643:5, 718:25, 740:3, 744:8, 763:2, 768:5, 778:19, 801:10, 801:13, 813:5, 813:6, 820:1, 820:2</p> <p>level [15] - 724:13, 739:2, 773:8, 786:24, 787:5, 787:12, 795:16, 798:15, 801:24, 809:25, 811:25, 813:12, 814:2, 838:5, 856:15</p> <p>levels [2] - 705:13, 821:13</p> <p>levying [1] - 721:2</p> <p>liabilities [4] - 644:20, 654:18, 658:1, 658:14</p> <p>liability [25] - 644:25, 645:13, 646:4, 646:7, 646:17, 650:16, 653:9, 654:5, 654:9, 655:8, 656:1, 656:19, 658:19, 666:22, 672:3, 672:6, 673:18, 677:13, 678:16, 681:19, 682:10, 682:14, 687:18, 688:16, 688:23</p> <p>life [9] - 642:20, 644:12, 652:17, 652:18, 663:12, 664:25, 674:15, 674:22,</p>	<p>808:8</p> <p>likelihood [1] - 725:9</p> <p>likely [6] - 731:23, 754:6, 770:12, 771:2, 795:9, 838:12</p> <p>limited [1] - 647:16</p> <p>Linda [2] - 873:3, 873:16</p> <p>line [44] - 643:15, 646:13, 647:13, 647:23, 648:2, 654:8, 654:10, 655:15, 673:2, 673:8, 673:23, 673:24, 673:25, 674:5, 674:8, 679:7, 685:18, 704:4, 734:21, 735:24, 748:12, 748:13, 748:15, 748:19, 748:20, 756:4, 784:21, 793:8, 793:25, 794:11, 798:13, 799:2, 799:10, 799:11, 807:5, 807:14, 807:24, 812:23, 817:7, 819:13, 830:5, 830:19, 844:20</p> <p>lines [21] - 648:15, 649:12, 652:25, 653:2, 653:3, 654:3, 658:21, 660:12, 660:20, 660:25, 679:2, 699:5, 699:12, 748:14, 748:15, 748:16, 792:6, 792:14, 793:14, 805:2, 817:1</p> <p>lion's [1] - 839:7</p> <p>Lisa [1] - 854:24</p> <p>list [12] - 662:20, 677:21, 677:23, 677:25, 746:18, 837:2, 846:23, 847:1, 848:10, 848:21, 848:22</p> <p>listed [2] - 692:19, 837:4</p> <p>listen [1] - 867:25</p> <p>listening [2] - 778:16, 857:3</p> <p>literally [1] - 868:24</p> <p>lived [1] - 841:6</p> <p>lives [2] - 661:3, 860:12</p> <p>living [1] - 776:14</p> <p>load [3] - 756:18, 756:25, 829:13</p> <p>loaded [1] - 666:25</p> <p>lobbying [1] - 818:18</p> <p>local [1] - 683:17</p> <p>located [1] - 786:10</p> <p>location [1] - 856:22</p> <p>logic [2] - 782:3, 782:6</p> <p>logistics [1] - 746:22</p> <p>LOLPs [1] - 752:3</p> <p>long-term [1] - 693:16</p> <p>look [43] - 640:15, 653:2, 657:6, 657:24, 665:5, 667:22, 669:12, 669:20, 680:19, 687:19, 696:6, 702:4, 702:7, 710:18, 721:19, 726:16, 728:24,</p>	<p>731:21, 735:23, 737:1, 737:24, 738:6, 740:10, 765:17, 769:6, 794:10, 796:8, 796:23, 806:6, 815:8, 822:18, 824:9, 840:20, 840:23, 854:18, 857:9, 857:17, 861:23, 864:10, 864:25, 866:15, 867:5</p> <p>looked [5] - 734:22, 765:8, 797:1, 805:16, 838:14</p> <p>looking [22] - 647:12, 647:13, 660:20, 673:5, 689:22, 706:17, 712:22, 720:19, 728:4, 728:7, 730:16, 737:6, 740:1, 764:14, 765:17, 781:7, 793:7, 798:12, 814:25, 830:23, 857:19, 870:4</p> <p>looks [4] - 740:11, 815:14, 819:17, 868:7</p> <p>lose [1] - 675:2</p> <p>loss [1] - 756:18</p> <p>losses [1] - 829:5</p> <p>lost [2] - 665:5, 724:1</p> <p>loudly [1] - 691:5</p> <p>Louis [2] - 704:6, 704:10</p> <p>low [15] - 676:6, 676:9, 705:8, 705:13, 705:14, 705:15, 705:19, 706:20, 706:23, 707:5, 716:6, 724:8, 853:8, 856:10, 856:13</p> <p>lower [11] - 694:2, 694:16, 709:14, 722:10, 722:11, 722:20, 724:5, 740:8, 740:15, 740:16, 744:2</p> <p>lowers [1] - 721:7</p> <p>luck [1] - 848:12</p> <p>lumped [1] - 683:22</p> <p>lunch [3] - 746:11, 761:24, 783:6</p>	<p>641:24, 642:1, 647:5, 657:4, 657:21, 659:17, 663:7, 672:25, 679:22, 684:14, 690:4, 786:9, 789:21</p> <p>MAJOROS [1] - 641:19</p> <p>managed [1] - 748:7</p> <p>management [3] - 786:8, 796:10, 798:23</p> <p>mandate [1] - 839:20</p> <p>manifested [1] - 666:11</p> <p>manual [5] - 755:15, 755:17, 755:19, 755:25, 797:24</p> <p>Manual [6] - 750:3, 751:14, 752:21, 755:7, 755:19, 797:19</p> <p>March [6] - 730:1, 730:10, 730:19, 730:21, 731:2, 731:4</p> <p>margins [4] - 752:3, 833:11, 833:20, 834:4</p> <p>mark [4] - 757:22, 785:20, 844:4, 844:5</p> <p>marked [9] - 656:24, 657:24, 691:24, 700:24, 703:10, 703:18, 703:23, 732:16, 826:21</p> <p>market [24] - 695:14, 695:15, 696:8, 696:9, 696:18, 696:20, 696:22, 698:10, 740:3, 740:6, 740:7, 740:9, 740:11, 740:24, 766:12, 829:5, 834:11, 834:15, 840:17, 853:3, 853:10, 856:7, 856:15, 856:18</p> <p>market-to-book [4] - 695:14, 696:8, 740:9, 740:24</p> <p>Maryland [8] - 662:17, 767:6, 767:7, 767:15, 767:24, 773:17, 773:18, 786:11</p> <p>match [3] - 791:8, 797:9, 855:16</p> <p>matching [2] - 794:17, 794:23</p> <p>material [1] - 861:22</p> <p>materialize [2] - 693:20, 829:14</p> <p>materials [2] - 785:5, 798:23</p> <p>math [2] - 837:10, 837:13</p> <p>mathematically [1] - 837:16</p> <p>matter [15] - 639:9, 639:14, 648:21, 649:5, 649:10, 667:4, 711:7, 718:6, 721:18, 766:11, 815:20, 826:12, 849:17, 860:2, 869:25</p> <p>matters [2] - 639:21, 827:15</p> <p>maximizing [1] - 714:4</p> <p>maximum [1] - 756:5</p> <p>McCarten [5] - 829:3,</p>
M			
<p>ma'am [2] - 744:24, 780:20</p> <p>main [3] - 787:15, 812:20, 845:22</p> <p>Maine [4] - 715:16, 719:6, 728:2, 728:20</p> <p>maintain [10] - 697:11, 711:4, 711:5, 714:11, 714:16, 727:23, 739:11, 752:2, 752:11, 852:2</p> <p>maintaining [1] - 866:3</p> <p>major [4] - 723:16, 723:20, 724:21, 755:20</p> <p>Majoros [17] - 640:22, 640:25, 641:13, 641:17,</p>			

<p>829:16, 832:7, 832:8, 852:1 McCarten's [1] - 754:4 mean [33] - 647:15, 649:7, 655:10, 662:21, 670:13, 671:6, 679:3, 679:24, 687:19, 709:2, 713:7, 721:7, 736:5, 769:9, 770:4, 771:8, 771:10, 780:9, 807:5, 810:4, 810:6, 836:6, 840:13, 841:5, 844:4, 845:25, 846:1, 848:5, 848:9, 862:20, 862:22, 869:22 means [9] - 653:4, 683:1, 688:9, 688:10, 709:18, 711:1, 744:6, 811:3, 861:14 measure [1] - 738:17 measured [2] - 764:13, 861:4 mechanism [1] - 642:15 mechanisms [2] - 728:4, 841:19 meet [7] - 750:22, 839:20, 840:22, 852:3, 853:8, 854:10, 858:4 meeting [1] - 712:24 meets [1] - 833:9 megawatt [5] - 788:4, 788:5, 788:8, 788:14, 805:13 megawatts [4] - 788:8, 805:18, 835:14, 835:15 members [5] - 843:16, 847:18, 858:17, 858:20, 860:8 memory [1] - 824:8 mention [3] - 780:4, 870:13, 870:17 mentioned [11] - 663:15, 723:21, 731:12, 732:7, 762:6, 765:24, 777:13, 799:23, 832:5, 866:18, 868:3 merely [3] - 834:3, 834:14, 840:22 merit [1] - 782:15 metaphors [1] - 865:11 method [37] - 751:3, 751:9, 751:10, 751:24, 752:14, 753:1, 754:7, 754:8, 754:14, 754:16, 758:24, 759:1, 759:16, 760:18, 760:20, 761:18, 762:25, 764:11, 766:19, 766:20, 770:3, 770:5, 772:3, 777:25, 778:1, 781:5, 782:4, 782:5, 782:6, 782:9, 782:10, 794:5, 853:25, 854:9, 854:15, 854:19 methodologies [4] - 755:20,</p>	<p>764:17, 767:17, 768:7 methodology [9] - 737:15, 755:21, 755:22, 761:3, 761:4, 767:13, 767:15, 770:19, 814:24 methods [25] - 749:24, 750:7, 750:24, 751:1, 752:20, 752:25, 754:10, 756:13, 756:23, 762:5, 762:8, 762:20, 763:2, 763:11, 763:12, 763:21, 764:4, 764:10, 764:20, 764:22, 765:4, 772:9, 772:12, 780:3, 811:19 metrics [1] - 751:7 MICHAEL [1] - 641:19 Michael [2] - 642:1, 789:20 microphone [2] - 691:6, 790:17 mid [1] - 709:25 mid-July [1] - 709:25 middle [1] - 756:3 midwest [1] - 777:15 might [20] - 663:20, 666:23, 674:12, 724:11, 760:21, 761:1, 761:3, 761:15, 762:10, 769:4, 769:6, 769:9, 770:2, 770:14, 770:23, 775:9, 779:7, 779:8, 841:14, 849:19 Mike [3] - 640:22, 668:19, 839:7 mike [1] - 827:22 million [59] - 644:24, 645:2, 645:4, 645:6, 646:3, 646:7, 650:15, 656:14, 656:20, 658:7, 658:12, 658:24, 659:10, 659:14, 660:8, 666:21, 668:2, 668:4, 673:3, 678:17, 683:3, 727:2, 727:3, 727:4, 741:6, 741:13, 741:19, 771:20, 775:2, 775:15, 776:2, 776:5, 788:4, 788:7, 788:17, 789:16, 789:18, 793:18, 793:19, 796:10, 796:20, 799:5, 799:15, 803:22, 804:19, 804:20, 804:21, 813:6, 813:9, 813:21, 814:1, 814:3, 815:21, 815:24, 815:25, 816:9, 830:20, 854:21 millions [1] - 677:8 mind [4] - 709:21, 858:24, 861:10, 861:17 minds [1] - 861:25 mine [2] - 743:11 minimum [10] - 696:24, 711:4, 711:22, 714:15, 714:16, 714:19, 727:17,</p>	<p>727:19, 739:11, 832:13 Minnesota [20] - 680:10, 723:9, 767:10, 769:25, 770:13, 771:7, 774:5, 776:7, 814:17, 835:5, 835:8, 835:13, 835:16, 836:4, 836:9, 840:22, 858:18, 870:14, 870:24 Minnesota's [1] - 839:20 minute [7] - 690:8, 729:2, 743:22, 746:5, 762:3, 785:25, 826:4 minutes [8] - 690:8, 746:6, 826:6, 849:1, 849:11, 849:22, 850:24, 868:5 mismatch [1] - 808:16 MISO [14] - 765:18, 766:2, 766:13, 766:16, 777:14, 777:17, 778:14, 778:20, 779:21, 780:10, 833:12, 834:6, 834:8, 834:15 MISO's [1] - 834:4 miss [1] - 699:2 missed [1] - 827:4 misspoke [1] - 799:8 misunderstand [1] - 772:14 mixture [1] - 753:15 model [7] - 700:15, 738:7, 738:12, 739:5, 739:6, 761:11, 864:3 models [1] - 737:12 modifications [1] - 750:13 modify [1] - 653:6 moment [9] - 658:17, 706:4, 707:20, 735:19, 737:22, 738:21, 755:3, 756:2, 822:11 moments [1] - 657:6 money [16] - 645:4, 646:10, 666:15, 668:24, 672:2, 675:2, 675:11, 678:18, 717:12, 718:5, 771:22, 771:24, 832:13, 839:24, 864:12, 867:22 monitoring [2] - 835:23, 868:14 month [10] - 705:25, 706:1, 711:25, 734:24, 807:21, 811:14, 815:17 month-to-month [1] - 811:14 monthly [14] - 704:3, 704:4, 734:6, 734:25, 751:25, 752:5, 752:7, 752:8, 752:11, 771:12, 780:7, 808:2, 811:7, 830:24 months [24] - 708:1, 733:5, 734:15, 735:4, 735:7, 752:4, 788:6, 791:8, 791:9, 797:7, 807:21, 808:24, 809:4, 811:2, 811:4,</p>	<p>813:16, 813:17, 813:19, 815:13, 815:16, 842:1, 855:14, 859:19, 864:22 Monticello [1] - 823:1 Moody's [3] - 700:21, 703:25, 704:18 morning [12] - 639:4, 639:5, 639:22, 647:5, 647:6, 647:8, 672:25, 692:11, 697:23, 697:24, 746:22, 820:7 most [13] - 650:8, 668:4, 706:14, 753:25, 754:7, 765:3, 765:25, 766:8, 781:11, 792:19, 810:7, 842:6, 863:13 mostly [1] - 743:5 mother [1] - 868:6 motivation [1] - 761:4 move [13] - 639:18, 672:15, 684:11, 691:5, 698:1, 701:20, 703:13, 704:11, 753:18, 826:11, 827:14, 827:22, 863:22 moved [1] - 756:12 movement [1] - 699:8 moving [7] - 750:13, 753:12, 775:13, 778:21, 792:13, 861:10, 864:25 MR [139] - 639:23, 640:1, 640:13, 640:20, 641:8, 641:12, 641:17, 641:23, 646:20, 646:24, 647:2, 647:4, 651:9, 656:23, 657:3, 657:4, 657:13, 657:16, 657:20, 657:21, 662:1, 663:2, 679:18, 679:21, 681:10, 684:9, 684:11, 684:13, 686:4, 687:6, 688:1, 688:6, 689:17, 690:2, 690:16, 690:20, 690:24, 691:13, 691:19, 692:4, 692:7, 692:9, 697:17, 697:20, 697:22, 700:23, 701:2, 701:5, 701:10, 701:16, 701:20, 701:23, 702:1, 703:9, 703:12, 703:16, 703:20, 703:21, 704:11, 704:14, 704:17, 708:2, 731:9, 731:11, 732:15, 732:20, 732:24, 733:17, 733:23, 734:1, 735:11, 735:15, 735:17, 741:20, 745:20, 745:23, 746:14, 746:20, 747:1, 747:3, 747:8, 748:25, 749:3, 749:10, 749:12, 754:21, 754:25, 755:2, 757:19, 758:4, 758:9, 758:13,</p>
--	---	---	---

<p>758:14, 759:19, 774:13, 774:17, 774:19, 774:24, 778:7, 781:2, 781:15, 781:17, 782:19, 782:21, 783:14, 783:20, 784:7, 784:12, 785:3, 785:16, 785:19, 785:25, 786:4, 790:2, 821:23, 822:13, 822:15, 823:17, 825:21, 826:2, 827:13, 828:2, 828:6, 828:12, 829:22, 842:21, 843:10, 843:24, 845:3, 845:10, 847:10, 847:12, 848:3, 848:4, 848:16, 848:25, 850:4, 858:16, 870:6</p> <p>MS [79] - 640:5, 662:7, 662:23, 681:15, 684:3, 687:8, 687:10, 687:21, 688:2, 688:8, 688:24, 689:11, 689:15, 708:9, 727:11, 727:14, 730:2, 731:1, 731:7, 745:7, 745:16, 759:24, 761:20, 778:12, 780:14, 781:20, 782:23, 790:7, 790:9, 790:19, 790:21, 791:11, 791:21, 792:1, 795:6, 795:14, 806:18, 806:23, 810:8, 822:8, 823:21, 823:23, 824:10, 824:15, 824:17, 824:18, 824:19, 824:21, 824:22, 825:3, 825:7, 826:15, 827:3, 827:7, 830:1, 830:3, 833:13, 833:18, 834:18, 842:25, 843:2, 843:21, 844:23, 845:17, 846:2, 846:11, 846:17, 846:21, 847:3, 849:4, 850:6, 850:21, 851:9, 851:11, 859:6, 859:9, 867:13, 870:10, 870:12</p> <p>MUGRACE [1] - 784:8</p> <p>Mugrace [34] - 771:17, 775:9, 783:16, 783:24, 784:15, 784:16, 786:4, 786:7, 790:2, 790:10, 792:1, 795:9, 795:12, 795:14, 795:25, 796:18, 797:11, 798:5, 798:11, 799:1, 799:22, 800:17, 801:6, 802:8, 802:19, 806:18, 810:15, 821:25, 822:16, 823:24, 824:11, 824:22, 825:24</p> <p>Mugrace's [1] - 855:15</p> <p>multi [5] - 715:3, 715:14, 717:6, 767:11</p> <p>multi-jurisdictional [1] -</p>	<p>767:11</p> <p>multi-year [4] - 715:3, 715:14, 717:6</p> <p>multiple [7] - 756:13, 756:23, 763:21, 764:2, 764:4, 829:6, 867:19</p> <p>multiples [2] - 725:24, 726:2</p> <p>multiply [1] - 741:9</p> <p>must [2] - 811:12, 852:2</p> <hr/> <p style="text-align: center;">N</p> <hr/> <p>name [10] - 639:11, 642:1, 669:13, 692:11, 724:2, 747:17, 749:16, 784:14, 786:7, 846:20</p> <p>namely [1] - 714:19</p> <p>Nancy [2] - 846:15, 848:21</p> <p>narrows [2] - 693:11, 708:24</p> <p>NARUC [6] - 750:3, 750:8, 751:13, 752:21, 755:7, 755:18</p> <p>nature [4] - 771:8, 797:18, 808:15, 818:18</p> <p>NDPSC-1-04 [1] - 826:18</p> <p>nearly [1] - 815:20</p> <p>necessarily [7] - 679:22, 724:25, 725:7, 739:17, 760:11, 818:24, 835:25</p> <p>necessary [4] - 714:16, 833:8, 835:17, 852:10</p> <p>necessitated [1] - 829:14</p> <p>necessity [1] - 686:24</p> <p>need [34] - 639:21, 648:13, 667:6, 672:17, 674:1, 689:12, 692:1, 709:3, 714:15, 768:19, 772:11, 785:20, 791:17, 814:22, 816:10, 820:12, 827:1, 827:5, 835:5, 835:25, 836:4, 836:17, 844:9, 849:1, 855:2, 856:6, 856:7, 858:2, 858:3, 860:24, 861:8, 861:15, 870:12</p> <p>needed [5] - 680:11, 739:11, 831:16, 834:2, 853:14</p> <p>needing [1] - 835:4</p> <p>needs [1] - 844:11</p> <p>negative [5] - 659:22, 664:21, 666:5, 666:7</p> <p>net [7] - 646:11, 659:22, 661:21, 666:7, 682:5, 726:20, 794:1</p> <p>network [1] - 832:25</p> <p>never [6] - 716:25, 723:1, 768:4, 816:23, 855:5, 866:12</p> <p>nevertheless [1] - 674:13</p> <p>new [16] - 651:20, 665:19,</p>	<p>673:22, 686:3, 686:22, 708:14, 711:11, 721:6, 729:19, 760:15, 765:18, 801:3, 801:4, 839:25, 857:2, 864:22</p> <p>New [8] - 662:18, 810:16, 811:12, 816:23, 821:7, 821:12, 821:15, 821:16</p> <p>newest [1] - 655:20</p> <p>next [27] - 656:25, 660:19, 660:22, 664:24, 666:3, 666:4, 667:2, 674:22, 681:1, 681:13, 690:13, 715:5, 720:18, 734:13, 734:14, 736:3, 746:4, 746:11, 746:15, 754:17, 756:6, 826:11, 832:13, 836:15, 863:12</p> <p>nice [5] - 691:4, 815:5, 815:7, 849:13, 859:9</p> <p>nine [5] - 797:7, 808:24, 809:3, 815:17</p> <p>nine-month [1] - 815:17</p> <p>nobody [1] - 868:3</p> <p>noncash [2] - 642:25, 668:6</p> <p>noncoincident [1] - 767:14</p> <p>none [4] - 639:23, 640:1, 746:1, 843:17</p> <p>nonlegal [22] - 644:19, 653:7, 653:11, 653:16, 653:23, 654:5, 654:12, 654:16, 654:22, 654:25, 656:6, 656:12, 656:18, 658:9, 658:13, 659:11, 659:18, 666:14, 666:15, 676:21, 855:1, 855:3</p> <p>nonregulated [2] - 679:4, 679:5</p> <p>noon [2] - 746:10</p> <p>normal [3] - 644:4, 644:15, 679:3</p> <p>normalized [2] - 786:24, 787:5</p> <p>NORRELL [83] - 640:1, 640:13, 640:20, 641:8, 641:12, 641:17, 641:23, 646:20, 657:16, 663:2, 679:18, 679:21, 681:10, 687:6, 690:2, 690:16, 690:20, 690:24, 691:13, 691:19, 692:4, 692:7, 692:9, 697:17, 701:23, 704:14, 731:9, 731:11, 732:15, 732:20, 732:24, 733:23, 734:1, 735:11, 745:20, 746:14, 746:20, 747:1, 747:3, 747:8, 748:25, 749:3, 749:10, 749:12, 754:21, 774:13, 774:17, 781:2, 781:15,</p>	<p>782:19, 783:14, 783:20, 784:7, 784:12, 785:3, 785:16, 785:19, 785:25, 786:4, 790:2, 821:23, 822:13, 822:15, 823:17, 825:21, 826:2, 827:13, 828:2, 828:6, 828:12, 829:22, 842:21, 843:10, 845:3, 845:10, 847:10, 847:12, 848:3, 848:16, 848:25, 850:4, 858:16, 870:6</p> <p>norrell [1] - 640:4</p> <p>Norrell [43] - 640:8, 640:11, 641:11, 646:19, 657:14, 662:25, 679:17, 681:12, 687:4, 690:15, 691:14, 704:13, 708:6, 727:10, 731:8, 732:23, 733:21, 735:13, 745:19, 746:12, 748:2, 748:24, 749:9, 774:12, 780:22, 782:18, 783:12, 784:6, 790:5, 821:22, 823:19, 825:19, 825:25, 827:12, 827:24, 829:24, 842:20, 843:8, 845:1, 847:11, 858:14, 859:3, 870:4</p> <p>NORTH [1] - 638:2</p> <p>North [75] - 638:18, 642:11, 645:11, 645:24, 646:14, 649:13, 653:7, 653:15, 653:22, 661:2, 661:18, 661:22, 661:24, 669:22, 683:3, 692:15, 697:3, 697:9, 697:12, 711:2, 711:8, 724:9, 724:12, 739:22, 739:24, 749:20, 750:5, 753:3, 754:8, 754:19, 757:4, 760:6, 761:16, 762:24, 763:16, 765:21, 770:6, 770:10, 770:14, 770:15, 770:20, 770:25, 771:6, 771:9, 771:10, 772:20, 772:21, 774:5, 776:4, 777:20, 786:12, 786:16, 788:20, 789:3, 789:5, 796:13, 796:16, 796:18, 803:12, 809:19, 814:18, 818:5, 828:20, 830:10, 831:3, 832:23, 853:16, 858:24, 859:1, 864:8, 866:11, 868:18, 872:13, 873:13</p> <p>Northern [6] - 638:6, 639:10, 749:19, 751:16, 758:17, 786:14</p> <p>notation [1] - 658:1</p> <p>note [3] - 641:13, 672:15, 746:16</p>
--	---	---	--

<p>notes [2] - 872:12, 873:11 nothing [9] - 640:5, 646:11, 675:13, 738:23, 781:17, 781:20, 819:2, 865:13, 871:4 notice [6] - 672:19, 758:2, 788:3, 788:12, 805:13, 813:8 noticed [2] - 785:5, 805:14 noting [1] - 871:5 November [1] - 810:25 NSP [58] - 639:18, 657:1, 657:2, 657:5, 657:17, 662:11, 675:4, 692:14, 701:9, 701:10, 701:12, 701:24, 703:18, 703:23, 704:15, 706:3, 706:17, 722:1, 751:19, 751:22, 752:5, 752:10, 752:13, 752:17, 752:24, 754:17, 757:15, 759:18, 761:16, 766:1, 766:3, 766:10, 767:10, 769:25, 770:4, 772:18, 773:9, 776:25, 777:20, 778:22, 779:19, 780:10, 782:4, 795:7, 822:1, 822:7, 826:21, 826:25, 837:12, 838:11, 841:9, 843:18, 844:25, 845:12, 854:16, 858:18, 867:7 NSP's [23] - 692:15, 694:10, 749:23, 750:6, 750:9, 750:12, 750:15, 750:18, 753:2, 753:18, 754:3, 754:8, 754:11, 754:18, 757:9, 765:11, 765:12, 766:15, 770:24, 772:5, 774:4, 779:24, 828:23 NSP-Minnesota [3] - 767:10, 769:25, 858:18 NSP-Wisconsin [1] - 767:10 NSPM [3] - 680:6, 770:17, 822:4 NSPM's [1] - 726:21 nuclear [6] - 645:7, 677:12, 766:7, 829:18, 839:24, 856:18 number [39] - 641:8, 651:19, 655:19, 655:20, 656:10, 657:1, 658:1, 659:2, 659:3, 659:5, 663:17, 694:18, 694:19, 726:8, 727:16, 727:18, 727:19, 727:20, 727:21, 727:22, 727:24, 727:25, 728:2, 728:21, 741:9, 744:16, 756:19, 760:25, 767:2, 776:2, 805:11, 805:12, 805:16, 809:16, 816:5, 845:19,</p>	<p>846:3, 846:7, 869:12 numbered [1] - 641:6 numbering [1] - 844:25 numbers [19] - 659:25, 660:6, 661:14, 661:17, 676:5, 676:7, 676:9, 693:3, 694:21, 745:13, 774:1, 798:25, 816:11, 816:13, 824:16, 845:23, 846:2, 846:6 numerous [2] - 680:15, 732:7 nut [1] - 714:18 nutshell [2] - 768:19, 768:20</p> <hr/> <p style="text-align: center;">O</p> <hr/> <p>O&M [4] - 798:15, 799:4, 814:15, 824:5 O'Connor [2] - 852:1, 856:17 oath [2] - 747:13, 827:14 objection [2] - 694:1, 701:22 objections [4] - 657:15, 704:13, 733:3, 733:16 objective [8] - 694:7, 694:11, 694:14, 694:16, 694:19, 694:24, 727:18, 778:24 obligated [2] - 678:3, 678:5 obligation [23] - 644:10, 649:16, 661:1, 661:5, 666:19, 667:10, 677:5, 677:11, 677:17, 677:18, 677:19, 683:13, 683:14, 801:18, 820:17, 832:15, 832:17, 833:7, 833:9, 852:4, 852:8 obligations [2] - 663:18, 855:2 obtain [2] - 642:10, 645:22 obviously [2] - 720:10, 743:10 occasions [1] - 642:4 occur [3] - 772:20, 788:24, 793:13 occurred [1] - 666:12 occurrence [1] - 748:21 occurring [3] - 773:23, 787:1, 787:7 occurs [2] - 764:8, 764:23 OF [4] - 638:2, 638:11, 872:1, 873:1 offer [4] - 701:14, 829:4, 856:20, 864:7 offering [1] - 820:2 offerings [1] - 856:11 office [2] - 736:18, 786:10 official [5] - 672:19, 675:24, 742:7, 758:2, 844:19 officially [1] - 869:24</p>	<p>officials [1] - 866:7 offset [3] - 713:9, 722:15, 722:19 offsetting [3] - 724:11, 760:21, 795:4 often [1] - 856:12 oftentimes [1] - 671:20 old [14] - 649:25, 650:10, 650:11, 651:21, 664:11, 664:12, 664:13, 664:16, 665:3, 665:12, 665:20, 673:20, 734:16, 802:2 once [8] - 667:21, 748:7, 770:25, 856:23, 865:12, 865:13, 866:9, 867:4 one [105] - 642:7, 643:12, 655:2, 663:14, 665:3, 671:18, 674:1, 682:4, 683:7, 683:12, 686:13, 686:21, 687:14, 689:20, 694:2, 695:8, 699:23, 702:4, 702:7, 702:8, 706:5, 712:8, 712:10, 715:4, 715:15, 719:17, 719:18, 720:13, 720:15, 721:14, 723:16, 725:3, 726:8, 728:18, 728:22, 729:1, 730:22, 731:1, 731:17, 739:19, 740:9, 741:2, 743:17, 743:22, 743:25, 745:8, 746:10, 748:18, 754:9, 756:7, 757:24, 757:25, 759:17, 760:4, 760:6, 760:13, 760:15, 762:10, 763:12, 767:13, 768:15, 769:13, 770:14, 772:2, 777:21, 778:13, 781:3, 781:24, 799:23, 799:25, 800:13, 800:19, 801:16, 802:15, 804:25, 807:25, 808:9, 809:10, 809:17, 817:11, 819:19, 820:4, 821:9, 821:10, 822:10, 825:11, 825:25, 836:2, 841:2, 843:22, 845:17, 846:6, 847:5, 847:7, 847:12, 860:6, 866:2, 866:24, 867:5, 868:5 one-third [5] - 731:17, 800:13, 800:19, 801:16, 802:15 one-time [2] - 799:23, 799:25 one-year [3] - 702:4, 702:7, 715:15 ones [4] - 662:22, 713:22, 735:7, 865:12 open [6] - 820:6, 835:9, 861:8, 861:10, 868:16, 869:11</p>	<p>opened [1] - 716:20 opening [25] - 640:10, 640:14, 641:25, 647:12, 656:16, 678:25, 690:19, 691:10, 692:10, 698:4, 698:22, 708:20, 747:6, 749:4, 749:7, 760:1, 783:19, 785:14, 785:18, 785:23, 786:5, 799:24, 827:16, 827:25 operate [3] - 761:13, 780:11, 852:3 operated [3] - 764:6, 765:9, 767:13 operates [7] - 752:2, 752:11, 752:17, 759:18, 770:17, 780:10, 811:18 operating [34] - 767:3, 767:8, 773:7, 776:23, 777:4, 779:21, 786:20, 786:21, 786:24, 787:2, 787:3, 787:5, 787:7, 787:8, 787:13, 787:24, 788:2, 789:13, 790:1, 792:3, 792:5, 792:14, 792:16, 792:17, 793:22, 794:1, 807:9, 807:10, 807:14, 812:19 operation [4] - 751:5, 751:11, 763:10, 765:12 operational [1] - 777:10 operations [7] - 754:3, 754:12, 786:16, 789:6, 796:17, 814:17, 856:7 opinion [9] - 659:8, 672:9, 689:23, 723:18, 727:21, 731:20, 808:21, 839:21 opportunities [2] - 853:10, 856:21 opportunity [7] - 847:23, 848:2, 851:15, 857:10, 857:17, 859:11, 860:21 opposed [6] - 727:18, 769:10, 769:14, 770:3, 770:22, 789:16 opposite [1] - 699:21 order [22] - 645:23, 669:14, 670:4, 686:17, 687:24, 708:5, 746:17, 746:21, 757:20, 758:3, 758:16, 760:5, 761:13, 765:7, 783:9, 802:6, 811:5, 826:9, 833:1, 841:24, 842:3, 856:5 ordered [1] - 653:6 orders [2] - 716:24, 757:23 ordinance [1] - 683:17 organization [1] - 733:7 original [9] - 650:4, 650:10, 666:5, 666:6, 666:9,</p>
---	---	--	--

<p>666:13, 674:16, 674:24, 785:10 otherwise [4] - 644:6, 685:6, 687:15, 860:22 ought [2] - 866:17, 868:15 outcome [1] - 861:11 outlines [1] - 754:2 outside [3] - 694:19, 782:13, 853:5 outstanding [1] - 800:9 over-awarded [1] - 711:17 overage [1] - 773:23 overall [7] - 710:2, 744:10, 744:13, 789:15, 798:13, 816:7, 852:5 overallocated [1] - 773:16 overallocates [1] - 750:4 overearned [2] - 717:17, 717:19 overearns [1] - 717:8 overestimating [1] - 761:18 overly [2] - 750:16, 808:10 overnight [1] - 861:14 overpaying [1] - 643:20 overrecovering [2] - 769:17, 774:8 oversimplify [1] - 807:13 overstate [3] - 729:19, 732:8, 741:16 overstated [2] - 706:1, 735:9 overview [1] - 662:10 owe [1] - 655:24 owed [2] - 644:21, 683:4 owes [2] - 645:1, 646:10 own [3] - 672:19, 758:2, 867:8 owned [2] - 718:16, 864:4</p>	<p>756:14, 758:21, 784:21, 794:10, 795:21, 796:9, 797:14, 798:13, 798:21, 799:2, 799:9, 799:11, 805:1, 806:7, 816:2, 817:21, 818:22, 824:16, 830:5, 830:19, 837:1, 841:7, 844:11, 869:23 Pages [2] - 872:10, 873:10 pages [8] - 692:19, 701:4, 701:5, 824:3, 824:13, 824:17, 872:10, 873:10 paid [2] - 801:13, 840:17 paint [1] - 673:22 paper [3] - 730:3, 730:14, 864:20 paperwork [1] - 717:18 paragraph [7] - 651:18, 678:25, 689:4, 755:15, 756:4, 756:15, 758:22 part [18] - 645:9, 652:15, 665:25, 682:1, 687:24, 726:9, 726:13, 728:10, 742:5, 745:10, 828:22, 830:8, 834:1, 837:21, 842:7, 848:7, 856:1, 857:11 participants [1] - 766:16 participate [1] - 860:9 particular [5] - 738:12, 762:18, 780:6, 834:13, 840:21 particularly [7] - 706:20, 706:23, 729:15, 769:16, 817:7, 837:3, 856:19 particulars [1] - 765:6 parties [13] - 685:5, 689:3, 689:9, 753:11, 758:5, 791:13, 827:7, 835:17, 845:20, 846:4, 851:4, 869:7, 869:17 parties' [3] - 846:19, 846:24, 868:25 parts [1] - 763:5 pass [3] - 690:22, 695:4, 786:1 passage [1] - 658:20 passed [3] - 686:17, 691:10, 827:25 past [14] - 680:17, 680:20, 685:7, 688:11, 694:13, 712:24, 726:1, 753:5, 837:22, 838:2, 838:5, 861:5, 861:13, 866:25 patience [1] - 669:7 pattern [1] - 737:20 Pavlovic [18] - 746:15, 747:9, 747:18, 749:1, 749:13, 749:16, 753:4, 755:5, 757:2, 758:14, 759:19,</p>	<p>762:3, 769:24, 774:25, 789:23, 854:10, 854:14, 854:17 PAVLOVIC [4] - 747:11, 747:15, 747:18, 747:23 pavlovic [1] - 747:19 Pavlovic's [2] - 749:4, 785:17 pay [22] - 642:17, 643:19, 648:4, 648:6, 648:10, 648:13, 651:12, 651:15, 651:23, 652:1, 652:10, 659:15, 668:6, 668:24, 696:15, 697:9, 711:25, 714:17, 725:16, 740:7, 820:19, 855:25 paying [3] - 818:16, 830:20, 853:18 payment [1] - 675:10 payroll [1] - 793:24 peak [23] - 750:1, 750:4, 751:16, 751:19, 752:5, 752:7, 752:19, 756:5, 756:11, 756:13, 756:21, 758:25, 759:2, 763:11, 763:17, 763:21, 764:2, 764:4, 767:14, 780:2, 781:5 peaking [6] - 752:6, 752:23, 765:1, 770:22, 770:24, 771:1 peaks [1] - 780:8 peer [1] - 698:7 peers [1] - 698:24 penalties [4] - 691:2, 747:21, 783:25, 827:18 pending [3] - 836:14, 837:4, 837:5 pennies [1] - 771:12 Pennsylvania [1] - 662:19 pension [1] - 829:5 people [17] - 652:1, 652:2, 652:10, 652:11, 702:2, 712:2, 734:9, 762:16, 808:16, 839:5, 844:2, 864:20, 867:7, 867:11, 867:15, 867:25, 868:14 Pepco [11] - 767:1, 767:5, 767:12, 767:23, 767:24, 772:8, 773:16, 773:19, 776:14, 776:23, 777:4 Pepco-operating [1] - 776:23 per [3] - 658:25, 737:5, 812:18 percent [91] - 650:5, 660:6, 660:7, 660:9, 664:19, 666:7, 685:21, 692:15, 692:18, 692:19, 692:24, 693:5, 693:7, 693:8,</p>	<p>693:17, 693:23, 694:1, 694:22, 696:20, 696:21, 696:25, 697:2, 697:13, 699:25, 700:4, 709:16, 709:18, 709:20, 710:4, 710:12, 710:15, 711:13, 712:17, 713:8, 713:12, 714:11, 715:10, 716:1, 716:6, 719:22, 720:11, 722:5, 722:13, 722:14, 725:6, 725:13, 725:14, 725:17, 725:23, 726:5, 726:12, 726:15, 726:22, 726:24, 734:21, 738:16, 740:19, 741:3, 741:7, 743:24, 744:4, 744:5, 767:20, 767:25, 768:5, 772:10, 772:11, 772:14, 773:19, 773:21, 773:22, 775:19, 775:22, 788:12, 789:12, 793:1, 804:7, 805:6, 805:22, 805:24, 806:3, 813:7, 814:17, 814:18, 814:19, 814:20, 837:18, 855:25 percentage [6] - 699:23, 715:9, 743:23, 743:24, 788:11, 841:18 percentages [1] - 837:15 perception [1] - 713:9 perfect [1] - 677:17 perhaps [7] - 683:18, 685:1, 729:2, 759:11, 807:13, 843:25, 860:24 period [14] - 698:13, 706:9, 718:19, 718:22, 719:3, 735:4, 766:11, 776:22, 784:24, 811:12, 829:1, 837:20, 838:8, 861:19 periods [3] - 644:8, 702:20, 838:2 perjury [4] - 691:2, 747:22, 783:25, 827:18 Perkett [6] - 649:20, 650:5, 664:11, 664:20, 681:3, 854:24 Perkett's [1] - 646:2 persistent [2] - 696:22, 705:7 personal [2] - 728:14, 775:4 personally [1] - 849:22 perspective [6] - 702:16, 725:4, 756:12, 766:1, 833:25, 834:16 perspectives [1] - 716:19 pertain [2] - 735:21, 755:7 pertains [2] - 660:18, 758:17 Peter [1] - 870:22 phases [2] - 838:4, 838:6 PHI [1] - 767:1</p>
P			
<p>p.m [7] - 783:8, 783:10, 826:10, 851:1, 871:6, 871:9 package [1] - 856:2 packets [1] - 785:8 page [70] - 648:2, 648:15, 652:24, 653:1, 654:1, 654:8, 654:10, 657:23, 657:24, 657:25, 658:17, 660:11, 669:13, 669:19, 669:21, 673:2, 679:1, 688:1, 688:4, 695:1, 695:12, 695:16, 695:21, 698:5, 699:4, 699:12, 704:9, 705:4, 730:16, 735:20, 742:11, 748:12, 748:13, 748:14, 748:15, 748:16, 748:18, 755:9, 755:12, 755:18, 755:25,</p>	<p>756:14, 758:21, 784:21, 794:10, 795:21, 796:9, 797:14, 798:13, 798:21, 799:2, 799:9, 799:11, 805:1, 806:7, 816:2, 817:21, 818:22, 824:16, 830:5, 830:19, 837:1, 841:7, 844:11, 869:23 Pages [2] - 872:10, 873:10 pages [8] - 692:19, 701:4, 701:5, 824:3, 824:13, 824:17, 872:10, 873:10 paid [2] - 801:13, 840:17 paint [1] - 673:22 paper [3] - 730:3, 730:14, 864:20 paperwork [1] - 717:18 paragraph [7] - 651:18, 678:25, 689:4, 755:15, 756:4, 756:15, 758:22 part [18] - 645:9, 652:15, 665:25, 682:1, 687:24, 726:9, 726:13, 728:10, 742:5, 745:10, 828:22, 830:8, 834:1, 837:21, 842:7, 848:7, 856:1, 857:11 participants [1] - 766:16 participate [1] - 860:9 particular [5] - 738:12, 762:18, 780:6, 834:13, 840:21 particularly [7] - 706:20, 706:23, 729:15, 769:16, 817:7, 837:3, 856:19 particulars [1] - 765:6 parties [13] - 685:5, 689:3, 689:9, 753:11, 758:5, 791:13, 827:7, 835:17, 845:20, 846:4, 851:4, 869:7, 869:17 parties' [3] - 846:19, 846:24, 868:25 parts [1] - 763:5 pass [3] - 690:22, 695:4, 786:1 passage [1] - 658:20 passed [3] - 686:17, 691:10, 827:25 past [14] - 680:17, 680:20, 685:7, 688:11, 694:13, 712:24, 726:1, 753:5, 837:22, 838:2, 838:5, 861:5, 861:13, 866:25 patience [1] - 669:7 pattern [1] - 737:20 Pavlovic [18] - 746:15, 747:9, 747:18, 749:1, 749:13, 749:16, 753:4, 755:5, 757:2, 758:14, 759:19,</p>	<p>762:3, 769:24, 774:25, 789:23, 854:10, 854:14, 854:17 PAVLOVIC [4] - 747:11, 747:15, 747:18, 747:23 pavlovic [1] - 747:19 Pavlovic's [2] - 749:4, 785:17 pay [22] - 642:17, 643:19, 648:4, 648:6, 648:10, 648:13, 651:12, 651:15, 651:23, 652:1, 652:10, 659:15, 668:6, 668:24, 696:15, 697:9, 711:25, 714:17, 725:16, 740:7, 820:19, 855:25 paying [3] - 818:16, 830:20, 853:18 payment [1] - 675:10 payroll [1] - 793:24 peak [23] - 750:1, 750:4, 751:16, 751:19, 752:5, 752:7, 752:19, 756:5, 756:11, 756:13, 756:21, 758:25, 759:2, 763:11, 763:17, 763:21, 764:2, 764:4, 767:14, 780:2, 781:5 peaking [6] - 752:6, 752:23, 765:1, 770:22, 770:24, 771:1 peaks [1] - 780:8 peer [1] - 698:7 peers [1] - 698:24 penalties [4] - 691:2, 747:21, 783:25, 827:18 pending [3] - 836:14, 837:4, 837:5 pennies [1] - 771:12 Pennsylvania [1] - 662:19 pension [1] - 829:5 people [17] - 652:1, 652:2, 652:10, 652:11, 702:2, 712:2, 734:9, 762:16, 808:16, 839:5, 844:2, 864:20, 867:7, 867:11, 867:15, 867:25, 868:14 Pepco [11] - 767:1, 767:5, 767:12, 767:23, 767:24, 772:8, 773:16, 773:19, 776:14, 776:23, 777:4 Pepco-operating [1] - 776:23 per [3] - 658:25, 737:5, 812:18 percent [91] - 650:5, 660:6, 660:7, 660:9, 664:19, 666:7, 685:21, 692:15, 692:18, 692:19, 692:24, 693:5, 693:7, 693:8,</p>	<p>693:17, 693:23, 694:1, 694:22, 696:20, 696:21, 696:25, 697:2, 697:13, 699:25, 700:4, 709:16, 709:18, 709:20, 710:4, 710:12, 710:15, 711:13, 712:17, 713:8, 713:12, 714:11, 715:10, 716:1, 716:6, 719:22, 720:11, 722:5, 722:13, 722:14, 725:6, 725:13, 725:14, 725:17, 725:23, 726:5, 726:12, 726:15, 726:22, 726:24, 734:21, 738:16, 740:19, 741:3, 741:7, 743:24, 744:4, 744:5, 767:20, 767:25, 768:5, 772:10, 772:11, 772:14, 773:19, 773:21, 773:22, 775:19, 775:22, 788:12, 789:12, 793:1, 804:7, 805:6, 805:22, 805:24, 806:3, 813:7, 814:17, 814:18, 814:19, 814:20, 837:18, 855:25 percentage [6] - 699:23, 715:9, 743:23, 743:24, 788:11, 841:18 percentages [1] - 837:15 perception [1] - 713:9 perfect [1] - 677:17 perhaps [7] - 683:18, 685:1, 729:2, 759:11, 807:13, 843:25, 860:24 period [14] - 698:13, 706:9, 718:19, 718:22, 719:3, 735:4, 766:11, 776:22, 784:24, 811:12, 829:1, 837:20, 838:8, 861:19 periods [3] - 644:8, 702:20, 838:2 perjury [4] - 691:2, 747:22, 783:25, 827:18 Perkett [6] - 649:20, 650:5, 664:11, 664:20, 681:3, 854:24 Perkett's [1] - 646:2 persistent [2] - 696:22, 705:7 personal [2] - 728:14, 775:4 personally [1] - 849:22 perspective [6] - 702:16, 725:4, 756:12, 766:1, 833:25, 834:16 perspectives [1] - 716:19 pertain [2] - 735:21, 755:7 pertains [2] - 660:18, 758:17 Peter [1] - 870:22 phases [2] - 838:4, 838:6 PHI [1] - 767:1</p>

<p>phone [1] - 736:18 phrase [1] - 656:13 picture [3] - 673:23, 714:5, 867:5 piece [6] - 683:3, 713:20, 730:3, 730:14, 817:13, 818:5 pieces [2] - 823:2, 823:4 pin [1] - 808:20 place [14] - 648:23, 649:14, 717:20, 719:2, 742:21, 747:13, 777:17, 801:23, 803:15, 804:5, 864:14, 866:24, 872:7, 873:7 placed [5] - 693:25, 789:7, 803:14, 827:14, 870:21 placement [1] - 666:12 places [1] - 656:10 plan [4] - 780:6, 829:5, 836:12, 836:15 plane [1] - 819:19 planes [1] - 819:20 planner's [1] - 756:12 planning [13] - 649:21, 746:10, 751:4, 751:11, 751:21, 754:3, 754:11, 756:17, 763:10, 779:20, 780:12, 830:14, 857:5 plans [4] - 752:1, 752:10, 752:17, 831:21 plant [46] - 642:17, 642:21, 646:12, 649:3, 649:5, 658:6, 659:17, 659:19, 659:21, 663:13, 664:19, 664:21, 677:2, 677:9, 686:23, 687:1, 696:12, 772:25, 788:21, 789:6, 802:20, 803:2, 803:6, 803:8, 803:16, 803:21, 804:6, 804:8, 804:16, 804:18, 804:20, 804:22, 804:24, 811:5, 811:11, 814:9, 823:12, 823:15, 826:20, 831:15 plants [5] - 677:12, 831:16, 831:23, 839:24, 856:23 play [7] - 675:9, 765:18, 776:2, 835:19, 858:22, 863:19, 864:16 playing [1] - 841:11 plays [1] - 671:1 pleasant [1] - 859:22 pleasantness [1] - 859:20 pleases [1] - 697:8 plus [4] - 685:24, 715:19, 777:21 point [39] - 640:15, 647:10, 655:5, 669:19, 670:24, 672:21, 674:18, 676:3, 689:21, 699:23, 700:5,</p>	<p>705:11, 709:25, 713:2, 715:9, 716:23, 717:14, 718:16, 724:19, 726:22, 741:2, 741:10, 756:3, 764:2, 772:5, 778:18, 779:12, 783:15, 794:9, 797:11, 799:2, 803:23, 805:1, 808:23, 816:5, 821:24, 838:17, 847:19 pointed [2] - 729:18, 832:18 pointing [3] - 834:3, 839:13, 862:13 points [13] - 692:23, 693:15, 700:4, 700:5, 709:17, 710:5, 719:9, 719:12, 719:17, 744:13, 751:13, 829:4, 829:9 pole [40] - 649:18, 649:19, 649:23, 649:25, 650:10, 651:20, 651:21, 652:2, 652:3, 652:5, 652:6, 663:21, 664:5, 664:7, 664:11, 664:12, 664:13, 664:16, 664:25, 665:3, 665:9, 665:10, 665:12, 665:13, 665:19, 665:20, 665:21, 666:6, 666:9, 666:13, 667:9, 673:20, 673:22, 674:10, 674:16, 685:18, 686:3 pole-to-pole [1] - 674:10 poles [6] - 649:13, 651:13, 674:3, 675:25, 676:4, 680:3 policy [1] - 649:11 pontificate [1] - 849:19 portfolio [2] - 639:14, 865:22 portion [6] - 647:17, 649:23, 660:13, 660:15, 757:20, 764:23 position [3] - 647:20, 672:2, 679:13 positions [5] - 846:18, 846:19, 846:25, 869:8 possibility [1] - 756:24 possible [9] - 647:8, 761:14, 761:17, 777:19, 779:4, 861:11, 868:2, 868:8, 868:13 post [3] - 811:3, 811:11 post-test [3] - 811:3, 811:11 postponing [1] - 829:7 potatoes [1] - 711:9 potential [2] - 775:12, 839:13 potentially [1] - 840:23 Potomac [1] - 767:3 Power [8] - 638:6, 639:10, 728:20, 749:19, 751:17, 758:18, 767:3, 786:14 power [12] - 674:4, 674:6,</p>	<p>794:9, 794:16, 794:22, 795:3, 795:16, 834:8, 836:17, 857:12, 865:1, 866:19 PPA [1] - 753:18 PPAs [1] - 866:20 practical [2] - 711:7, 767:23 practice [8] - 644:3, 644:18, 648:22, 671:5, 679:9, 717:16, 855:9, 856:25 practices [1] - 671:7 Prairie [3] - 829:10, 830:21, 831:5 precedence [6] - 836:10, 852:12, 852:18, 866:2, 866:15, 866:25 precedences [1] - 866:6 precedent [5] - 680:18, 680:20, 759:13, 854:11, 861:3 precise [7] - 744:16, 763:3, 764:21, 765:3, 770:19, 814:25, 815:1 precision [1] - 765:5 predict [1] - 718:22 predicting [3] - 705:20, 705:23, 781:5 prefer [2] - 713:16, 784:14 preferable [1] - 856:22 preference [3] - 728:14, 729:21, 850:8 prefiled [2] - 732:17, 785:6 prehearing [1] - 869:6 preliminary [1] - 639:21 premise [1] - 676:2 premium [3] - 737:15, 738:8, 739:5 prepare [1] - 847:16 prepared [10] - 640:10, 640:18, 640:21, 643:7, 733:22, 734:2, 734:4, 817:15, 851:8, 867:17 preparer [1] - 847:24 prepares [1] - 649:22 preparing [3] - 736:15, 865:18, 865:21 present [16] - 639:12, 640:25, 644:11, 667:12, 676:10, 677:13, 682:6, 685:7, 688:12, 691:1, 747:7, 783:24, 827:17, 851:15, 863:20, 868:14 presentation [1] - 640:9 presentations [1] - 859:19 presented [6] - 698:22, 754:3, 806:12, 839:9, 847:17, 857:22 presenting [1] - 859:17 President [3] - 829:2, 832:6, 832:8</p>	<p>presumption [1] - 713:4 pretty [10] - 717:21, 720:4, 774:20, 776:19, 816:1, 839:9, 862:14, 862:21, 863:7 prevention [1] - 798:23 previous [9] - 642:25, 680:18, 680:20, 698:11, 716:17, 716:24, 753:15, 753:16, 863:4 previously [1] - 759:1 price [12] - 652:9, 673:12, 678:10, 695:15, 696:9, 698:10, 706:9, 740:6, 740:7, 740:15, 740:16, 740:21 prices [14] - 643:6, 698:7, 698:13, 698:16, 699:17, 700:7, 700:9, 706:20, 707:1, 707:5, 707:8, 707:24, 710:8, 717:14 pricing [2] - 737:16, 738:7 primary [9] - 642:7, 643:12, 645:21, 647:24, 682:9, 751:2, 751:6, 759:17, 829:12 principle [4] - 661:6, 661:7, 769:12, 769:13 principles [8] - 681:5, 682:4, 707:12, 707:19, 707:22, 750:2, 750:9, 852:11 pro [1] - 652:17 probability [2] - 724:8, 756:18 problem [4] - 666:18, 693:18, 781:12, 834:17 problematic [2] - 663:16, 666:17 procedure [1] - 718:11 procedures [3] - 749:25, 750:7, 852:13 proceed [19] - 640:8, 647:1, 657:19, 684:10, 690:13, 691:14, 692:10, 746:4, 758:12, 783:11, 827:10, 828:5, 828:17, 845:15, 847:8, 849:5, 849:25, 851:3, 851:8 proceeding [18] - 640:18, 656:3, 661:20, 727:1, 749:19, 753:19, 754:15, 754:16, 758:18, 788:10, 801:10, 808:7, 830:11, 831:17, 851:17, 857:17, 858:8, 863:9 proceedings [6] - 639:1, 811:22, 834:13, 860:18, 872:6, 873:6 process [16] - 682:1, 754:1, 793:25, 797:13, 797:21,</p>
---	---	--	--

<p>798:7, 798:9, 814:21, 835:9, 835:13, 836:22, 847:21, 852:5, 855:22, 856:9, 860:9</p> <p>processes [2] - 835:11, 852:17</p> <p>produce [4] - 787:17, 808:6, 808:11, 834:9</p> <p>product [1] - 663:20</p> <p>production [26] - 648:17, 648:19, 680:8, 750:25, 751:5, 751:7, 751:18, 752:14, 752:18, 752:23, 753:2, 754:19, 756:23, 763:6, 764:24, 764:25, 766:5, 766:7, 767:21, 772:23, 772:24, 773:4, 773:9, 795:16, 834:16</p> <p>profess [2] - 671:23, 675:22</p> <p>profession [1] - 663:15</p> <p>Professional [4] - 872:4, 872:17, 873:4, 873:17</p> <p>professional [8] - 644:1, 644:6, 644:14, 646:9, 663:15, 666:16, 679:8, 859:19</p> <p>professionalism [3] - 860:5, 868:25, 871:3</p> <p>professionally [1] - 869:4</p> <p>profit [1] - 714:4</p> <p>programs [2] - 818:6, 829:11</p> <p>project [5] - 649:23, 649:24, 814:3, 815:9</p> <p>projected [19] - 788:4, 788:14, 789:6, 790:14, 790:22, 791:1, 791:2, 798:3, 805:23, 806:14, 806:15, 807:25, 809:14, 812:1, 812:22, 813:9, 815:15, 822:23, 855:17</p> <p>projecting [2] - 811:8, 812:24</p> <p>projection [1] - 715:5</p> <p>projections [8] - 787:19, 808:13, 809:7, 809:8, 810:1, 811:14, 811:23, 814:12</p> <p>projects [11] - 722:18, 807:18, 829:9, 829:13, 829:18, 829:19, 830:17, 840:16, 840:17, 840:18, 840:21</p> <p>promise [2] - 684:1, 725:8</p> <p>promissory [1] - 676:2</p> <p>promote [2] - 819:5, 864:6</p> <p>promotes [1] - 818:11</p> <p>pronged [1] - 810:23</p> <p>pronounce [1] - 747:17</p> <p>pronounced [1] - 784:14</p> <p>proof [1] - 656:21</p>	<p>propensity [2] - 729:11, 729:18</p> <p>proper [3] - 760:19, 773:1, 820:17</p> <p>properly [3] - 646:16, 772:18, 867:17</p> <p>property [11] - 642:17, 642:20, 685:8, 685:10, 686:18, 686:19, 686:20, 687:17, 688:15, 793:17, 793:20</p> <p>proportion [3] - 744:3, 744:4, 744:6</p> <p>proportionately [1] - 740:22</p> <p>proposal [8] - 710:12, 710:13, 719:7, 728:11, 753:18, 798:13, 804:7, 831:15</p> <p>proposals [5] - 681:5, 749:18, 778:2, 778:5, 852:17</p> <p>propose [6] - 661:2, 661:24, 769:6, 799:24, 845:4, 845:6</p> <p>proposed [22] - 661:18, 746:17, 749:21, 750:9, 750:12, 750:22, 753:21, 777:25, 784:23, 788:18, 788:23, 797:9, 803:11, 805:19, 817:24, 823:7, 853:8, 855:6, 855:12, 855:24, 869:10, 869:15</p> <p>proposes [1] - 663:10</p> <p>proposing [5] - 667:17, 743:8, 800:17, 804:21, 847:19</p> <p>proposition [1] - 707:7</p> <p>protect [1] - 643:19</p> <p>protected [1] - 675:1</p> <p>protocol [3] - 757:22, 848:5, 849:10</p> <p>proved [1] - 706:1</p> <p>proven [1] - 737:10</p> <p>provide [36] - 642:13, 645:18, 649:17, 697:7, 726:20, 756:21, 757:23, 757:25, 760:19, 761:12, 795:11, 797:4, 799:14, 803:3, 807:21, 808:1, 811:7, 811:22, 818:10, 818:19, 820:13, 820:17, 820:18, 820:19, 822:17, 822:22, 824:8, 832:15, 832:18, 834:2, 839:6, 843:15, 848:8, 853:1, 857:18, 865:24</p> <p>provided [16] - 645:25, 677:23, 741:5, 751:22, 779:15, 785:6, 786:13, 790:23, 803:20, 822:11,</p>	<p>824:23, 826:21, 826:23, 832:19, 855:20, 858:7</p> <p>provides [7] - 642:23, 675:11, 751:12, 786:22, 787:8, 787:11, 818:20</p> <p>providing [2] - 787:3, 832:22</p> <p>proving [1] - 809:4</p> <p>provision [2] - 648:10, 685:4</p> <p>prudence [3] - 720:25, 721:3, 857:6</p> <p>prudency [1] - 830:9</p> <p>PSC [22] - 641:9, 641:14, 641:18, 691:11, 691:20, 701:8, 701:9, 733:2, 733:24, 746:16, 748:3, 749:5, 749:8, 783:16, 784:17, 785:15, 786:2, 828:1, 828:5, 828:7, 845:9, 845:12</p> <p>PU-07-776 [8] - 642:4, 642:8, 645:16, 646:6, 655:9, 669:10, 672:17, 681:6</p> <p>pU-12-813 [1] - 638:6</p> <p>PU-400-91-112 [1] - 758:17</p> <p>public [15] - 648:11, 649:11, 671:9, 671:15, 671:25, 679:25, 785:11, 788:3, 805:13, 813:8, 828:19, 843:16, 858:2, 860:8, 868:4</p> <p>PUBLIC [1] - 638:3</p> <p>Public [4] - 786:12, 803:20, 810:17, 828:20</p> <p>public's [1] - 860:16</p> <p>publication [1] - 734:6</p> <p>publicly [1] - 805:14</p> <p>pull [3] - 695:3, 806:8, 834:5</p> <p>pulled [1] - 839:7</p> <p>purchase [4] - 834:8, 857:13, 865:1, 866:19</p> <p>purchased [6] - 794:9, 794:12, 794:16, 794:22, 795:3, 797:16</p> <p>purchases [1] - 732:5</p> <p>purchasing [1] - 834:9</p> <p>purely [2] - 723:12, 724:24</p> <p>purpose [8] - 644:22, 681:17, 748:20, 803:1, 828:21, 831:18, 832:10, 852:5</p> <p>purposes [9] - 666:24, 681:18, 681:23, 754:16, 757:21, 775:14, 795:9, 819:1, 831:12</p> <p>push [1] - 867:22</p> <p>put [15] - 664:6, 664:13, 726:8, 728:10, 757:2, 822:2, 822:3, 841:20, 842:2, 846:12, 846:22, 848:16, 863:17, 864:20,</p>	<p>865:4</p> <p>puts [3] - 664:18, 766:23, 863:12</p> <p>putting [4] - 673:21, 682:16, 785:11, 839:23</p> <p>puzzle [2] - 726:13, 817:13</p> <p style="text-align: center;">Q</p> <p>qualified [1] - 672:9</p> <p>quality [3] - 724:14, 853:2, 853:21</p> <p>quantification [1] - 726:20</p> <p>quarter [20] - 725:17, 726:12, 734:13, 734:14, 734:15, 734:18, 734:20, 735:2, 735:24, 736:3, 736:7, 805:4, 805:21, 807:20, 862:20, 863:24</p> <p>quarterly [2] - 811:15, 811:24</p> <p>quarters [2] - 734:15, 735:4</p> <p>questioned [3] - 829:15, 831:14, 855:22</p> <p>questioning [5] - 673:8, 708:6, 810:12, 835:17, 865:23</p> <p>questions [51] - 647:7, 662:5, 663:1, 668:13, 669:9, 676:15, 676:17, 681:11, 684:9, 689:14, 689:19, 689:25, 708:2, 708:10, 716:20, 727:7, 727:9, 734:10, 734:11, 735:12, 744:21, 745:2, 745:5, 745:19, 745:22, 745:25, 755:6, 755:7, 759:20, 768:9, 774:10, 778:8, 781:15, 782:17, 782:24, 806:19, 821:20, 823:18, 823:24, 825:4, 825:7, 825:12, 825:18, 825:20, 833:14, 838:20, 839:12, 842:18, 842:22, 842:24, 851:16</p> <p>quick [4] - 774:21, 778:13, 849:7, 863:7</p> <p>quickly [2] - 684:11, 726:17</p> <p>quite [7] - 694:21, 696:23, 705:15, 777:17, 777:19, 820:5, 839:4</p> <p>quote [2] - 661:2, 661:13</p> <p>quoted [2] - 687:14, 741:4</p> <p style="text-align: center;">R</p> <p>raft [1] - 734:7</p> <p>raise [9] - 691:7, 716:2, 716:5, 727:23, 739:11,</p>
---	--	---	--

<p>747:20, 784:2, 827:19 raises [1] - 697:5 raising [1] - 853:14 ran [1] - 736:10 rancher [1] - 865:12 Randy [2] - 639:16, 862:8 range [1] - 853:6 ranges [1] - 735:20 rata [1] - 652:17 Rate [1] - 638:6 rate [142] - 639:9, 642:20, 643:1, 653:15, 653:22, 660:19, 660:23, 668:23, 669:16, 670:9, 670:12, 670:14, 674:23, 680:24, 685:6, 688:11, 688:12, 688:13, 692:13, 692:15, 693:19, 693:22, 699:24, 700:6, 700:19, 709:9, 711:3, 711:11, 711:13, 711:18, 711:21, 713:7, 713:20, 715:4, 715:7, 715:20, 717:7, 718:10, 718:17, 718:24, 719:5, 719:19, 722:4, 722:7, 722:11, 722:13, 722:20, 724:8, 724:13, 725:21, 725:24, 725:25, 726:2, 726:4, 726:6, 726:11, 728:6, 728:17, 729:17, 729:20, 731:21, 737:9, 737:14, 737:15, 738:7, 738:10, 738:25, 739:1, 739:2, 740:5, 740:14, 740:15, 744:3, 744:10, 744:13, 749:21, 750:12, 750:13, 750:16, 754:17, 762:15, 769:2, 773:3, 773:4, 773:5, 773:12, 773:21, 773:25, 775:21, 777:20, 782:14, 788:9, 788:18, 789:10, 789:11, 789:25, 793:5, 797:22, 797:23, 801:22, 801:25, 802:2, 802:5, 803:3, 803:17, 803:18, 803:21, 804:2, 807:7, 808:7, 810:20, 811:22, 812:16, 813:20, 813:23, 814:15, 820:8, 820:9, 829:7, 831:25, 832:3, 836:25, 837:11, 840:2, 841:4, 841:6, 841:8, 841:15, 841:18, 842:6, 842:12, 852:9, 853:19, 858:8, 861:20, 863:5, 863:9, 865:16, 866:12 rated [1] - 693:6 ratemaking [12] - 642:15, 645:9, 654:13, 668:1,</p>	<p>789:14, 811:6, 816:6, 819:1, 821:16, 852:5, 852:11, 852:17 ratepayer [9] - 725:15, 725:18, 725:20, 726:7, 726:13, 771:10, 771:15, 821:11, 829:4 ratepayers [52] - 642:12, 642:16, 643:19, 643:20, 643:24, 644:21, 645:2, 645:11, 645:24, 646:11, 646:14, 648:3, 648:6, 648:9, 648:12, 649:6, 650:16, 651:12, 651:14, 651:15, 651:23, 651:24, 651:25, 652:4, 652:12, 652:16, 655:25, 659:15, 666:19, 668:6, 680:13, 683:5, 712:5, 714:9, 714:15, 715:1, 715:12, 717:9, 725:12, 728:1, 770:2, 770:7, 801:14, 801:19, 820:15, 830:20, 855:5, 863:15, 868:17 rates [80] - 643:10, 643:11, 643:14, 643:16, 643:21, 644:5, 644:17, 645:10, 646:15, 647:16, 648:18, 652:22, 661:25, 663:11, 673:9, 673:10, 692:23, 693:2, 693:10, 693:12, 693:16, 693:21, 697:9, 699:7, 699:15, 699:19, 699:21, 700:18, 705:8, 705:12, 705:18, 705:24, 708:22, 708:25, 709:9, 709:10, 715:13, 718:7, 720:10, 720:12, 722:6, 729:19, 732:9, 735:6, 737:18, 738:5, 742:20, 758:18, 760:22, 771:24, 794:19, 794:25, 800:14, 800:15, 800:24, 801:4, 801:7, 801:9, 801:10, 801:12, 801:13, 801:17, 801:25, 802:16, 811:10, 820:16, 837:20, 838:8, 840:18, 851:22, 852:6, 856:8, 857:24, 858:1, 858:12, 864:13, 864:14, 864:16 rather [9] - 676:6, 735:5, 741:14, 754:9, 782:3, 819:19, 834:8, 844:16, 844:19 ratio [12] - 650:12, 650:13, 650:15, 663:24, 666:6, 666:8, 666:13, 695:14, 696:8, 740:9, 744:8 ratios [2] - 695:15, 712:9</p>	<p>reach [1] - 866:10 reached [1] - 645:17 read [12] - 653:4, 669:23, 675:23, 685:5, 749:13, 755:13, 756:6, 756:15, 757:21, 758:23, 768:19, 786:5 reading [4] - 687:22, 687:23, 704:9, 796:14 readjusted [1] - 823:2 ready [3] - 640:8, 746:3, 827:10 reaffirm [1] - 644:15 real [7] - 656:18, 663:19, 663:20, 709:22, 766:25, 814:6, 814:8 reality [1] - 813:14 realize [1] - 738:16 realized [1] - 797:6 really [16] - 729:12, 743:2, 762:17, 763:13, 763:17, 764:20, 768:6, 823:8, 840:2, 849:21, 859:25, 860:3, 863:25, 864:15, 865:24, 867:19 reason [6] - 765:16, 776:4, 799:19, 801:22, 829:12, 867:1 reasonable [15] - 670:19, 727:18, 727:20, 727:21, 750:10, 750:15, 791:4, 791:6, 851:22, 852:7, 857:23, 858:1, 858:3, 858:9, 858:12 reasonably [2] - 853:9, 854:2 reasoned [1] - 857:23 reasoning [1] - 807:16 reasons [4] - 692:17, 752:25, 796:3, 796:24 reassess [2] - 835:5, 836:4 rebuttal [12] - 649:21, 742:15, 742:16, 742:17, 742:18, 789:19, 806:7, 806:11, 823:12, 823:25, 829:2, 843:12 receipt [1] - 704:12 receive [5] - 800:12, 818:23, 822:19, 869:13, 869:14 received [3] - 822:20, 844:6, 855:5 receiving [1] - 819:4 recent [9] - 680:10, 736:13, 736:21, 770:22, 792:19, 810:7, 836:25, 842:6 recently [1] - 698:16 Recess [5] - 690:10, 746:7, 783:8, 826:7, 850:25 recognition [11] - 645:22, 655:21, 655:22, 655:25, 673:17, 682:13, 682:21,</p>	<p>682:24, 683:6, 700:18, 868:21 recognize [4] - 646:10, 655:8, 655:10, 667:5 recognized [7] - 653:9, 654:4, 666:24, 666:25, 687:17, 688:16, 722:1 recognizes [4] - 666:17, 666:22, 683:2, 755:20 recognizing [6] - 688:22, 761:2, 763:3, 794:18, 794:24, 857:10 recommend [8] - 653:5, 673:13, 692:14, 753:23, 754:15, 760:5, 819:16, 840:5 recommendation [12] - 682:18, 692:16, 692:22, 739:23, 745:11, 754:13, 765:22, 779:12, 789:10, 804:16, 809:3, 841:11 recommendations [5] - 784:22, 787:22, 836:2, 836:3, 855:15 recommended [17] - 719:6, 729:3, 729:5, 731:3, 751:19, 781:13, 786:17, 788:16, 789:11, 789:14, 789:21, 797:14, 797:15, 814:5, 816:5, 854:9, 854:17 recommending [12] - 647:15, 675:17, 681:24, 681:25, 682:3, 710:15, 714:24, 719:24, 745:9, 745:11, 817:17, 840:1 record [42] - 639:7, 641:7, 667:13, 678:6, 690:12, 691:12, 692:1, 734:22, 746:9, 747:17, 749:8, 749:14, 753:8, 755:13, 756:6, 757:21, 758:23, 781:4, 784:13, 785:4, 785:24, 786:6, 791:12, 791:21, 816:24, 826:9, 828:4, 843:14, 844:17, 844:19, 847:23, 851:2, 851:22, 854:23, 858:6, 867:11, 869:11, 869:13, 870:13, 870:17, 872:7, 873:7 recorded [4] - 685:23, 867:25, 872:5, 873:5 recover [20] - 650:14, 650:18, 650:20, 650:22, 650:24, 651:2, 651:4, 651:11, 665:1, 711:4, 761:14, 800:24, 801:1, 801:25, 802:1, 813:24, 819:12, 820:16, 852:6,</p>
---	---	--	--

<p>858:9 recovered [6] - 684:23, 772:6, 800:19, 813:23, 855:3, 855:4 recovering [3] - 666:10, 801:2, 802:4 recovers [1] - 794:11 recovery [15] - 654:4, 685:6, 688:11, 688:12, 688:13, 748:9, 749:22, 750:15, 750:19, 775:18, 775:21, 802:17, 832:2, 855:24, 863:1 recross [1] - 735:14 RECROSS [4] - 684:12, 735:16, 774:23, 823:22 RECROSS-EXAMINATION [4] - 684:12, 735:16, 774:23, 823:22 recruiting [1] - 857:1 recruitment [1] - 856:20 red [2] - 714:17, 844:20 red-line [1] - 844:20 redirect [1] - 679:17 REDIRECT [4] - 679:20, 731:10, 781:1, 822:14 redo [1] - 867:22 reduce [3] - 700:14, 725:9, 802:16 reduced [4] - 653:18, 653:22, 802:6, 818:7 reduces [6] - 721:6, 728:15, 728:16, 756:24, 856:15 reduction [7] - 700:13, 721:25, 726:25, 795:4, 798:24, 829:11, 854:21 reductions [1] - 667:17 refer [1] - 795:6 reference [8] - 647:9, 658:22, 661:10, 671:3, 698:6, 755:10, 756:3, 791:22 references [2] - 654:2, 742:7 referred [3] - 669:10, 672:16, 769:3 referring [5] - 659:11, 663:24, 728:3, 738:11, 833:24 refile [1] - 728:9 reflect [4] - 654:22, 710:20, 741:10, 785:4 reflected [6] - 653:11, 654:25, 655:13, 726:4, 736:22, 751:4 reflective [1] - 853:2 reflects [5] - 751:10, 831:2, 852:9, 852:13, 854:3 refresh [1] - 824:7 refund [2] - 680:12, 801:18 refunding [1] - 816:10 refunds [1] - 801:13</p>	<p>regard [1] - 789:3 regarding [12] - 642:12, 645:24, 705:5, 749:19, 754:14, 784:22, 787:22, 789:21, 789:24, 829:20, 848:18, 857:14 regardless [3] - 697:14, 737:19, 861:12 regards [2] - 752:4, 752:7 region [2] - 777:15, 833:12 Registered [4] - 872:3, 872:17, 873:3, 873:17 regulated [2] - 644:18, 653:13 regulation [5] - 694:6, 724:12, 724:14, 724:19 regulator [1] - 782:14 regulator's [1] - 673:12 regulators [2] - 696:12, 696:25 regulatory [53] - 644:20, 644:24, 645:13, 646:4, 646:7, 646:17, 650:15, 653:9, 654:5, 654:9, 654:12, 654:18, 655:8, 655:18, 655:21, 655:23, 656:1, 656:19, 658:1, 658:13, 658:18, 666:21, 666:24, 672:3, 672:6, 673:18, 673:19, 676:1, 678:16, 681:18, 681:19, 681:23, 682:10, 682:13, 687:18, 688:16, 688:23, 694:9, 697:4, 714:20, 724:22, 724:23, 739:16, 761:11, 769:13, 819:8, 819:9, 821:4, 821:15, 852:19, 855:9, 864:3, 870:24 rejected [4] - 728:8, 757:14, 839:15, 854:16 relate [4] - 659:25, 666:4, 763:1, 835:7 related [5] - 756:22, 787:12, 797:22, 831:5, 831:6 relates [7] - 659:6, 659:12, 659:14, 678:16, 777:8, 818:6, 822:3 relating [1] - 667:19 relation [1] - 659:3 relationship [5] - 719:18, 722:6, 722:9, 725:11, 833:22 relative [3] - 698:23, 703:1, 735:9 relatively [1] - 864:2 relevant [2] - 696:11, 758:1 reliability [11] - 737:19, 752:3, 752:8, 752:12, 756:17, 780:6, 797:2,</p>	<p>808:5, 832:21, 833:3, 834:16 reliable [9] - 787:20, 809:8, 812:4, 814:23, 819:4, 819:9, 834:2, 851:21, 858:11 reliably [1] - 852:1 relied [2] - 788:2, 789:20 rely [2] - 658:18, 738:19 relying [1] - 694:4 remain [1] - 674:23 remaining [1] - 674:22 remarkable [1] - 778:25 remember [8] - 666:2, 669:14, 669:17, 724:23, 729:9, 767:17, 837:19, 867:12 removal [44] - 643:17, 644:10, 645:3, 645:5, 648:5, 650:6, 650:7, 650:9, 650:12, 650:14, 650:22, 651:1, 651:3, 651:4, 651:11, 651:20, 652:21, 658:6, 664:20, 664:23, 665:4, 665:6, 665:12, 665:14, 665:25, 666:3, 667:8, 667:16, 674:19, 674:24, 675:6, 675:11, 675:18, 683:4, 684:22, 685:7, 685:14, 685:21, 685:25, 686:18, 688:11, 688:12, 688:13, 823:1 remove [12] - 648:22, 649:12, 675:25, 676:24, 677:9, 677:22, 678:3, 678:5, 678:9, 678:12, 678:14, 686:25 removed [6] - 651:13, 653:16, 653:17, 687:2, 785:7, 819:11 removing [4] - 649:25, 650:18, 673:20, 804:7 renew [1] - 736:11 renewable [1] - 722:17 repair [1] - 713:6 repairs [1] - 649:4 repeat [1] - 692:20 repeatedly [1] - 854:15 rephrase [4] - 653:18, 654:22, 659:10, 771:25 replace [9] - 649:19, 664:16, 674:3, 676:1, 748:22, 792:13, 793:8, 793:15, 807:22 replaced [4] - 651:13, 652:6, 792:5, 792:17 replacement [15] - 649:17, 650:21, 650:25, 651:16, 651:19, 651:21, 652:9, 652:14, 652:16, 665:3,</p>	<p>674:10, 674:13, 674:16, 674:24 replacements [2] - 664:10, 844:15 replacing [3] - 649:23, 652:5, 748:11 report [22] - 644:19, 645:1, 646:16, 661:1, 666:18, 667:13, 672:5, 673:10, 673:11, 673:12, 680:24, 682:11, 683:9, 683:10, 788:20, 803:7, 803:10, 803:17, 803:19, 803:20, 804:13, 823:6 reported [8] - 644:24, 645:13, 668:2, 668:3, 672:10, 676:4, 803:7, 803:16 REPORTER [2] - 872:1, 873:1 reporter [2] - 867:13, 867:15 Reporter [4] - 872:4, 872:17, 873:4, 873:17 reporting [2] - 667:4, 667:21 reports [12] - 645:14, 646:3, 646:7, 673:11, 673:14, 734:17, 736:16, 736:19, 802:24, 808:1, 808:19, 822:22 repowering [1] - 829:10 represent [2] - 728:12, 806:3 representatives [1] - 858:18 representing [1] - 692:12 request [10] - 726:14, 727:1, 813:15, 822:22, 826:16, 826:22, 845:17, 851:23, 852:9, 858:8 requested [2] - 845:20, 847:13 requests [5] - 655:17, 673:18, 788:6, 805:17, 808:1 require [12] - 681:24, 682:19, 682:20, 682:23, 686:18, 694:23, 696:14, 711:22, 738:3, 738:14, 738:15 required [17] - 644:11, 648:4, 648:18, 648:25, 649:2, 649:11, 674:19, 676:12, 681:18, 681:20, 709:13, 711:4, 721:7, 727:17, 728:17, 864:7 requirement [47] - 642:5, 642:23, 651:17, 655:19, 655:24, 667:7, 668:7, 675:10, 675:20, 683:15, 683:16, 683:21, 710:3, 713:22, 715:6, 726:21, 726:25, 760:23, 761:5, 761:9, 761:16, 761:19,</p>
---	---	--	---

<p>768:1, 771:23, 773:11, 773:17, 773:20, 773:25, 774:4, 774:5, 774:7, 776:4, 786:15, 786:18, 789:15, 789:17, 789:22, 793:22, 801:12, 804:15, 804:23, 816:7, 823:8, 846:3, 846:18, 854:22, 855:13</p> <p>requirements [11] - 684:15, 684:17, 693:14, 696:24, 709:2, 709:7, 750:20, 773:24, 776:8, 776:12, 840:22</p> <p>requires [6] - 649:17, 655:20, 666:18, 682:23, 683:8, 714:24</p> <p>requiring [2] - 644:18, 760:18</p> <p>research [1] - 838:2</p> <p>Reserve [4] - 693:20, 704:2, 704:7, 734:22</p> <p>reserve [5] - 652:23, 752:3, 833:11, 833:20, 834:4</p> <p>reserves [1] - 834:14</p> <p>resource [5] - 835:6, 835:9, 836:5, 836:12, 836:15</p> <p>resources [3] - 830:8, 839:14, 857:19</p> <p>respect [10] - 660:14, 684:22, 685:13, 775:12, 786:14, 793:14, 853:23, 855:10, 855:23, 860:3</p> <p>respectfully [1] - 640:14</p> <p>responded [1] - 671:24</p> <p>response [10] - 677:24, 677:25, 692:21, 694:10, 707:25, 741:4, 764:8, 766:14, 826:16, 848:17</p> <p>responses [2] - 753:15, 789:2</p> <p>responsibility [9] - 697:6, 697:12, 711:1, 712:2, 770:11, 819:7, 854:8, 854:13</p> <p>responsible [2] - 697:6, 697:8</p> <p>rest [4] - 725:7, 766:12, 793:20, 831:19</p> <p>restate [1] - 746:18</p> <p>resubscribed [1] - 736:16</p> <p>result [20] - 643:21, 644:23, 646:5, 650:12, 661:18, 667:10, 673:1, 697:3, 726:23, 736:14, 808:14, 840:23, 841:24, 851:19, 853:5, 853:11, 854:6, 854:11, 854:12, 854:21</p> <p>resulted [1] - 650:15</p> <p>resulting [1] - 663:23</p> <p>results [6] - 663:11, 726:21,</p>	<p>779:5, 779:8, 787:10, 787:21</p> <p>resume [1] - 810:15</p> <p>retail [8] - 788:1, 792:18, 792:20, 792:21, 807:8, 813:11, 813:12</p> <p>retain [1] - 856:5</p> <p>retention [1] - 856:22</p> <p>retired [4] - 648:24, 649:14, 667:9, 687:1</p> <p>retirement [12] - 647:17, 663:17, 674:15, 685:8, 685:9, 687:16, 688:11, 688:12, 688:13, 688:15, 855:1, 856:11</p> <p>retires [1] - 648:7</p> <p>return [85] - 642:19, 642:25, 643:9, 643:10, 643:11, 668:1, 668:3, 692:13, 692:14, 692:24, 694:2, 694:12, 694:15, 694:17, 694:22, 696:13, 697:2, 697:13, 709:6, 709:8, 710:2, 710:8, 710:9, 711:3, 711:12, 711:18, 712:10, 712:13, 712:17, 712:19, 712:20, 713:7, 714:8, 714:10, 714:12, 714:16, 714:23, 715:7, 717:7, 717:8, 717:9, 719:14, 719:15, 719:19, 719:23, 721:11, 722:1, 722:8, 722:10, 722:13, 722:20, 724:8, 724:9, 724:13, 724:21, 725:22, 726:16, 728:17, 729:21, 731:21, 732:5, 737:9, 738:17, 740:4, 740:5, 740:8, 740:10, 740:11, 740:14, 740:16, 740:17, 740:19, 740:23, 744:3, 744:10, 744:13, 761:8, 789:11, 839:24, 840:1, 841:15, 852:24, 853:1, 858:5, 862:23</p> <p>returns [12] - 643:12, 693:11, 694:5, 694:13, 694:20, 694:25, 696:17, 696:23, 708:24, 709:13, 712:25, 853:6</p> <p>revealed [1] - 860:23</p> <p>revenue [57] - 642:5, 642:23, 655:18, 655:24, 667:6, 668:7, 674:7, 713:21, 715:6, 726:21, 726:25, 750:10, 760:23, 761:5, 761:9, 761:16, 761:18, 768:1, 771:23, 773:11, 773:17, 773:20, 773:24, 773:25, 774:4, 774:5,</p>	<p>774:7, 776:4, 776:8, 776:12, 786:15, 786:18, 788:17, 789:15, 789:17, 789:22, 791:8, 792:17, 792:20, 793:22, 801:11, 804:15, 804:23, 807:9, 813:11, 813:12, 815:12, 815:14, 815:21, 816:7, 823:7, 846:3, 846:17, 847:6, 854:22, 858:4</p> <p>revenues [24] - 786:20, 786:25, 787:4, 787:13, 787:24, 788:2, 792:4, 792:14, 792:16, 792:20, 792:22, 794:17, 794:23, 795:4, 807:10, 810:5, 812:17, 812:18, 812:19, 813:18, 813:22, 814:3, 814:15, 855:17</p> <p>review [10] - 751:21, 795:15, 823:25, 824:3, 831:25, 840:19, 848:2, 851:14, 857:8, 857:16</p> <p>reviewed [3] - 752:9, 752:16, 760:16</p> <p>revised [1] - 805:2</p> <p>revisions [2] - 745:9, 753:24</p> <p>Richard [1] - 749:16</p> <p>rid [2] - 674:8, 682:8</p> <p>rider [12] - 728:8, 750:19, 768:18, 768:22, 768:24, 794:13, 830:24, 831:12, 842:7, 842:8, 862:24, 863:1</p> <p>riders [1] - 769:16</p> <p>rise [4] - 659:17, 659:19, 736:13, 736:22</p> <p>rising [1] - 699:21</p> <p>risk [16] - 721:6, 721:25, 728:15, 728:16, 737:14, 737:15, 738:8, 738:10, 738:25, 739:1, 739:2, 739:5, 739:19, 740:13, 853:20, 856:3</p> <p>risk-free [5] - 737:14, 738:10, 738:25, 739:1, 739:2</p> <p>risks [1] - 852:25</p> <p>RO [1] - 721:7</p> <p>road [3] - 782:8, 818:15, 819:23</p> <p>ROE [28] - 693:13, 696:11, 697:7, 709:1, 710:7, 710:9, 718:21, 719:1, 719:4, 719:24, 720:10, 721:4, 721:8, 721:14, 721:15, 725:6, 738:13, 739:10, 739:21, 739:25, 740:19, 741:4, 760:25, 852:23, 853:5, 853:8, 853:18, 853:19</p>	<p>ROEs [2] - 723:13, 724:5</p> <p>role [2] - 835:19, 857:21</p> <p>room [5] - 753:5, 825:23, 860:4, 867:23, 868:15</p> <p>Rose [1] - 830:21</p> <p>roughly [1] - 664:11</p> <p>rotten [1] - 722:5</p> <p>rounds [1] - 727:10</p> <p>route [1] - 779:8</p> <p>routine [1] - 708:14</p> <p>row [1] - 658:5</p> <p>rule [3] - 725:12, 763:25, 848:1</p> <p>rules [1] - 667:11</p> <p>run [2] - 696:21, 766:10</p> <p>runaway [1] - 838:11</p>
S			
<p>Sacco [22] - 640:4, 662:4, 681:13, 687:7, 689:14, 727:9, 742:3, 745:5, 759:22, 778:10, 781:19, 782:22, 806:21, 825:6, 833:16, 834:21, 843:1, 845:6, 845:16, 850:16, 859:5, 870:11</p> <p>SACCO [45] - 640:5, 662:7, 662:23, 681:15, 684:3, 687:8, 687:10, 687:21, 688:2, 688:8, 688:24, 689:11, 689:15, 708:9, 727:11, 727:14, 730:2, 731:1, 731:7, 745:7, 745:16, 759:24, 761:20, 778:12, 780:14, 781:20, 782:23, 806:23, 810:8, 824:15, 824:18, 824:21, 825:7, 833:18, 834:18, 843:2, 845:17, 846:2, 846:17, 847:3, 850:21, 859:6, 859:9, 867:13, 870:12</p> <p>sadly [1] - 693:23</p> <p>safe [5] - 819:4, 819:8, 820:17, 851:21, 858:11</p> <p>sake [2] - 753:12, 839:20</p> <p>salary [2] - 856:12, 856:13</p> <p>sales [20] - 788:4, 788:5, 788:8, 788:14, 788:17, 792:19, 792:23, 793:5, 805:3, 805:5, 805:14, 805:23, 805:25, 806:4, 806:13, 806:15, 806:16, 813:3, 855:17, 855:19</p> <p>salvage [4] - 659:22, 661:22, 666:8, 682:5</p> <p>Sara [3] - 827:11, 839:3, 842:14</p>			

<p>SARA [1] - 828:8</p> <p>sat [1] - 680:16</p> <p>satisfy [1] - 852:7</p> <p>save [1] - 856:4</p> <p>saved [1] - 830:20</p> <p>savings [3] - 830:22, 830:23, 831:8</p> <p>saw [1] - 808:9</p> <p>scenario [3] - 668:23, 716:1, 766:21</p> <p>Schedule [11] - 695:1, 695:16, 698:12, 730:16, 779:17, 788:3, 788:25, 791:15, 792:3, 793:7, 795:3</p> <p>schedule [6] - 695:21, 695:22, 715:22, 792:7, 792:15, 863:7</p> <p>scheduled [1] - 766:9</p> <p>schedules [2] - 823:3, 869:18</p> <p>school [1] - 762:15</p> <p>scope [1] - 711:9</p> <p>Scott [1] - 867:10</p> <p>scratch [1] - 710:14</p> <p>scribble [1] - 664:4</p> <p>scribbled [1] - 742:7</p> <p>scribbled-in [1] - 742:7</p> <p>scrutiny [1] - 646:18</p> <p>season [1] - 764:1</p> <p>seasoned [1] - 703:25</p> <p>SEC [13] - 646:9, 671:4, 671:10, 671:11, 671:18, 671:24, 672:10, 673:2, 679:9, 684:15, 684:17, 731:6</p> <p>second [16] - 658:2, 683:7, 692:24, 694:1, 694:13, 698:5, 703:10, 734:20, 737:20, 748:13, 753:20, 758:6, 764:10, 764:22, 800:14, 825:11</p> <p>seconds [1] - 850:16</p> <p>secret [2] - 785:5, 785:11</p> <p>sector [1] - 742:21</p> <p>secure [2] - 731:25, 732:2</p> <p>Securities [1] - 644:2</p> <p>securities [1] - 734:8</p> <p>security [1] - 681:16</p> <p>see [64] - 641:6, 648:19, 653:1, 654:6, 657:25, 658:3, 658:6, 658:16, 658:20, 658:23, 660:16, 669:23, 670:3, 671:1, 671:20, 687:20, 698:10, 703:24, 707:9, 709:11, 716:8, 721:19, 722:6, 722:8, 730:4, 733:3, 734:19, 735:23, 736:1, 742:22, 746:12, 755:16,</p>	<p>755:17, 758:19, 761:22, 772:5, 795:22, 795:25, 796:20, 797:25, 798:2, 798:25, 799:9, 799:13, 800:16, 804:3, 804:10, 804:13, 809:7, 810:1, 810:3, 810:15, 813:17, 815:5, 817:20, 823:14, 823:15, 837:9, 840:7, 842:1, 848:22, 865:15, 866:16</p> <p>seeing [3] - 656:21, 813:14, 843:17</p> <p>seek [3] - 655:21, 732:24, 749:5</p> <p>seeks [1] - 650:13</p> <p>seem [1] - 822:5</p> <p>select [3] - 790:14, 790:22, 790:25</p> <p>selecting [2] - 759:16, 780:2</p> <p>selection [2] - 751:3, 751:9</p> <p>self [1] - 766:9</p> <p>self-scheduled [1] - 766:9</p> <p>semiannual [1] - 787:18</p> <p>Senate [1] - 867:21</p> <p>senior [1] - 786:8</p> <p>sense [5] - 670:1, 715:16, 736:6, 770:9, 771:5</p> <p>sensible [1] - 759:8</p> <p>sentence [3] - 653:4, 687:13, 756:6</p> <p>sentences [1] - 755:14</p> <p>separate [8] - 654:16, 654:17, 722:12, 753:19, 791:17, 830:11, 857:16, 865:2</p> <p>separately [2] - 655:15, 846:7</p> <p>September [2] - 872:14, 873:14</p> <p>series [2] - 654:2, 740:1</p> <p>serve [5] - 833:7, 836:11, 852:2, 852:4, 852:10</p> <p>SERVICE [1] - 638:3</p> <p>Service [3] - 786:13, 803:20, 828:20</p> <p>service [54] - 645:10, 648:5, 648:11, 649:17, 652:3, 652:11, 655:14, 664:7, 664:13, 687:1, 734:5, 749:21, 773:1, 786:16, 788:21, 789:8, 802:20, 803:2, 803:6, 803:14, 803:16, 803:22, 804:6, 804:9, 804:16, 804:18, 804:20, 804:22, 804:24, 811:5, 811:6, 814:10, 817:9, 818:10, 819:4, 819:9, 820:18, 820:19, 823:12, 823:16, 826:17,</p>	<p>826:19, 830:17, 832:15, 832:16, 832:18, 832:21, 851:21, 855:2, 858:3, 858:5, 858:9, 858:12</p> <p>services [1] - 834:2</p> <p>session [6] - 670:3, 671:1, 689:22, 718:9, 863:6, 864:22</p> <p>set [25] - 673:9, 673:10, 692:16, 695:25, 711:2, 711:13, 711:21, 715:7, 715:9, 717:7, 717:24, 739:1, 787:11, 788:13, 800:24, 801:9, 801:11, 801:23, 810:5, 839:23, 840:10, 852:6, 853:19, 854:2, 869:16</p> <p>sets [2] - 714:23, 761:10</p> <p>setting [11] - 695:25, 711:11, 724:21, 760:22, 782:7, 788:1, 797:15, 797:16, 852:23, 861:13, 861:15</p> <p>settled [1] - 778:3</p> <p>settlement [13] - 646:5, 660:13, 660:15, 660:18, 680:18, 681:6, 685:3, 685:11, 687:13, 687:24, 689:4, 842:3, 842:10</p> <p>settlements [1] - 680:20</p> <p>several [6] - 642:3, 658:13, 683:21, 727:15, 765:24, 818:22</p> <p>SFAS [2] - 663:17, 675:23</p> <p>shape [1] - 860:14</p> <p>share [6] - 652:17, 653:7, 715:12, 839:8, 839:18, 863:3</p> <p>shareholder [1] - 820:15</p> <p>shareholders [4] - 645:1, 649:7, 677:6, 820:19</p> <p>shares [3] - 714:25, 716:23, 717:8</p> <p>sharing [3] - 715:19, 728:4, 841:17</p> <p>Sharon [1] - 856:1</p> <p>sheet [3] - 811:9, 811:23, 823:9</p> <p>Sherco [2] - 822:24, 822:25</p> <p>shift [1] - 649:8</p> <p>shifted [1] - 776:6</p> <p>short [3] - 744:9, 760:17, 772:10</p> <p>short-term [1] - 744:9</p> <p>shorter [1] - 718:13</p> <p>shortfall [1] - 773:23</p> <p>shorthand [4] - 872:6, 872:12, 873:6, 873:11</p> <p>show [8] - 643:7, 694:21, 704:18, 704:22, 806:5, 811:25, 812:22, 824:10</p>	<p>showed [2] - 809:23, 845:22</p> <p>showing [2] - 707:1, 834:4</p> <p>shown [2] - 788:24</p> <p>shows [13] - 695:14, 696:7, 696:8, 702:11, 704:4, 732:11, 733:4, 735:3, 788:6, 788:7, 788:21, 805:13, 824:4</p> <p>sick [1] - 859:23</p> <p>side [4] - 640:16, 717:1, 766:6, 820:15</p> <p>sides [2] - 670:6, 863:19</p> <p>significance [1] - 833:4</p> <p>significant [14] - 659:3, 705:18, 712:15, 721:25, 742:9, 756:19, 765:25, 771:22, 771:24, 780:7, 829:17, 832:25, 833:3, 853:22</p> <p>significantly [8] - 693:22, 707:9, 707:24, 724:9, 735:6, 740:3, 740:8, 752:1</p> <p>similar [4] - 767:2, 846:22, 852:25, 853:20</p> <p>similarly [1] - 715:12</p> <p>simple [6] - 663:19, 674:10, 762:4, 835:15, 845:24, 845:25</p> <p>simplify [1] - 807:13</p> <p>simply [5] - 649:13, 755:13, 756:6, 757:23, 757:25</p> <p>single [10] - 659:5, 663:12, 678:1, 694:18, 751:19, 755:21, 756:21, 758:25, 763:17, 764:4</p> <p>sit [1] - 867:17</p> <p>site [2] - 684:6, 831:15</p> <p>sitting [2] - 867:20, 868:23</p> <p>situation [2] - 649:10, 779:2</p> <p>six [8] - 710:4, 734:15, 751:1, 807:21, 811:4, 815:17, 823:5, 837:22</p> <p>six-month [1] - 815:17</p> <p>size [2] - 658:18, 758:24</p> <p>skewed [1] - 761:6</p> <p>skewing [1] - 694:20</p> <p>skyrocketing [3] - 693:2, 693:6, 693:9</p> <p>slid [1] - 698:16</p> <p>slight [1] - 759:25</p> <p>slightly [4] - 682:16, 744:6, 744:8, 790:17</p> <p>slip [1] - 865:12</p> <p>small [6] - 711:9, 729:7, 743:7, 815:9, 829:6, 829:8</p> <p>smaller [6] - 667:6, 693:13, 709:1, 710:6, 726:6, 811:16</p> <p>smoothed [1] - 781:6</p> <p>smoothing [2] - 787:3,</p>
--	---	--	--

<p>787:9 Snavely [1] - 786:9 Snavely-King [1] - 786:9 so-called [1] - 841:20 SO2 [2] - 784:23, 785:1 social [2] - 819:6, 819:7 society [1] - 860:7 solely [5] - 685:9, 687:16, 688:14, 714:5 solution [1] - 862:18 someone [1] - 767:19 someplace [2] - 808:12, 808:18 sometimes [4] - 810:4, 846:21, 856:22, 866:7 somewhat [3] - 685:15, 703:4, 767:25 somewhere [6] - 643:15, 645:6, 645:8, 650:17, 674:5, 758:4 soon [1] - 641:5 sorry [12] - 664:1, 695:3, 698:19, 708:6, 708:11, 730:12, 744:1, 747:3, 799:10, 806:10, 806:11, 827:3 sort [15] - 682:21, 683:18, 685:18, 702:17, 712:18, 729:6, 741:14, 766:22, 807:3, 812:7, 837:23, 841:13, 844:10, 846:23, 850:19 sorted [1] - 826:4 sounded [1] - 812:7 sounds [1] - 861:25 Source [1] - 704:1 sources [2] - 683:22, 694:19 South [7] - 723:8, 770:12, 771:7, 774:6, 776:6, 814:18, 842:5 spacial [1] - 708:15 spans [2] - 767:5, 767:6 speaking [1] - 773:14 specialization [1] - 668:9 specific [13] - 647:9, 649:10, 655:22, 661:3, 661:19, 661:22, 661:24, 673:17, 680:24, 796:13, 796:15, 822:9, 834:10 specifically [3] - 644:20, 655:10, 671:12 specifics [1] - 818:21 spend [9] - 648:5, 648:7, 665:18, 677:7, 677:10, 683:2, 686:2, 832:12, 841:10 spending [8] - 828:23, 829:18, 830:13, 838:11, 838:13, 838:16, 840:3, 840:8</p>	<p>spends [4] - 648:10, 648:13, 688:19 spent [3] - 644:21, 645:5, 656:5 spoken [1] - 845:5 sponsorship [1] - 818:10 sports [1] - 865:10 spread [3] - 693:10, 708:23, 829:4 spreadsheet [3] - 845:21, 845:24, 845:25 spreadsheets [1] - 804:19 spry [1] - 868:7 square [1] - 702:8 squeal [1] - 710:21 squishiness [1] - 837:17 St [2] - 704:6, 704:10 stability [2] - 776:22, 776:25 stabilize [1] - 838:8 staff [45] - 639:19, 640:9, 640:13, 645:16, 645:17, 667:22, 668:21, 669:2, 670:20, 677:15, 677:24, 687:12, 692:12, 749:18, 753:17, 779:10, 783:11, 783:15, 786:12, 791:14, 827:10, 828:21, 828:23, 832:20, 838:1, 839:5, 843:8, 845:3, 845:20, 847:19, 850:3, 850:4, 851:12, 851:14, 852:16, 853:7, 857:3, 857:14, 858:14, 858:21, 859:21, 864:6, 867:7, 867:8, 869:3 staff's [5] - 642:2, 642:5, 670:4, 845:23, 847:15 stand [4] - 658:15, 765:16, 776:3, 783:16 standard [4] - 852:11, 852:13, 852:17, 854:1 standards [2] - 852:22, 855:8 standing [1] - 659:5 standpoint [2] - 714:6, 724:24 standstill [1] - 860:12 start [13] - 667:21, 669:10, 698:4, 708:20, 808:12, 808:14, 808:18, 850:14, 859:15, 870:3, 870:4 started [3] - 669:21, 793:11, 802:23 starting [6] - 713:2, 755:15, 803:15, 803:23, 804:5, 830:4 starts [1] - 756:4 STATE [1] - 638:2 state [11] - 653:6, 683:16, 699:12, 705:6, 793:24, 794:11, 799:19, 805:2,</p>	<p>821:12, 852:19, 861:16 State [3] - 638:17, 835:16, 867:21 statement [36] - 640:10, 640:14, 640:23, 641:25, 647:12, 648:3, 653:1, 654:6, 656:16, 678:25, 690:19, 691:10, 692:10, 698:5, 698:22, 708:20, 710:1, 725:3, 735:8, 747:6, 749:4, 749:8, 760:1, 783:19, 785:14, 785:18, 785:23, 786:5, 792:3, 799:24, 823:9, 827:16, 827:25, 828:18, 833:19, 858:15 statements [20] - 640:19, 640:21, 645:14, 646:5, 646:8, 654:13, 666:23, 680:21, 752:13, 787:18, 797:5, 811:9, 811:24, 845:16, 847:9, 850:19, 851:3, 851:5, 859:12, 865:8 states [6] - 671:21, 766:20, 766:23, 775:13, 775:16, 829:3 States [6] - 638:6, 639:10, 749:19, 751:17, 758:18, 786:14 status [1] - 687:2 statute [3] - 790:23, 809:13, 857:7 statutory [2] - 750:20, 855:12 stay [5] - 705:8, 711:1, 735:18, 844:8, 869:19 staying [1] - 647:19 stays [1] - 809:20 steep [1] - 709:14 Stephen [2] - 795:7, 795:15 Steve [1] - 852:1 still [12] - 647:19, 679:11, 679:13, 693:23, 705:15, 765:5, 801:1, 802:1, 819:3, 832:12, 861:22, 867:3 stipulation [9] - 641:5, 645:20, 655:9, 682:4, 691:11, 749:7, 785:23, 826:24, 828:4 stock [22] - 643:6, 693:11, 696:9, 696:10, 696:16, 698:7, 698:16, 706:9, 706:20, 707:1, 707:8, 707:24, 708:24, 709:6, 709:23, 710:2, 710:8, 710:10, 711:15, 740:14, 740:16, 740:21 stocks [13] - 696:19, 699:13, 699:17, 699:20, 700:8,</p>	<p>703:2, 703:3, 703:8, 708:23, 709:8, 709:19, 731:23, 738:25 stop [1] - 868:5 straight [1] - 850:18 street [2] - 725:19, 725:21 strictly [2] - 661:7, 773:14 strike [1] - 748:21 stringent [1] - 863:13 strongly [1] - 752:5 structurally [1] - 767:2 structure [23] - 719:1, 729:4, 729:5, 729:10, 729:23, 729:24, 730:4, 730:20, 730:24, 742:4, 743:3, 743:11, 743:17, 744:12, 745:10, 750:12, 750:16, 802:2, 802:5, 847:14, 848:18, 848:19 structured [1] - 743:7 structures [3] - 729:12, 729:13, 729:14 studies [2] - 661:22, 823:3 study [8] - 661:19, 669:22, 700:1, 709:15, 737:16, 750:11, 753:24, 826:19 stuff [2] - 768:20, 865:4 subject [2] - 692:13, 775:17 submit [4] - 717:18, 724:25, 785:10, 844:21 submitted [1] - 661:20 submitting [1] - 869:8 subscribe [2] - 700:2, 734:4 subscription [1] - 736:10 subsequent [1] - 681:1 subsequently [1] - 866:9 subsidiaries [3] - 767:3, 767:8, 767:9 substance [1] - 661:8 substantial [2] - 705:21, 705:23 substitute [1] - 658:24 substitution [1] - 659:2 successful [1] - 643:15 sufficient [4] - 697:10, 714:10, 858:4 suggest [2] - 707:13, 776:21 suggesting [9] - 667:3, 667:5, 667:14, 676:25, 677:1, 740:18, 812:8, 835:21, 835:25 suggestion [1] - 707:15 suggests [1] - 694:14 sum [1] - 744:11 summarily [1] - 779:9 summarize [1] - 662:9 summary [9] - 662:10, 729:4, 760:7, 779:13, 779:14, 823:9, 829:19, 846:24, 867:6</p>
---	--	--	--

<p>summer ^[1] - 752:5 super ^[1] - 683:15 superior ^[1] - 755:21 supplement ^[3] - 807:19, 807:22, 826:22 supplemental ^[2] - 642:9, 661:9 support ^[9] - 750:12, 762:12, 769:7, 769:9, 798:22, 805:5, 853:2, 853:15, 856:6 supported ^[1] - 854:25 supporting ^[1] - 694:16 supports ^[3] - 753:18, 851:22, 858:8 supposed ^[6] - 663:9, 711:10, 711:11, 809:15, 837:15, 842:8 Supreme ^[2] - 821:11, 852:23 surcharge ^[1] - 769:2 surplus ^[2] - 680:7, 680:12 surrogate ^[1] - 661:14 suspect ^[1] - 864:17 sway ^[1] - 721:15 swear ^[2] - 675:24, 783:20 swing ^[3] - 710:19, 741:10 swings ^[2] - 854:7, 854:12 switch ^[2] - 761:1, 761:3 switched ^[1] - 770:15 switching ^[1] - 761:15 sworn ^[11] - 641:3, 641:20, 690:21, 691:8, 691:16, 692:5, 747:24, 784:4, 784:9, 827:20, 828:9 symmetrically ^[1] - 718:3 system ^[39] - 674:8, 704:2, 750:4, 751:11, 751:21, 751:25, 752:6, 752:11, 752:19, 754:3, 754:11, 756:11, 758:25, 759:3, 759:10, 761:13, 762:8, 762:11, 762:24, 763:10, 763:19, 764:6, 764:16, 765:8, 765:9, 765:13, 765:20, 771:5, 777:9, 778:15, 779:19, 781:5, 831:11, 833:8, 838:7, 853:15, 853:22, 854:16, 868:12 systematic ^[1] - 812:11 systems ^[2] - 762:20, 856:24 systemwide ^[2] - 661:23, 822:5</p>	<p>table ^[8] - 657:25, 792:13, 794:7, 795:23, 796:8, 796:9, 796:14, 866:21 Tables ^[1] - 824:3 talented ^[1] - 856:6 talks ^[2] - 669:21, 680:17 target ^[1] - 810:2 tariff ^[2] - 750:17, 753:23 tax ^[1] - 793:20 taxes ^[8] - 668:6, 712:13, 793:14, 793:15, 793:18, 793:23, 793:24, 794:2 taxing ^[2] - 797:8, 815:4 TCR ^[1] - 748:11 telegraph ^[1] - 720:4 telegraphed ^[1] - 720:17 telephone ^[1] - 731:13 ten ^[6] - 690:7, 690:8, 777:18, 777:19, 826:5 ten-minute ^[1] - 690:8 tend ^[2] - 700:14, 732:2 tendency ^[1] - 732:8 tends ^[2] - 718:2, 724:15 term ^[3] - 666:25, 693:16, 744:9 terminal ^[1] - 817:11 terms ^[11] - 682:16, 763:18, 765:3, 771:24, 774:7, 806:12, 810:21, 832:21, 835:20, 840:16, 856:25 terrible ^[1] - 710:22 territory ^[1] - 832:16 test ^[48] - 738:13, 753:22, 770:24, 787:14, 787:19, 790:11, 790:14, 790:22, 791:1, 791:2, 791:7, 792:5, 792:10, 794:18, 794:24, 796:22, 797:5, 797:7, 799:15, 800:5, 802:20, 803:5, 807:23, 808:2, 808:16, 809:6, 809:14, 810:21, 810:24, 811:1, 811:3, 811:4, 811:11, 811:20, 812:14, 813:25, 814:12, 817:3, 822:24, 829:1, 832:1, 837:19, 853:8, 854:10, 855:10, 855:12, 855:17 tested ^[1] - 810:22 testified ^[11] - 641:20, 642:3, 661:14, 691:16, 713:25, 731:13, 747:24, 775:1, 784:9, 828:9, 853:24 testify ^[6] - 668:24, 729:22, 733:8, 775:3, 783:16, 821:25 testifying ^[5] - 641:18, 691:20, 746:16, 746:25, 828:7 testimony ^[111] - 642:10,</p>	<p>645:22, 646:2, 647:10, 647:25, 648:2, 649:21, 652:25, 654:1, 656:17, 658:18, 660:11, 661:9, 668:19, 680:16, 681:3, 681:4, 688:1, 688:3, 688:5, 691:24, 692:2, 692:17, 692:20, 694:4, 694:17, 694:18, 695:7, 695:9, 698:7, 699:2, 699:4, 705:3, 707:17, 707:18, 707:23, 708:5, 716:16, 732:19, 742:12, 742:14, 742:18, 743:13, 748:6, 748:7, 749:17, 749:23, 751:12, 751:15, 751:23, 753:5, 753:9, 753:16, 754:5, 757:3, 760:2, 762:7, 768:15, 769:4, 770:16, 779:13, 779:18, 784:18, 784:21, 786:13, 788:13, 789:19, 789:20, 789:23, 791:16, 794:10, 795:7, 795:10, 795:15, 795:20, 795:22, 796:2, 797:12, 798:6, 798:12, 798:16, 799:3, 799:20, 805:2, 813:5, 816:3, 816:19, 817:15, 822:1, 822:3, 823:13, 824:1, 824:4, 824:18, 825:23, 827:2, 827:6, 828:22, 830:5, 831:8, 832:10, 833:22, 835:4, 836:24, 837:1, 839:3, 841:8, 843:16, 858:6 testing ^[1] - 811:19 THE ^[31] - 638:22, 687:23, 690:6, 690:21, 691:3, 695:8, 695:13, 695:19, 695:21, 696:4, 696:6, 701:15, 723:2, 723:23, 724:1, 730:6, 730:10, 730:12, 730:15, 730:19, 730:23, 732:21, 733:4, 733:10, 733:14, 744:18, 746:2, 748:5, 749:2, 783:4, 784:1 themselves ^[1] - 869:18 theoretical ^[1] - 726:24 theory ^[1] - 717:5 therefore ^[3] - 721:6, 728:16, 787:18 they've ^[11] - 665:13, 667:20, 678:11, 678:17, 776:24, 785:8, 810:2, 813:23, 813:24, 849:20, 866:8 thinking ^[6] - 700:7, 777:9, 778:17, 778:18, 850:2, 864:23</p>	<p>thinks ^[1] - 697:14 third ^[16] - 639:8, 731:17, 748:13, 753:23, 764:18, 764:20, 800:13, 800:14, 800:19, 801:16, 802:6, 802:15, 802:17, 861:19, 863:9, 863:24 thirds ^[1] - 731:16 thoughts ^[10] - 714:2, 721:2, 818:1, 849:2, 849:11, 849:18, 849:20, 849:23, 863:2 thousand ^[10] - 663:22, 664:5, 664:7, 664:17, 664:18, 665:1, 665:8, 666:20, 685:20, 685:23 thousand-dollar ^[2] - 664:5, 664:7 thousands ^[1] - 868:24 three ^[53] - 639:13, 715:4, 718:18, 718:25, 719:2, 735:4, 763:12, 769:25, 773:6, 776:9, 777:20, 777:24, 781:14, 784:24, 786:19, 786:22, 787:10, 787:16, 788:15, 792:7, 792:15, 792:18, 792:21, 792:25, 793:4, 793:9, 793:15, 794:2, 794:8, 797:15, 799:25, 800:2, 800:6, 800:10, 800:18, 800:20, 802:7, 807:2, 807:4, 807:6, 807:15, 809:3, 810:2, 812:8, 812:12, 812:13, 812:21, 835:10, 863:22, 864:6, 866:12, 867:18 three-year ^[29] - 718:18, 719:2, 781:14, 784:24, 786:19, 786:22, 787:10, 787:16, 792:7, 792:15, 792:18, 792:21, 792:25, 793:4, 793:9, 793:15, 794:2, 794:8, 797:15, 800:2, 807:2, 807:4, 807:6, 807:15, 809:3, 812:8, 812:12, 812:13, 812:21 throughout ^[2] - 656:17, 864:3 throw ^[2] - 865:5, 865:11 thrust ^[4] - 642:9, 645:21, 647:24, 682:9 thumb ^[1] - 725:13 Thursday ^[1] - 639:2 tie ^[3] - 710:6, 719:4, 755:9 tied ^[1] - 856:12 Tim ^[1] - 852:1 timely ^[1] - 839:16 timing ^[3] - 752:22, 764:12, 775:17</p>
T			
<p>Table ^[4] - 795:21, 796:8, 798:21, 799:9</p>			

<p>title [1] - 848:16</p> <p>today [20] - 639:7, 639:18, 662:10, 664:7, 668:19, 719:24, 725:3, 765:10, 812:10, 843:16, 852:4, 853:22, 857:11, 860:8, 861:18, 863:2, 863:11, 865:23, 869:25</p> <p>today's [2] - 650:9, 861:12</p> <p>together [12] - 683:22, 757:3, 837:13, 846:4, 846:12, 846:22, 849:2, 849:3, 849:5, 861:24, 863:19, 867:24</p> <p>took [6] - 781:14, 803:9, 818:12, 819:2, 823:2, 823:4</p> <p>top [12] - 657:25, 658:5, 666:8, 673:4, 675:23, 725:25, 730:25, 734:21, 735:23, 735:24, 837:24, 856:14</p> <p>topic [3] - 698:1, 698:2, 735:18</p> <p>topics [1] - 698:1</p> <p>total [17] - 649:22, 649:24, 652:15, 658:1, 660:1, 664:25, 665:3, 665:20, 711:9, 712:17, 764:15, 772:7, 788:4, 803:13, 813:22, 856:2</p> <p>tough [1] - 798:2</p> <p>tougher [1] - 866:15</p> <p>towards [3] - 750:14, 753:13, 756:12</p> <p>track [9] - 724:3, 808:2, 811:7, 811:23, 812:22, 813:13, 814:10, 815:8, 819:21</p> <p>tracker [5] - 728:8, 728:11, 749:22, 750:22, 750:23</p> <p>trackers [2] - 769:10, 769:14</p> <p>trade [2] - 785:5, 785:11</p> <p>traditional [2] - 761:11</p> <p>trail [1] - 832:9</p> <p>trailer [1] - 711:24</p> <p>train [1] - 724:1</p> <p>trained [1] - 856:24</p> <p>training [1] - 857:1</p> <p>transaction [1] - 675:3</p> <p>TRANSCRIPT [1] - 638:11</p> <p>transcript [2] - 872:11, 873:11</p> <p>transfer [2] - 642:16, 643:24</p> <p>transformers [1] - 680:3</p> <p>transition [1] - 782:8</p> <p>translate [1] - 725:18</p> <p>translates [2] - 693:13, 709:1</p> <p>transmission [29] - 649:9, 649:12, 649:18, 659:24,</p>	<p>680:8, 748:8, 749:21, 750:19, 751:2, 751:6, 751:8, 751:18, 752:15, 752:18, 753:2, 754:19, 768:17, 768:21, 768:24, 772:22, 773:5, 773:10, 795:17, 799:4, 799:6, 822:10, 822:11, 839:25, 863:1</p> <p>transparency [13] - 642:11, 645:12, 645:18, 645:23, 647:14, 647:25, 667:19, 668:8, 673:5, 673:7, 673:14, 682:10, 682:19</p> <p>TRC [1] - 748:11</p> <p>treasuries [6] - 693:17, 700:21, 703:1, 705:21, 705:24, 706:6</p> <p>Treasury [1] - 733:13</p> <p>treasury [28] - 693:4, 699:24, 700:6, 701:19, 702:5, 702:12, 706:23, 707:25, 709:10, 709:16, 709:17, 709:23, 710:1, 719:5, 719:9, 719:11, 719:20, 719:22, 728:12, 734:13, 734:23, 735:21, 736:7, 736:13, 736:22, 737:13, 738:18</p> <p>treatment [2] - 855:6, 857:15</p> <p>treatments [1] - 724:16</p> <p>tremendous [1] - 832:12</p> <p>trend [1] - 700:3</p> <p>trends [1] - 737:19</p> <p>trouble [1] - 743:2</p> <p>troublesome [1] - 766:18</p> <p>true [7] - 646:6, 699:22, 707:22, 707:23, 711:12, 724:20, 847:5</p> <p>truly [1] - 667:23</p> <p>trust [1] - 849:23</p> <p>truth [1] - 782:12</p> <p>try [13] - 647:9, 673:22, 685:16, 698:2, 701:11, 713:6, 714:7, 726:17, 761:23, 763:24, 764:3, 844:17, 868:20</p> <p>trying [17] - 656:8, 668:8, 668:11, 682:12, 682:21, 733:10, 736:20, 741:15, 763:9, 764:5, 770:13, 807:3, 820:10, 838:14, 840:6, 841:2</p> <p>turn [4] - 695:2, 727:12, 758:21, 827:11</p> <p>turned [1] - 778:25</p> <p>twice [2] - 647:24, 666:10</p> <p>two [46] - 670:6, 670:9, 679:2, 681:8, 682:1, 689:3, 692:22, 695:10, 700:19,</p>	<p>701:4, 701:5, 701:6, 731:16, 738:22, 739:18, 748:17, 754:5, 755:14, 762:18, 767:8, 767:16, 768:1, 768:7, 770:1, 770:20, 773:5, 775:23, 778:13, 782:8, 810:23, 811:2, 819:20, 829:9, 829:17, 835:11, 837:3, 846:8, 846:18, 846:19, 849:11, 849:22, 851:4, 865:8, 866:11</p> <p>two-part [1] - 682:1</p> <p>two-pronged [1] - 810:23</p> <p>two-thirds [1] - 731:16</p> <p>twofold [1] - 694:10</p> <p>type [2] - 811:22, 841:15</p> <p>typewritten [2] - 872:10, 873:10</p> <p>typographical [2] - 747:12, 748:17</p> <p>Tyson [7] - 643:2, 713:25, 714:3, 731:13, 853:4, 853:13, 853:16</p>	<p>unique [3] - 755:23, 820:7, 866:11</p> <p>units [1] - 835:10</p> <p>universities [1] - 734:8</p> <p>unless [7] - 671:19, 685:5, 687:15, 706:25, 707:15, 722:22, 782:9</p> <p>unnecessarily [1] - 694:25</p> <p>unreasonably [1] - 739:1</p> <p>unreliable [1] - 724:19</p> <p>unserved [1] - 756:18</p> <p>unstable [1] - 724:18</p> <p>up [60] - 658:5, 666:2, 666:9, 670:10, 670:16, 670:19, 675:24, 676:7, 683:17, 691:4, 694:20, 699:16, 699:19, 699:25, 709:17, 709:19, 713:6, 716:20, 719:22, 725:23, 726:10, 726:16, 727:12, 730:6, 734:22, 736:18, 737:13, 740:6, 741:2, 744:11, 745:17, 746:24, 773:16, 774:1, 778:14, 782:5, 790:17, 792:13, 807:20, 808:23, 810:5, 812:4, 812:18, 813:21, 814:19, 820:6, 820:11, 831:10, 834:2, 834:6, 844:9, 848:20, 849:21, 851:6, 859:17, 863:13, 864:7, 865:8, 868:20</p> <p>up-to-date [1] - 807:20</p> <p>update [4] - 806:2, 811:13, 811:23, 838:7</p> <p>updated [2] - 797:4, 808:1</p> <p>updates [5] - 809:20, 811:7, 815:17, 822:20, 823:10</p> <p>upfront [1] - 806:24</p> <p>upper [1] - 777:15</p> <p>uprate [2] - 823:1, 829:10</p> <p>urge [2] - 729:21, 858:24</p> <p>urging [2] - 680:19, 782:4</p> <p>us-versus-them [1] - 725:11</p> <p>usage [3] - 788:6, 813:16, 819:18</p> <p>uses [5] - 737:16, 738:23, 751:17, 752:14, 776:15</p> <p>USOA [1] - 651:17</p> <p>Utilities [1] - 810:17</p> <p>utilities [15] - 643:15, 644:18, 662:11, 662:14, 665:23, 692:25, 703:5, 704:19, 718:17, 729:11, 740:2, 740:12, 756:12, 864:4, 866:5</p> <p>utility [43] - 642:16, 642:22, 642:24, 643:25, 648:11, 648:13, 648:21, 671:25, 679:25, 685:8, 685:9,</p>
U			
<p>ultimate [1] - 738:13</p> <p>uncertainty [2] - 729:17, 729:20</p> <p>uncommon [1] - 821:3</p> <p>under [21] - 655:19, 660:5, 660:8, 676:2, 700:15, 713:3, 713:5, 715:13, 747:13, 757:17, 759:18, 761:10, 767:13, 767:15, 772:3, 802:1, 813:11, 827:14, 836:3, 857:7, 859:1</p> <p>underearn [1] - 718:4</p> <p>underearned [1] - 717:24</p> <p>underearnings [1] - 718:1</p> <p>underearns [1] - 717:9</p> <p>underestimate [1] - 761:15</p> <p>underlying [1] - 659:12</p> <p>underrecovering [1] - 774:8</p> <p>undershares [1] - 717:1</p> <p>understandable [1] - 854:5</p> <p>understood [4] - 673:1, 745:9, 772:1, 774:17</p> <p>undertaken [1] - 753:25</p> <p>underway [1] - 728:5</p> <p>uneconomic [1] - 677:7</p> <p>unemployment [2] - 693:22, 705:19</p> <p>unfortunately [2] - 720:20, 808:3</p> <p>unfriendly [1] - 697:4</p> <p>unincurred [1] - 646:1</p>			

<p>686:19, 687:17, 688:15, 696:19, 696:23, 698:16, 699:13, 699:17, 699:20, 700:8, 703:1, 705:6, 706:20, 707:1, 707:5, 707:8, 709:19, 709:23, 710:2, 727:23, 731:23, 740:13, 740:15, 742:21, 752:1, 755:23, 756:16, 765:6, 789:13, 804:18, 828:19, 852:6</p> <p>utility's [3] - 751:5, 751:11, 858:3</p> <p>utilized [1] - 768:7</p>	<p>verbal [1] - 840:4</p> <p>versa [1] - 707:6</p> <p>version [1] - 757:9</p> <p>versions [1] - 755:9</p> <p>versus [10] - 646:12, 676:21, 712:22, 721:14, 725:11, 725:17, 797:6, 809:16, 824:5, 824:24</p> <p>via [2] - 731:13, 839:15</p> <p>Vice [3] - 829:2, 832:6, 832:8</p> <p>vice [1] - 707:6</p> <p>view [4] - 721:13, 724:12, 739:9, 739:21</p> <p>viewpoint [2] - 670:5, 740:17</p> <p>viewpoints [1] - 668:22</p> <p>views [1] - 727:22</p> <p>vigorous [1] - 640:15</p> <p>violates [1] - 852:18</p> <p>virtually [1] - 750:17</p> <p>vital [2] - 860:13, 860:15</p> <p>VOLUME [1] - 638:13</p> <p>volumes [1] - 867:24</p> <p>vulnerable [1] - 856:19</p>	<p>wind [10] - 666:9, 765:18, 830:8, 835:15, 836:5, 839:13, 839:17, 839:19, 839:20, 840:16</p> <p>window [2] - 718:12, 719:7</p> <p>winging [1] - 741:15</p> <p>winter [3] - 770:21, 770:23, 771:1</p> <p>Wisconsin [1] - 767:10</p> <p>wisdom [3] - 694:8, 714:20, 739:15</p> <p>wise [3] - 737:23, 737:24, 830:7</p> <p>wish [1] - 640:11</p> <p>Wishart [2] - 766:3, 831:7</p> <p>wishart's [1] - 754:4</p> <p>wishes [3] - 843:15, 843:19, 870:1</p> <p>withdraw [1] - 661:10</p> <p>Witness [4] - 641:3, 691:8, 784:4, 827:20</p> <p>WITNESS [30] - 687:23, 690:6, 690:21, 691:3, 695:8, 695:13, 695:19, 695:21, 696:4, 696:6, 701:15, 723:2, 723:23, 724:1, 730:6, 730:10, 730:12, 730:15, 730:19, 730:23, 732:21, 733:4, 733:10, 733:14, 744:18, 746:2, 748:5, 749:2, 783:4, 784:1</p> <p>witness [50] - 639:19, 640:18, 640:21, 642:2, 642:5, 646:21, 656:24, 690:1, 690:14, 692:4, 697:18, 700:25, 701:13, 716:17, 733:2, 733:21, 746:4, 746:11, 746:13, 746:15, 746:17, 746:21, 747:6, 749:7, 754:21, 757:24, 758:1, 761:23, 783:13, 783:19, 783:21, 785:14, 789:12, 789:18, 790:3, 795:7, 826:1, 826:11, 827:1, 827:6, 827:11, 827:14, 829:23, 832:6, 847:15, 852:21, 853:4, 854:24, 856:1</p> <p>witnesses [7] - 746:21, 746:23, 843:12, 843:20, 843:22, 851:25, 858:7</p> <p>won [1] - 821:12</p> <p>wonder [1] - 848:4</p> <p>wondered [1] - 662:12</p> <p>wonderful [3] - 714:8, 714:9, 714:13</p> <p>wondering [7] - 662:8, 665:6, 712:20, 779:11, 822:4, 822:6, 822:16</p>	<p>word [4] - 682:23, 748:21, 748:22, 864:12</p> <p>words [9] - 664:10, 682:25, 686:25, 713:2, 717:12, 719:10, 738:4, 748:19, 756:5</p> <p>workforce [1] - 856:6</p> <p>works [3] - 649:20, 663:21, 869:17</p> <p>world [2] - 766:25, 866:5</p> <p>worried [1] - 725:22</p> <p>written [2] - 869:8, 869:9</p> <p>wrote [3] - 663:16, 730:1, 730:19</p>
V		X	
<p>valley [15] - 646:23, 790:5, 790:16, 806:20, 823:20, 826:13, 827:2, 829:25, 842:23, 843:18, 844:13, 845:5, 851:8, 858:13, 870:8</p> <p>VALLEY [34] - 790:7, 790:9, 790:19, 790:21, 791:11, 791:21, 792:1, 795:6, 795:14, 806:18, 822:8, 823:21, 823:23, 824:10, 824:17, 824:19, 824:22, 825:3, 826:15, 827:3, 827:7, 830:1, 830:3, 833:13, 842:25, 843:21, 844:23, 846:11, 846:21, 849:4, 850:6, 851:9, 851:11, 870:10</p> <p>value [22] - 644:12, 663:8, 663:13, 667:12, 676:11, 677:13, 682:6, 696:10, 696:12, 696:16, 696:17, 696:18, 696:19, 696:20, 696:21, 696:22, 740:2, 740:3, 740:4, 740:5, 740:10, 740:11</p> <p>values [3] - 698:23, 752:4, 756:19</p> <p>variability [3] - 719:2, 781:8, 781:10</p> <p>variances [1] - 815:8</p> <p>variant [2] - 759:7, 848:8</p> <p>variation [5] - 752:4, 752:6, 759:25, 772:8, 780:7</p> <p>variations [2] - 787:1, 787:6</p> <p>varies [1] - 821:17</p> <p>various [9] - 724:16, 759:14, 763:19, 763:21, 772:12, 788:22, 789:2, 789:24, 841:19</p> <p>vary [1] - 751:25</p> <p>vegetation [2] - 796:10, 798:22</p>	W	<p>Xcel [7] - 698:24, 711:8, 712:17, 714:3, 714:6, 767:2, 863:10</p> <p>Xcel's [2] - 696:20, 714:4</p>	
<p>wait [3] - 651:7, 727:12, 836:15</p> <p>waive [2] - 640:12, 640:14</p> <p>walk [2] - 663:22, 717:2</p> <p>walking [2] - 676:22, 677:4</p> <p>wants [2] - 820:13, 850:3</p> <p>watch [1] - 868:1</p> <p>ways [5] - 669:24, 763:3, 840:23, 841:12, 863:18</p> <p>weathered [1] - 837:12</p> <p>web [1] - 704:9</p> <p>website [1] - 834:6</p> <p>week [2] - 693:5, 693:8</p> <p>weekly [1] - 770:23</p> <p>weigh [1] - 857:22</p> <p>weight [1] - 737:7</p> <p>weighted [1] - 764:11</p> <p>weighting [2] - 754:10, 764:17</p> <p>whatsoever [1] - 779:22</p> <p>whole [21] - 673:6, 675:3, 705:16, 713:20, 720:19, 726:11, 728:10, 729:20, 734:6, 760:23, 764:2, 765:13, 778:20, 815:9, 815:20, 817:13, 820:6, 838:7, 860:21, 867:5, 867:15</p> <p>wild [1] - 676:22</p> <p>willing [3] - 668:20, 696:14, 696:15</p> <p>willingness [1] - 860:2</p> <p>Wind [1] - 831:5</p>	<p style="text-align: center;">Y</p> <p>Yahoo [1] - 702:3</p> <p>year [121] - 652:15, 652:17, 661:11, 665:2, 666:1, 675:14, 694:3, 694:13, 702:4, 702:7, 715:3, 715:6, 715:14, 715:15, 715:22, 717:6, 717:18, 718:18, 719:2, 719:6, 719:23, 720:13, 720:15, 720:18, 753:22, 770:25, 781:14, 782:7, 784:24, 786:19, 786:22, 787:1, 787:7, 787:10, 787:14, 787:16, 790:11, 790:14, 790:22, 791:1, 791:2, 791:7, 792:5, 792:7, 792:10, 792:15, 792:18, 792:21, 792:25, 793:4, 793:9, 793:15, 794:2, 794:8, 794:18, 794:24, 796:22, 797:8, 797:15, 797:22, 798:10, 800:2, 800:5, 800:13, 800:15, 802:3, 802:16, 802:20, 802:21, 803:5, 803:18, 804:1, 804:3, 804:13, 807:2, 807:4, 807:6, 807:11, 807:15, 808:17, 809:3, 809:6, 809:14, 810:24, 811:1, 811:3, 811:4, 811:11, 811:20, 812:3, 812:8, 812:12, 812:13, 812:20, 812:21, 813:25, 815:4, 815:10, 817:3, 822:24, 823:11, 832:1, 839:8,</p>		

855:10, 855:12, 855:17,
863:12

year's ^[1] - 715:5

year-to-year ^[1] - 675:14

years ^[36] - 650:11, 664:13,

666:2, 667:9, 679:10,
693:17, 693:19, 705:25,
712:24, 715:5, 715:17,
719:1, 757:8, 759:8,
760:15, 777:18, 777:19,
781:7, 788:15, 799:25,
800:18, 800:20, 802:7,
809:16, 810:2, 810:4,
810:21, 816:22, 824:5,
829:6, 829:17, 832:13,
837:23, 861:5, 861:6,
867:20

yesterday ^[14] - 639:17,

640:25, 643:2, 708:11,
713:25, 720:21, 723:7,
731:12, 772:2, 774:25,
808:10, 809:11, 809:12,
812:7

yield ^[10] - 693:4, 702:12,

704:1, 707:25, 709:19,
719:11, 719:20, 719:22,
734:23, 737:13

yielding ^[1] - 693:7

yields ^[17] - 693:11, 700:10,

700:14, 701:18, 702:5,
702:25, 704:4, 706:23,
707:5, 708:23, 710:1,
732:3, 735:21, 736:7,
736:13, 736:22, 738:18

York ^[2] - 821:12, 821:15

young ^[1] - 868:5

yourself ^[2] - 671:16, 712:3

Z

zoom ^[1] - 695:23