BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Verified Application for Authority to Issue and Sell First Mortgage Bonds, Unsecured Debt and Preferred Stock, in Connection with a Universal Shelf Registration Statement, to Issue Common Stock and Receive Capital Contributions, to Issue and Accept Private Placement Securities, and to Enter Into Capital Leases, all in a Total Amount Not to Exceed $600 Million	)	Case No. GF-2009-0450

REPLY BRIEF OF LACLEDE GAS COMPANY

Pursuant to the briefing schedule established in this proceeding, Laclede Gas Company ("Laclede" or "Company") submits the following Reply Brief, including several additional proposed findings of fact, in response to the Initial Briefs submitted by the Commission Staff ("Staff") and the Office of the Public Counsel ("OPC").

I. RESPONSE TO STAFF

In its Initial Brief, Laclede argued that the Staff had failed to reconcile its proposed $100 million debt limit with §393.200.1; the statute that governs the Commission's approval of utility financings. As discussed below, the Staff has offered nothing substantive in its Initial Brief to correct this failure.

A. Failure to reconcile proposed $100 million debt limitation with $600 million overall recommendation

Take, for example, Staff's failure to reconcile its proposed $100 million debt ceiling with the fact that Staff is simultaneously recommending a far higher ceiling of $600 million for all of Laclede's financings over the next three years. Notably, the Staff has reaffirmed in its Initial Brief that it continues to recommend that the Commission authorize Laclede to issue up to $600 million in debt and equity during the authorization period proposed by the parties. As Laclede pointed out in its Initial Brief, §393.200 makes no distinction between debt and equity when addressing the Commission's power to authorize the issuance of securities to meet the various utility purposes identified in the statute. Accordingly, every argument that Staff makes in an effort to minimize Laclede's need for financing authority is simply an attack on its own recommendation in this case. If $600 million can be justified under §393.200, as Staff apparently believes it can, then as a matter of simple logic so too can the far lower level of debt that Laclede would be authorized to issue under the current "value of regulated rate base/65% of capital structure" condition previously approved by the Commission.

Moreover, as discussed below, the undisputed evidence in this case does indeed support the $600 million in overall financing authority recommended by Staff. This includes financing authority to issue stocks and bonds in connection with (a) the repayment of $279 million in unreimbursed expenditures for previous capital outlays; (b) the funding of $189 million for planned capital expenditures over the next three years; (c) the repayment of $50 million in long-term debt maturing in 2010 and 2012; and (d) repayment of up to $238 million of short-term debt, as conditions warrant. When added together, these amounts – all of which are specifically identified in §393.200 as purposes for which stocks, bonds and other evidences of indebtedness may be issued – combine to a total of $756 million. Moreover, even if one were to assume, erroneously in the Company's view, that it was proper to offset this amount, as Staff has, by the projected funds-from-operations that the Company hopes to generate over the next three years (after paying dividends), the undisputed evidence on the record would still support a financing authorization amount in excess of the $600 million overall authorization amount that both Staff and the Company have recommended.[1]

[1] Laclede inadvertently failed to redact the specific funds-from-operations amount in its Initial Brief, even though such amount was originally classified as Highly Confidential. Laclede regrets the

Notably, each and every one of these amounts is specifically identified by §393.200.1 as a purpose for which stocks, bonds, and other evidences of indebtedness payable over periods of more than 12 months may be used and hence authorized by the Commission. Accordingly, the evidentiary record in this case fully supports the propriety and reasonableness of the $600 million in financing authority which Staff continues to recommend be approved by the Commission in its Initial Brief. Just as plainly, the same undisputed evidence, as well as Staff's own recommendation for the overall level of financing authority that should be approved in this case, shows that there cannot possibly be any basis for the Staff's inherently inconsistent recommendation that only $100 million in debt financing can be justified under §393.200.1.

B. Failure to justify complete exclusion of unreimbursed capital expenditures

Equally devoid of merit is the explanation that Staff provides in its Initial Brief for its failure to include in its calculation any amounts for the $279 million in unreimbursed capital expenditures that §393.200.1 explicitly states is a proper use of financing proceeds. During the evidentiary hearing, the Staff took the extraordinary position that it had provided no allowance for these expenditures because the five years of unreimbursed capital expenditure referenced in the statute was intended to apply to future rather than past expenditures. (Tr. 36, line 12). Apparently, the Staff has abandoned that claim in its Initial Brief, and now asserts that no allowance should be made because the capital items for which these expenditures were made are already being financed by the proceeds from other long-term debt and equity issuances. Of course, this after-the-fact rationale was never even mentioned, let alone supported, by Staff in

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error. Because such amounts are simply projections that can change over time, however, Laclede believes that any reference to a specific amount should continue to emphasize that there is no guarantee that such an amount will be realized. Laclede also references later in this brief that it has a credit facility of $320 million expiring in 2011. Although this figure was contained in a Highly Confidential Exhibit, the figure itself has been publicly disclosed and so Laclede has not attempted to maintain its confidentiality in this Reply Brief.

either its direct or rebuttal testimony. Leaving that aside, however, the fact remains that such a contention is both factually incorrect and legally irrelevant.[2]

It is factually incorrect because such an assertion would have the Commission believe – falsely as it turns out – that all of the Company's rate base is currently financed with long-term debt or equity. This is untrue and the undisputed evidence on the record proves it.

Staff attempts to support this assertion by noting at page 11 of its Initial Brief that Laclede witness Mark Waltermire had agreed that the capital expenditures identified on Exhibit 3 to Laclede's Application were being financed. Of course they are! Unless the cost of an item is immediately recovered in rates – which capital costs by definition are not – it is being financed in one way or another. As Staff also acknowledges on page 11, however, the real question for purposes of §393.200 is whether such items are being financed by "long-term capital" such as the kind of long-term debt and equity instruments that are subject to the statute (in which case one could at least argue that reimbursement of the Treasury has occurred), or by some other source of money, such as net income or short-term debt (in which case there is no conceivable argument that reimbursement has occurred).

The answer to that question can be found on page 1 of Exhibit 2 to Laclede's Application in this case (which was admitted into evidence as Exhibit 1 and is replicated in Attachment 1 to this Reply Brief). As shown there, the net utility plant on the Company's books as of March 31,

[2] Because the Staff is factually incorrect in its assertion that the unreimbursed capital expenditures identified on Exhibit 3 have all been financed by long-term capital, it is unnecessary to reach the legal issue of whether such a factor should even be taken into consideration since, as Laclede witness Mark Waltermire noted, the Company is not actually reimbursed for an expenditure simply because it has taken out a loan in the form of long-term debt or received an equity infusion. After all, the loan must eventually be paid back and equity investors must be afforded a return on and return of their investment. Accordingly, reimbursement only truly occurs once the cost of a capital item has been recovered in rates through depreciation. (Tr. 145, lines 13-17). Nevertheless, because the proceeds received by the Company from its long-term capital issuances were at least $279 million less than the Company' net property additions and other property investments as of March 31, 2009, there is no need for the Commission to reach this legal issue.

2009 was approximately $832,965,000. By comparison, the total amount of proceeds from Laclede issuances of long-term debt and equity as of the same date was only $590,652,000 (Exh 1, p. 2 of Exhibit 2 to Application)[3] This means that as of March 31, 2009, Laclede had net utility plant of at least ***$242 million*** in excess of all of its proceeds from outstanding debt and equity issuances (subtract $590,652,000 from $832,965,000). Moreover, this amount would be even higher – indeed it would approximate the $279 million in unreimbursed expenditures quantified in Exhibit 3 to the Application – if one were to also add the $37,882,000 in "Other Property and Investments" listed on page 1 of Exhibit 2 to the Application. Since most of this amount consists of deferred expenses that are being recovered in rates and that also require financing, such an addition would also be appropriate. In short, there are at least $279 million dollars in unreimbursed expenditures that have been financed through current income, retained earnings or sources other than long-term debt and equity.

Notably, there is not one scintilla of evidence on the record to dispute either the accuracy or relevance of these figures for purposes of determining the level of financing authorization that should be approved by the Commission. To the contrary, all of these figures come straight from Laclede's independently-audited books and records, are all reflected on the financial statements it submits to the Securities and Exchange Commission, and have all resided in the record in this case for nearly a year without a single word from the Staff or any other party questioning their validity. Given these considerations, there is simply no basis for this latest attempt by Staff to ignore this critical purpose for which §393.200 says financings may be authorized.

[3] To arrive at the $590,652,000 in debt and equity proceeds, one must add common stock and paid-in capital of $201,441,000 to total long-term debt of $389,211,000, as shown on page 2 of the exhibit. Retained earnings are excluded as they are not the result of a securities issuance, but represent income (i.e., funds from operations) contributed to the Treasury and then used to finance the business (i.e., unreimbursed expenditures from the Treasury).

In view of the foregoing, Laclede submits for the Commission's consideration the following additional findings of fact:

> The Staff argues that no financing authorization should be approved by the Commission because all of the $279 million in unreimbursed expenditures set forth on Exhibit 3 to the Company's Application are already being financed by long-term capital. (Exh. 1; Exhibit 3 to Application). The Commission finds, however, that the undisputed figures set forth on Exhibit 2 to the Company's Application clearly show that as of March 31, 2009, the Company's expenditures for net utility plant exceeded the total value of the proceeds obtained from long-term debt and equity by approximately $243 million. (Exh. 1, Exhibit 2 to Application, pp. 2-3). The Commission further finds that when the other property and investments identified on Exhibit 2 to the Application are added to this amount, it produces an unreimbursed expenditure amount very close to the $279 million amount reflected on Exhibit 3. Based on this undisputed evidence, the Commission finds that Laclede has demonstrated that it has $279 million in unreimbursed expenditures for which the granting of financing authority is appropriate.

C. <u>Failure to justify use of funds-from-operations to reduce financing authority for future capital additions</u>

The Staff's Initial Brief also fails to provide any meaningful support for its assumption that all projected funds-from-operations, except those used to pay dividends, should be allocated to the Company's projected capital expenditures over the next three years, and thereby used to reduce the level of debt financing authorized in this case. The Staff first claims that it is appropriate to make such an assumption because the Company failed to provide Staff with any information showing an alternative use for such funds. (Staff Initial Brief, p. 7).

Again, this is simply not true, as demonstrated by reference to the same Exhibit 2 to Laclede's Application. (See Attachment 1 hereto). As shown at the top of page 1 of that Exhibit, Laclede provided pro-forma information from the very outset of this proceeding showing that <u>$238 million</u> of the financing proceeds authorized by the Commission could be used, as §393.200 permits, to pay down the Company's short-term debt, which at various times over the past several years has exceeded $300 million. (Exh. 4, p. 12). While the Company has more recently reduced its short-term debt level to a daily low of $64 million (*Id*.), such debt levels can and will undoubtedly rise again. Staff is also aware from its own Exhibit in this case that Laclede has an unsecured credit facility of <u>$320 million</u> expiring in December 2011 relating to its short-term debt facilities. (Exh. 3HC, p. 2). Depending on market conditions at the time, Laclede could very well be required or find it economically advantageous to replace at least a portion of this facility with long-term debt.

In addition to being set forth in its Exhibits, the use of financing proceeds to repay short-term debt was also explicitly mentioned in the body of Laclede's Application. (Exh. 1, Application, p. 11). Despite this knowledge, however, the Staff has failed to include anything in its proposed long-term debt authorization amount to account for any repayment of this short-term debt, notwithstanding the fact that the use of long-term debt to refinance short-term debt is clearly authorized by §393.200 RSMo., which states that a gas corporation may issue long-term debt "for the discharge or lawful refunding of its obligations."[4]

Even worse, the Staff compounds its failure to provide any allowance for short-term debt repayments by also proposing that not one dime of Laclede's projected funds-from-operations be used for this purpose either. Unless the Staff is aware of some kind of ancient barter system that

[4] Staff cannot challenge this assertion, because it recently issued a memorandum in Case No. EF-2008-0349 recommending approval for AmerenUE to issue $314 million in long-term debt specifically to refinance short-term debt. ***Re Union Electric Company d/b/a AmerenUE***, Staff Recommendation to Conditionally Authorize Debt Issuance (Filed May 22, 2008). The Commission accepted the Staff's recommendation and made a finding that AmerenUE's use of the funds (to refinance short-term debt) comports with those purposes set forth in §393.200.1 RSMo 2000. *Id.*, Order Granting Authority to Issue and Sell Additional Long-Term Indebtedness (issued May 29, 2008). Laclede cannot specify definitively at this time how much of the financing authority or how much of its funds-from-operations it may ultimately use to discharge short-term debt because that will depend, in part, on external factors that cannot be fully known at this time, such as how gas prices and hedging costs may affect its need for cash and how relative changes in the cost of short and long-term debt may affect the advisability of substituting one for the other. That is precisely why the flexibility that Laclede advocates is necessary to best operate its business. Tr. 116-18, 139. Laclede can specify that Staff's recommended level of zero to refinance short-term debt neither conforms with the statute, nor affords Laclede the discretion needed to run its business.

Laclede can use to repay its short term debt, there are no alternatives for meeting this need other than permanent financing or operating cash flows. Staff's attempt to deprive Laclede of both sources of funding, while simultaneously pretending that the Company has failed to demonstrate any alternative use for its funds-from-operations, simply highlights the unreasonableness of its entire approach to deriving its proposed debt ceiling.

Staff's assertion that Laclede has failed to demonstrate any alternative use for its funds-from-operations is also belied by the fact that the Company provided the Staff with reams of information showing the Company's need to finance various regulatory assets, including longer term ones like those related to the Company's pension obligations as well as shorter term ones like those related to the Company's need to provide temporary bridge financing for the gas purchases and hedging-related margin calls that must be paid for in advance of being recovered in rates.[5] Once again, a rough quantification of the value of these assets has been available to Staff from the outset of this proceeding, as part of the same Exhibit 2 to Laclede's Application that is set forth in Attachment 1. As that Exhibit shows at the bottom of page 1, Laclede had <u>$395,869,000</u> of regulatory assets on its books as of March 31, 2009.[6]

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[5] For example, the Company provided Staff with information detailing every derivative instrument it had outstanding, including those which contributed to an accumulated liability of nearly $300 million in margin calls at one point in time in the recent past. (Tr. 241, lines 6-8). Staff witness Marevangepo, however, testified that he wasn't "paying attention" to this historical information because he was focusing solely on the Company's projected needs. (Tr. 241, line 20 – Tr. 242, line 6). It is simply astounding that, in a state where historical costs are almost always used to predict future ones in the ratemaking process, Staff would completely ignore such information in formulating its recommendation. It is even more troubling that it would do so and then later claim that the Company has provided it with no information regarding alternative uses of its funds-from-operations. Perhaps in recognition of how ludicrous such a position is, Mr. Marevangepo also attempted to assert that Laclede will end its hedging program in 2011. (Tr. 266, lines 19-25). While Mr. Marevangepo's recommendations in this case could not be better calibrated to deprive the Company of the financial resources it needs to conduct such activities, his unsupported statement regarding termination of the Company hedging program is simply untrue.

[6] Admittedly, a good portion of these regulatory assets, such as gas cost deferrals, will be recovered over a year's time or less and therefore require financing for only a relatively short period of time. Others, like those related to the Company's pension obligation, however, will require financing over

Also left unaddressed by Staff is the impact that other factors may have on the assumed level of funds-from-operations that Staff has relied upon to artificially reduce its recommended long-term debt amount. Since the amount of funds-from-operations that Laclede can generate depends, in part, on the amount of revenues it is permitted to collect from its customers, major reductions in the level of rate relief achieved by the Company can have a significant impact on the magnitude of those funds. Today, Laclede is involved in a rate case proceeding, in which there is currently a $40 million dollar difference between the respective revenue requirement recommendations of the Company and the Staff. Although this difference will hopefully narrow as the rate case proceeds, this factor alone could produce a $120 million difference in the funds-from-operations that will actually be available to Laclede over the next three years. Again by capturing every dime of these projected funds, regardless of whether they may or may not materialize, and then offsetting them against Laclede's projected capital expenditures, the Staff has impermissibly reduced the level of financing authority that should be granted to the Company in this case.

In short, Laclede has hundreds of millions of dollars in potential uses for its funds-from-operations. In the very recent past, it has incurred accumulated and outstanding net margin calls in the range of $300 million over a period of less than 9 months (Tr. 240, lines 7-11). It had approximately $396 million of regulatory assets on its books as of March 31, 2009, that must be financed for at least some period of time. And it has a $320 million dollar credit line for short-term debt expiring within a year and a half. Laclede has advised the Staff of each of these potential uses, supplied the Staff with quantifications of each of these uses, and reflected the real

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periods of many years. In either case, however, funds must be available to finance these assets and to say, as Staff has, that neither permanent financing nor funds-from-operations may be used for that purpose because no information detailing these needs has been provided is both unreasonable and reckless.

world magnitude of these potential uses on its books and records. Given these considerations, there is simply no basis for Staff's claim that all of the projected funds-from-operations that Laclede hopes to achieve over the next three years should be allocated to Laclede's projected capital expenditures over the same time period *because* Laclede has failed to identify any other potential uses for such funds.

Staff's reliance on an AGA presentation and Fitch credit agency report for the proposition that the Company's projected funds-from-operations could be sufficient over the near term to cover the Company's planned capital expenditures is also misplaced. Laclede has never claimed that planned capital expenditures could *not* be covered by projected funds from operations. They could. That does not mean, however, that such anticipated funds-from-operations will actually materialize or that such projections can or should be relied on to reduce the amount of financing authorized for future capital expenditures that are far more certain to occur. In fact, one of the AGA Presentation slides presented by Staff shows that even on an historical basis, funds-from-operations were *not* sufficient to cover Laclede's capital expenditures for two out of three years (2006 and 2007) covered by the presentation. (Exh 11, Next to Last Slide).

Moreover, the AGA Presentation, as well as the one page extract from a recent SEC filing by The Laclede Group, Inc (*see* Exh. 7), are replete with qualifiers warning of how future operating results, including those related to anticipated funds-from-operations, may be adversely affected by "various uncertainties and risks factors, many of which are beyond the control of The Laclede Group, Inc., including weather conditions, governmental and regulatory policy and action, the competitive environment and economic factors." (Exh. 11, First AGA Presentation Slide). Indeed, apropos of the $40 million annual difference that has previously been noted between the Staff's and Company's revenue requirement recommendations in Laclede's current rate case proceedings, the extract from the SEC filing set forth in Exhibit 7 explicitly references rate increase decisions by this Commission as a major factor or risk that could significantly affect Laclede's future earnings (and by necessity whatever funds-from-operations Laclede may be able to generate in the future). Given these significant caveats, to the extent these documents have any relevance at all, it is as a reminder of how inappropriate it is for the Staff to use such projections as a basis for limiting the financing authority that should be approved to cover what everyone agrees are the capital expenditures that are far more certain to occur over the next three years.

Finally, even if anticipated funds-from-operations could be relied on with any degree of assurance, it would still be inappropriate to use them to reduce the amount of financing authority for planned capital expenditures. There is nothing in the language of §393.200 that explicitly or even implicitly supports such an offset. Moreover, if implemented by the Commission, such an approach would do nothing but increase the level of unreimbursed capital expenditures from the treasury that the utility could seek to obtain financing authority for in the future. At the same time, such an approach is just one more mechanism by which Staff seeks to reduce the flexibility available to a utility's management to manage its financial resources in a timely and favorable way in response to ever-changing capital and natural gas markets. Indeed, in addition to rejecting any recognition of the need for such flexibility in the level of debt financing it is recommending, the Staff's funds-from-operations offset is simply designed to foreclose such financing flexibility even when the source of it comes from internally generated funds.

In view of the foregoing, Laclede submits for the Commission's consideration the following additional finding of fact:

> The Staff argues that funds-from-operations should be applied to offset the amount of financing authority granted to cover the Company's planned capital expenditures over the next three years because the Company has failed to identify any alternative use for such funds-from-operation. The Commission finds that this assertion is contrary to the undisputed evidence on the record. That undisputed evidence, which is set forth in the body of the Company's Application in this case, as well as page 1 of Exhibit 2 to the Application, shows $238 million of the proceeds from the authorized issuances being used to repay short-term debt, on a pro-forma basis. (Exh. 1; Exhibit 3 to Application). The undisputed evidence further shows that over the past several years, the Company's short-term debt levels have ranged from a recent daily low of $64 million to a high in excess of $300 million. (Exh. 4, p. 12). Moreover, Staff's own exhibit in this case also shows that the Company's current short-term debt facility of $320 million will expire in December of 2011. (Exh. 3HC). The undisputed evidence also shows that as of March 31, 2009, the Company had regulatory assets on its books of nearly $396 million which require financing for various periods of time and in the recent past has accumulated up to $300 million in margin calls in as little as nine months. (Exh. 1, Exhibit 2 to Application, p. 1; Tr. 240, lines 7-11)). Given the magnitude of these identified funding needs, there is simply no basis for Staff's assertion that the Company has failed to identify alternative uses for its funds-from-operations or for Staff's position that neither new financings nor funds-from-operations may be used to address these funding needs.

D. <u>Failure to identify proper test for determining whether a lease should be classified as a capital or an operating lease</u>

Laclede has previously stated that the value of any capital leases should be counted against the long-debt ceiling established by the Commission's existing conditions. For its part, the Staff continues to argue that there should be a distinction between operating leases that may be reclassified as capital leases as a result of changes in Generally Accepted Accounting Principals (GAAP) and new capital leases that the Company may enter into, with the latter but not the former counted against the debt ceiling. The Company will not argue the point further here, but does wish to note that in its proposed finding of fact 42 on page 15 of its Initial Brief, the Staff has misstated the GAAP criteria for classifying a lease as a capital lease. As Laclede witness Rawlings testified, a lease is classified as a capital lease if it meets *any* of the four criteria listed in proposed finding of fact 42. (Tr. 120, lines 11-18). As written, however, Staff's proposed finding suggests that it must meet all four criteria. Regardless of how the Commission decides this issue, this obvious error should be corrected.

E. <u>Failure to support proposed Condition No. 12</u>

In its Brief, the Staff continues to suggest that the Commission approve a new condition detailing additional information that Laclede should provide when it files its next financing application. The Company already provides much of the information sought by this condition as part of its financing application, including a five-year unreimbursed capitalization exhibit, a three-year projection of planned capital expenditures, a balance sheet statement that reflects all net plant and other regulatory assets on the Company books, as well as all proceeds that have been received by the Company as a result of its issuances of equity and long-term debt; the effect of the proposed securities on capitalization; and the general terms and conditions under which long-term debt would be issued. (see Exhibit 1).

. Quite frankly, the Company has been surprised and disappointed at the degree to which much of this information, some of which is explicitly mandated by the Commission's own rules, has simply been ignored by the Staff. Given this failure by the Staff to consider the highly relevant information that is already being produced by the Company, Laclede does not believe there is any basis for requiring that it submit additional information as well. Moreover, Staff's Condition 12 requires that the Company provide "the type of long-term securities they intend to issue and when the Company intends to issue such securities". This condition seeks an unrealistic level of detail in that the timing, type, and amount of securities to be issued will be dependent on events that have not yet occurred. Laclede therefore continues to recommend that this proposed condition be rejected.

II. <u>RESPONSE TO OPC</u>

Although it filed no testimony, took no position on the issues presented in this proceeding, and did not participate in the evidentiary hearing, OPC filed an Initial Brief in this case in which it basically endorses the Staff's position. Since OPC's Brief is just a Cliff Notes version of Staff's, all of the arguments presented in response to the latter are equally applicable to the brief, conclusory assertions made by OPC in its Initial Brief. No further response is necessary or warranted.

III. <u>CONCLUSION</u>

Beginning at the bottom of page 15 of its Initial Brief, the Staff correctly observes that "[t]he choice of financing 'vehicle', whether that choice is long-term debt, capital leases, or common equity, is a decision that belongs within the discretion of Laclede management." Laclede could not agree more. Unfortunately, the entire approach taken by the Staff in this financing case is at war with this principle. By refusing to recognize entire categories of expenditures for which financing authority may be granted under §393.200.1 and by artificially offsetting others with internally generated funds that may never be achieved, the Staff has concocted a rigid and unrealistic debt ceiling that virtually ensures that the Company will have little or none of the financing discretion that the Staff says should be granted to it.

By contrast, a simple continuation of the long-term debt conditions that the Commission has previously approved will afford such discretion while still protecting the interests of the Company's ratepayers. Indeed, such conditions, together with the Company's conservative stewardship of its financial resources, have proven to be completely effective in that regard throughout the past ten years. For all of these reasons, the Commission should approve

Laclede's requested financing authority upon the terms and conditions requested by the Company.

Respectfully submitted,

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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the parties to this case on this 28th day of May, 2010, by hand-delivery, e-mail, fax, or by United States mail, postage prepaid.

/s/ Gerry Lynch