

Exhibit No.: 1010  
Issues: Plant in Service, Depreciation Expense, Depreciation Reserve, AAO Balances, Advertising Expense, Dues and Donations, Injuries and Damages Insurance, Property Taxes, PSC Assessment and Rate Case Expense  
Witness: Trisha D. Miller, CPA  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: Direct Testimony  
Case No.: ER-2004-0034

Date Testimony Prepared: December 9, 2003 as Modified February 27, 2004

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**DIRECT TESTIMONY**

**OF**

**TRISHA D. MILLER, CPA**

**FILED**

**FEB 27 2004**

Missouri Public  
Service Commission

**AQUILA, INC.**

**d/b/a AQUILA NETWORKS MPS-ELECTRIC**

**CASE NO. ER-2004-0034**

*Jefferson City, Missouri  
December 2003*

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the matter of Aquila, Inc. d/b/a Aquila Networks )  
L&P and Aquila Networks MPS to implement a ) Case No. ER-2004-0034  
general rate increase in electricity. )

AFFIDAVIT OF TRISHA D. MILLER

STATE OF MISSOURI     )  
                                  )     ss.  
COUNTY OF COLE     )

Trisha D. Miller, of lawful age, on her oath states: that she has participated in the preparation of the following direct testimony as modified on February 27, 2004, in question and answer form, consisting of 18 pages to be presented in the above case; that the answers in the following direct testimony as modified on February 27, 2004, were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

  
\_\_\_\_\_  
Trisha D. Miller

Subscribed and sworn to before me this 27<sup>th</sup> day of February 2004.



  
\_\_\_\_\_

TONI M. CHARLTON  
NOTARY PUBLIC STATE OF MISSOURI  
COUNTY OF COLE  
My Commission Expires December 28, 2004

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**TRISHA D. MILLER, CPA**  
**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS ELECTRIC**  
  
**CASE NO. ER-2004-0034**

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**DIRECT TESTOMONY**  
**OF**  
**TRISHA D. MILLER, CPA**  
**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS**  
  
**CASE NO. ER-2004-0034**

Q. Please state your name and business address.

A. Trisha D. Miller, P.O. Box 360, Jefferson City, MO 65102.

Q. By whom are you employed and in what capacity?

A. I am a Regulatory Auditor for the Missouri Public Service Commission  
(Commission or PSC).

Q. Please describe your educational background and experience.

A. I graduated from the University of Mississippi. I received a B.A. in  
Accountancy (May 2001) and a Masters of Taxation (May 2002). In September of 2002, I  
commenced employment with the Commission Staff (Staff) in my current position of Utility  
Regulatory Auditor. I passed the Uniform Certified Public Accountant Examination in May  
of 2003 and subsequently obtained my Certified Public Accountant's license from the state of  
Missouri in September of 2003.

Q. What has been the nature of your duties while employed by the Commission?

A. I am responsible for assisting in the audits and examinations of the books and  
records of utility companies operating within the state of Missouri.

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1 Q. Have you worked on any other cases since your employment with the  
2 Commission?

3 A. Yes. I was assigned to a small informal water case.

4 Q. What knowledge, skills, experience, training or education do you have in these  
5 areas of which you are testifying as an expert witness?

6 A. I have extensively reviewed other utility rate cases related to the issues I am  
7 sponsoring to ensure the consistency of the Staff's method and procedures. My prior  
8 academic education has also prepared me to successfully sponsor the ratemaking areas I have  
9 been assigned in this case. I have received certificates of training from the National  
10 Association of Regulatory Utility Commissions in seminars it has sponsored concerning  
11 electric utility cost of service and regulation. Further, I have attended numerous in-house  
12 training seminars at the Commission specifically designed for continuing education and  
13 training in the areas of regulatory issues. I have also worked closely with Senior Staff  
14 members familiar with my areas of responsibility.

15 Q. What is the purpose of your testimony in this proceeding?

16 A. The purpose of my testimony is to describe certain accounting adjustments  
17 made to the Aquila Networks – MPS ("MPS") electric operations  
18 cost of service filings.

19 Q. Please identify the accounting schedules and any adjustments that you are  
20 sponsoring.

21 A. I am sponsoring the following Income Statement adjustments:

22 Advertising Expense: MPS-S-9.4, S-21.4, S-33.4, S-48.4, S-67.4, S-73.4,  
23 S-77.4, S-88.5;  
24

25 Accounting Authority Order Amortizations: MPS-92.1.

1 Depreciation Expense: MPS-S-91.1;  
2

3 Dues and Donations: MPS-S-80.5, S-85.4, S-88.4;  
4

5 Injuries and Damages: MPS-S-84.3;  
6

7 Insurance: MPS-S-83.1 and S-84.2;  
8

9 Property Taxes: MPS-S-94.2;  
10

11 PSC Assessment: MPS-S-86.2;  
12

13 Rate Case Expense: MPS-S-86.3;

14 I am sponsoring the following Plant in Service Adjustments:

15 MPS-P-8.1, P-9.1, P-10.1 and P-12.1.

16 I am sponsoring the following Plant Reserve Adjustments:

17 MPS-R-8.1, R-9.1 and R-12.1.

18 Q. What Accounting Schedules are you sponsoring in this case?

19 A. For the Aquila Networks-MPS electric operations

20 I am sponsoring: Accounting Schedule 3—Plant in Service;

21 Schedule 4—Adjustments to Plant in Service; Schedule 5—Depreciation Expense; Schedule

22 6—Accumulated Depreciation; and Schedule 7—Adjustments to Accumulated Depreciation.  
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**ACCOUNTING SCHEDULES**

Q. Please describe Accounting Schedule 2, Rate Base.

A. This Accounting Schedule takes the adjusted jurisdictional plant in service balance from Accounting Schedule 3, Total Plant in Service, and deducts adjusted jurisdictional depreciation reserve from Accounting Schedule 6, Depreciation Reserve, to compute the net plant in service. Added to net plant in service on this Accounting Schedule are Missouri jurisdictional amounts for cash working capital, materials and supplies, prepayments and fuel stock. Rate base deductions include cash working capital amounts for the federal tax offset, state tax offset and interest expense offset. Rate base deductions also include customer advances, customer deposits, injuries and damages reserve, amortization of electric plant and reserve for deferred income taxes. The mathematical total of these items is the Rate Base amount that is incorporated in the Gross Revenue Requirement recommendation shown on Accounting Schedule 1, Revenue Requirement.

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1 Q. Please describe the items that are added to net plant in service in determining  
2 rate base.

3 A. The Staff's calculation of materials, supplies and prepayments is discussed in  
4 the direct testimony of Staff Auditing witness Lesley R. Preston. The Staff's calculation of  
5 the level of fuel stock inventory is discussed in the direct testimony of Staff Auditing witness  
6 Graham A. Vesely. Cash working capital is discussed in the direct testimony of Staff witness  
7 Preston.

8 Q. Please describe the items that are deducted from net plant in service in  
9 determining rate base.

10 A. The Staff's calculation of customer advances and customer deposits are  
11 discussed in the direct testimony of Staff witness Preston. Staff's calculations of the reserve  
12 for deferred income taxes and the unamortized investment tax credit are discussed in the  
13 direct testimony of Staff Auditing witness Steve M. Traxler. The federal, state and city tax  
14 offsets and the interest expense offset are discussed in the direct testimony of Staff witness  
15 Preston.

16 Q. Are there any additional items that you are sponsoring on Accounting  
17 Schedule 2, Rate Base?

18 A. Yes, I am sponsoring the amount for Amortization of Electric Plant and  
19 reserve.

20 Q. Please explain this component of rate base.

21 A. Amortization of Electric Plant is the Missouri jurisdictional balance of the  
22 accumulated amortization reserve as of September 30, 2003. Use of the balance for this item



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1 as of this date is consistent with the adjusted jurisdictional balance of net plant in service as of  
2 September 30, 2003, the end of the test year update period.

3 Q. Please explain Accounting Schedule 3.

4 A. Accounting Schedule 3, Total Plant in Service, lists in Column B total plant  
5 balances as of September 30, 2003. The plant adjustments are listed in Column C. Column D  
6 lists the Missouri jurisdictional plant allocation factors. Column F contains the Missouri  
7 adjusted jurisdictional plant in service balances.

8 Q. Please explain Accounting Schedule 4.

9 A. Accounting Schedule 4, Adjustments to Total Plant, details the Staff's  
10 individual adjustments to total the plant in service, which are listed in Column C of  
11 Accounting Schedule 3.

12 Q. Please explain Accounting Schedule 5.

13 A. Accounting Schedule 5, Depreciation Expense, lists in Column B the Missouri  
14 adjusted jurisdictional plant in service balances from Accounting Schedule 3, Column F.  
15 Column C contains the depreciation rates proposed by Staff witness Rosella L. Schad of the  
16 Engineering and Management Services Department. The rates in Column C are then applied  
17 to the plant balances in Column B to determine the annualized level of depreciation expense  
18 that appears in Column D.

19 Q. Please explain Accounting Schedule 6.

20 A. Accounting Schedule 6, Depreciation Reserve, lists in Column B total  
21 depreciation reserve balances as of September 30, 2003. Column D lists the Missouri  
22 jurisdictional depreciation reserve allocation factors. Column E lists the Staff's Missouri

1 jurisdictional depreciation reserve adjustments and Column F contains the Missouri adjusted  
2 jurisdictional depreciation reserve balances.

3 Q. Please explain Accounting Schedule 7.

4 A. Accounting Schedule 7, Adjustments to Depreciation Reserve, details the  
5 Staff's individual adjustments to total depreciation reserve, which are listed in Column C of  
6 Accounting Schedule 6.

7 Q. Please describe Accounting Schedule 9, Income Statement.

8 A. Accounting Schedule 9, Income Statement, contains the Staff's adjusted  
9 Missouri electric jurisdictional revenues and expenses for the test year ended December 31,  
10 2002, and updated through September 30, 2003.

11 Q. Please explain Accounting Schedule 10, Adjustments to Income Statement.

12 A. Accounting Schedule 10, Adjustments to Income Statement, contains a listing  
13 of the specific adjustments the Staff has proposed to the unadjusted test year income  
14 statement to derive the Staff's adjusted net income. A brief explanation for each adjustment  
15 and the name of the Staff witness sponsoring the adjustment are listed on Accounting  
16 Schedule 10.

17 **PLANT IN SERVICE, DEPRECIATION EXPENSE & DEPRECIATION RESERVE**

18 Q. Please describe the plant in service and depreciation reserve balances included  
19 in Accounting Schedules 3 and 6.

20 A. The plant in service and depreciation reserve balances shown in Schedules 3  
21 and 6, respectively, are the September 30, 2003, balances that the MPS electric  
22 divisions supplied through a supplemental response to Staff  
23 Data Request Nos. MPS—40.1 and 41.1 .

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1 Q. Would you please explain Plant Adjustment Nos. MPS—P-8.1, P-9.1, P-10.1,  
2 and P-12.1?

3 A. Yes. These adjustments were made to include the plant in service associated  
4 with the Jeffrey Energy Center common plant.

5 Q. Would you please explain Reserve Adjustment Nos. MPS—R-8.1, R-9.1 and  
6 R-12.1?

7 A. Yes. These adjustments were made to include in the depreciation reserve the  
8 reserve balances associated with the Jeffrey Energy Center common plant.

9 Q. Please describe Adjustment Nos. MPS—S-91.1,  
10

11 A. This adjustment annualizes depreciation expense based on September 30,  
12 2003, plant in service and the Staff's proposed depreciation rates.

13 **UNAMORTIZED ACCOUNTING AUTHORITY ORDER BALANCES**

14 Q. Please describe the unamortized Accounting Authority Order (AAO) balances  
15 included in rate base.

16 A. Unamortized AAO balances at September 30, 2003 were included in rate base,  
17 to reflect in the cost of service a return on the unamortized balance of the AAO deferrals  
18 authorized by the Commission in Case Nos. ER-90-101, and ER-93-37. These  
19 AAO deferrals are the MPS Sibley rebuild project, ER-90-101, the MPS Sibley western coal  
20 conversion, Case No. ER-93-37 .

21 Q. Did the Staff include expense amortizations of the deferrals for each of the  
22 above AAOs?

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1           A.     Yes. The Staff adopted the test year amortization for the Sibley rebuild and the  
2 Sibley Western Coal Conversion deferrals. The Staff adjusted the test year amortization for  
3 the MPS ice storm deferral.

4           Q.     Are there any other AAO deferrals included in this case by the Staff?

5           A.     Yes. In 2002, Aquila-MPS electric operations incurred damage to the  
6 distribution and transmission system due to a winter ice storm. The Commission authorized  
7 deferral of MPS's costs to repair and restore its electric system from ice storm damage in  
8 Case No. EU-2002-1053.

9           Q.     Has the Staff included in this case all the deferred costs associated with the ice  
10 storm AAO?

11          A.     Yes. This is subject to change, because Aquila has been unable to provide the  
12 necessary documentation justifying the deferred costs.

13          Q.     Please describe the necessary documentation needed to justify deferred ice  
14 storm costs for recovery in rates.

15          A.     The necessary documentation is defined in the Commission's Report And  
16 Order in Case No. EU-2002-1053. The Report And Order states on page 5, Item 1)D.:

17                   Aquila shall maintain adequate records supporting the incremental  
18 expenses deferred. Such records shall include, but not be limited to,  
19 detailing of outside contractors, food and lodging costs, labor and  
20 material costs, procedures and verification for expense versus  
21 capitalization determinations and determination of incremental levels of  
22 such costs versus normal on-going levels of costs. Such records shall  
23 be available for Public Counsel, Staff, and other intervenors to review.

24          Q.     Did the Staff request the necessary information and documentation from the  
25 Company?

26          A.     The Staff requested the necessary information and documentation, as described  
27 in the above Report And Order excerpt, in Data Request Nos. 336.2 and 543. The responses

1 to Data Request Nos. 336.2 and 543 did not include the historical analysis necessary to  
2 determine MPS's normal ongoing levels for the costs included in the deferral. After obtaining  
3 these data request responses, the Staff requested historical and ongoing costs for certain  
4 expenses deemed to be incremental as result of the winter ice storm. The Staff requested this  
5 information in Data Request Nos. 544 and 564 and is currently awaiting responses from the  
6 Company.

7 Q. Please describe the Staff's reasoning for issuing Data Request Nos. 544 and  
8 564.

9 A. The Staff issued these data requests because the Company to date has failed to  
10 determine its normal operating costs by analyzing costs incurred in prior years. It is not  
11 possible to determine the incremental cost of the ice storm without a proper determination of  
12 normal costs. For example, the Company considered *all* overtime incurred due to the ice  
13 storm to be incremental and subject to deferral under the AAO. The Company failed to  
14 determine the normal level of overtime by direct employees of MPS for prior periods in order  
15 to exclude overtime cost under normal circumstances and determine the additional  
16 incremental cost of ice storm related overtime.

17 **ADVERTISING EXPENSE**

18 Q. Please explain adjustments MPS—S-9.4, S-21.4, S-33.4, S-48.4, S-67.4,  
19 S-73.4, S-77.4, S-88.5.

20  
21 A. These adjustments restate the test year advertising levels to reflect allowable  
22 expense.

23 Q. Please explain the history of such adjustments before the Commission.

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1           A.     As part of Re: Kansas City Power and Light Company, 28 MO P.S.C. (N.S.)  
2 228 (1986) (KCPL), the Commission adopted an approach which classifies advertisements  
3 into five categories and provides separate rate treatment for each category. The five  
4 categories of advertisements recognized by the Commission for purposes of this approach are:

- 5           1.     General: advertising that is useful in the provision of adequate service;
- 6           2.     Safety: advertising that conveys the ways to use the Company's service  
7                 safely and to avoid accidents;
- 8           3.     Promotional: advertising that encourages or promotes the use of the  
9                 particular commodity the utility is selling;
- 10          4.     Institutional: advertising that seeks to improve or retain the Company's  
11                 public image;
- 12          5.     Political: advertising which is associated with political issues.

13           The Commission adopted these categories of advertisements because it believed that a  
14 utility's revenue requirement should: 1) always include the reasonable and necessary cost of  
15 general and safety advertisements; 2) never include the cost of institutional or political  
16 advertisements; and 3) include the cost of promotional advertisements only to the extent that  
17 the utility can provide cost-justification for the advertisement (KCPL, pp. 269-271).

18           Q.     What standard did the Staff use to evaluate the Company's advertising expense  
19 in this case and to develop the adjustments?

20           A.     The Staff utilized the standards as initially established in the KCPL case  
21 identified above, and utilized in subsequent cases, to determine the test year level of  
22 advertising expense for the general, safety, institutional, promotional and political categories  
23 of advertising. The Staff proposes to disallow advertisements that are institutional,  
24 promotional, unrelated to the electric industry or ask for charitable donations. The Staff

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1 allowed all general and safety-related advertisements to the extent that they were related to  
2 the electric industry and beneficial to Missouri electric ratepayers.

3 Q. Has the Company provided the staff with copies of all test year advertisements  
4 in this proceeding?

5 A. No. The Company only provided and identified advertisements they  
6 characterized as general and safety.

7 Q. Did the Company provide copies of all general and safety advertisements  
8 sponsored by the Company?

9 A. No. The Company was asked through Staff Data Request No. 146.1 to provide  
10 a copy of all advertising sponsored by the Company in the test year for this case. However,  
11 the Company was not willing to supply copies of all the advertisements sponsored in the test  
12 year. To alleviate any burden on the Company, the Staff narrowed the advertisements  
13 requested to those with an invoice value of \$1,000 or more in Data Request No. 146.2. As  
14 part of its rate audit, the Staff customarily performs an ad-by-ad review of all advertisements  
15 sponsored by the Company.

16 Q. Did the Company provide copies of what it considered to be safety and general  
17 advertisements with an invoice amount over \$1,000?

18 A. Yes, the Company provided all advertisements over \$1,000 in their above-the-  
19 line advertisements.

20 Q. Did the Company provide the advertisement or a description of the  
21 advertisement with all invoices over \$1,000 that had been booked?

22 A. No, some of the invoices provided by the Company were not provided with an  
23 advertisement and did not have an adequate description of the advertisement.

1 Q. How did the Staff treat these advertisements for rate purposes?

2 A. The Staff allowed all general and safety-related advertisements to the extent  
3 that they were related to the electric industry and beneficial to Missouri electric ratepayers.  
4 The Staff disallowed all advertisements identified by the Company as safety or general, but  
5 which the Staff believes are institutional, promotional, or unrelated to the electric industry, as  
6 well as advertisements that could not be identified by the Staff.

7 Q. How did the Staff treat the advertising expenses with an invoice value of  
8 \$1,000 or less that the Company included in this case?

9 A. The Staff disallowed the expenses if it could not review the associated  
10 advertisements. A review of advertisements is necessary to ensure that only general and  
11 safety advertisement costs are being included in rates.

12 Q. Did the Company provide the Staff with any advertisements of a political  
13 nature?

14 A. No. The Company did not submit to the Staff any advertisements of a political  
15 nature.

16 Q. Does Staff believe that the Company should have made all of its  
17 advertisements available for review?

18 A. Yes, the Staff traditionally receives and reviews the information for all other  
19 major utilities regulated by the Commission.

20 **DUES AND DONATIONS**

21 Q. Please explain adjustments MPS—S-80.5, S-85.4, S-88.4.

22



1           A.     These adjustments decrease test year expenses relating to various dues the  
2 Company has included in its cost of service. Examples of dues excluded from the case are  
3 Blue Springs Kiwanis Club, Optimist Club of Liberty, Rotary Club of Blue Springs, and  
4 Lakewood Oaks Golf Club. The Staff has excluded such dues and donations because they are  
5 not necessary for the provision of safe and adequate service, and thus do not provide any  
6 direct benefit to ratepayers.

7           Q.     Please explain why Staff proposes to disallow Edison Electric Institute (EEI)  
8 dues.

9           A.     EEI is a national association of investor-owned electric utilities, which is  
10 significantly engaged in lobbying activities.

11          The Company had subtracted  
12 amounts that it felt were attributable to lobbying activities and for advertising by EEI.  
13 Lobbying activities may benefit the shareholders, but do not directly benefit the ratepayers.  
14 The Commission has consistently excluded all EEI dues consistent with the Staff's  
15 recommendation in this case. For example, in The Staff of the Missouri Public Service  
16 Commission v. Union Electric Company, 29 P.S.C. (N.S) 313, 332, the Commission said that  
17 dues paid to the Edison Electric Institute do not produce any direct benefit to the ratepayers  
18 because lobbying activities do not directly benefit ratepayers.

19          Q.     Did the Company book any charitable donations above-the-line?

20          A.     No. The Company did not book any charitable donation expenses above-the-  
21 line in this case.

1 **INJURIES AND DAMAGES**

2 Q. Please describe adjustments MPS—S-84.3.

3  
4 A. These adjustments normalize injuries and damages expense by reflecting a  
5 33-month average of actual claims payments. The adjustment amount is the difference  
6 between the actual average of payments and the test year accrued provision for injuries and  
7 damages.

8 Q. Why has the Staff used a 33-month average of actual payments?

9 A. Actual payments for injuries and damages have been fluctuating in the past  
10 few years. The Staff believes that a 33-month average will smooth the effect of these  
11 fluctuations.

12 Q. Please define the 33-month period used by the Staff.

13 A. The 33-month period is the time period from January 1, 2000, to  
14 September 30, 2003.

15 **INSURANCE**

16 Q. Explain adjustments MPS—S-83.1 and S-84.2.

17  
18 A. These adjustments annualize insurance expense based on insurance premiums  
19 available through the end of the September 30, 2003, test year update period.

20 **PROPERTY TAXES**

21 Q. Please explain adjustments MPS—S-94.2.

22

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1 A. These adjustments annualize property tax expense for each of these divisions.

2 Q. How did the Staff compute property tax expense in this case?

3 A. The Staff examined the actual amounts of property tax payments made by  
4 MPS for 2000, 2001 and 2002. I developed a relationship of actual property tax  
5 payments to the level of property at January 1 for each of those years. The relationship was  
6 applied to the plant in service balance at the end of the test year, December 31, 2002, to  
7 calculate an annualized property tax amount in this case.

8 Q. How are property taxes paid?

9 A. The state and local taxing authorities determine the annual property tax  
10 payment through an assessment of utilities' real property. This assessment is made based  
11 upon the utilities' property balances on January 1 of each year. The taxing authorities also  
12 determine a property tax rate that is applied to the assessed values to compute the property tax  
13 amount billed to utilities.

14 Q. When are property taxes paid by the utility?

15 A. The property taxes are paid to the state and local taxing authorities at the end  
16 of each year, generally by December 31st.

17 Q. Are all property taxes charged to expense?

18 A. No. Although the majority of property taxes are expensed, a portion of  
19 property taxes relate to construction activity as of the assessment date of January of each year.  
20 The property taxes that relate to construction activities are capitalized.

21 **PSC ASSESSMENT**

22 Q. Explain adjustments MPS—S-86.2.

23

1           A.     These adjustments annualize the PSC assessment expenses based on the July  
2 2003 Commission assessment for the 2004 fiscal year.

3     **RATE CASE EXPENSE**

4           Q.     Please describe adjustment MPS—S-86.3.

5  
6           A.     This adjustment normalizes rate case expense over a three-year period.

7           Q.     How was the rate case expense adjusted for Case No. ER-2004-0034?

8           A.     The total amount of actual rate case expense incurred by MPS  
9 through September 30, 2003, is being allowed at this time. Any additional cost that is a  
10 reasonably incurred rate case expense will be considered for inclusion later in the case. Some  
11 rate case costs, such as consulting fees, employee travel expenditures and legal representation,  
12 are directly associated with the length of the case through the prehearing and hearing process.  
13 The Staff will work with the Company to establish an ongoing normalized level of rate case  
14 expense for inclusion in rates.

15          Q.     Were there any adjustments made for rate case expense related to Aquila's  
16 Corporate Restructuring /Collateralization case, Case No. EF-2002-0465 before the  
17 Commission?

18          A.     No. The Company absorbed all costs associated with Case No. EF-2002-0465  
19 in the non-regulated operations without seeking recovery from the regulated operations. This  
20 treatment is appropriate because these corporate restructuring costs do not benefit the  
21 customers of Missouri. The Staff believes it is inappropriate to allow specific recovery in  
22 rates of amounts related to Aquila's non-regulated operations. In addition, all costs relating to  
23 the corporate restructuring for the financial deterioration of the Company's non-regulated

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1 operations should not be included for recovery in rates. The Staff asserts that costs associated  
2 with Case No. EF-2003-0465 are directly associated with the Company' s non-regulated  
3 activities and corporate restructuring efforts.

4 Q. Does this conclude your direct testimony?

5 A. Yes, it does.