



Public Service Commission

State of North Dakota

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July 1, 2024

Public Service Commission
Attention: Steve Kahl
600 East Boulevard Avenue, Dept 408
Bismarck, ND 58505-0480

In re: Northern States Power Company
2024 Natural Gas Rate Increase
Application
Case No. PU-23-367

Dear Mr. Kahl,

Enclosed for filing in the above referenced matter please find the original copy of the following public document:

1. Prefiled Direct Testimony of Dante Mugrace.

Respectfully,

A handwritten signature in black ink, appearing to read "Brian Johnson".

Brian Johnson
Special Assistant Attorney General Bar ID 07397
North Dakota Public Service Commission
600 East Boulevard Avenue Dept. 408
Bismarck, ND 58505
701-328-2407

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Direct Testimony and Schedules

Dante Mugrace

**Before the North Dakota Public Service Commission
State of North Dakota**

In the Matter of the Application of
Northern States Power Company – North Dakota
a Division of Xcel Energy
For Authority to Establish Increased Rates for
Gas Service

Case No. PU-23-367

Overall Revenue Requirement
Rate Base Valuation
Operating Income

July 1, 2024

1 I. INTRODUCTION – STATEMENT OF QUALIFICATION

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Dante Mugrace. My business address is 22 Brookes Avenue,
4 Gaithersburg, MD 20877.

5 Q. WHAT IS YOUR PRESENT OCCUPATION?

6 A. I am a Senior Consultant with the Economic and Management Consultant Firm of
7 PCMG and Associates, LLC. (PCMG). In my capacity as a Senior Consultant, I
8 am responsible for evaluating and examining rate and rate-related proceedings
9 before various governmental entities, preparing expert testimony and reviewing
10 and making recommendations concerning revenue requirement proposals, as well
11 as, offering opinions on economic policy and policy issues and methodologies
12 used to set a value on a utility's rate base and cost of service components of
13 revenue requirements.

14 Q. PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE?

15 A. PCMG is an association of experts in the area of utility regulation and policy,
16 economics, accounting, and finance. PCMG's members have over 75 years of
17 collective experience providing assistance to counsel and expert testimony
18 regarding the regulation of electric, gas, water and wastewater utilities that operate
19 under local, state, and federal jurisdictions. PCMG brings to client engagements
20 a consultative and collaborative approach to the identification of issues and the
21 development of positions with strict adherence to client procedures and deadlines.
22 PCMG focuses on areas regarding revenue requirement, cost of service, rate
23 design, cost of capital and rate of return. We provide overall analyses on various
24 ratemaking concepts as well as a review of public utility accounting methods used
25 by various public utilities and State Public Service Commissions. We also evaluate
26 the reasonableness of costs and investments that are used to set rates, and
27 measure the value of rate base, whether these costs are prudent in nature, used
28 and useful and known and measurable in utility operations. Prior to my association
29 with PCMG, I was employed as a Senior Consultant with the consulting firm of
30 Snavelly-King Majoros and Associates (SKM) from 2013 to 2015 in the same

1 capacity as PCMG. Prior to SKM, I was employed by the New Jersey Board of
2 Public Utilities (NJBPU or BPU or Board) from 1983 to my retirement in 2011.
3 During my tenure at the NJBPU, I held various Accounting, Auditing, Rate Analyst,
4 Supervisory and Management positions. My last position was Bureau Chief of
5 Rates in the Agency's Water Division (Bureau Chief of Rates). I held this position
6 for nearly 10 years. My CV is attached as Appendix A.

7 **Q. WHAT EXPERIENCE DO YOU HAVE IN THE AREA OF UTILITY RATE**
8 **SETTING PROCEEDINGS AND OTHER REGULATORY AND UTILITY**
9 **MATTERS?**

10 **A.** In my capacity as Bureau Chief of Rates, I was responsible for managing,
11 assigning, directing, and overseeing the rate process regarding the administrative,
12 financial, and managerial functions of the Rates Bureau. My primary duties were
13 to ensure that the utilities had sufficient revenues to cover their operating
14 expenses, while ensuring that those expenses were reasonable in nature, prudent,
15 and known and measurable in providing service and benefits to customers, and
16 were in accordance with Board policies, regulatory standards, and prior rate
17 Orders. I was also responsible to ensure that the utilities had the opportunity to
18 earn a reasonable return on their plant investments, including the ability to provide
19 safe, adequate, and proper service at reasonable rates. During my time at the
20 NJBPU, I was involved in hundreds of rate and rate-related proceedings that were
21 resolved either through settlement or through fully litigated proceedings. In my
22 capacity as a Senior Consultant, I was involved or am currently involved in rate
23 and rate-related proceedings before the Commissions in the Commonwealths of
24 Massachusetts and Pennsylvania, and the States of Hawaii, Maine, Maryland,
25 New Jersey, New York, North Dakota, and Ohio. I was involved in the Generic
26 Proceedings to Establish Parameters for the Next Generation Performance Based
27 Rate Plans before the Alberta Utilities Commission. I have been or am currently
28 involved in matters before the Federal Energy Regulatory Commission ("FERC")
29 regarding transmission formula rate plans. More recently I was involved in the
30 Generic Proceeding instituted by the NJ Board of Public Utilities (NJBPU)
31 regarding the Tax Cuts and Jobs Act of 2017 (BPU Docket No. AX1801001)

1 regarding the setting of the federal tax adjustments and the adjustment of rates
2 and the impact on the flowback of excess accumulated deferred income taxes. I
3 am currently involved in several proceedings with the NJBPU with respect to the
4 establishment of energy efficiency and peak demand reduction programs in
5 accordance with the NJ Clean Energy Act of 2018 (BPU Docket Nos.
6 QO19010040, QO19060748 and QO17091004).

7 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

8 **A.** I hold a Master of Business Administration (“MBA”) degree with a concentration in
9 Strategic Management from Pace University – Lubin School of Business in New
10 York City, New York. I hold a Master of Public Administration (“MPA”) degree from
11 Kean University in Union, New Jersey. I hold a Bachelor of Science (“BS”) degree
12 in Accounting from Saint Peter’s University in Jersey City, New Jersey.

13 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

14 **A.** I am testifying on behalf of the Advocacy Staff of the North Dakota Public Service
15 Commission (NDPSC).

16 **II. PURPOSED OF TESTIMONY**

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

18 **A.** The purpose of my testimony is to evaluate and make a revenue requirement
19 recommendation regarding Northern States Power Company – North Dakota
20 (NSPC or Company) gas base rate case proceeding that was filed with the North
21 Dakota Public Service Commission (NDPSC or Commission) on December 29,
22 2023 in Case No. PU-23-367. My overall revenue requirement recommendations
23 are based upon the Company’s proposed test year period ending December 31,
24 2024. The Company has proposed an annual revenue requirement increase of
25 \$8.463 million or 9.40% over current rate revenues. Incorporated into my
26 testimony, I have presented findings with respect to the Company’s test year rate
27 base, revenues, operating expenses and net income at present rate revenues. I
28 have incorporated and am relying on the recommendations of Dr. Marlon Griffing

1 for cost of capital and return on equity, and Dr. Karl Pavlovic for cost of service
2 and rate design that may affect my revenue requirement.

3 **Q. HAVE YOU REVIEWED AND EXAMINED THE COMPANY'S TESTIMONY AND**
4 **ACCOMPANYING EXHIBITS IN THIS PROCEEDING?**

5 **A.** Yes. I have reviewed NSPC's testimony, statements and exhibits, and have also
6 reviewed and relied on the responses to data requests propounded by Advocacy
7 Staff and PCMG.

8 **Q. HAVE YOU PREPARED SCHEDULES TO ACCOMPANY YOUR TESTIMONY?**

9 **A.** Yes. I have prepared Schedules DM-1 through DM-22.

10 **Q. PLEASE SUMMARIZE THE RATE RELIEF PROPOSED BY NSPC.**

11 **A.** As previously indicated above, the Company filed an application for an increase in
12 electric service on December 29, 2023, requesting an increase in natural gas base
13 distribution rates in the amount of \$8.463 million or 9.40% above current rates.
14 The revenue requirement is predicated upon a future test year ending December
15 31, 2024, (Exhibit BCH-1 Schedule 11) which include an overall rate of return of
16 7.52% and a common equity component of 10.20%. (Exhibit BCH-1 Schedule 3A
17 and Workpaper Volume 3 – VI C1). The Company has computed an average rate
18 base balance of \$167,970,000 based upon average balances of plant investments.
19 The Company's last base rate case was filed in September 2021 and used a 2022
20 future test year period in Case No. PU-21-381. The Company stated that since its
21 last base rate case proceeding, the Company has made \$52.57 million of capital
22 investments to the North Dakota gas operations. (Krug testimony page 14).

23 **Q. HOW DID THE COMPANY COMPUTE ITS PROPOSED REVENUE**
24 **REQUIREMENT INCREASE OF \$8,463,000.**

25 **A.** The Company has computed its proposed revenue requirement increase by
26 computing the average rate base (beginning and ending test year balances) and
27 the adding and subtracting average balances related to Cash Working Capital
28 (CWC) materials and supplies, fuel inventory, prepayments and various non-plant
29 assets and liabilities. The Company multiplied its proposed average rate base

1 balance of \$167,970,000 by the proposed rate of return of 7.52% to arrive at a
2 proposed Operating Income requirement of \$12,631,344. The Company then
3 subtracted its Operating Income at present rates of \$6,234,000 to arrive at an
4 income deficiency of \$6,397,344.¹ The Company then multiplied this amount by its
5 revenue conversion factor of 1.322837 to arrive at its revenue requirement
6 increase proposal of \$8,463,000.²

7 **Q. HAVE YOU ACCEPTED THE COMPANY'S PROPOSED TEST YEAR ENDING**
8 **DECEMBER 31, 2024?**

9 **A.** Yes.

10 **Q. HAS THE COMPANY UPDATED ITS PROPOSED REVENUE REQUIREMENT**
11 **INCREASE SUBSEQUENT TO THE DECEMBER 29, 2023 FILING DATE?**

12 **A.** No.

13 III. REVENUE REQUIREMENT RECOMMENDATIONS

14
15 **Q. PLEASE SUMMARIZE YOUR FINDING AND RECOMMENDATIONS.**

16 **A.** Based upon the use of the Company's test year period ending December 31, 2024,
17 I have the following recommendations:³

- 18 1. My recommended rate base balance is \$167,305,914 which is \$664,086 lower
19 than the Company's proposed rate base balance of \$167,970,000.
- 20 2. My rate of return is based upon the recommendation of Dr. Marlon Griffing,
21 which recommends an overall return of 7.26%, which includes a common
22 equity component of 9.80%.
- 23 3. My recommended operating revenues at present rates is \$90,459,000 which is
24 the same as the Company's operating revenues at present rates of
25 \$90,459,000.

¹ Company Exhibit BCH-1 Schedule 7 page 1.

² On February 21, 2024, the Commission authorized the Company to increase rates on an interim basis, subject to refund including interest at a rate to be determined by the Commission. The interim rate increase was approved at a level of \$7,889,000 effective March 1, 2024. This represents approximately 93.2% of the Company's as filed rate increase of \$8,463,000.

³ Differences due to rounding

1 4. My overall revenue requirement increase based upon an overall rate of return
2 of 7.26% is \$6,344,087 or 7.013%; this is \$2,118,556 lower than the Company's
3 overall revenue requirement increase of \$8,462,643 or 9.355%.

4 **Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?**

5 **A.** The remainder of my testimony is organized by documenting and explaining
6 adjustments to various rate base components and net operating income
7 components to arrive at my recommended revenue requirement decrease.

8 **Q. ARE YOU ACCEPTING ANY OF THE COMPANY'S PROPOSED RATE BASE
9 BALANCE AND OPERATING INCOME ADJUSTMENTS?**

10 **A.** Yes. I am accepting certain of the Company's Rate Base balances and certain of
11 the Company's Operating Income adjustments. These adjustments are not
12 identified in my testimony but are identified in my revenue requirement schedules.
13 My testimony reflects the areas of disagreement from that of the Company and the
14 effect these adjustments have on rates.

15
16 **IV. Cost of Capital**

17 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS COST OF
18 CAPITAL?**

19 **A.** The Company has proposed an overall Cost of Capital of 7.52%. The breakdown
20 of this return is based upon a long-term debt rate of 4.54%, a short-term debt
21 rate of 0.12% and a common equity component of 10.20%. (WP VI-C1- Cost of
22 Capital Schedule).

23 **Q. WHAT IS YOUR RECOMMENDED COST OF CAPITAL?**

24 **A.** As per Advocacy Staff witness Dr. Griffing's recommendation, I am incorporating
25 an overall cost of capital of 7.26% which includes a common equity component of
26 9.38%. This is shown on Schedule DM-2, and on Dr. Griffing's Exhibit MFG-17,
27 Schedule 3.

1 **V. Rate Base Issues**

2 **A. Gas Plant in Service (GPIS)**

3 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS GAS PLANT**
4 **IN SERVICE BALANCE?**

5 **A.** As shown on Exhibit BCH-1 Schedule 3A the Company proposed an average plant
6 in service balance of \$279,835,000, as of December 31, 2024. The Company has
7 developed this balance starting with total Company investments proposed in the
8 2024 test year period and provided retail gas service to its customers. (Halama
9 testimony page 17). The Company calculated the investment related to the North
10 Dakota jurisdiction by the use of a simple average of projected net plant at the
11 beginning and end of the test year consistent with the method employed in the
12 Company's most recent North Dakota gas rate case (Exhibit BCH-1 page 17). The
13 Company also included capital investments expected to be placed in service since
14 the Company's last base rate case in 2022. The Company has included peaking
15 plant investment costs, new business projects in Grand Forks and West Fargo, fire
16 safety and other improvements to the Company's peaking plants, the meter
17 module replacement program, reliability projects, replacement of problematic pipe,
18 and a relocation project arising out of the Fargo-Moorhead flood diversion project.
19 (Berger testimony page 2-3).

20 **Q. WHAT OTHER INVESTMENTS HAS THE COMPANY INCLUDED IN ITS TEST**
21 **YEAR PERIOD?**

22 **A.** The Company has included costs for its Distribution Integrity Management
23 Program (DIMP) and the Pipeline and Hazardous Materials Safety Administration
24 (PHMSA). (Berger testimony page 5). The Company provided a schedule of
25 capital investments expected to be placed in service through 2022- 2024 as shown
26 in response to NDPSC-2-9). Ms. Berger has provided a breakdown of these
27 capital investments beginning on page 14 of per testimony:

- 28 • Routine Investments - \$11.7 million
- 29 • Gas Capital Additions – 27.1 million (through 2024)

1 **Q. HOW DOES THE COMPANY ALLOCATE ITS GAS PLANT IN SERVICE**
2 **BALANCE FROM THAT OF THE PARENT COMPANY – XCEL ENERGY AND**
3 **NORTHERN STATES POWER COMPANY – MINNESOTA (NSPM)?**

4 **A.** The Company allocates its Gas Plant in Service (GPIS) balance by the use of
5 jurisdiction allocations from NSPM (total utility) to the North Dakota jurisdiction.
6 The jurisdiction cost of service study allocates rate base, capital structure, cost of
7 capital, income taxes and cash working capital from NSPM to the North Dakota
8 jurisdiction (Exhibit BCH-1 Schedule 15). (See also Exhibit BCH-1 Schedule 13
9 and Schedule 14).

10
11 **Q. DO YOU HAVE ANY CHANGES OR ADJUSTMENTS TO THE COMPANY'S**
12 **ALLOCATIONS FACTORS USED IN THE DEVELOPMENT OF THE**
13 **COMPANY'S REVENUE REQUIREMENT?**

14 **A.** No. I am accepting the Company's proposed allocation factors that were used in
15 the development of the Company's revenue requirement proposal.

16 **Q. DO YOU HAVE ANY ADJUSTMENTS WITH RESPECT TO THE COMPANY'S**
17 **GPIS BALANCE OF \$279,835,000?**

18 **A.** No. I reviewing the responses to NDPSC Data Request 3-2, the Company provided
19 information related to certain capital expenditures expected to be placed in service
20 up to December 31, 2024. These costs are related to the Company's Meter
21 Module Replacement Program and the Company's Renew Aldy-A Steel Main
22 program. In response to NDPSC Data Request 3-1, the Company provided
23 information related to estimated in-service dates for capital additions. The
24 Company stated that it updates its forecasts for these capital additions in July
25 2024. Once completed the Company can provide an update for the current year
26 forecast based upon six-months ' actuals and six-months forecasted.

27 **Q. WHAT IS YOUR RESPONSE?**

28 **A.** The Company should provide updated forecasts related to capital additions in its
29 rebuttal testimony and provide any variances from the as-filed numbers to the
30 update numbers, noting the reasons for such differences.

1 **Q. WHAT OTHER ADJUSTMENTS DO YOU HAVE?**

2 **A.** With respect to the Company's inclusion of Construction Work in Progress (CWIP)
3 of \$678,000 as shown on Company Exhibit BCH-1 Schedule 15, I am
4 recommending disallowance of these costs from the Company's Rate Base
5 balance. Rate Base components, such as plant in service should be used and
6 useful in the provision of utility service. Given that this plant is not used and useful
7 I am recommending these costs be removed. Unless the Company can confirm
8 that all CWIP balance that represent projects that have been placed in service
9 during the test year, these costs should not be recovered from ratepayers. All plant
10 in service should be used and useful in providing service.

11

12 **B. Accumulated Depreciation**

13 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ACCUMULATED**
14 **DEPRECIATION?**

15 **A.** In the same manner as the Company developed its GPIS balance, the Company
16 performed the same analysis with respect to its Accumulated Depreciation or
17 Depreciation Reserve amount, by taking the simple average of balances at the
18 beginning and end of test year. The Company proposed an average depreciation
19 reserve balance of \$96,004,000 as shown on Company Exhibit BCH-1 Schedule
20 5 and Schedule 15.

21 **Q. DO YOU HAVE ANY ADJUSTMENTS WITH THE WAY THE COMPANY**
22 **DEVELOPED ITS ACCUMULATED DEPRECIATION BALANCE?**

23 **A.** No. I am accepting the Company's methodology as to the development of the
24 Company's Accumulated Depreciation.

25 **Q. DO YOU HAVE ANY ADJUSTMENTS TO THE COMPANY'S GPIS BALANCE?**

26 **A.** No. I do not. This is reflected on my Schedule DM-6.

27

28

1 **C. Accumulated Deferred Income Taxes (ADIT)**

2 **Q. WHAT HAS THE COMPANY PROPOSED REGARDING ITS ACCUMULATED**
3 **DEFERRED INCOME TAXES?**

4 **A.** The Company has proposed an ADIT balance of \$22,871,000 as shown on Exhibit
5 BCH-1 Schedule 5 and Schedule 15. The Company used an average projected
6 ADIT balance of projected beginning and ending 2024 test year ADIT balances.
7 The Company incorporated the Internal Revenue Service (IRS) tax regulations
8 (Sec. 1.167 (1) of the tax code which defines a pro-rated schedule for the extent
9 average accumulated deferred income taxes which can be used to reduce rate
10 base to comply with the tax normalization requirements of the Code when
11 forecasted information is used to set rates. (Halama testimony page 20). The
12 Company stated that it has complied with the ADIT amortization requirements in
13 the Settlement Case PU-18-156. The Company amortized the excess plant-
14 related ADIT using the average rate assumption method (ARAM) and amortized
15 the unprotected, excess non-plant related ADIT over a three-year period. (Halama
16 testimony page 21). The excess non-plant related ADIT was amortized as ordered
17 over three-years and ended in 2020, and therefore no impact remains in the 2024
18 test year. (Halama testimony page 21).

19 **Q. DO YOU HAVE ANY ADJUSTMENTS REGARDING THE COMPANY'S**
20 **METHODOLOGY ON THE DEVELOPMENT OF ITS ADIT?**

21 **A.** No. I am accepting the Company's methodology as to the development of the
22 Company's ADIT. This is reflected on my Schedule DM-7.

23
24 **D. Cash Working Capital (CWC)**

25 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO CASH**
26 **WORKING CAPITAL (CWC)?**

27 **A.** The Company has proposed a CWC balance of (\$726,000) as shown on Exhibit
28 BCH-1 Schedule 3A and Schedule 5. The Company has included certain
29 investments, various non-plant assets and liabilities, materials and supplies, and

1 fuel inventory. (Halama testimony page 21). For certain components, the
2 Company has used thirteen-month average balances projected during the test
3 year. (Halama testimony page 22). For other components, the Company has used
4 a simple average of beginning and ending test year balances. The Company has
5 calculated its CWC by applying the results of a comprehensive lead/lag study to
6 the projected test year revenues and expenses. (Halama testimony page 23).

7 **Q. DO YOU HAVE ANY ADJUSTMENTS IN THE WAY THE COMPANY HAS**
8 **COMPUTED ITS CWC BALANCE?**

9 **A.** No. I am accepting the Company's methodology but have adjustments related to
10 my recommended adjustment to the Company's proposed revenues and
11 expenses.

12 **Q. WHAT ARE YOUR ADJUSTMENTS?**

13 **A.** I have adjusted my CWC accordingly and based upon my adjustments to the
14 Company's Rate Base components, the Operating Income and the Operating
15 Expenses, I have calculated a CWC balance of (\$714,086). This is shown on
16 Schedule DM-8.

17
18 **E. Other Rate Base Items**

19 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO NON-PLANT**
20 **ASSETS AND LIABILITIES?**

21 **A.** The Company proposed other Rate Base Item of \$7,058,000 as shown on Exhibit
22 BCH-1 Schedule 3A and Schedule 15.

23 **Q. DO YOU HAVE ANY ADJUSTMENTS RELATED TO THE COMPANY'S**
24 **PROPOSED OTHER RATE BASE ITEMS?**

25 **A.** No, I am accepting the Company's Other Rate Base items in the amount of
26 \$7,060,000 as shown on my Schedule DM-3.

27
28
29

1 **VI. Operating Income Issues**

2 **A. Operating Revenues**

3 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS OPERATING**
4 **REVENUES AT PRESENT RATES?**

5 **A.** The Company has proposed Operating Revenues at Present Rates of
6 \$90,459,000 as shown on Exhibit BCH-1 Schedule 3A, and Schedule 11. The Gas
7 Retail Revenues are comprised of \$89,990,000 plus Other Operating Revenues of
8 \$469,000.

9 **Q. WHAT WEATHER NORMALIZATION PERIOD HAS THE COMPANY USED TO**
10 **DEVELOP ITS SALES REVENUES?**

11 **A.** The Company has utilized a 15-year weather normalization period (Goodenough
12 testimony page 10). Mr. Goodenough stated that the 2008 through May 2023 was
13 used to determine the relationships of the monthly historical data and then
14 simulated over the forecast period by assuming normal weather in terms of 20-
15 Year averaged Heating Degree Day (HDD) and the projected levels of independent
16 predictor variables. (Goodenough testimony page 10).

17 **Q. DO YOU HAVE ANY ADJUSTMENTS TO THE COMPANY'S OPERATING**
18 **REVENUES AT PRESENT RATES?**

19 **A.** No, I am accepting the Company's Present Rate Revenues.
20

21 **B. Operating and Maintenance Expenses**

22 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS OPERATING**
23 **AND MAINTENANCE EXPENSE?**

24 **A.** As shown on Exhibit BCH-1 Schedule 3A, and Scheule 11, the Company proposed
25 a total Operating and Maintenance Expense (O&M) balance for the 2024 test year
26 of \$71,021,000. This balance is composed of various accounts related to
27 Purchased Gas, Gas Production and Storage, Gas Transmission, Distribution,
28 Customer Accounting/Customer Service, Sale/Economic Development and
29 Administrative and General. This balance includes the Company specific

1 adjustments in each of the accounts listed above, and as shown on Exhibit BCH-
2 1 Schedule 4 and 6.

3 **Q. WHAT ADJUSTMENTS DO YOU HAVE WITH RESPECT TO THE COMPANY'S**
4 **OVERALL OPERATING AND MAINTENANCE EXPENSES?**

5 **A.** I have adjustments to certain of the Company's overall O&M Expense balance that
6 do not include specific adjustments the Company has made and proposed as
7 shown on Exhibit BCH-1 Schedule 4 and 6. My overall adjustments to the
8 Company's certain O&M Expense incorporate the use of a three-year
9 normalization adjustment minus any labor adjustments.

10 **Q. WHY ARE YOU USING A NORMALIZATION ADJUSTMENT TO CERTAIN OF**
11 **THE COMPANY'S OVERALL O&M EXPENSES?**

12 **A.** A review of the Company's O&M Expenses shows that certain of the Company's
13 balances for the periods 2021-2023 (Data Request 02-21 Attachment A) fluctuate
14 and vary from year to year. In other accounts, the balances during the same period
15 appear to be abnormal and irregular from what the Company is proposing to utilize
16 and set in the test year 2024 period. In other areas there are negative balances
17 or no prior costs accounted for. Data Request 02-021 reflects these fluctuations
18 and variabilities from year to year. A further inquiry of certain expense breakdown
19 categories were asked for and received in Data Request 2-19 and 2-20. The use
20 of a three-year normalization period smooths out fluctuations in setting rates going
21 forward. Prior costs can also show and provide a trend of expenses that were
22 incurred by the Company to determine the reasonableness of the adjustments in
23 costs going forward. It is appropriate to normalize these types of costs to set rates
24 in this proceeding, whether these costs represent increases or decreases in the
25 Company's proposed overall costs.

26 **Q. DID YOU ASK THE COMPANY WHETHER IT USED CPI ADJUSTMENTS IN**
27 **THE DEVELOPMENT OF ITS EXPENSES?**

28 **A.** Yes, I did. In response to Data Request 2-7, I asked the Company for all CPI
29 indices used in the development of the Company's 2024 expenses. The Company
30 stated that CPI's were not used directly in the development of the revenue

1 requirement. Business areas may use inflation factors to develop certain
2 projections of specific anticipated costs, such as materials, non-labor and labor
3 costs.

4 **Q. HAS THE COMPANY STATED WHAT FACTORS IMPACTED THE COMPANY'S**
5 **GAS BUSINESS AND THE NEED FOR THIS INSTANT RATE INCREASE?**

6 **A.** Yes. In Mr. Halama's testimony page 5, he stated that several notable factors
7 impacted the Company's gas business since the Company's last gas rate case
8 primarily inflation, supply chain disruptions. Mr. Halama stated that unprecedented
9 inflation has affected the cost of capital investments and operations from the cost
10 of materials and supplies to the cost of paying employees and contractors. These
11 issues continue to drive costs since the Company developed its future test year
12 forecast from the last rate case in 2021.

13 **Q. WHAT IS YOUR RESPONSE?**

14 **A.** Inflation and supply chain issues as well as disruptions in the Company's gas
15 operations have declined and tapered off dramatically in 2024⁴. Fuel prices have
16 been in the decline since the Company has filed its last rate proceeding and
17 continue to be lower than what the Company has experienced in the past.

18 **Q. UTILIZING YOUR THREE-YEAR NORMALIZATION APPROACH WHAT IS**
19 **YOUR OVERALL ADJUSTMENT TO THE COMPANY'S O&M EXPENSE?**

20 **A.** As more fully reflected on Schedule DM-10, and the breakdown of each of these
21 expenses as shown on DM-11 through DM-18, my three-year normalization
22 adjustments (which does not include labor adjustments) is an overall decrease of
23 approximately \$974,000. In reviewing these three-year expenses, I identified costs
24 that exceed 10% overall, which I believe is appropriate in setting rates for service.
25 I believe a variance of 10% or greater presents a reason to decide whether the
26 costs presented in the test year requires a need to make an adjustment in setting
27 rates prospectively.

⁴ [Current US Inflation Rates: 2000-2024 \(usinflationcalculator.com\)](https://www.usinflationcalculator.com)

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B1. Normalization of O&M Expenses

1. Gas Production & Storage

Q. WHAT IS YOUR NORMALIZED ADJUSTMENT TO THE COMPANY’S GAS PRODUCTION & STORAGE EXPENSE?

A. In response to Data Request 2-21, the Company provided a three-year breakdown of its Gas Production and Storage Expenses. In reviewing these three-year expense levels, I identified costs that fluctuated from year to year. These expenses are identified on my Schedule DM-12. In total, these costs have varied by 10% from the 2021 through the 2023 calendar periods. Normalizing these costs increases these costs by \$33,860. I am recommending an additional \$33,860 of Gas Production and Storage costs for 2024.

2. Transmission Expense

Q. WHAT IS YOUR NORMALIZED ADJUSTMENT TO THE COMPANY’S GAS TRANSMISSION EXPENSE?

A. In response to Data Request 2-21, the Company provided a three-year breakdown of its Gas Transmission Expenses. In reviewing these three-year expense levels, I identified costs that fluctuated from year to year. These expenses are identified on my Schedule DM-13. In total these costs have varied by (-68.54%) from the 2021 through the 2023 calendar periods. Normalizing these costs reduces these costs by \$144,763. I am recommending a reduction of \$144,763. This is shown on my Schedule DM-13.

3. Gas Distribution

Q. WHAT IS YOUR NORMALIZED ADJUSTMENT TO THE COMPANY’S GAS DISTRIBUTION EXPENSE?

A. In response to Data Request 2-21, the Company provided a three-year breakdown of its Gas Distribution Expenses. In reviewing these three-year expense levels, I identified costs that fluctuated from year to year. These expenses are identified on my Schedule DM-14. In total these costs have varied by 40.00% from the 2021

1 through the 2023 calendar periods. Normalizing these costs reduces these costs
2 by \$142,456. I am recommending a reduction of \$142,456. This is shown on my
3 Schedule DM-14.

4 **4. Administrative & General Expenses (A&G)**

5 **Q. WHAT IS YOUR NORMALIZED ADJUSTMENT TO THE COMPANY'S**
6 **ADMINISTRATIVE AND GENERAL EXPENSES?**

7 **A.** In response to Data Request 2-21, the Company provided a three-year breakdown
8 of its A&G Expenses. In reviewing these three-year expense levels, I identified
9 costs that fluctuated from year to year. These expenses are identified on my
10 Schedule DM-18. In total these costs have varied by 15.07% from the 2021
11 through the 2023 calendar periods. Normalizing these costs reduces these costs
12 by \$146,924. I am recommending a reduction of \$146,924. This is shown on my
13 Schedule DM-14.

14 **5. Other Normalization Adjustments**

15 **Q. WHAT OTHER NORMALIZATION ADJUSTMENTS DO YOU HAVE?**

16 **A.** In response to Data Request 2-20, the Company provided a breakdown of its
17 software maintenance and licensing agreements related to new applications,
18 existing applications and cyber security threats. The Company stated that the
19 software increases are primarily due to cost of living adjustments (COLA) and new
20 software applications, of which the COLA is approximately 8% annually.

21 **Q. WHAT ARE YOUR ADJUSTMENTS?**

22 **A.** I am recommending disallowance of the COLA adjustment of 8%. The Company
23 has shown that its software costs are \$356,291 in the test year period. The
24 Company has identified that these costs in 2022 were \$263,968, or an increase of
25 \$92,324. The Company has not provided any other breakdown as to these
26 increased costs. (In response to 2-20, the Company objected to this question as
27 overly broad and unduly burdensome). With respect to my disallowance of the
28 Company's COLA adjustments, these types of costs are not known and
29 measurable because they do not reflect the true or actual cost of expenses

1 expected to be incurred in the test year. Inflation type adjustments are typically
2 blanket type adjustments which do not directly relate to actual costs to the
3 Company. Costs should be based upon evidence or documentation that supports
4 the Company's adjustments. Therefore, I am recommending disallowance of the
5 Company's \$92,323 adjustment in the test year.

6 **Q. WHAT IS YOUR NEXT ADJUSTMENT?**

7 **A.** In response to Data Request 2-20, the Company provided a breakdown of its
8 Outside Services. The Company provided a list of costs totaling \$718,819. In
9 reviewing these expenses, the Company has eliminated certain expenses from its
10 2020-2023 expense categories. Given that these expenses categories were
11 eliminated or accounted for elsewhere, I normalized the Company's re-occurring
12 costs. The calculates to a balance of \$420,903. I then adjusted the Company's
13 proposed balance of \$718,819 by \$420,903 to arrive at an adjustment of \$297,916.
14 (In response to Data Request 2-20, the Company objected to this data response
15 stating that it was overly broad and unduly burdensome). Given this objection, it
16 is appropriate to normalize these costs over prior actual costs incurred. The
17 Company has provided no other information to support this increase projection.
18 My adjustment is shown on my Schedule DM-10.

19
20 **C. Purchased Gas Expenses**

21 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS**
22 **PURCHASED GAS EXPENSES?**

23 **A.** As shown on Company Exhibit BCH-1 Schedule 6, the Company has proposed a
24 balance of \$58,155,000.

25 **Q. WHAT ADJUSTMENTS DO YOU HAVE REGARDING THE COMPANY'S**
26 **PROPOSED PURCHASED GAS EXPENSES?**

27 **A.** In reviewing the Company's filing and related data responses to Purchased Gas
28 Expenses, I am accepting the Company's balance of \$58,155,000. This is shown
29 on my Schedule DM-11.

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D. Gas Production & Storage Expenses

Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS PURCHASED GAS EXPENSES?

A. As shown on Company Exhibit BCH-1 Schedule 6, the Company has proposed a balance of \$2,300,000.

Q. WHAT ADJUSTMENTS DO YOU HAVE REGARDING THE COMPANY'S PROPOSED PURCHASED GAS EXPENSES?

A. In reviewing the Company's filing and related data responses to Purchased Gas Expenses, except for my three-year normalization balance adjustment, I am accepting the Company's remaining balance that represent the Company's Gas Production and Storage expense. This is shown on my Schedule DM-12.

E. Gas Transmission Expenses

Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS GAS TRANSMISION EXPENSES?

A. As shown on Company Exhibit BCH-1 Schedule 6, the Company has proposed a balance of \$295,000.

Q. WHAT ADJUSTMENTS DO YOU HAVE REGARDING THE COMPANY'S PROPOSED GAS TRANSMISSION EXPENSES?

A. In reviewing the Company's filing and related data responses to the Gas Transmission Expenses, except for my three-year normalization balance adjustment, I am accepting the Company's remaining balance representing the Gas Transmission expenses. This is shown on my Schedule DM-13.

F. Gas Distribution Expenses

Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS GAS TRANSMISION EXPENSES?

A. As shown on Company Exhibit BCH-1 Schedule 6, the Company has proposed a balance of \$5,282,000.

1 **Q. WHAT ADJUSTMENTS DO YOU HAVE REGARDING THE COMPANY'S**
2 **PROPOSED GAS DISTRIBUTION EXPENSES?**

3 **A.** In reviewing the Company's filing and related data responses to the Gas
4 Transmission Expenses, except for my three-year normalization balance
5 adjustment, I am accepting the Company's remaining balances representing the
6 Gas Distribution expenses. This is shown on my Schedule DM-14.

7 **G. Customer Accounting Expenses**

8 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS CUSTOMER**
9 **ACCOUNTING EXPENSES?**

10 **A.** The Company proposed a balance of \$1,354,000 as shown on Company Exhibit
11 BCH-1 Schedule 6. The Company began with a balance of \$1,318,000 and added
12 \$35,291 related to the additional bad debt expense related to the Company's
13 proposed revenue requirement increase of \$8,463,000. The Company utilized a
14 bad debt expense rate of 0.42% as shown on Company WP-A7.

15 **Q. WHAT ADJUSTMENTS DO YOU HAVE?**

16 **A.** My adjustment reflects my overall recommended revenue requirement adjustment
17 multiplied by the Company's .42% rate of uncollectible or bad debt expense. This
18 produces an adjustment of \$26,455, or a reduction of \$8,836 from the Company's
19 balance of \$35,291. My adjustment is shown on my Schedule DM-15.

20

21 **H. Customer Service & Information Expenses**

22 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS CUSTOMER**
23 **SERVICE & INFORMATION EXPENSES?**

24 **A.** The Company proposed a balance of \$192,000 as shown on Company Exhibit
25 BCH-1 Schedule 6. The Company adjusted this balance to removed \$40,000
26 related to its Advertising Expense (WP-A1) to arrive at a balance of \$152,000.

27 **Q. WHAT WERE THE COMPANY'S TOTAL ADVERTISING COSTS PROPOSED**
28 **IN 2024?**

1 **A.** As shown on Workpaper A1-Advertising, the Company recorded total Advertising
2 Costs of \$112,479. The remaining Advertising Costs included were related to
3 Customer Assistance, Informational and Instructional expense, Economic
4 Development and A&G General Advertising.

5 **Q. WHAT ADJUSTMENTS DO YOU HAVE REGARDING THE COMPANY'S**
6 **CUSTOMER SERVICE & INFORMATION EXPENSE – ADVERTISING?**

7 **A.** I am removing \$5,070 of Advertising Expense that is related to Economic
8 Development. Since I am recommending removing Economic Development
9 Donations under the Company's Sales, Economic Development & Other
10 Expenses, I am recommending that these costs under Advertising should also be
11 removed. My arguments for removing these costs are as outlined below under
12 Section I. My recommendation is shown on my Schedule DM-16.

13

14 **I. Sales, Economic Development & Other Expenses**

15 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO SALES,**
16 **ECONOMIC DEVELOPMENT AND OTHER EXPENSES?**

17 **A.** As shown on Exhibit BCH-1 Schedule 6, the Company proposed a balance of
18 \$5,458 to its Sales, Economic Development and Other Expenses. The Company
19 then added \$4,000 related to Economic Donations in the amount of \$4,000 to
20 arrive at a balance of \$9,458. The Company provided Workpaper A10 in support
21 of the \$4,000 related to the allocation portion of Economic Development to ND Gas
22 Jurisdiction.

23 **Q. WHAT IS INCLUDED IN THE COMPANY'S ECONOMIC DEVELOPMENT**
24 **DONATIONS?**

25 **A.** Company Witness Mr. Halama (Exhibit BCH-1 page 37) stated that the Company
26 makes contributions to a number of regional and local economic development
27 organizations positioned to combine resources for the purposes of maintaining and
28 improving the long-term economic health of communities in its service territory or
29 retaining employment opportunities and expanding the state and local tax base. In
30 Workpaper A10, the did not provide a detailed breakdown of these costs. In

1 response to 2-12, the Company was asked to provide a breakdown of these costs
2 and referred to Workpaper A-10, which provided no further information.

3 **Q. WHAT IS YOUR POSITION ON ECONOMIC DEVELOPMENT DONATIONS?**

4 **A.** I do not believe that ratepayers should pay for these types of costs in rates. These
5 expense items are akin to charitable contributions. The Company is a utility
6 company providing gas utility service to certain parts of North Dakota. The
7 Company should not be expensing costs related to non-utility type services, nor
8 be in a position to support regional and local economic development. These type
9 of initiatives should be provided at the State and Local or even at the Federal level.
10 Additionally, ratepayers do not have a say in what type of donations they are
11 paying for, or whether ratepayers receive any benefit for these contributions.
12 These types of costs should not be included in the revenue requirement proposed
13 by the Company. The Company should pay for these costs, below the line, and
14 receive the tax benefits through the corporate entity.

15 **Q. WHAT IS YOUR RECOMMENDATION?**

16 **A.** I am recommending removal of the \$4,000 of Economic Development Donations
17 from the Company's Sales, Economic Development and Other Expenses balance.
18 This is shown on Schedule DM-17.

19
20 **J. Administrative & General Expenses**

21 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS**
22 **ADMINISTRATIVE AND GENERAL EXPENSES?**

23 **A.** As shown on Exhibit BCH-1 Schedule 6, the Company proposed an Unadjusted
24 Balance of \$3,593,554, Precedential Adjustments of (\$187,000) and Ratemaking
25 Adjustments of \$68,000, computing to Adjusted Balance of \$3,474,000. These
26 adjustments reflect Precedential Adjustments which the Company has not
27 changed from prior rate case treatment and exhibit Commission Policy Statements
28 and Rate Case Adjustments related to particular adjustments in this case, (Halama

1 testimony page 33). I will address each of these Precedential and Ratemaking
2 Adjustments below.

3 **Q. WHAT SPECIFIC PRECEDENTIAL ADJUSTMENTS HAS THE COMPANY**
4 **PROPOSED IN THIS PROCEEDING?**

5 **A.** The Company has proposed the following Precedential Adjustments:

6 **Precedential Adjustments**

7	Advertising -	(\$ 34,000)	WP A1
8	Association Dues	(\$ 3,000)	WP-A2
9			
10	Incentive Pay	(\$ 20,000)	WP A4
11	Incentive Pay LTI	(\$ 130,000)	WP A5
12			

13 **Q. WHAT ADJUSTMENTS DO YOU HAVE REGARDING THE COMPANY'S**
14 **PRECEDENTIAL ADJUSTMENTS?**

15 **A.** I have reviewed each of the Company's Precedential Adjustments, and I am
16 accepting the Company's adjustments totaling (\$187,000). This is shown on my
17 Schedule DM-18.

18
19 **Q. WHAT ARE THE OTHER SPECIFIC ADJUSTMENTS HAS THE COMPANY**
20 **PROPOSED IN THIS PROCEEDING?**

21 **A.** The Company has proposed five Ratemaking Adjustments:

22 **Ratemaking Adjustments**

23	a.	Aviation	(\$35,000)	WP A3
24	b.	Dues - Chamber of Commerce	\$ 3,000	WP A9
25	c.	Foundational Donations	\$22,000	WP A11
26	d.	Incentive Pay – Environ. LTI	\$16,000	WP A12
27	e.	Incentive Pay – Time Based LTI	\$62,000	WP A13
28				

29 **Q. WHAT ADJUSTMENTS DO YOU HAVE REGARDING THE COMPANY'S**
30 **RATEMAKING ADJUSTMENTS ABOVE?**

31 **A.** I adjusted the Company's Ratemaking Adjustments per above and which is
32 reflected on Schedule DM-18.

- 1 a. Chamber of Commerce Dues – (\$3,000)
- 2 b. Foundational Donations – (\$22,000)
- 3 c. Incentive Pay Environmental LTI – (Await response to 2-5)
- 4 d. Incentive Pay Time Based LTI - (Await response to 2-5)
- 5 a. Dues - Chambers of Commerce

6

7 **Q. WHAT HAS THE COMPANY INCLUDED IN ITS CHAMBERS OF COMMERCE?**

8 **A.** The Company has included \$3,000 of Chamber of Commerce Dues in revenue
9 requirement request. (Workpaper A9 and Company Exhibit BCH-1 Schedule 4).
10 Company witness Mr. Halama stated that these costs provide an essential link
11 between the Company and the communities it serves and facilitate improved utility
12 service (Halama testimony page 37). Mr. Halama stated that because membership
13 in these organizations provide benefits to all utility customers, recovery of
14 membership dues paid to Chambers of Commerce is appropriate. (Halama
15 testimony page 36).

16 **Q. WHAT ARE YOUR ADJUSTMENTS?**

17 **A.** I am recommending no recovery because this type of cost does not benefit North
18 Dakota ratepayers. This cost mainly serves to advance the policy positions before
19 State and Governmental agencies and to communicate its corporate citizenship
20 initiatives. Ratepayers should not be required to pay for such costs, which provide
21 no meaningful benefits to utility service. I am recommending removal the
22 Company’s Chamber of Commerce costs of \$3,000. Further, in response to Data
23 Request 2-12, the Company has not provided any detailed breakdown of these
24 costs. My adjustment is shown on my Schedule DM-18.

25 b. Foundational Donations

26 **Q. WHAT HAS THE COMPANY INCLUDED IN ITS FOUNDATION AND OTHER**
27 **ECONOMIC DONATIONS?**

28 **A.** The Company has included \$22,000 (50%) of costs related to Foundational
29 Donations. Company witness Mr. Halama stated that the Company makes
30 contributions to a number of charities and institutions that could be associated with
31 the Company’s North Dakota Jurisdiction. (Halama testimony page 38).

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Q. WHAT IS YOUR RECOMMENDATION?

A. I am recommending that the \$22,000 costs related to Economic Development Donations be removed from the Company’s costs of service. In response to Data Request 2-12, the Company stated that it does not specify specific recipients of contributions in a forecasted test year. Given this lack of information, I believe these costs, which are similar to charitable contributions, should be removed from the Company’s cost of service because ratepayers do not have any say of what type of contributions they are paying for. These types of payments do not benefit ratepayers, and as I stated previously in my testimony, only benefits the Company as being good corporate citizens. These costs should be funded below the line by the shareholders of the Company and receive a tax benefit through the corporate entity. The Company does not have the right to make others pay for charitable contributions, especially those costs that do not provide specific benefits to its ratepayers. My recommendation is shown on my Schedule DM-18.

c. Incentive Pay – Environmental LTI

Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO INCENTIVE PAY – ENVIRONMENTAL LTI?

A. According to Company witness Mr. Halama, the Company is seeking to include \$16,000 in rates for the Long-Term Incentive program (LTI) for its Environmental LTI, as shown on Company Exhibit BCH-1 Schedule 4. (Workpaper A-11). Company witness Mr. Krug stated that the LTI is available to the Company’s senior and executive level employees, of which less than five percent of exempt and non-bargaining employees are eligible for LTI. The LTI is intended to incentivize these senior employees to effectively manage the Company towards its overall goals and in the best interest of customers and shareholders. (Krug testimony page 24). The LTI is geared toward employees who have a higher influence in the Company’s direction and strategy. The LTI program helps retain key employees and is

1 necessary for Xcel Energy to remain competitive in the labor market. The
2 Environment portion is tied into achieving the Company's environmental goals
3 which will result in efficiencies, allow for a lower cost of capital and remove fuel
4 costs in addition to environmental benefits and other benefits. (Krug testimony
5 page 23-24).

6 **Q. DID THE COMPANY PROVIDE ANY INFORMATION WITH RESPECT TO GOAL**
7 **ACHIEVEMENT AND SCORECARD RESULTS?**

8 **A.** In response to Data Request 2-13, the Company stated that 2024 Corporate
9 Scorecard included the following 2024 Goals:

10	Customer Satisfaction	20%
11	Public Safety	20%
12	Electric System Reliability	20%
13	Employee Safety	20%
14	DEI	10%
15	Wind Availability	<u>10%</u>
16	Total	100%

17 **Q. DID YOU ASK THE COMPANY TO "LINE UP" THE COSTS RELATED TO THE**
18 **COMPANY'S ANNUAL INCENTIVE PLAN TO THE WEIGHTED GOALS AS**
19 **IDENTIFIED ABOVE?**

20 **A.** Yes. In response to NDPSC 3-3, the Company responded stating that it is not
21 possible to line up the Corporate Scorecards as shown in response to NDPSC 2-
22 13 Attachment B with the AIP and LTI costs shown in Attachment A of NDPSC-2-
23 13.

24 **Q. WHAT IS YOUR RESPONSE?**

25 **A.** Given this response, and the absence of information I am unable to formulate a
26 recommendation with respect to whether the goals related to the above Scorecard
27 actually benefits ratepayers in the areas as outlined above.

1 **Q. WHAT ADJUSTMENTS DO YOU HAVE?**

2 **A.** I do not see any connection or correlation with respect to the Company's Goal
3 Achievement and Scorecard results as indicated about and the Company's
4 proposed Incentive Pay – Environmental LTI costs. I believe these types of
5 incentive costs benefits shareholders because they incentives key employees to
6 stay with the Company and I do not see any nexus between these incentive costs
7 and the Company's Corporate Scorecard Goals shown above. I do not see any
8 customer oriented benefits accruing to ratepayers with respect to the Company's
9 rewarding executives to stay with the Company. These types of executive rewards
10 are the sole responsibility of the Company and its shareholders to pay for, and not
11 the responsibility of ratepayers to pay for these costs in the provision of utility
12 services.

13 d. Incentive Pay – Time Based LTI

14 **Q. WHAT HAS THE COMPANY PROPOSED RELATED TO ITS TIME BASE LTI?**

15 **A.** The Company has proposed to recover \$62,000 based upon an LTI which is a
16 program tied to the length of key employee's service with the Company. The
17 Company stated that it benefits from its ability to retain institutional knowledge and
18 capabilities of key employees. (Krug testimony page 25) (Exhibit BCH-1 Schedule
19 4) (Workpaper A13).

20 **Q. WHAT ADJUSTMENTS DO YOU HAVE?**

21 **A.** As I stated previously above regarding the Company's Incentive Pay for its
22 Environmental LTI, I am also recommending disallowance of costs related to the
23 Company's Time Based LTI. These costs do not provide any customer oriented
24 goals but rather rewards key employees to stay with the Company for a period of
25 time. These types of incentive costs should be borne by the Company and its
26 shareholders as these costs benefit the Company and its shareholders to stay with
27 the Company. The Company has the opportunity to recover these costs only if
28 they benefit ratepayers in the areas of safe and reliable service, customer
29 satisfaction, safety and other associated ratepayer benefits. These types of

1 incentive goals relate to the Company's financial performance and goals and
2 shareholder interests and the alignment of shareholder goals. The Company
3 should not have unfettered access to ratepayer's money when it does not benefit
4 ratepayers. My recommendation is shown on my Schedule DM-18.

5 **K. Labor Vacancy Adjustments**

6 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO LABOR**
7 **EXPENSE?**

8 **A.** The Company has not specifically identified the level of Labor costs in its filing.
9 Through discovery the Company was asked to provide a schedule of employees
10 expected to be hired in 2024 as well as other labor related information to determine
11 the level of payroll to be included in the test year 2024. As shown on Data
12 Response to 2-14 Attachment A, the Company proposed total Labor Expense of
13 \$6,094,700 for all employee categories. The Company objected to the requests
14 identified in Data Request 2-14 in that it is not relevant and not likely to lead to the
15 discovery of admissible evidence. Among other things, headcount does not
16 provide meaningful insight into the Company's labor expense for its North Dakota
17 gas utility service.

18 **Q. DID THE COMPANY PROVIDE A SCHEDULE OF EMPLOYEES EXPECTED TO**
19 **BE HIRED BY NSPC-GAS COMPANY IN THE PROJECTED YEAR 2024?**

20 **A.** While the Company objected to Data Request 2-15, (CONFIDENTIAL Attachment
21 A) the Company provided a schedule of employees expected to be hired in the
22 2024 test year period. No other information was provided.

23 **Q. HAS THE COMPANY PERFORMED A VACANCY RATE ANALYSIS FOR THE**
24 **NSPC- GAS UTILITY OPERATIONS?**

25 **A.** No. In fact, the Company objected to Data Request 2-17, as being overly broad
26 and unduly burdensome. The request seeks a relatively large volume of detailed
27 information in a format not readily kept by the Company and which would require
28 a special study to produce.

29 **Q. WHAT APPROACH HAVE YOU DETERMINED TO ADJUST LABOR COSTS?**

1 **A.** I am recommending an adjustment of labor for all O&M labor by functional group
2 by the use of a vacancy rate analysis. I relied on the Company's response to Data
3 Request 2-17, which shows the level of employees from 2020 through projected
4 test year 2024. Given that the Company allocates its labor costs by jurisdictional
5 allocation, and these can vary from year to year, it is appropriate to adjust these
6 labor costs prospectively. Labor costs can vary from year to year in each of
7 NSPM's service territories and depending on the circumstances and the need to
8 allocate labor, costs can vary.

9 **Q. HOW DID YOU ADJUSTMENT TO THE COMPANY'S TOTAL LABOR COSTS?**

10 **A.** I began with the number of employees of NSPM – Minnesota (Data Response 2-
11 17 Attachment A) which shows the number of employees from 2020 through 2024.
12 I then took the Company's proposed level of employees in 2024 of 3,238 and
13 compared that number the average level of employees in in 2021-2023). This
14 resulted in an average number of employees of 3,143, or a difference of 95
15 employees expected to be in place in 2024 of 3,238. This results in a ratio of
16 3.012% (95 / 3,143).

17 **Q. WHAT WERE YOUR NEXT STEPS?**

18 **A.** I then took the ratio of 3.012% and multiplied that ratio by the total Labor costs
19 allocated to the North Dakota – Gas Operations of \$6,094,700 shown on Data
20 Response 2-17 to arrive at an adjustment of \$183,572. This is shown on my
21 Schedule DM-10.

22

23 **L. Depreciation Expenses**

24 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO DEPRECIATION**
25 **EXPENSE?**

26 **A.** The Company proposed an Unadjusted Depreciation Expense balance of
27 \$9,541,000 as shown on Exhibit BCH-1 Schedule 6. The Company proposed an
28 adjustment of (\$176,000) related to adjustments with respect to its Depreciation
29 Study. (Workpaper A8). This produced a balance of \$9,369,000.

1 Q. WHAT ADJUSTMENTS DID THE COMPANY INCORPORATE THAT
2 RESULTED IN A REDUCTION OF DEPRECIATION EXPENSE?

3 A. According to Company witness Ms. Johnson she proposed changes for approved
4 lives, net salvage value rates, retirement curves and depreciation rates. (Johnson
5 testimony page 12). Table 2 of Ms. Johnson's testimony reflected the summary of
6 depreciation expense change by functional class. The total adjustment shown on
7 Table 2 reflects a decrease of \$171,868. (Johnson testimony page 14).

8
9 Q. WHAT ADJUSTMENT DO YOU HAVE WITH RESPECT TO THE COMPANY'S
10 DEPRECIATION EXPENSE?

11 A. I do not have any adjustments related to the Company's Depreciation Study and
12 Remaining Life Adjustments. I do not have any adjustment related to the removal
13 of certain plant additions. This is shown on my Schedule DM-19.

14

15 **M. Amortization Expense**

16 Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS
17 AMORTIZATION EXPENSE?

18 A. The Company has proposed a total Amortization Expense of \$567,317 (Exhibit
19 BCH-1 Schedule 6). The breakdown is as follows:

20

21	a).	Income Tax Tracker	\$ 9,317
22	b).	NOL ADIT ARAM	\$ 60,000
23	c).	Rate Case Expenses	<u>\$498,000</u>
24		Total	<u>\$567,317</u>
25			

26 a). Income Tax Tracker - \$9,317

27 Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS INCOME
28 TAX TRACKER OF \$9,317?

29 A. The Company stated that it has concluded tax audits with the IRS and the
30 Minnesota Department of Revenue for tax years 2010-2016, and as a result of the
31 audits, the Company paid tax and interest on the disputed amounts. The Company

1 is proposing to recover these costs over a three year period. (Halama testimony
2 page 39). (\$27,951/3) (WP A14).

3 **Q. WHAT IS YOUR RECOMMENDATION?**

4 **A.** I am accepting the Company's Income Tax Tracker proposal, and the costs
5 allocated to the North Dakota jurisdiction of \$27,951 and amortized over a three-
6 year period or \$9,317 annually. This is shown on Schedule DM-20.

7

8

9 b). NOL ADIT ARAM - \$60,000

10

11 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS NET**
12 **OPERATING LOSS TAX REFORM REGULATORY AMORTIZATION?**

13 **A.** The Company is proposing to amortize the NOL ADIT ARAM over a 23-year
14 period. The Commission's Order in PU-18-156 approved the Company's proposed
15 amortization level included in the Tax Cuts and Jobs Act (TCJA) refund calculation.
16 (Halama testimony page 40). (WP A15).

17 **Q. WHAT ADJUSTMENTS DO YOU HAVE?**

18 **A.** I am accepting the Company's proposal related to the \$60,000 annual amortization
19 expense related to the NOL ADIT ARAM. My adjustment is shown on Schedule
20 DM-20.

21 c). Rate Case Expenses \$498,000

22 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS RATE CASE**
23 **EXPENSES?**

24 **A.** The Company has proposed to recover about \$1.381 million (\$1.381 million / 3
25 three years or \$498,000 annually) of projected direct costs associated with this
26 rate case docket and a three-year amortization period. (Halama testimony page
27 40). (WP A16).

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Q. WHAT IS YOUR RECOMMENDATION?

A. I am accepting the Company’s proposed rate case expense balance of \$1.381 million, and the 3 year amortization period to or an annual recovery of \$498,000. My adjustment is shown on Schedule DM-20.

N. Taxes Other Than Income Taxes

Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO TAXES OTHER THAN INCOME TAXES?

A. As shown on Company Exhibit Schedule 3A page 2 of 3, and in Exhibit BCH-1 Schedule 6, the Company proposed total Taxes other Than Income Taxes of \$3,693,000.⁵ The breakdown representing the balance is as follows:

a).	Property Taxes – Net	\$2,020,000
b).	Deferred Income Taxes	\$1,277,000
c).	Payroll – (Adj.)	<u>\$ 396,000</u>
	Total	\$ 3,693,000

a). Property Taxes – Net - \$2,020,000

Q. HOW DID THE COMPANY DEVELOP ITS PROPERTY TAX BALANCE OF \$2,020,000?

A. In response to Public Data Request 2-25, the Company is allocated a portion of its Property Taxes from NSPM-Minnesota. (WP-P6 Property Taxes).

Q. DO YOU HAVE ANY ADJUSTMENTS TO THE COMPANY PROPERTY TAX BALANCE?

A. No. Given that I did not have any adjustments to the Company’s UPIS balance, I do not have any adjustments to the Company’s proposed Property Taxes. My adjustment is shown on my Schedule DM-21.

⁵ Any differences due to rounding.

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b). Deferred Income Taxes - \$1,277,000

Q. WHAT DID THE COMPANY PROPOSED WITH RESPECT TO ITS DEFERRED INCOME TAXES?

A. The Company proposed a balance to its Deferred Income Taxes of \$1,277,000 as shown on Company Schedule 3A page 2 of 3.

Q. WHAT ADJUSTMENTS DO YOU HAVE?

A. I am accepting the Company balance to its Deferred Income Taxes of \$1,277,000. These costs relate to tax additions and deductions which determine deferred income taxes and the resulting tax income that is used to calculate the federal and state income taxes. (Halama testimony page 26). The federal income tax rate reflects a 21% rate effective January 1, 2018 with the enactment of the TCJA. The utilization or generation of net operating losses or tax credits impact both deferred income taxes and federal and state income taxes. (Halama testimony page 26). My adjustment is shown on my Schedule DM-21.

c). Payroll – (Adj.) \$396,000

Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS PAYROLL TAXES?

A. The Company proposed a payroll tax adjustment of \$396,000. Since I made adjustments to the Company’s Labor balance, and Incentive Compensation I am making the associated adjustment to the Company’s Payroll Taxes and Others. I utilized the Company’s O&M Labor assigned to the North Dakota jurisdiction (Data Response 2-17) of \$6,094,700 and the Company’s proposed Payroll of \$396,000 to arrive at a 6.497% ratio. I then took my adjustments to Labor and Incentive Compensation and multiplied the balance by 6.497% to arrive at a Payroll adjustment of \$16,994.

1 **Q. WHAT IS YOUR TOTAL ADJUSTMENT RELATED TO THE COMPANY'S**
2 **TAXES OTHER THAN INCOME TAXES?**

3 **A.** My adjustment is a decrease of \$16,994. This is shown on Schedule DM-21.
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6 **O. State Income Taxes**

7 **Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS STATE**
8 **INCOME TAXES?**

9 **A.** The Company proposed a State Income Tax Expense of \$288,755 (Schedule DM-
10 22). This is comprised of Current State Income Taxes of (\$76,000) and Proposed
11 State Income Taxes of \$364,755, shown on Exhibit BCH-1 Schedule 3A.

12 **Q. HOW DID THE COMPANY COMPUTE ITS STATE INCOME TAX?**

13 **A.** The Company computed its State Income Taxes by using the Statutory State Tax
14 Rate of 4.31% (Exhibit BCH-1 Revised Schedule 3A) and multiplying that rate by
15 the proposed Revenue Requirement of \$8,463,000 to arrive at a balance of
16 \$288,755. (Company Exhibit BCH-1 Schedule 11).

17 **Q. HOW DID YOU COMPUTE YOUR STATE INCOME TAXES FOR PURPOSES**
18 **OF THIS PROCEEDING?**

19 **A.** I utilized the Company's methodology, and the flow-throughs of my adjustments to
20 Operating Revenues, Operating Expenses, Depreciation and Amortization
21 Expense, and Rate Base related adjustments, to compute my recommended State
22 Income Tax adjustment.

23 **Q. WHAT IS YOUR STATE INCOME TAX EXPENSE?**

24 **A.** My proposed State Income Tax Expense is \$197,430, which is calculated by taking
25 my recommended revenue requirement of \$6,344,087 and multiplying that amount
26 by 4.31% to arrive at a balance of \$273,430 and adjusting for the current balance
27 of (\$76,000) and is shown on my Schedule DM-22. The additional State Income
28 Tax is incorporated into my revenue requirement Schedule DM-1 through the
29 Gross Revenue Conversion Factor of 1.322837.

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P. Federal Income Taxes

Q. WHAT HAS THE COMPANY PROPOSED WITH RESPECT TO ITS FEDERAL INCOME TAXES?

A. The Company has proposed a Federal Income Tax Expense of \$1,353,631. This is comprised of current Federal Income Taxes of (\$347,000) and proposed Federal Income Taxes of \$1,700,631 shown on Company Exhibit BCH-1 Schedule 3A.

Q. HOW DID THE COMPANY COMPUTE ITS FEDERAL INCOME TAX EXPENSE?

A. The Company computed its Federal Income Taxes by using the Statutory Federal Tax Rate of 21.00% (Exhibit BCH-1 Revised Schedule 3A) and multiplying that rate by the Company's proposed Revenue Requirement of \$8,463,000 to arrive at a balance of \$1,353,631.

Q. HOW DID YOU COMPUTE YOUR FEDERAL INCOME TAXES FOR PURPOSES OF THIS PROCEEDING?

A. As I calculated the Company's State Income Taxes, I have used the same methodology to calculate the Company's Federal Income Taxes. Using my recommended Revenue Requirement increase of \$6,344,087, I multiplied that amount by 21% to arrive at a proposed Income Tax Expense of \$1,274,838.

Q. WHAT IS YOUR FEDERAL INCOME TAX EXPENSE?

A. My proposed Federal Income Tax Expense is \$1,274,838. This is shown on my Schedule DM-22. My total proposed balance of \$927,838 includes the Company's current balance of (\$347,000). The additional Federal Income Tax is incorporated into my revenue requirement Schedule DM-1 through the Gross Revenue Conversion Factor of 1.322837.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does. I reserve the right to amend my direct testimony in the event other information becomes forthcoming, subsequent to the filing of this testimony.

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DANTE MUGRACE

Education

Master Business Administration, MBA Strategic Management, Pace University, Lubin School of Business, New York, NY, 2010

Master Public Administration, MPA, Kean University, Union, NJ, 2001

Bachelor of Science, BS. Accounting, St. Peter's University, Jersey City, NJ, 1983

Position

Senior Consultant – PCMG and Associates	2014 – present
Senior Consultant – Snavelly King Majoros and Associates	2013 – 2014
Independent Consultant	2012 – 2013
Bureau Chief/Administrative Analyst/Accountant – New Jersey Board of Public Utilities	1983 – 2011

Professional Experience

Mr. Mugrace has 35 years' experience in all aspects of regulatory accounting and policy including processing, analyzing and evaluating utility rate case petitions before Public Service Commissions. Mr. Mugrace examines and evaluates rate filings, contracts, agreements and rate matters regarding utility operations and provides recommendations as to best course of action. Additionally, Mr. Mugrace analyzes and reviews utility regulatory matters and sets forth recommendations for resolution of issues, calculates total revenue requirement needed to cover operating expenses and rate of return; researches and evaluates regulatory utility matters to assess impact on various classes of customers, regarding rates, service, compliance and cost of service provisions, as well as annual true-up and tracking mechanisms.

Prior to undertaking consulting assignments, Mr. Mugrace was the Bureau Chief Utility Rate Manager for the New Jersey Board of Public Utilities, in which role he managed and assigned tasks to a staff of 12 professionals and supervisory personal in the daily administrative, financial and managerial functions of the Division. Mr. Mugrace's primary duties were to determine whether the utility had sufficient revenues to cover its operating expenses and earn a return on its plant investment and to ensure that the utility provided safe, reliable and continuing utility service to its customers. Mr. Mugrace set rates and charges for utility companies, which had revenues of up to \$500 million, and ensured that the revenue requirement provided for recovery of all operating expenses, return on investment and depreciation. Mr. Mugrace was also responsible for reviewing and verifying that the companies' property, plant and equipment (up to \$2.5 billion) were used and useful in providing service to its customers. Mr. Mugrace coordinated and met with the New Jersey State Department of Environmental Protection to

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determine whether water and wastewater utilities were complying with state regulations and were adhering to any regulatory agency directives or orders. Mr. Mugrace developed ways to minimize the rising costs of water utility services by investigating alternative rate structures, analyzing engineering mechanisms and techniques, looking into the feasibility of mergers and acquisitions within the water industry and reviewing financing, and rate alternatives to minimize the impact on ratepayers. Mr. Mugrace was responsible for ensuring that the rate-case process adhered the statutory timeframe for preparing, reviewing and recommending findings to the Board Commissioners on financial operations, costs, revenues and operating expenses, prior to the litigation proceedings. Mr. Mugrace also examined alternative rate recovery mechanisms and clauses, phase-ins of revenue requirements, deferral mechanisms and pass-through of rate charges. Mr. Mugrace assumed the role of Director during transition periods and Administrative changes. Finally, Mr. Mugrace conducted the recruitment and hiring of employees for placement within the Division and the Board.

Professional and Business Affiliations

- Institute of Public Utilities (IPU) Michigan State University (MSU), National Association of Regulatory Utility Commissioners (NARUC), National Association of State Utility Consumer Advocates (NASUCA)

References

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Regulatory Projects and Appearances

1. In Re: Northern States Power Company for Approval of a 2024 Natural Gas Rate Increase. (Appearance: Revenue Requirement on behalf of the North Dakota Public Service Commission Advocacy Staff).
North Dakota Public Service Commission – Docket No. PU-23-367.
2. In Re: FirstEnergy Pennsylvania Electric Company for Approval of a General Base Rate Case increase for Electric Distribution rates for service. (Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2024-3047068
3. In Re: Duquesne Light Company for Approval of a General Base Rate Case to increase Electric Distribution rates for service. (Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No.- R-2024-3046523
4. In Re: Peoples Natural Gas Company, LLC for Approval of a General Base Rate Case increases in Natural Gas Service. (Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2023-3044549
5. In Re: Black Hills Energy Arkansas, Inc. (BHEA) and Summit Utilities Arkansas, Inc. (SUA) for a General Change, or Modification in its Rates, Charges and Tariffs (Appearance: Incentive Compensation Proposals on behalf of the Attorney General Office) Arkansas Public Service Commission – Docket No. (BHEA) - 23-074-U and Docket No. (SUA) - 23-079-U.
6. In Re: Montana Dakota Utilities Co. for Approval to increase Gas Rates for Natural Gas Service in North Dakota (Appearance- Revenue Requirement on behalf of the North Dakota Public Service Commission Advocacy Staff)
North Dakota Public Service Commission – Docket No. PU-23-341
7. In Re: Otter Tail Power Company for Approval to increase Electric Rates in North Dakota. (Appearance: Revenue Requirement on behalf of the North Dakota Public Service Commission Advocacy Staff)
North Dakota Public Service Commission – Docket No. PU-23-342
8. In Re: New Jersey-American Water Company for Approval to change the level of its Purchased Water and Purchased Wastewater Treatment Adjustment Clause for 2023. (Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)

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New Jersey Board of Public Utilities – Docket No. WR23110791

9. In Re: Verified Petition of Jersey Central Power & Light Company to establish a Rate for Rider Lost Revenue Adjustment Mechanism for Sales Losses incurred during Program Year 2 Pursuant to the Energy Efficiency and Peak Demand Reductions Programs (PY Rider LRAM Filing).
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. ER23110865
10. In Re: Fitchburg Gas & Electric Company; The Berkshire Gas Company; Boston Gas Company d/b/a National Grid; Liberty Utilities; Eversource Gas of Massachusetts d/b/a Eversource Energy and; NSTAR Gas Company d/b/a Eversource Energy – 2023 Gas System Enhancement Program Plan Filings. (DPU GSEP-01; DPU GSEP-02; DPU GSEP-03; DPU GSEP-04; DPU GSEP-05; and DPU GSEP-06, respectively)
(Appearance: Accounting Issues on behalf of the Commonwealth of Massachusetts Office of the Attorney General)
Department of Public Utilities
11. In Re: Northern States Power Company – Advance Determination of Prudence – 345 kV Transmission Line – MN.
(Appearance: Accounting Issues and Revenue Requirement on behalf of the North Dakota Public Service Commission Advocacy Staff.
North Dakota Public Service Commission – Docket No. PU-23-142.
12. In Re: Northern States Power Company – Advance Determination of Prudence- Brookings Second Circuit Project.
(Appearance: Accounting Issues and Revenue Requirement on behalf of the North Dakota Public Service Commission Advocacy Staff.
North Dakota Public Service Commission – Docket No. PU-23-295.
13. In Re: Northern States Power Company – Advance Determination of Prudence – 345 kV Big Stone to Sherburne.
(Appearance: Accounting Issues and Revenue Requirements on behalf of the North Dakota Public Service Commission Advocacy Staff.
North Dakota Public Service Commission – Docket No. PU-23-329.
14. In Re: Rockland Electric Company – Annual Conservation Incentive Program Filing – Reconciliation for the period July 1, 2022 – June 30, 2023.
(Appearance: Accounting Issues on behalf the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. ER23070471
15. In Re: Public Service Electric & Gas Company for Approval of Incremental COVID-19 Costs for Recovery through a New Special Purpose Clause and for Authorization to Recovery Uncollectible Costs for Gas Through the Societal Benefits Charge
16. (Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. ER23070448

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17. In Re: Jersey Central Power & Light Company's Verified Petition Seeking Review and Approval of the Net Deferred Costs Included in its COVID-19 Regulatory Asset and Establishment of a COVID-19 Recovery Charge (JCP&L CRC-Filing)
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. ER23070453.
18. In Re: Aqua New Jersey, Inc. Petition for 2024 PSTAC Rate and True-up for 2021 and 2022 PSTAC.
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. WR23080576
19. In Re: Public Service Electric & Gas Company for Approval of Changes in its Electric Tax Adjustment Credit and Gas Tax Adjustment Credit 2023 (2023 TAC Filing)
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. ER23090634 and GR23090635
20. In Re: New Jersey – American Water Company for Deferral Accounting Authority for the Costs of Implementing the Clean Energy Act of 2018 Benchmarking Requirements.
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. WF23060346
21. In Re: Public Service Electric & Gas Company – Annual BGSS (2023-2024) Commodity Charge Filing for its Residential Gas Customers under its Periodic Pricing Mechanism and for Changes in its Balancing Charge Rate.
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. GR23060331
22. In Re: Public Service Electric & Gas Company – Electric and Gas Green Programs Recovery Charges 2023. (GPRC).
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. ER23070423 and GR23070424
23. In Re: Public Service Electric & Gas Company – Electric Solar Pilot Recovery Charge (SPRC) for its Solar Loan I Program (2023).
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. ER23060412
24. In Re: Middlesex Water Company for approval of Proposed Cost Recovery of Lead Service Line Replacement Program
(Appearance: Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. WR23050291
25. In Re: Black Hills Wyoming Gas, LLC d/b/a Black Hills Energy for Approval of a General Rate Increase of \$19,262,412 to the Retail Gas Rates.

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(Appearance: Revenue Requirement on behalf of the Wyoming Office of Consumer Advocate)

Wyoming Public Service Commission – Docket No. 30026-78-GR-23

26. In Re: Pittsburgh Water and Sewer Authority for an Increase in Rates for Water Service, Wastewater Service and Stormwater Service
(Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket Nos. R-2023-3039920 (water), R-2023-3039921 (wastewater), and R-2023-3039919 (stormwater)
27. In Re: Massachusetts Electric and Nantucket Electric Companies d/b/a National Grid – Request for recovery of Incremental Storm related expenses associated with fourteen weather events between February 2020 and December 2020.
(Appearance: Storm Cost recovery (Operating and Maintenance Expenses) on behalf of the Massachusetts Office of Attorney General.
Massachusetts Department of Public Utilities – DPU No. 22-43.
28. In Re: Philadelphia Gas Works – for approval of an Increase in rates for Distribution Gas Service for 2023
(Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2023-3037933
29. In Re: Lanai Water Company, Inc. for Review and Approval of Rate Increases, Revised Rate Schedules and Charges to its Tariff.
(Appearance: Revenue Requirement on behalf of the Hawaii Division of Consumer Advocacy)
Hawaii Public Utilities Commission – Docket No. 2022-0233
30. In Re: Hawaii Water Service Company, Inc., For Approval of a General Rate Increase for Its Pukalani Wastewater Division and Certain Tariff Changes
(Appearance: Revenue Requirement on behalf of the Hawaii Division of Consumer Advocacy)
Hawaii Public Utilities Commission – Docket No. 2022-0186
31. In Re: UGI Utilities – Electric Division for Review of an Electric Base Rate Case proceeding for 2023.
(Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2022-3037368
32. In Re: Southern Maryland Electric Cooperative, Inc. (SMECO) for Authority to Revise its Rates and Charges for Electric Service and Certain Rate Design Changes.
(Appearance: Revenue Requirement on behalf of the Maryland Office of People’s Counsel)

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Maryland Public Service Commission – Case No. 9688

33. In Re: Public Service Electric and Gas Company – 2022 Electric and Gas Tax Adjustment Credit (TAC)
(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
NJ Board of Public Utilities – BPU Docket Nos. ER22100667 and GR22100668
34. In Re: Public Service Electric and Gas Company – 2022 Green Program Recovery Charge.
(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
NJ Board of Public Utilities – BPU Docket Nos. ER22070413 and GR22070414
35. In Re: Rockland Electric Company – Annual Conservation Incentive Program Filing – Reconciliation for the Period July 1, 2021 – June 30, 2022.
(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
NJ Board of Public Utilities – BPU Docket No. ER22070469.
36. In Re: Atlantic City Electric Company for Implementation to its Conservation Incentive Program Rate Mechanism and Associated Customer Class Rate (2022)
(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
NJ Board of Public Utilities – BPU Docket No. ER22070463
37. In Re: Public Service Electric and Gas Company – 2022/2023 Annual BGSS Commodity Charge filing for its Residential Gas Customers under its Periodic Pricing Mechanism and for changes to its Balancing Charge.
(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
NJ Board of Public Utilities – BPU Docket No. GR22060363
38. In Re: Citizens’ Electric Company of Lewisburg, PA – 2022 Base Rate Case Proceeding for an Increase in Electric Distribution Rates.
(Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2022-3032369
39. In Re: Valley Energy, Inc. – 2022 Base Rate Case for an Increase in Gas Distribution Rates.
(Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2022-3032300
40. In Re: Berkshire Gas Company – 2021 Gas System Enhancement Program Reconciliation Filing.
(Appearance: Revenue Requirement on behalf of the Massachusetts Attorney General’s Office)
Massachusetts Department of Public Utilities – D.P.U. 22-GREC-02

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41. In Re: Liberty Utilities (New England Natural Gas Company) 2021 Gas System Enhancement Program Reconciliation Filing.
(Appearance: Revenue Requirement on behalf of the Massachusetts Attorney General's Office)
Massachusetts Department of Public Utilities – D.P.U. 22-GREC-04
42. In Re: Eversource Gas Company (Eversource Energy) 2021 Gas System Enhancement Program Reconciliation Filing.
(Appearance: Revenue Requirement on behalf of the Massachusetts Attorney General's Office)
Massachusetts Department of Public Utilities – D.P.U. 22-GREC-05
43. In Re: South Jersey Gas Company – 2022 Base Rate Case Proceeding for an Increase in rates for Distribution Gas Service.
(Appearance: Revenue Requirement, CWC and Consolidated Income Taxes on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – BPU Docket No. GR22040253
44. In Re: Public Service Electric and Gas Company – 2022 Electric Conservation Incentive Program (CIP) for changes in its Electric CIP rate for 2022.
(Appearance: Revenue Requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. ER22020035
45. In Re: PECO Energy Company-Gas Division – 2022 Base Rate Case Proceeding for an Increase in rates for Distribution Gas Service.
(Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2022-3031113.
46. In Re: Nova Scotia Power Company- 2022-2024 General Rate Application for an Increase in Rates for Electric Service
(Appearance- Review of COSS – Subcontract with Synapse Energy Economics, Inc. on behalf of the Nova Scotia Utility Review Board)
Nova Scotia Utility and Review Board – Docket No. M10431
47. In Re: Georgia Power Company – 2022 Base Rate Case petition for an Increase in rates for Electric Distribution Service
(Appearance: Review of O&M Expenses for calendar years 2023-2025 on behalf of the Georgia Public Service Commission – Docket No. TBD)
48. In Re: UGI Utilities Inc, Gas Division – 2022 Base Rate Case petition for an Increase in Distribution Gas Service Rates
(Appearance: Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2022-3030218

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49. In Re: Hawaii-American Water Company – Approval of Rate Increases and Revised Rate Schedules for Wastewater Services – 2021
(Appearances: Revenue Requirement on behalf of the Hawaii Division of Consumer Advocacy)
Hawaii Public Service Commission – Case No. 2021-0063
50. In Re: Kalaeloa Water Company – Approval of a General Rate Increase / Adjustments for Water and Wastewater Services – 2021
(Appearance: Revenue Requirement on behalf of the Hawaii Division of Consumer Advocacy)
Hawaii Public Service Commission – Case No. 2021-0005
51. In Re: Northern States Power Company – 2021 Natural Gas Rate Increase Application
(Appearance: Revenue Requirements on behalf of the Advocacy Staff of the North Dakota Public Service Commission – Case No. PU-21-381
52. In Re: Shore Water Company – Petition for an Increase in Rates for Water Service and Other Relief
(Appearance: New Jersey Division of Rate Counsel – Accounting and Revenue Requirement)
New Jersey Board of Public Utilities – BPU Docket No. WR21091141
53. In Re: Atlantic City Sewerage Company – Petition for an Increase in Rates for Sewerage Service and other Tariff Changes
(Appearance: New Jersey Division of Rate Counsel – Accounting and Revenue Requirement)
New Jersey Board of Public Utilities – BPU Docket No. WR21071006
54. In Re: Gordon’s Corner Water Company – Petition for an Increase in Rates and Charges for Water Service
(Appearance: New Jersey Division of Rate Counsel – Accounting and Revenue Requirement)
New Jersey Board of Public Utilities – BPU Docket No. WR21070979
55. In Re: The Petition of HPBS Inc., for review and approval of Central Scheduling System (CSS) charge increase and revised CSS Schedule (2021)
(Appearance – Accounting and Revenue Requirement on behalf of the Hawaii Division of Commerce and Consumer Affairs)
Hawaii DCCA – Docket No. PTP-2021-001
56. In Re: The Berkshire Gas Company, 2020 Gas System Enhancement Program Reconciliation Filing
(Appearance – Massachusetts Attorney General’s Office – Accounting and Revenue Requirement)
Massachusetts Department of Public Utilities – DPU Docket No. 21-GREC-02

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57. In Re: Eversource Gas Company of Massachusetts d/b/a Eversource Energy, 2020 Gas System Enhancement Program Reconciliation Filing
(Appearance – Massachusetts Attorney General’s Office – Account and Revenue Requirement)
Massachusetts Department of Public Utilities – DPU Docket No. 21-GREC-05
58. In Re: NSTAR Gas Company d/b/a Eversource Energy, 2020 Gas System Enhancement Program Reconciliation Filing
(Appearance: Massachusetts Attorney General’s Office – Accounting and Revenue Requirement)
Massachusetts Department of Public Utilities – DPU Docket No. 21-GREC-06
59. In Re: Joint Petition of New Jersey Natural Gas Company and Public Service Electric and Gas Company for Authorization and Approval of a Waiver of Certain Accounting Treatment Pursuant to the Clean Energy Order
(Appearance – New Jersey Division of Rate Counsel – Accounting and Revenue Requirement.
New Jersey Board of Public Utilities – BPU Docket No. EO20030254
60. In Re: Public Service Electric and Gas Company – 2021/2022 Annual BGSS Commodity Charge Filing for its Residential Gas Customers under its Periodic Pricing Mechanism and for Changes in its Balance Charge.
(Appearance – New Jersey Division of Rate Counsel – Accounting and Revenue Requirement)
New Jersey Board of Public Utilities – BPU Docket No. GR21060878
61. In Re: Middlesex Water Company – Petition for Approval of an Increase in Rates for Water Service and Other Tariff Changes.
(Appearances – New Jersey Division of Rate Counsel – Accounting and Revenue Requirement)
New Jersey Board of Public Utilities – BPU Docket No. WR21050813
62. In Re: New Jersey Natural Gas Company – Petition for an Increase in Gas Base Rates and Changes in its Tariff for Gas Service and for a Change to Depreciation Rates for Gas Property and for Approval of a Base Rate Adjustment Pursuant to the NJ RISE and SAFE II Programs.
(Appearances: New Jersey Division of Rate Counsel – Accounting and Revenue Requirement)
New Jersey Board of Public Utilities – BPU Docket Nos. GR21030679 and GR21030680.
63. In Re: PECO Energy Company – a division of Exelon Corp., for a General Base Rate Case Filing for Electric Operations
(Appearances: Accounting and Policy on behalf of the Pennsylvania Office of the Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2021-3024601

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64. In Re: The Pittsburgh Water and Sewer Authority for approval of increased rates and charges for Water, Wastewater and Stormwater services
(Appearance: Accounting and Policy, and Regulatory Policy on behalf of the Pennsylvania Office of the Consumer Advocate)
Pennsylvania Public Utility Commission – Docket Nos. R-2021-3024773 (Water) R-2021-3024774 (Wastewater) and R-2021-3024779 (Stormwater).
65. In Re: Northern States Power Company – 2021 Electric Base Rate Case Increase
(Appearance: Revenue Requirement on behalf of the Advocacy Staff of the North Dakota Public Service Commission)
North Dakota Public Service Commission – Case No. PUC-20-441
66. In Re: Public Service Electric and Gas Company – Approval of a Tax Adjustment Clause (TAC).
(Appearance; Revenue Requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket Nos. ER20100685 and GR20100686.
67. In Re: Pike County Light and Power Company – Approval to increase base rates for Electric and Gas Service.
(Appearance: Revenue Requirement in behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket Nos. R-2020-3022134 (Gas) and R-2020-3022135 (Electric)
68. In Re: Jersey Central Power and Light Company for Approval of JCP&L’s Energy Efficiency and Conservation Plan Including Energy Efficiency and Peak Demand Reduction Programs.
(Appearance: Revenue Requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket Nos. QO19010040 and EO20090620
69. In Re: Atlantic City Electric Company for Approval of an Energy Efficiency Program, Cost Recovery Mechanism, and Other Related Relief for Plan Years One Through Three.
(Appearance: Revenue Requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket Nos. QO19010040 and EO20090621
70. In Re: Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs.
(Appearance: Revenue Requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket Nos. QO19010040 and EO20090623
71. In Re: Public Service Electric and Gas Company for Approval of Changes in its Electric Green Programs Recovery Charge and its Gas Green Programs Recovery Charge 2020 PSE&G Green Programs Cost Recovery filing

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(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket Nos. ER20060467 and GR20060468

72. In Re: Public Service Electric and Gas Company's 2020/2021 Annual BGSS Commodity Charge filing for its Residential Gas Customers under its Pricing Mechanism and for Changes in its Balance Charge
(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. GR20060379
73. In Re: Public Service Electric and Gas Company's 2020 Annual Margin Adjustment Clause (MAC)
(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. GR20060384
74. In Re: South Jersey Gas Company for Approval to Revise the Rider H Rate Associated with the Tax Cuts and Jobs Act of 2017
(Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. GR20060382
75. In Re: Berkshire Gas Company -2019 Gas System Enhancement Program Reconciliation Filing
(Appearance: Revenue Requirement on behalf of the Massachusetts Office of the Attorney General)
Commonwealth of Massachusetts -Department of Public Utilities – DPU 20-GREC-02
76. In Re: Bay States Gas Company d/b/a Columbia Gas – 2019 Gas System Enhancement Program Reconciliation Filing.
(Appearance: Revenue Requirement on behalf of the Massachusetts Office of the Attorney General)
Commonwealth of Massachusetts – Department of Public Utilities – DPU 20-GREC-05
77. In Re: NSTAR Gas Company – 2019 Gas System Enhancement Program Reconciliation Filing
(Appearance: Revenue Requirement on behalf of the Massachusetts Office of the Attorney General)
Commonwealth of Massachusetts – Department of Public Utilities – DPU 20-GREC-06
78. In Re: South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions.
(Appearances: Revenue Requirement and Cash Working Capital) on behalf of the New Jersey Division of Rate Counsel.
New Jersey Board of Public Utilities – Docket No. GR20030243
79. In Re: Jersey Central Power & Light Company for Review and Approval of Increased in, and Other Adjustments to Rates and Charges for Electric Services and approval of Other Proposed Tariff Revisions (Appearance: Revenue Requirement, Cash Working Capital,

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Consolidated Income Taxes, LED Conversion and Reliability Roll-In) on behalf of the New Jersey Division of Rate Counsel.
New Jersey Board of Public Utilities – Docket No. ER20020146

80. In Re: The Pittsburgh Water and Sewer Authority for approval of increased rates and charges for water and wastewater service and for approval of a multi-year rate plan. (Appearance: Accounting and Policy, Customer Service and Regulatory Policy) on behalf of the Pennsylvania Office of the Consumer Advocate)
Pennsylvania Public Utility Commission – Docket Nos. R-2020-3017951 and R-2020-3017970.
81. In Re: New Jersey-American Water Company, Inc. for approval of Increased Base Tariff Rates and Charges for Water and Wastewater Services and Other Tariff Revisions. (Appearance: Accounting and Revenue Requirement and Cash Working Capital / Consolidated Income Taxes) on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. WR19121516
82. In Re: Hawaiian Electric Company, Inc., for approval of a General Rate Increase and Revised Rate Schedules and Rules. (Appearance: Accounting and Revenue Requirement on behalf of the Hawaiian Division of Consumer Advocacy)
Hawaii Public Utilities Commission – Docket No. 2019-0085
83. In Re: Mount Olive Villages Water Company for approval of an Increase in Rates for Water Service and Other Tariff Changes. (Appearance: Accounting and Consulting Services on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. WR19060770
84. In Re: Mount Olive Villages Sewer Company for approval of an Increase in Rates for Sewer Service and Other Tariff Changes. (Appearance: Accounting and Consulting Services on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. WR19060769
85. In Re: Public Service Electric and Gas Company for approval of changes in its Electric Green Programs Recovery and its Gas Green Programs Recovery Charge (2019 PSE&G Green Programs Cost Recovery Filing). (Appearance: Accounting and Consulting Services on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket Nos. ER19070764 and GR19070765
86. In Re: Proposed Amendment to N.J.A.C. 14:9- Adoption by reference to the Uniform System of Accounts for Water Utilities and Wastewater Utilities. (Appearance: Consulting Services on behalf of the New Jersey Division of Rate Counsel)

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New Jersey Board of Public Utilities- Docket Nos. WX19050612 (Water) and WX19050613 (Wastewater)

87. In Re: Public Service Electric and Gas Company's 2019/2020 Annual BGSS Commodity Charge filing for its Residential Gas Customers Under its Periodic Pricing Mechanism and for Changes in its Balancing Charge.
(Appearance: Revenue Requirement and accounting/consulting services on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. GR190600699
88. In Re: Bay States Gas Company d/b/a Columbia Gas of Massachusetts for Approval of a 2018 Gas System Enhancement Program Reconciliation Filing
(Appearance: Revenue Requirement on behalf of the Massachusetts Office of the Attorney General)
Commonwealth of Massachusetts Department of Public Utilities – Docket No. 19-GREC-05
89. In Re: NSTAR Gas Company d/b/a Eversource Energy for Approval of a 2018 Gas System Enhancement Program Reconciliation Filing
(Appearance: Revenue Requirement on behalf of the Massachusetts Office of the Attorney General)
Commonwealth of Massachusetts Department of Public Utilities – Docket No. 19-GREC-06
90. In Re: Public Service Electric and Gas Company for Approval of Gas Rate Base Adjustments Pursuant to its Gas System Modernization Program (April 2019 GSMP)
(Appearance: Revenue Requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. GR19040522
91. In Re: Kalaeloa Water Company, LLC for Approval of General Rate Case and Revised Rules, Regulations and Rates.
(Appearance: Revenue Requirement on behalf of the Hawaii Division of Consumer Advocacy)
Hawaii Public Utilities Commission – Docket No. 2019-0057
92. In Re: Elizabethtown Gas Company for Approval of an Increase in Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions.
(Appearance: Revenue Requirement and Other Accounting Issues on behalf of the New Jersey Division of Rate Counsel).
New Jersey Board of Public Utilities – Docket No. GR19040586
93. In Re: Petition of Peoples Natural Gas Company for Approval of an Increase in Rates for Natural Gas Distribution Service.
(Appearance: Revenue Requirement and Other Accounting Issues on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utility Commission – Docket No. R-2018-3006818

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94. In Re: Petition of Aqua New Jersey, Inc. for Approval of an Increase in Rates for Water Service and other Tariff Changes.
(Appearance: Revenue Requirement and other Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – BPU Docket No. WR18121351
95. In Re: Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency (CEF-EE) Program on a Regulated Basis.
(Appearance: Revenue Requirement and other Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – BPU Docket Nos. GO18101112 and EO18101113.
96. In Re: Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Vehicle and Energy Storage (CEF-EVES) Program on a Regulated Basis. (Appearance – Revenue Requirement and other Accounting Issues on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – BPU Docket No. EO18101111.
97. In Re: Petition of New Jersey Natural Gas Company- Request for Deferred Accounting Authority for Costs Related to New Information Technology Systems. (Appearance: Impact on Revenues, prudence of costs on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – BPU Docket No. GR18101096
98. In Re: Petition for Approval of An Indirect Change in Control of the New Jersey Public Utilities Subsidiaries of SUEZ Water Resources, Inc. and Other Related Approvals.
(Appearance: Impact on Rates, Service, Employees, Positive Benefits on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – BPU Docket No. WM18090982
99. In Re: The Matter of the Merger of Roxbury Water Company into New Jersey American Water Company (Appearance: Impact on Rates, Service and Employees, Positive Benefits on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities – BPU Docket No. WM18080904
100. In Re: The Matter of the Application of Maryland-American Water Company for Authorization to Adjust its Existing Schedule of Tariffs and Rates.
(Appearance: Revenue Requirement on behalf of the Maryland Office of People’s Counsel)
Maryland Public Service Commission – Case No. 9487
101. In Re: The Matter of the Joint Petition for Approval of an Increase in Rates for Water and Wastewater Service and Other Tariff Changes for SUEZ Water NJ, Inc., Toms River, Inc., Arlington Hill, Inc., West Milford, Inc., Matchaponix, Inc., and Princeton Meadows, Inc.

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(Appearance: Revenue Requirement and the development of Consolidated Income Taxes on behalf of the NJ Division of Rate Counsel)

New Jersey Board of Public Utilities – BPU Docket No. WR18050593

102. In Re: The Matter of the Application of Atlantic City Electric Company to Adjust the Level of its Rider RGGI Rate Associated with its Solar Renewable Energy Certificate Financing Program 2018 (Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)

New Jersey Board of Public Utilities – BPU Docket No. ER18050543

103. In Re: The Matter of the Petition of New Jersey Natural Gas Company's Approval of the Cost Recovery Associated with Energy Efficiency Programs (Appearance; Revenue Requirement on behalf of the NJ Division of Rate Counsel)

New Jersey Board of Public Utilities – BPU Docket No, GR18050585

104. In Re: The Matter of Bay States Gas Company d/b/a Columbia Gas of Massachusetts, 2017 Gas System Enhancement Reconciliation Filing (Appearance: Revenue Requirement on behalf of the Massachusetts Attorney General's Office of Ratepayer Advocacy)

Commonwealth of Massachusetts – Department of Public Utilities – Docket No. D.P.U. 18-GREC-05.

105. In Re; The Matter of NSTAR Gas Company d/b/a Eversource Energy, Gas System Enhancement Program Reconciliation Filing (Appearance: Revenue Requirement on behalf of the Massachusetts Attorney General's Office of Ratepayer Advocacy)

Commonwealth of Massachusetts – Department of Public Utilities – Docket No. D.P.U. 18-GREC-06.

106. In Re: The Matter of the Merger of SUEZ Water NJ, SUEZ Water Toms River, SUEZ Water Arlington Hills, SUEZ Water West Milford, SUEZ Water Princeton Meadows and SUEZ Water Matchaponix (Appearance: Positive Benefits related to the Merger on behalf of the NJ Division of Rate Counsel)

New Jersey Board of Public Utilities – BPU Docket No. WR18030266

107. In Re: The Matter of the Columbia Gas of Pennsylvania for a General Rate Increase in Distribution Gas Service (Appearance; Accounting Issues and Revenue Requirement on behalf of the Pennsylvania Office of Consumer Advocate)

Pennsylvania Public Utility Commission – Docket No. R-2018-2647577

108. In Re: The Matter of the New Jersey Board of Public Utilities Consideration of the Tax Cuts and Jobs Act of 2017 – Generic Proceeding (Appearance: Revenue Requirement on behalf of the NJ Division of Rate Counsel)

New Jersey Board of Public Utilities – BPU Docket No. AX18010001

109. In Re: Acquisition of Elizabethtown Gas, a Division of Pivotal Utilities Holdings, Inc. by ETG Acquisition Corp., a Division of South Jersey Industries, Inc., and Related

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Transactions. (Appearance: Customer Service Issues/Employee and Labor Relations on behalf of the NJ Division of Rate Counsel)

New Jersey Board of Public Utilities – BPU Docket No. GM17121309.

110. In Re: Middlesex Water Company – Base Rate Case Proceeding for Water Service. (Appearance: revenue requirement on behalf of the NJ Division of Rate Counsel).
New Jersey Board of Public Utilities – BPU Docket No. WR17101049.
111. In Re: Township of East Brunswick – Sewer Rate Study – (Evaluation of the existing sewer rate structure and examining and quantify costs for future expansion).
112. In Re: Montana-Dakota Utilities – Base Rate Case Proceeding for Gas Service. (Appearance: revenue requirement on behalf of the North Dakota Public Service Commission). NDPSC Docket No. PU-17-295.
113. In Re: Andover Utility Company – Base Rate Case Proceeding for Wastewater Services. (Appearance: revenue requirement on behalf of the New Jersey Division of Rate Counsel).
New Jersey Board of Public Utilities – BPU Docket No. WR17070726.
114. In Re: Public Service Electric and Gas Company- Approval of Changes in its Electric and Gas Green Programs Recovery Charges “2017 Public Service Electric & Gas Green Programs Cost Recovery Filing. (Appearance: revenue requirement on behalf of the New Jersey Division of Rate Counsel).
New Jersey Board of Public Utilities – BPU Docket Nos. ER17070724 and GR17070725.
115. In Re: Bay States Gas Company d/b/a Columbia Gas of Massachusetts, 2016 Gas System Enhancement Program Reconciliation Filing, (Appearance: revenue requirement on behalf of the Massachusetts Attorney General’s Office of Ratepayer Advocacy).
Commonwealth of Massachusetts Department of Public Utilities – Docket No. D.P.U. 17-GREC-05.
116. In Re: NSTAR Gas Company d/b/a Eversource Energy, 2016 Gas System Enhancement Program Reconciliation Filing (Appearance: revenue requirement on behalf of the Massachusetts Attorney General’s Office of Ratepayer Advocacy).
Commonwealth of Massachusetts Department of Public Utilities – Docket No. D.P.U. 17-GREC-06.
117. In Re: Petition of Columbia Gas of Maryland – Increase in rates for Distribution Service – (Appearance: revenue requirement on behalf of the Office of People’s Counsel) Public Service Commission of Maryland – Case No. 9447
118. In Re: Petition of South Jersey Gas Company – Increase in base rates for gas services – (Appearance: revenue requirement on behalf of the NJ Division of Rate Counsel)
New Jersey Board of Public Utilities – Docket No. GR17010071

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119. In Re: Petition of UGI Penn Natural Gas – Increase in base rates for gas services – (Appearance: revenue requirement on behalf of the Pennsylvania Office of Consumer Advocate)
Pennsylvania Public Utilities Commission Docket No. R-2016-2580030
120. In Re: Petition of PJM Interconnection, LLC. – Mid-Atlantic Interstate Transmission, LLC. Formula Rate Filing. (Appearance on behalf of the Pennsylvania Office of Consumer Advocate).
FERC Docket No. ER17-211-000
121. In Re: Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Company for approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions (Appearance: revenue requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities Docket No. GR16090826
122. In Re: Petition of SUEZ Water New Jersey, et al – Approval of a Management and Services Agreement pursuant to N.J.S.A 48: 3-7.1 (Appearance on the reasonableness of contract agreements on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities Docket No. WO16080806
123. In Re: Petition of SUEZ Water Arlington Hills Inc. – Approval of an Increase in Rates for Wastewater Services and other Tariff Changes (Appearance: revenue requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities Docket No. WR16050510
124. In Re: Petition of Public Service Electric and Gas Company – 2016 Marginal Adjustment Clause (MAC) (Appearance; reconciliation and rate setting on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities Docket No. GR16060484
125. In Re: Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Green Programs Recovery Charges and its Gas Green Program Recovery Charges 2016 PSEG Program Cost Recovery Filing
(Appearance: reconciliation and rate setting on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities Docket Nos. ER16070613 and GR16070614
126. In Re: Petition of the Mount Olive Village Sewer Company, Inc., for Approval of an Increase in Rates for Service (Appearance: revenue requirement on behalf of the New Jersey Division of Rate Counsel)
New Jersey Board of Public Utilities Docket No. WR16050391
127. In Re: Petition of the Mount Olive Village Water Company, Inc. for Approval of an Increase in Rates for Service (Appearance; revenue requirement on behalf of the New Jersey Division of Rate Counsel)

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New Jersey Board of Public Utilities Docket No. WR16050390

128. In Re: Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for Approval of its 2015 Gas System Enhancement Plan Reconciliation Filing (2016) - (Analysis and Advice to Counsel: computation of the revenue requirement and rate impact on behalf of the Massachusetts Attorney General Office of Ratepayer Advocacy)
MA Department of Public Utilities Docket No. D.P.U. 16-GREC-01
129. In Re: Petition of Bay State Gas Company d/b/a Columbia Gas of Massachusetts for Approval of its 2015 Gas System Enhancement Plan Reconciliation Filing (2016) - (Appearance: computation of the revenue requirement and rate impact on behalf of the Massachusetts Attorney General Office of Ratepayer Advocacy)
MA Department of Public Utilities Docket No. D.P.U. 16-GREC-05
130. In Re: Petition for Approval of Gas Infrastructure Contract Between Public Service Company of New Hampshire d/b/a Eversource Energy and Algonquin Gas Transmission, LLC (2016) - (Analysis and Advice to Counsel: compliance with statutes and regulations, review of contract, and ratemaking on behalf of the New Hampshire Office of Consumer Advocate)
NH Public Utilities Commission Docket No. DE 16-241
131. In Re: Central Maine Power Company, Annual Compliance Filing and Price Change (2016) - (Analysis and Advice to Counsel; tax normalization regulatory asset on behalf of the Maine Office of the Public Advocate)
ME Public Service Commission Docket No. 2016-00035
132. In Re: Bulletin 2015-10 Generic Proceeding to Establish Parameters for the Next Generation PBR Plans (Appearance: productivity adjustments/performance-based ratemaking on behalf of the Alberta Utilities Consumer Advocate)
Alberta Utilities Commission Proceeding 20414
133. In Re: The Matter of Request by Emera Maine for Approval of a Rate Change (2016) - (Appearance: revenue requirement on behalf of the Maine Office of the Public Advocate)
Maine Public Utilities Commission Docket No. 15-00360)
134. In Re: the Matter of the Joint Application of the Southern Company, AGL Resources Inc., and Pivotal Holdings, Inc. d/b/a Elkton Gas (2015-2016) - (Analysis and advice to counsel: customer service impacts, employee impacts, supplier diversity on behalf of the Maryland Office of People's Counsel)
MD PSC Case No. 9404
135. In Re: The Matter of the Merger of Southern Company and AGL Inc. (2015-2016) - (Appearance: customer service impacts and employee impacts on behalf of the NJ Division of Rate Counsel)
New Jersey BPU Docket No. GM15101196

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136. In Re: The Matter of the United Water New Jersey, Inc., for Approval of an Increase in Rates for Water Service and Other Tariff Changes (2015-2016) - (Appearance: revenue requirements, rate base issues and operating income on behalf of the NJ Division of Rate Counsel)
New Jersey BPU Docket No. WR15101177
137. In Re: Petition of Boston Gas Company and Colonial Gas Company d/b/a National Grid for Approval of Precedent Agreements with Millennium Pipeline Company, LLC (2015) - (Analysis: review of contract and compliance of the Gas Supply Plan on behalf of the Massachusetts Attorney General Office of Ratepayer Advocacy)
MA D.P.U. 15-130
138. In Re: Petition of Boston Gas Company and Colonial Gas Company d/b/a National Grid for Approval of Agreements for LNG or Liquefaction Services with GDF Suez Gas NA, LLC; Northeast Energy Center, LLC; Metro LNG, L.P.; and National Grid LNG (2015) - (Analysis: review of contract and compliance of the Gas Supply Plan on behalf of the Massachusetts Attorney General Office of Ratepayer Advocacy)
MA D.P.U. 15-129
139. In Re: Columbia Gas of Massachusetts CY2014 Targeted Infrastructure Reinvestment Factor (TIRF) Compliance Filing (2015) - (Appearance: computation of the revenue requirement impact on the TIRF on behalf of the Massachusetts Attorney General Office of Ratepayer Advocacy)
MA D.P.U. 15-55
140. In Re: The Matter of the Bay State Gas Company d/b/a Columbia Gas of Massachusetts for Approval of its Targeted Infrastructure Reinvestment Factor (TIRF) for CY 2013 (2014) - (Appearance: computation of the revenue requirement impact on the TIRF)
MA D.P.U. 14-83
141. In Re: The Matter of the Merger of Exelon Corporation and Pepco Holdings, Inc. (Atlantic City Electric Company) (2014-2015) - (Appearance: customer service impacts)
New Jersey BPU Docket No. EM14060581
91. In Re: Public Utilities Commission of Ohio – In the Matter of the Application of Ohio Power Company (American Electric Power Ohio) (AEP Ohio) to Adopt a Final Implementation Plan for the Retail Stability Rider – (Appearance - Accounting Issues) (2014) on behalf of the Ohio Office of Consumer Counsel (OCC)
PUCO Case No. 14-1186-EL-RDR
92. In Re: Public Utilities Commission of Ohio - In the Matter of the Application of Aqua Ohio, Inc. to Increase its Rates and Charges for its Waterworks Service. – Revenue and Rates (2014) - (Appearance: operating income, certain rate base issues and income taxes on behalf of the Ohio Office of Consumer Counsel)
PUCO Case No. 13-2124-WW-AIR

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93. In Re: New York Public Service Commission, as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. Revenue Requirement (2013-2014) – (Appearance: revenue requirement, rate base issues and operating income on behalf of the Intervenor, the County of Westchester)
NYPSC Case Nos. 13-E-0030, 13-G-0031 and 13-S-0032, et al
94. In Re: North Dakota Public Service Commission, - Application of Northern States Power Company for Authority to Increase Rates for Electric Service in North Dakota, On-Going Revenue Requirement (2013) - (Appearance: revenue requirement and rate base, operating income, operating and maintenance expenses on behalf of the North Dakota Public Service Commission Staff)
North Dakota Case No. PU-12-813
95. In the Matter of the Petition of New Jersey American Water Company for Authorization to Implement a Distribution System Improvement Charge (DSIC) Order Denying Petition and Instituting Stakeholder Process (2008) - (Case manager on policy decision and revenue requirement impact on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WO08050358
96. In the Matter of the Joint Petition of the City of Trenton, New Jersey and New Jersey-American Water Company, Inc. for Authorization of the Purchase and Sale of the Assets of the Outside Water Utility System ("OWUS") of the City of Trenton, New Jersey and for Other Relief Order Adopting Initial Decision, (2008) - (Case manager on the revenue requirement impact on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WM08010063
97. In the Matter of the Petition of United Water New Jersey, United Water Toms River, United Water Lambertville, United Water Mid-Atlantic and Gaz de France for Approval as Need for a Change in Ownership and Control (2007) - (Case manager on customer impact, employee impact and impact on rates on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WM06110767
98. In the Matter of the Petition of United Water Arlington Hills Sewerage, Inc. for an Increase in Rates for Wastewater Service and Other Tariff Changes (2009) - (Case manager on revenue requirement and overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WR08100929
99. In the Matter of the Petition of United Water New Jersey Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes, (2009) - (Case manager on revenue requirement and overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WR08090710

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100. In the Matter of the Petition of United Water Toms River, Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes (2008) - (Case manager on the revenue requirement and overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WR08030139
101. In the Matter of the Joint Petitioners of New Jersey-American Water Company, Inc., S.J. Services, Inc., South Jersey Water Company, Inc. and Penns Grove Water Supply Company, Inc. for Among Other Things Approval of a Change in Control of South Jersey Water Supply Company, Inc. and Penns Grove Water Supply Company, Inc. (2007) - (Case manager on the overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WM07020076
102. In the Matter of the Petition of Aqua, New Jersey, Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes (2008) - (Case manager on revenue requirement and the overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WR0712095
103. I/M/O the Joint Petition of Thames Water, Aqua Holdings GMBH, on Behalf of Itself and Its Parent Holdings Company, RWE Aktiengesellschaft, Thames Water Aqua US Holdings, Inc., American Water works Company Inc., Thames Water Holdings Incorporated, E 'town Corporation, New Jersey-American Water Company, Inc., Elizabethtown Water Company, the Mount Holly Water Company and Applied Wastewater Management, Inc. for Confirmation that the Board of Public Utilities Does Not Have Jurisdiction Over, or, Alternatively, for Approval of a Proposed Transaction Involving, Among Other Things, the Sale by Thames Water Aqua Holdings GMBH of Up to 100% of the Shares of the Common Stock of American Waterworks Company, Inc. in One or More Public Offerings (2007) - (Case manager on revenue requirement impacts, effect on rates and effect on service on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WM06050388
104. In the Matter of the Petition of Elizabethtown Water Company for Approval of an Increase in Rates for Water Service (2007) - (Case manager on revenue requirement and overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WR03070510
105. In the Matter of the Petition of New Jersey American Water Company, Inc. for Approval of Increased Tariff Rates and Charges for Water and Sewer Service; Increased Depreciation Rates and Other Tariff Revisions (2008) - (Case manager on revenue requirement and overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)
BPU Docket No. WR08010020
106. In the Matter of Middlesex Water Company for Approval of an Increase in its Rates for Water Service and Other Tariff Changes (2007) - (Case manager on overall revenue

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requirement and overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)

BPU Docket No. WR07040275

107. In the Matter of the Joint Petition of United Water New Jersey, Inc., United Water Arlington Hills, Inc., United Water Hampton, Inc., United Water Vernon Water Hills, Inc., and United Water Lambertville, Inc. for an Increase in Rates and Charges for Water Service and Other Tariff Changes and for Approval to Merge the Operations of the Joint Petitioners into and with United Water New Jersey, Inc. (2007) - (Case manager on revenue requirement and overall rate proceeding on behalf of the Staff of the NJ Board of Public Utilities)

BPU Docket No. WR07020135

WEIGHTED AVERAGE COST OF CAPITAL

(1) Company Proposed

		Ratios	Cost of Capital	Weighted Average
1	LT Debt	47.38000%	4.54000%	2.15105%
2	ST Debt	0.12000%	0.12000%	0.01200%
3	Common Equity	52.50000%	10.20000%	5.35500%
4	Total Capital	100.00000%		7.51805%
5	rounded			7.52000%

(2) ND PSC Advocacy Staff

6	LT Debt	47.500%	4.540%	2.16%
7	ST Debt	2.500%	7.720%	0.193%
8	Common Equity	50.000%	9.800%	4.900%
9	Total Capital	100.000%		7.26%

(1) Company VI C1

(2) Exhibit MFG-17- Schedule 3

AVERAGE RATE BASE		(1)			
	Company	Adjustments	ND PSC	References	
	Proposed		Advocacy Staff		
<u>Gas Plant in Service</u>					
1	Gas Manufactured Plant	\$ 11,445,000	\$ -	\$ 11,445,000	
2	Transmission	\$ 4,006,000	\$ -	\$ 4,006,000	
3	Distribution	\$ 214,184,000	\$ -	\$ 214,184,000	
4	Gas Storage	\$ 14,311,000	\$ -	\$ 14,311,000	
5	General	\$ 19,609,000	\$ -	\$ 19,609,000	
6	Common	\$ 16,280,000	\$ -	\$ 16,280,000	
7	Total Gas Plant In Service	\$ 279,835,000		\$ 279,835,000	
8	Depreciation Reserve	\$ 96,003,000	\$ 1,000	\$ 96,004,000	
9	Net Gas Plant In Service	\$ 183,832,000	\$ (1,000)	\$ 183,831,000	
10	Gas Plant Held for Future Use	\$ -	\$ -	\$ -	
11	Construction Work in Progress	\$ 678,000	\$ (678,000)	\$ -	
12	Accumulated Deferred Income Taxes	\$ 22,872,000	\$ (1,000)	\$ 22,871,000	
13	Cash Working Capital	\$ (726,000)	\$ 11,914	\$ (714,086)	
14	Subtotal	\$ 160,912,000	\$ (666,086)	\$ 160,245,914	
<u>Other Rate Base Items</u>					
15	Materials and Supplies	\$ 306,000	\$ -	\$ 306,000	
16	Fuel Inventory	\$ 6,008,000	\$ -	\$ 6,008,000	
17	Non-Plant Assets & Liabilities	\$ 1,049,000	\$ -	\$ 1,049,000	
18	Customer Advances	\$ (1,560,000)	\$ -	\$ (1,560,000)	
19	Customer Deposits	\$ (20,000)	\$ -	\$ (20,000)	
20	Prepays and Other	\$ 287,000	\$ -	\$ 287,000	
21	Regulatory Amortization	\$ 990,000	\$ -	\$ 990,000	WP A15
22	Total Other Rate Base Items	\$ 7,058,000	\$ 2,000	\$ 7,060,000	NDPSC 1-32
23	Total Average Rate Base	\$ 167,970,000	\$ (664,086)	\$ 167,305,914	

(1) Company Exhibit BCH-1 Schedule 15

differences due to rounding

OPERATING INCOME STATEMENT

		(1)				Present Rates	
		Company		Company		ND PSC	
		Present Rates	Adjustments	Proposed Rates	Adjustments	Advocacy Staff	References
Operating Revenues							
1	Retail Revenues	\$ 89,990,000	\$ 8,463,000	\$ 98,453,000	\$ -	\$ 89,990,000	
2	Interdepartmental	\$ -		\$ -	\$ -	\$ -	
3	Other Operating	\$ 469,000	\$ -	\$ 469,000	\$ -	\$ 469,000	
4	Total Operating Revenues	\$ 90,459,000	\$ 8,463,000	\$ 98,922,000	\$ -	\$ 90,459,000	DM-9
Operating Expenses							
5	Purchased Gas	\$ 58,155,000		\$ 58,155,000	\$ -	\$ 58,155,000	DM-12
6	Gas Production & Storage	\$ 2,300,000		\$ 2,300,000	\$ 33,860	\$ 2,333,860	DM-13
7	Gas Transmission	\$ 295,000		\$ 295,000	\$ (144,763)	\$ 150,237	DM-14
8	Gas Distribution	\$ 5,282,000		\$ 5,282,000	\$ (142,456)	\$ 5,139,544	DM-15
9	Customer Accounting	\$ 1,354,000		\$ 1,354,000	\$ (12,850)	\$ 1,341,150	DM-16
10	Customer Service & Other	\$ 152,000		\$ 152,000	\$ (238)	\$ 151,762	DM-17
11	Sales, Econ Development & Other	\$ 9,000		\$ 9,000	\$ (3,542)	\$ 5,458	DM-18
12	Administrative & General	\$ 3,474,000		\$ 3,474,000	\$ (258,677)	\$ 3,215,877	DM-19
	Software Maintenance / Licensing				\$ (92,323)	\$ (92,324)	NDPSC 2-20
	Outside Services				\$ (297,916)	\$ (297,916)	NDPSC 2-19
	Vacancy Rate Adjustment				\$ (183,572)	\$ (183,572)	2-34/17
13	Total Operating Expenses	\$ 71,021,000	\$ -	\$ 71,021,000	\$ (1,101,924)	\$ 69,919,076	
14	Depreciation Expense	\$ 9,370,000	\$ -	\$ 9,370,000	\$ (1,000)	\$ 9,369,000	DM-20
15	Amortization Expense	\$ 567,000	\$ -	\$ 567,000	\$ 317	\$ 567,317	DM-21
16	Taxes Other Than Income	\$ 2,416,000	\$ -	\$ 2,416,000	\$ (16,994)	\$ 2,399,006	DM-22
17	State Income Taxes	\$ (76,000)	\$ 364,755	\$ 288,755	\$ -	\$ (76,000)	DM-23
18	Federal Income Taxes	\$ (347,000)	\$ 1,700,631	\$ 1,353,631	\$ -	\$ (347,000)	DM-23
	Deferred Income Tax and ITC	\$ 1,277,000		\$ 1,277,000		\$ 1,277,000	
19	Total Taxes	\$ 3,270,000	\$ 2,065,387	\$ 5,335,387	\$ (16,994)	\$ 3,253,006	
20	Total Expenses	\$ 84,226,000	\$ 2,065,387	\$ 86,291,387	\$ (1,117,601)	\$ 83,108,399	
21	AFUDC	\$ -	\$ -	\$ -	\$ -	\$ -	
22	Total Operating Income	\$ 6,233,000	\$ 6,397,613	\$ 12,630,613	\$ 1,117,601	\$ 7,350,601	
23	Rate Base	\$ 167,970,000		\$ 167,970,000		\$ 167,305,914	
24	Rate of Return	3.711%		7.5196%		7.26%	
				\$ 12,630,613		\$ 12,146,409	
(1)	Company Exhibit BCH-1 Schedule 11						

differences due to rounding

GAS PLANT IN SERVICE

		(1)						
		Company		Company		ND PSC		References
		Proposed Unadj.	Adjustments	Proposed Adj.	Adjustments	Advocacy Staff		
1	Gas Manufactured Plant	\$ 11,445,000	\$ -	\$ 11,445,000		\$ 11,445,000		
2	Gas Storage	\$ 14,311,000	\$ -	\$ 14,311,000		\$ 14,311,000		
3	Gas Transmission	\$ 4,006,000	\$ -	\$ 4,006,000		\$ 4,006,000		
4	Gas Distribution	\$ 214,184,000	\$ -	\$ 214,184,000		\$ 214,184,000		
5	General	\$ 19,609,000	\$ -	\$ 19,609,000		\$ 19,609,000		
6	Common	\$ 16,280,000	\$ -	\$ 16,280,000		\$ 16,280,000		
7	Total Gas Plant In Service	\$ 279,835,000	\$ -	\$ 279,835,000	\$ -	\$ 279,835,000		

(1) Company Exhibit BCH-1 Schedule 5

ACCUMULATED DEPRECIATION

	(1)				ND PSC		
	Company		Company		Advocacy Staff		References
	Unadjusted	Adjustments	Proposed	Adjustments			
Gas Manufactured Plant	\$ 2,944,000	\$ -	\$ 2,944,000	\$ -	\$ 2,944,000		
Gas Storage	\$ 8,376,000	\$ -	\$ 8,376,000	\$ -	\$ 8,376,000		
Gas Transmission	\$ 1,818,000	\$ 5,000	\$ 1,823,000	\$ -	\$ 1,823,000		
Gas Distribution	\$ 66,782,000	\$ 124,000	\$ 66,906,000	\$ -	\$ 66,906,000		
General	\$ 8,044,000	\$ (166,000)	\$ 7,878,000	\$ -	\$ 7,878,000		
Common	\$ 8,126,000	\$ (49,000)	\$ 8,077,000	\$ -	\$ 8,077,000		
Total Accumulated Depreciation	\$ 96,090,000	\$ (86,000)	\$ 96,004,000	\$ -	\$ 96,004,000		

(1) Company Exhibit BCH-1 Schedule 5

ACCUMULATED DEFERRED INCOME TAXES

		(1)						
		Company		Company		ND PSC		
		Unadjusted	Adjustments	Proposed	Adjustments	Advocacy Staff	References	
1	Gas Manufactured Plant	\$ (17,000)	\$ -	\$ (17,000)	\$ -	\$ (17,000)		
2	Transmission	\$ 614,000	\$ 4,000	\$ 618,000	\$ -	\$ 618,000		
3	Distribution	\$ 19,623,000	\$ (47,000)	\$ 19,576,000	\$ -	\$ 19,576,000		
4	Gas Storage	\$ (117,000)	\$ -	\$ (117,000)	\$ -	\$ (117,000)		
5	General	\$ 1,496,000	\$ 54,000	\$ 1,550,000	\$ -	\$ 1,550,000		
6	Common	\$ 1,030,000	\$ 14,000	\$ 1,044,000	\$ -	\$ 1,044,000		
7	Net Operating Loss	\$ -	\$ -	\$ -	\$ -	\$ -		
8	Non-Plant Related	\$ 217,000	\$ -	\$ 217,000	\$ -	\$ 217,000		
9	Total Accumulated Deferred Income Taxes	\$ 22,846,000	\$ 25,000	\$ 22,871,000	\$ -	\$ 22,871,000		NDPSC-2-23

(1) Company Exhibit BCH-1 Schedule 15
 ADIT Rate 27.9718% NDPSC-2-22

CASH WORKING CAPITAL		(1)					
	Lead/Lag Days	Company Dollars	Dollar x Days	Adjustments	ND PSC Advocacy Staff	References	
1	Fuel Expenses	37.67 \$	58,155 \$	2,190,699 \$	- \$	2,190,699	
	Labor						
2	Regular Payroll	12.11 \$	5,110 \$	61,882 \$	(503) \$	55,792	
3	Incentive	251.96 \$	56 \$	14,110 \$	(214) \$	13,896	
4	Pension & Benefits	37.29 \$	1,002 \$	37,365 \$	(31) \$	37,333	
		\$	6,168 \$	113,356 \$	(6,335) \$	107,021	
5	All Other Operating Expenses	30.71 \$	6,698 \$	205,696 \$	(1,097) \$	204,599	
6	Property Taxes	354.81 \$	2,020 \$	716,716 \$	- \$	716,716	
7	Employer's Payroll Taxes	28.07 \$	396 \$	11,116 \$	(47) \$	11,069	
8	Gross Earnings Tax	38.6 \$	1,662 \$	64,153 \$		64,153	
9	Federal Income Taxes	37.25 \$	(347) \$	(12,926) \$	(2,542) \$	(10,384)	
10	State Income Taxes	37.25 \$	(76) \$	(2,831) \$	(541) \$	(2,290)	
		\$	10,353 \$	981,924 \$		983,863	
11	Total	\$	74,676 \$	3,285,979 \$		3,281,583	
12	Net Annual Expense (365)		\$	9,003		\$ 8,991	
13	Revenues	40.61 \$	89,990 \$	3,654,494		\$ 3,654,494	
14	Late Payment	\$	251 \$	-		\$ -	
15	Miscellaneous Services	40.61 \$	124 \$	5,036		\$ 5,036	
16	Rentals	0 \$	91 \$	-		\$ -	
17	Total	\$	90,456 \$	3,659,530 \$		3,659,530	
18	Net Annual Amount (365)		\$	10,026		\$ 10,026	
19	Expense/Revenue Factor			82.55%		82.55%	
20	Allocated Revenue		\$	8,277		\$ 8,277	
21	Net Cash Working Capital		\$	(726,130)		(714,086)	

(1) Company Exhibit BCH-1 Schedule 8

OPERATING REVENUES

		(1)		ND PSC	
		Company	Adjustments	Advocacy Staff	References
		Proposed			
1	Residential Service	\$ 35,616,798	\$ -	\$ 35,616,798	
2	Commerical/Industrial	\$ 43,893,333	\$ -	\$ 43,893,333	
3	Small Interruptible Service	\$ 2,472,464	\$ -	\$ 2,472,464	
4	Large Interruptible Service	\$ 6,673,944	\$ -	\$ 6,673,944	
5	Interruptible	\$ 26,250	\$ -	\$ -	
6	Firm Transportation Service	\$ 1,307,271	\$ -	\$ -	
7	Total Present Rate Revenues	\$ 89,990,060	\$ -	\$ 88,656,539	
8	Other Gas Revenues	\$ 469,287	\$ -	\$ 469,287	
9	Total Operating Revenues	\$ 90,459,347	\$ -	\$ 89,125,826	

(1) Company WP R1 and R2 Present Revenues
 Differences due to rounding

**OPERATION & MAINTENANCE
 EXPENSES - WORKSHEET**

		(1)			
		Company		ND PSC	
		Proposed	Adjustments	Advocacy Staff	References
1	Purchased Gas Expense	\$ 58,155,000	\$ -	\$ 58,155,000	DM-11
2	Gas Production & Storage	\$ 2,300,000	\$ 33,860	\$ 2,333,860	DM-12
3	Gas Transmission	\$ 295,000	\$ (144,763)	\$ 150,237	DM-13
4	Gas Distribution	\$ 5,282,000	\$ (142,456)	\$ 5,139,544	DM-14
5	Customer Accounting	\$ 1,354,000	\$ -	\$ 1,354,000	DM-15
6	Customer Service & Information	\$ 152,000	\$ -	\$ 152,000	DM-16
7	Sales, Econ Develop & Other	\$ 9,000	\$ (4,000)	\$ 5,000	DM-17
8	Administrative & General	\$ 3,474,000	\$ (258,677)	\$ 3,215,323	DM-18
9	Total	\$ 71,021,000	\$ (516,035)	\$ 70,504,965	

Software Maintenance/Licensing	\$ 356,291	\$ (92,323)	\$ 263,968	NDPSC 2-20
Outside Services	\$ 718,819	\$ (297,916)	\$ 420,903	NDPSC 2-19
Vacancy Rate Ratio	\$ -	\$ (183,572)	\$ (183,572)	NDPSC-2-17

\$ (573,811)
\$ (253,359)
\$ (146,924)
<u>\$ (974,094)</u>

Total Normalization Adjustment

- (1) Company WP O2-3 Jurisdictional Alloc.
 Differences due to rounding

check for vacancy rate - 2-17 and 2-15
 check for hires in 2-15 - trade secret for salaries
 review 2-34 without labor

PURCHASED GAS

	(1) Company Proposed	Adjustments	ND PSC Advocacy Staff	References
1 Unadjusted Balance	\$ 58,155,000		\$ 58,155,000	
2 Adjustments	\$ -		\$ -	
3 Precedential Adjustments	\$ -		\$ -	
4 Adjusted Balance	\$ 58,155,000	\$ -	\$ 58,155,000	

(1) Company Schedule BCH-1 Schedule 6
 Company WP O2-3 Jurisdictional Allocation

GAS PRODUCTION & STORAGE

		(1)		ND PSC	
		Company	Adjustments	Advocacy Staff	References
		Proposed			
1	Unadjusted Balance	\$ 2,300,000	\$ -	\$ 2,300,000	
	GDesign Day	\$ 1,050,382			
	GDirectND	\$ 1,250,000	\$ -	\$ 1,250,000	
2	Adjustments	\$ -		\$ -	
3	Precedential Adjustments	\$ -	\$ -	\$ -	
4	Adjusted Balance	\$ 2,300,382	\$ 33,860	\$ 2,334,242	

Normalization Adjustments

Other Storage Exp-Non-Labor (841)	\$ 81,149	\$ (22,297)	\$ 58,852
Maint. of Storage/Improve (843.2)	\$ 19,477	\$ (6,765)	\$ 12,712
Maint. Of Vaporizing Equip. (843.6)	\$ 12,987	\$ (4,996)	\$ 7,991
Maint. Of Other Equip. (843.9)	\$ 4,594	\$ (6,191)	\$ (1,597)
Liquefaction (844.3)	\$ 14,338	\$ 15,317	\$ 29,655
Other Expenses (846.2)	\$ 21,054	\$ (3,369)	\$ 17,685
Maint.of Structures (847.2)	\$ 71,544	\$ 43,578	\$ 115,122
Maint. Of Processing (847.3)	\$ 83,328	\$ 18,584	\$ 101,912
	\$ 308,471	\$ 33,860	\$ 342,331
		10.98%	

- (1) Company Exhibit BCH-1 Schedule 6
 Company WP O2-3 Jurisdictional Allocation
 Wescott, Maplewood & Sibley Plants

GAS TRANSMISSION

	(1)			
	Company Proposed	Adjustments	ND PSC Advocacy Staff	References
1 Unadjusted Balance	\$ 295,000		\$ 295,000	
2 Adjustments - three year average Damage Prevention Program	\$ -	\$ -	\$ -	
3 Precedential Adjustments	\$ -	\$ -	\$ -	
4 Adjusted Balance	\$ 295,000	\$ (144,763)	\$ 150,237	
Gas Trans Mains. Exp. (856)	\$ 210,378	\$ (150,424)	\$ 59,954	NDPSC-2-21
Maint. Gas Trans Mains (863)	\$ 829	\$ 5,662	\$ 6,491	
	\$ 211,207	\$ (144,763)	\$ 66,444	
		-68.54%		

(1) Company Exhibit BCH-1 Schedule 6
 Company WP O2-3 Jurisdictional Allocation

GAS DISTRIBUTION

		(1)		ND PSC		
		Company		Advocacy Staff		References
		Proposed	Adjustments			
Unadjusted Balance						
1	G Customer MNND Border	\$ 100,605	\$ -	\$ 100,605		
2	G Customers	\$ 635,004	\$ -	\$ 635,004		
3	G Direct MN	\$ -	\$ -	\$ -		
4	G Direct ND	\$ 4,546,198	\$ -	\$ 4,546,198		
5	Total Balance	\$ 5,281,807	\$ -	\$ 5,281,807		
6	Damage Prevention Program	\$ -	\$ -	\$ -		
7	Precedential Adjustments	\$ -	\$ -	\$ -		
8	Adjusted Balance	\$ 5,281,807	\$ (142,456)	\$ 5,139,351		
	Dist. Operation (870)	\$ 481,221	\$ (115,705)	\$ 365,516		
	Dist. Op MeasReg Sta (875)	\$ 11,399	\$ 15,905	\$ 27,304		
	Dist. Op Meter & House Reg (878)	\$ (860,461)	\$ (35,427)	\$ (895,888)		
	Dist Oper - Other (880)	\$ 7,295	\$ (3,593)	\$ 3,702		
	Dist. Mtce of Meters/House (893)	\$ 4,249	\$ (3,636)	\$ 613		NDPSC-2-33
		\$ (356,297)	\$ (142,456)	\$ (498,753)		
			39.98%			

(1) Company Exhibit BCH-1 Schedule 6
 Company WP O2-3 Jurisdictional Allocation

CUSTOMER ACCOUNTING

		(1)		ND PSC		
		Company		Advocacy Staff		References
		Proposed	Adjustments			
Unadjusted Balance						
1	G Bad Debts	\$ 373,388	\$ -	\$ 373,388		
2	G Customers	\$ 795,758	\$ -	\$ 795,758		
3	G Direct MN	\$ -	\$ -	\$ -		
4	G Direct ND	\$ 149,480	\$ -	\$ 149,480		
5	Total Balance	\$ 1,318,626	\$ -	\$ 1,318,626		
6	Adjustments - Bad Debt (WP-A7)	\$ 35,291	\$ (8,836)	\$ 26,455		DR 2-27
7	Precedential Adjustments	\$ -	\$ -	\$ -		
8	Adjusted Balance	\$ 1,353,917	\$ (12,767)	\$ 1,341,150		

Differences due to rounding issues

- (1) Company Exhibit BCH-1 Schedule 6
 Company WP O2-3 Jurisdictional Allocation

CUSTOMER SERVICE & INFORMATION

		(1)		ND PSC	
		Company	Adjustments	Advocacy Staff	References
		Proposed			
Unadjusted Balance					
1	G Customers MNND Border	\$ 1,564		\$ 1,564	
2	G Customers	\$ 52,214		\$ 52,214	
3	G Direct ND	\$ 137,984		\$ 137,984	
4	Total Unadjusted Balance	\$ 191,762	\$ -	\$ 191,762	
	Advertising (WP-A1)	\$ (40,000)	\$ -	\$ (40,000)	
	Association Dues (WP-A2)	\$ -			
	Incentive Pay (WP-A3)	\$ -			
	Pension - Non Qualified SERP (WP-A6)	\$ -			
	Precedential Adjustments	\$ (40,000)	\$ -	\$ (40,000)	
	Adjustments	\$ -	\$ -	\$ -	
5	Other	\$ -	\$ -	\$ -	
6	Adjusted Balance	\$ 151,762	\$ -	\$ 151,762	

(1) Company Exhibit BCH-1 Schedule 6
 Company WP O2-3 Jurisdictional Allocation

SALES & ECONOMIC DEVELOPMENT

	(1)		ND PSC	
	Company	Adjustments	Advocacy Staff	References
	Proposed			
Unadjusted Balance				
G Customers	\$ 456		\$ 456	
G Direct Customers	\$ 5,002		\$ 5,002	
Total Unadjusted Balance	\$ 5,458	\$ -	\$ 5,458	
Adjustments (WP-A10) Econ. Develop	\$ 4,000	\$ (4,000)	\$ -	
Precedential Adjustments	\$ -	\$ -	\$ -	
Adjusted Balance	\$ 9,458	\$ (4,000)	\$ 5,458	

- (1) Company Exhibit BCH-1 Schedule 6
 Company WP O2-3 Jurisdictional Allocation

ADMINISTRATIVE & GENERAL

		(1)		ND PSC		
		Company		Advocacy Staff		References
		Proposed	Adjustments			
Unadjusted Balance						
1	G Customers MNND Border	\$ 24,659	\$ -	\$ 24,659		
2	G Customers	\$ 3,010,850	\$ -	\$ 3,010,850		
3	G Direct ND	\$ 558,045	\$ -	\$ 558,045		
4	Other	\$ -	\$ -	\$ -		
5	Total Unadjusted Balance	\$ 3,593,554	\$ -	\$ 3,593,554		
6	Adjustments - Other	\$ -	\$ -	\$ -		
Precedential Adjustments:						
7	Advertising (WP-A1)	\$ (34,000)	\$ -	\$ (34,000)		
	Associated Dues (WP-A2)	\$ (3,000)	\$ -	\$ (3,000)		
8	Customer Deposits	\$ -	\$ -	\$ -		
9	Incentive Pay (WP-A4)	\$ (20,000)	\$ -	\$ (20,000)		
10	Incentive Pay LT (WP-A5)	\$ (130,000)	\$ -	\$ (130,000)		
11	SERP (WP-A6)	\$ -	\$ -	\$ -		
12	Total Precedential Adjustments	\$ (187,000)	\$ -	\$ (187,000)		
RM Adjustments						
13	Aviation (100%) (WP-A3)	\$ (35,000)	\$ -	\$ (35,000)		
14	Chamber of Commerce (WP-A9)	\$ 3,000	\$ (3,000)	\$ -		
15	Economic Develop Donations	\$ -	\$ -	\$ -		
	Foundational (WP11)	\$ 22,000	\$ (22,000)	\$ -		
	DEI costs					
	Employee Recognition		\$ (8,753)	\$ (8,753)		NDPSC-2-13
16	Incentive Pay - Environ. LTI (WP-A12)	\$ 16,000	\$ (16,000)	\$ -		NDPSC 2-13
17	Incentive Pay - Time Based LTI (WP-A13)	\$ 62,000	\$ (62,000)	\$ -		NDPSC-3-3
18	Total RM Adjustments	\$ 68,000	\$ (111,753)	\$ (43,753)		
19	Adjusted Balance	\$ 3,474,554	\$ (111,753)	\$ 3,362,801		
20	rounding	\$ -	\$ -	\$ -		
21	Total	\$ 3,474,554	\$ (258,677)	\$ 3,215,877		
	Office Supplies (921)	\$ 633,817	\$ (89,095)	\$ 544,722		
	I&D (925)	\$ 226,700	\$ (68,541)	\$ 158,159		
	Pension & Benefits (926)	\$ 73,400	\$ (11,345)	\$ 62,055		
	Reg Comm. Exp (928)					
	Dupl. Chg. Cr. (929)	\$ (60,912)	\$ 22,057	\$ (38,855)		
	Advertising (930.1)	\$ 2,113				
	Advertising (930.1)	\$ 3,073				
	A&G Misc. (930.2)	\$ 70,105				
	A&G Misc. (930.2)	\$ 26,327				
		\$ 974,623	\$ (146,924)	\$ 726,081		
				-15.07%		

(1) Company Exhibit BCH-1 /Schedule 4 and Schedule 6
Company O2-3 Jurisdictional Allocation

DEPRECIATION EXPENSE

	Depr Rate	(1) Company Proposed	Adjustments	ND PSC Advocacy Staff	References
1		\$ 9,541,000	\$ -	\$ 9,541,000	
4					
		Gas Distribution	\$ 248,000		
		Gas Transmission	\$ 10,000		
		Common General	\$ (78,000)		
		General	\$ (227,000)		
		Common Intangible	\$ (20,000)		
		Intangible Plant	\$ (105,000)		
		Total	\$ (172,000)	\$ (172,000)	
		Balance	\$ 9,369,000		
		Depreciation Balances			
5	9.971%	\$ 1,623,222	\$ -	\$ -	
6	6.395%	\$ 731,897	\$ -	\$ -	
7	6.410%	\$ 1,256,906	\$ -	\$ -	
8	3.672%	\$ 525,463	\$ -	\$ -	
9	1.730%	\$ 69,286	\$ -	\$ -	
		Gas Distribution	\$ 5,334,710	\$ -	
11		Total Depreciation Expense	\$ 9,541,484	\$ -	
12		Adjusted Balance	\$ 9,369,484	\$ (484)	\$ 9,369,000

NDPSC-2-29

(1) Company Exhibit BCH-1 Schedule 6

AMORTIZATION EXPENSE

	(1)		ND PSC		
	Company	Adjustments	Advocacy Staff	References	
	Proposed				
Unadjusted Balance	\$	-			
(2) Income Tax Tracker	\$ 9,317	\$ -	\$ 9,317	NDPSC-2-28	
NOL Tax Reform ADIT ARAM	\$ 60,000	\$ -	\$ 60,000		
(3) Rate Case Expense Amortization	\$ 498,000	\$ -	\$ 498,000		
Adjusted Balance	\$ 567,317	\$ -	\$ 567,317		

(1) Company Exhibit BCH-1 Schedule 6

(2) over three years

WP-A-14

(3) over three years

WP-A-16

TAXES OTHER THAN INCOME				
	(1)			
	Company		ND PSC	
	Proposed	Adjustments	Advocacy Staff	References
Property Taxes	\$ 2,020,000	\$ -	\$ 2,020,000	
Payroll Taxes	\$ 396,000	\$ (16,994)	\$ 379,006	
Deferred Income Taxes / ITC	\$ 1,222,000	\$ -	\$ 1,222,000	
Depreciation Study - Remaining Life				
TD&G	\$ 55,000	\$ -	\$ 55,000	
Other	\$ -	\$ -	\$ -	
Total	\$ 55,000	\$ -	\$ 55,000	
Gas Distribution	\$ (72,000)	\$ -	\$ (72,000)	
Gas Transmission	\$ (3,000)	\$ -	\$ (3,000)	
Common-General	\$ 22,000	\$ -	\$ 22,000	
General	\$ 72,000	\$ -	\$ 72,000	
Common-Intangible	\$ 6,000	\$ -	\$ 6,000	
Intangible Plant	\$ 30,000	\$ -	\$ 30,000	
Total	\$ 55,000	\$ -	\$ 55,000	
Adjusted Deferred Income Taxes/ITC	\$ 1,277,000	\$ -	\$ 1,277,000	
Total Taxes Other Than Income	\$ 3,693,000	\$ (16,994)	\$ 3,676,006	

(1) Company Exhibit BCH-1 Schedule 6

STATE INCOME TAXES
FEDERAL INCOME TAXES

	(1)			
	Company		ND PSC	
	Proposed	Adjustments	Advocacy Staff	References
State Income Taxes				
Current - 4.31% (2024 test year)	\$ (76,000)	\$ -	\$ (76,000)	NDPSC-2-30
Proposed Revenue Requirement	\$ 8,463,000		\$ 6,344,087	
Proposed State Income Taxes	\$ 364,755	\$ (91,325)	\$ 273,430	
Proposed Balance	\$ 288,755	\$ (91,325)	\$ 197,430	
Federal Income Taxes				
Current - 21% (2024 test year)	\$ (347,000)	\$ -	\$ (347,000)	NDPSC-2-30
Proposed Revenue Requirement	\$ 8,463,000		\$ 6,344,087	
Proposed Federal Income Taxes	\$ 1,700,631	\$ (425,793)	\$ 1,274,838	
Proposed Balance	\$ 1,353,631	\$ (425,793)	\$ 927,838	
Check total	\$ 1,642,387	\$ (517,119)	\$ 1,125,268	

(1) Company Exhibit BCH-1 Schedule 3A
 Differences due to rounding

