

Lobbying Cost, Definition and Rate Case Treatment

FERC defines FERC Account 426.4 as:

426.4 Expenditures for certain civic, political and related activities. This account shall include expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances) or approval, modification or revocation of franchises; or for the purpose of influencing the decisions of public officials, but shall not include such expenditures which are directly related to appearances before regulatory or other governmental bodies in connection with the reporting utility's existing or proposed operations.

The Company prepares initial expenses for a given test year using queries on the general ledger system that restrict the data to only those costs assigned to FERC Accounts 500 through 935. The Company then adds specific amounts for Charitable Contributions (FERC 426.1), Economic Development Contributions (FERC 426.1), and Chamber of Commerce Dues (FERC 426.4) through the manual adjustments process which is then detailed in the direct testimony of our revenue requirements witness. In Case PU-12-813, Ms. Heuer is the pertinent witness and manual adjustments are discussed at pages 66-68. This process ensures that Chamber of Commerce Dues are the only charges in the test year that could be considered lobbying according to FERC accounting.