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Missouri Public
Service Commission

Exhibit No.:
 Issue:
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 Sponsoring Party:
 Case Nos.:
 Date Testimony Prepared:

Rate of Return
 Michael P. Gorman
 Rebuttal Testimony
 Lake Region Water & Sewer
 Company
 SR-2013-0459 and WR-2013-0461
 January 10, 2014

BEFORE THE PUBLIC SERVICE COMMISSION
 OF THE STATE OF MISSOURI

 In the Matter of Lake Region Water
 & Sewer Company's Application to
 Implement a General Rate Increase
 in Water & Sewer Service

)
)
) Case Nos. SR-2013-0459
) and WR-2013-0461
)
)

Rebuttal Testimony of

Michael P. Gorman

On behalf of

Lake Region Water & Sewer Company

January 10, 2014

Lake Region Exhibit No. 5
 Date 2/18/14 Reporter VS
 File No. WR-2013-0461



BRUBAKER & ASSOCIATES, INC.

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

In the Matter of Lake Region Water
& Sewer Company's Application to
Implement a General Rate Increase
in Water & Sewer Service

)
)
) Case Nos. SR-2013-0459
) and WR-2013-0461
)
)

STATE OF MISSOURI)

) SS

COUNTY OF ST. LOUIS)

Affidavit of Michael P. Gorman

Michael P. Gorman, being first duly sworn, on his oath states:

1. My name is Michael P. Gorman. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by Lake Region Water & Sewer Company in this proceeding on their behalf.

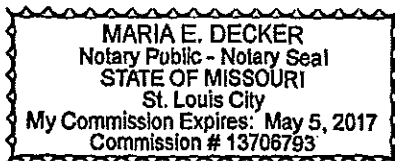
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony which was prepared in written form for introduction into evidence in the Missouri Public Service Commission Case Nos. SR-2013-0459 and WR-2013-0461.

3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Michael P. Gorman

Subscribed and sworn to before me this 9th day of January, 2014.





Notary Public

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

**In the Matter of Lake Region Water
& Sewer Company's Application to
Implement a General Rate Increase
in Water & Sewer Service**

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**Case Nos. SR-2013-0459
and WR-2013-0461**

Rebuttal Testimony of Michael P. Gorman

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A Michael P. Gorman. My business address is 16690 Swingley Ridge Road, Suite 140,**
3 **Chesterfield, MO 63017.**

4 **Q WHAT IS YOUR OCCUPATION?**

5 **A I am a consultant in the field of public utility regulation and Managing Principal of**
6 **Brubaker & Associates, Inc., energy, economic and regulatory consultants.**

7 **Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

8 **A This information is included in Appendix A to my testimony.**

9 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

10 **A I am appearing on behalf of Lake Region Water & Sewer Company ("Lake Region" or**
11 **"Company").**

**Michael P. Gorman
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1 Q WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS
2 PROCEEDING?

3 A I will respond to Staff's proposed capital structure and overall rate of return supported
4 by Staff witness Shana Atkinson.

5 Q PLEASE SUMMARIZE YOUR TESTIMONY AND RECOMMENDATIONS.

6 A My testimony and recommendations are summarized as follows:

- 7 1. Staff's proposed adjustments to the Company's requested 60% debt and 40%
8 common equity are unjustified.
- 9 2. Staff has not established that the Company's actual capital structure is not
10 reasonable nor an appropriate capital structure mix for Lake Region.
- 11 3. A fair interpretation of Staff's hypothetical capital structure methodology supports
12 the reasonableness of the Company's proposed 60% debt and 40% common
13 equity capital structure.
- 14 4. The Commission should exercise conservatism and concern for the Company's
15 ability to refinance near-term debt maturities, and set the overall rate of return
16 using a capital structure that will help support the financial integrity of Lake
17 Region and its ability to fund capital improvements that are necessary to meet the
18 quality of service objectives desired by the Company, and the Commission Staff.
- 19 The most appropriate and reasonable capital structure to meet these objectives is
20 the Company's proposed 60% debt and 40% common equity ratio capital
21 structure. I find Staff's estimated return on equity to be generally consistent with
22 the Company's proposed capital structure mix, and is reasonable in light of the
23 Company's intention to use a verifiable capital structure.

24 **Staff's Proposed Hypothetical Capital Structure**

25 Q PLEASE SUMMARIZE STAFF'S RECOMMENDED OVERALL RATE OF RETURN
26 IN THIS PROCEEDING.

27 A Staff proposes to reject the Company's recorded capital structure, and instead
28 proposes an imputed capital structure for setting Lake Region's overall rate of return.

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1 The imputed capital structure is based on Standard & Poor's ("S&P") corporate credit
2 rating criteria, and a proxy bond rating of "B+."

3 Based on Staff's methodology, as shown on her Schedule 1, Staff
4 recommends an overall rate of return of 7.22% which is composed of a return on
5 equity of 13.89%, long-term debt cost of 5.0%, and a proposed hypothetical capital
6 structure consists of 25% common equity and 75% long-term debt.

7 **Q PLEASE DESCRIBE THE ISSUES YOU TAKE WITH MS. ATKINSON'S**
8 **PROPOSED OVERALL RATE OF RETURN.**

9 **A** I believe Ms. Atkinson's methodology for establishing a fair rate of return for Lake
10 Region is reasonable. The Staff's methodology is a transparent and verifiable
11 method for establishing a capital structure and measurement of a fair return on
12 equity. However, I take issue with Ms. Atkinson's conclusion supporting her proposed
13 hypothetical capital structure.

14 Based on my review of Staff's methodology, I believe a reasonable
15 hypothetical capital structure for Lake Region is 60% debt and 40% common equity.
16 This capital structure is consistent with a "B+" proxy credit rating for Lake Region.
17 Based on this finding, I conclude that the Company's actual recorded capital structure
18 as proposed in this case by Lake Region witness John Summers, is reasonable.

19 **Q PLEASE DESCRIBE STAFF'S METHODOLOGY FOR ESTABLISHING A**
20 **HYPOTHETICAL CAPITAL STRUCTURE.**

21 **A** Staff recognizes that Lake Region does not have a bond rating. Therefore, it uses an
22 analysis to assess an appropriate proxy bond rating for small utilities. It uses S&P's

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1 credit rating benchmarks to develop a reasonable capital structure that coincides with
2 the proxy bond rating.

3 Based on this analysis, Ms. Atkinson estimates that Lake Region's proxy bond
4 rating is "B+" from S&P. This bond rating is based on a business risk profile ("BRP")
5 of "Strong," and a financial risk profile ("FRP") of "Highly Leveraged." These, in
6 combination with her proxy bond rating of "B+" were used by Ms. Atkinson to arrive at
7 a capital structure she finds to be reasonable.

8 **Q PLEASE DESCRIBE THE CONCERNS YOU HAVE WITH MS. ATKINSON'S**
9 **CONCLUSIONS ON A REASONABLE CAPITAL STRUCTURE FOR LAKE**
10 **REGION.**

11 **A** I have two concerns with Ms. Atkinson's proposed capital structure. First, without
12 taking issue with her proxy bond rating of "B+," and FRP and BRP ratings for Lake
13 Region, her proposed capital structure reflects a significant departure from a utility
14 with a BRP of "Strong" and FRP of "Highly Leveraged." In S&P's criteria, a below
15 investment grade credit rating would equate to a total debt ratio of greater than 60%.
16 This is approximately the same as Lake Region's proposed capital structure.

17 Ms. Atkinson, however, proposes to impute a debt ratio of 75% which is
18 considerably higher than the threshold debt ratio for her proposed credit rating metric
19 guidelines.

20 Specifically, S&P finds that with a BRP of "Strong" and an FRP of "Highly
21 Leveraged," that a utility would require a capital structure with a total debt ratio of
22 approximately 60% (greater than 60%). S&P's guidelines do not assert that the debt
23 ratio needs to be considerably higher than 60% at this BRP and FRP credit rating.
24 This is significant because the S&P criteria again are reasonably consistent with the

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1 capital structure proposed by the Company in this case, and show the Company's
2 capital structure is reasonable.

3 Further, Ms. Atkinson did not explain why she proposes to impute a capital
4 structure with significantly more debt than the S&P metric indicates is reasonable,
5 and above the Company's filed capital structure in its case. Ms. Atkinson's proposal
6 to take the Company's requested debt ratio of 60% up to 75% is unsubstantiated.
7 Importantly, the proposed increase above the minimum debt ratio metric is highly
8 suspect because the S&P metric guidelines do not support a finding that a capital
9 structure with a 75% debt ratio is reasonable.

10 S&P's metrics have much smaller changes in debt ratios within the BRP
11 metrics categories than proposed by Staff. For example, at an improved BRP rating
12 (above "Strong") of "Aggressive," S&P's benchmarks prescribe a debt ratio range of
13 50% to 60%. This compares to above 60% at a BRP of "Strong." At a one notch
14 further BRP improvement to a BRP of "Significant," the S&P metric prescribes a debt
15 ratio range of 45% to 50%. As shown in her Appendix 2 at Schedule SA-3, page 4 of
16 6, the debt to total capital ranges around the benchmarks are much more narrow than
17 that proposed by Ms. Atkinson to increase Lake Region's debt ratio above the S&P
18 minimum 60% debt ratio metric for a "Highly Leveraged" company.

19 Further, the S&P metrics show that a 60% debt ratio is a "Highly Leveraged"
20 company as Staff's methodology supports. As such, I believe a 75% debt ratio
21 proposed by Staff is far too high above the minimum 60% debt ratio threshold for the
22 "Highly Leveraged" category. Hence, her recommended capital structure is not
23 reasonable.

24 A more reasonable hypothetical capital structure that will help to ensure the
25 financial integrity of Lake Region and encourage it to continue to finance Lake Region

1 on a transparent and dedicated basis, would be to use a capital structure closer to the
2 "Highly Leveraged" initial metric threshold of 60%.

3 **Q PLEASE DESCRIBE YOUR SECOND CONCERN WITH STAFF'S PROPOSED**
4 **DEBT RATIO.**

5 **A** My second concern with Ms. Atkinson's assessment of the BRP of Lake Region
6 concerns her finding that the BRP for Lake Region should be "Strong."
7 Ms. Atkinson's BRP rating of "Strong" for Lake Region is not supported by Staff's
8 methodology. She outlines the Staff methodology in Appendix 2, Schedule SA-1 at
9 page 3. There Staff states a BRP rating of "Strong" would be appropriate if a utility
10 company can obtain a commercial loan without having to pledge the personal assets
11 of the owners of the utility. However, if the utility cannot obtain a loan or a company
12 without a personal pledge of assets as collateral, Staff would find an appropriate BRP
13 rating to be "Satisfactory." A "Satisfactory" BRP is more accurately applied to Lake
14 Region, because its loan agreement contains a guarantee from its owners.

15 At page 3 of the Business Loan Agreement outlining the loan to Lake Region
16 of \$1.4 million, the owners of the Limited Partnership all provided unlimited
17 guarantees to secure Lake Region's loan. Hence, based on Staff's criteria, the
18 implied BRP rating of Lake Region should be "Satisfactory," a weaker (higher
19 business risk) BRP rating than the "Strong" BRP used by Staff.

20 Understating the BRP rating and business risk of Lake Region, is additional
21 reason why I believe Staff's proposed hypothetical capital structure contains too
22 much financial risk (i.e., too high of a debt ratio) and is, therefore, not a reasonable
23 capital structure for Lake Region.

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1 Q BASED ON YOUR ASSESSMENT OF LAKE REGION'S BRP AND FRP, WHAT DO
2 YOU BELIEVE AN APPROPRIATE CAPITAL STRUCTURE WOULD BE TO
3 SUPPORT A BOND RATING OF "B+" AS TARGETED BY STAFF?

4 A Whether an appropriate BRP is "Strong" or "Satisfactory," an appropriate total debt
5 ratio for this utility is conservatively set at 60%. Under a "Highly Leveraged" or
6 "Aggressive" FRP, this level of debt leverage indicates a below investment grade
7 bond rating for Lake Region. Further, a 60% debt ratio is at the low end of the "Highly
8 Leveraged" FRP rating, and at the high end of "Aggressive" FRP rating. As such, it
9 puts Lake Region right at the cusp of the "Highly Leveraged" and "Aggressive" FRP
10 rating categories, at either a BRP of "Strong" or "Satisfactory." I recommend the
11 Commission be conservative in establishing a reasonable capital structure in this
12 case. The Commission finding will be considered by management and creditors to
13 assess the risk and creditworthiness of Lake Region.

14 Q BECAUSE MS. ATKINSON IS RECOMMENDING A MUCH HIGHER RETURN ON
15 EQUITY FOR LAKE REGION THAN LARGER MISSOURI WATER UTILITIES,
16 DOES THAT JUSTIFY A SIGNIFICANTLY HIGHER DEBT RATIO BE APPLIED TO
17 LAKE REGION'S CAPITAL STRUCTURE?

18 A No. While Lake Region's return on equity recommendation by Staff of 13.89% is
19 higher than the 10.0% return on equity awarded to Missouri American Water
20 Company,¹ that is not justification for using an excessively debt weighted capital
21 structure to set Lake Region's rates. Indeed, the cost to customers of Lake Region's
22 equity capital is comparable to Missouri American Water's return on equity awards
23 when income tax adjustments are included in the comparison.

¹File No. WR-2011-0337, et al., Order Approving Non-Unanimous Stipulation and Agreement, March 16, 2012.

1 Specifically, reflecting income tax adjustments, the revenue requirement cost
2 of a 13.89% return on equity to Lake Region is about 17.4%² including income taxes.
3 In comparison, the revenue requirement cost of a 10.0% return on equity produced a
4 cost to ratepayers of 16.4%.³ Hence, the cost to customers of the equity return for
5 Lake Region is very comparable to the cost to Missouri American Water customers.

6 Further, Missouri American Water Company's capital structure included a
7 common equity ratio of 50.57%.⁴ Lake Region requests a common equity of only
8 40%. As such, the capital structure weighted income tax adjusted return on equity is
9 6.96% (17.4% x 40% weight) for Lake Region, and 8.29% (16.4% x 50.57%) for
10 Missouri American Water Company. The differences in weighted debt returns would
11 offset this difference in weighted equity return, but nevertheless the proposed cost of
12 capital including income tax for Lake Region is comparable to large Missouri water
13 companies at a much lower authorized return on equity.

14 Hence, the cost of common equity capital (return and taxes) for Lake Region
15 is comparable to approved equity return cost to Missouri American Water customers.
16 Hence, Lake Region's capital structure request in this case is reasonable.

17 **Q PLEASE EXPLAIN WHY YOU BELIEVE THE REVENUE REQUIREMENT COST**
18 **OF A RETURN ON EQUITY FOR LAKE REGION IS COMPARABLE TO RETURNS**
19 **ON EQUITY AWARDED TO OTHER MISSOURI UTILITIES.**

20 **A** Lake Region is a small utility, and its effective income tax is considerably lower than
21 that of the larger utilities in Missouri. For example, Lake Region's effective tax rate is

²13.89% ÷ (1 - 20.35%).

³10.00% ÷ (1 - 39.1%).

⁴American Water Institutional Investor Presentation, January 2014.

1 only around 20.35% because of the relatively small size.⁵ In contrast, Missouri
2 American Water's (and other large Missouri utilities) effective tax rate is
3 approximately 39.1%⁶ reflecting the federal and state tax liability of these utilities.

4 As such, the ratepayer costs of an authorized return on equity reflects both the
5 return on equity and the effective income tax of the return. The revenue requirement
6 return for a 10.0% return on equity would be 16.42% ($10.0\% \div (1 - 39.1\%)$). In
7 comparison, the effective rate for Staff's 13.89% for Lake Region is 17.4%
8 ($13.89\% \div (1 - 20.35\%)$).

9 As such, the revenue requirement cost of the return on equity for Lake Region
10 is comparable to the authorized returns on equity for Missouri American Water in its
11 most recent rate case before this Commission.

12 **Q WHY DO YOU BELIEVE THE COMMISSION SHOULD ESTABLISH A CAPITAL**
13 **STRUCTURE WHICH CONSERVATIVELY SUPPORTS LAKE REGION'S**
14 **FINANCIAL POSITION?**

15 **A** I believe this is appropriate for several reasons. Those include the following:

- 16 1. Lake Region's loan collateralized by Lake Region's assets matures or will
17 terminate in August 2014. This is about six months away. Because these loans
18 have to be refinanced soon, the need to be concerned about accessing external
19 capital markets is critical. The Commission should support Lake Region's ability
20 to refinance its loans that support its Lake Region assets, at a continued favorable
21 interest rate.
- 22 2. Lake Region has been supporting capital improvements to its system for several
23 years now. Hence, the ability to access external markets to support its capital
24 improvement program will benefit customers by improving or sustaining quality of
25 service and help it meet the quality of service objectives outlined in Staff's cost of
26 service report.

⁵Staff Report Schedule: 03 Horseshoe Bend Sewer, Shawnee Sewer and Water.

⁶Federal income tax rate 35% and state income tax rate of 6.25%.
($35\% * (1 - 0.0625) + 0.0625$)

1 **Actual Capital Structure**

2 **Q DID STAFF WITNESS ATKINSON ESTIMATE WHAT SHE BELIEVES TO BE**
3 **LAKE REGION'S ACTUAL CAPITAL STRUCTURE?**

4 **A Yes. Ms. Atkinson considered two loans to be the full funding source for Lake Region**
5 **assets. The first loan of \$2.85 million ("Partnership Loan") is tied to RPS Properties**
6 **LP and Sally J. Stump, and is collateralized by Commercial Pledge Agreements and**
7 **a Negative Pledge Agreement by Robert Schwermann, Cheryl Schwermann, North**
8 **Suburban Public Utility Company, and Vernon L. Stump.**

9 A second loan, of \$1.4 million ("Lake Region Loan"), is made directly to Lake
10 Region, and is collateralized by its assets with a guarantee from the utility's owners.

11 The combined amount of these loans is \$4.25 million. Ms. Atkinson concludes
12 the amount of these loans exceeds Lake Region's rate base of \$2.3 million.
13 Therefore, she concludes that Lake Region is financed with 100% debt.

14 **Q DO YOU BELIEVE THAT MS. ATKINSON HAS CLEARLY ESTABLISHED THAT**
15 **THESE TWO LOANS ARE DEDICATED TO FUNDING LAKE REGION INVESTED**
16 **CAPITAL?**

17 **A No. The Partnership Loan of \$2.85 million is an obligation of RPS Properties LP and**
18 **Sally J. Stump, who are owners of the common equity of Lake Region. It is not a**
19 **direct obligation of Lake Region. As I understand, the Partnership owns other assets.**
20 **Hence, it is not clear how the Partnership used the proceeds of this loan and/or its**
21 **other cash resources to fund the acquisition of Lake Region's equity shares.**

22 Lake Region's Loan agreement, however, is directly made to Lake Region.
23 Therefore, it is not in dispute that the \$1.4 million loan is being used to support Lake
24 Region's invested capital or rate base.

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1 Staff has simply not proven the Partnership loan should be directly assigned
2 to Lake Region.

3 **Q DOES THE COMPANY CONTEND THAT IT HAS DEDICATED LOAN FACILITIES**
4 **FOR SUPPORTING ITS INVESTMENTS IN LAKE REGION?**

5 **A**Yes. Mr. John Summers concludes that the \$1.4 million Lake Region Loan is a direct
6 loan to Lake Region. He also testified that Lake Region's equity shares acquisition
7 was funded by cash resources available to the Partnership. The Partnership cash
8 resources include retained earnings and other internal cash generation as well as
9 external loans and equity contributions. Mr. Summers concludes that Lake Region's
10 actual capitalization mix is approximately 60% debt and 40% equity.

11 **Q DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

12 **A**Yes, it does.

Qualifications of Michael P. Gorman

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Michael P. Gorman. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q PLEASE STATE YOUR OCCUPATION.**

5 A I am a consultant in the field of public utility regulation and a Managing Principal with
6 Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

7 **Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND WORK**
8 **EXPERIENCE.**

9 A In 1983 I received a Bachelors of Science Degree in Electrical Engineering from
10 Southern Illinois University, and in 1986, I received a Masters Degree in Business
11 Administration with a concentration in Finance from the University of Illinois at
12 Springfield. I have also completed several graduate level economics courses.

13 In August of 1983, I accepted an analyst position with the Illinois Commerce
14 Commission ("ICC"). In this position, I performed a variety of analyses for both formal
15 and informal investigations before the ICC, including: marginal cost of energy, central
16 dispatch, avoided cost of energy, annual system production costs, and working
17 capital. In October of 1986, I was promoted to the position of Senior Analyst. In this
18 position, I assumed the additional responsibilities of technical leader on projects, and
19 my areas of responsibility were expanded to include utility financial modeling and
20 financial analyses.

1 In 1987, I was promoted to Director of the Financial Analysis Department. In
2 this position, I was responsible for all financial analyses conducted by the Staff.
3 Among other things, I conducted analyses and sponsored testimony before the ICC
4 on rate of return, financial integrity, financial modeling and related issues. I also
5 supervised the development of all Staff analyses and testimony on these same
6 issues. In addition, I supervised the Staff's review and recommendations to the
7 Commission concerning utility plans to issue debt and equity securities.

8 In August of 1989, I accepted a position with Merrill-Lynch as a financial
9 consultant. After receiving all required securities licenses, I worked with individual
10 investors and small businesses in evaluating and selecting investments suitable to
11 their requirements.

12 In September of 1990, I accepted a position with Drazen-Brubaker &
13 Associates, Inc. ("DBA"). In April 1995, the firm of Brubaker & Associates, Inc. was
14 formed. It includes most of the former DBA principals and Staff. Since 1990, I have
15 performed various analyses and sponsored testimony on cost of capital, cost/benefits
16 of utility mergers and acquisitions, utility reorganizations, level of operating expenses
17 and rate base, cost of service studies, and analyses relating to industrial jobs and
18 economic development. I also participated in a study used to revise the financial
19 policy for the municipal utility in Kansas City, Kansas.

20 At BAI, I also have extensive experience working with large energy users to
21 distribute and critically evaluate responses to requests for proposals ("RFPs") for
22 electric, steam, and gas energy supply from competitive energy suppliers. These
23 analyses include the evaluation of gas supply and delivery charges, cogeneration
24 and/or combined cycle unit feasibility studies, and the evaluation of third-party
25 asset/supply management agreements. I have participated in rate cases on rate

1 design and class cost of service for electric, natural gas, water and wastewater
2 utilities. I have also analyzed commodity pricing indices and forward pricing methods
3 for third party supply agreements, and have also conducted regional electric market
4 price forecasts.

5 In addition to our main office in St. Louis, the firm also has branch offices in
6 Phoenix, Arizona and Corpus Christi, Texas.

7 **Q HAVE YOU EVER TESTIFIED BEFORE A REGULATORY BODY?**

8 **A** Yes. I have sponsored testimony on cost of capital, revenue requirements, cost of
9 service and other issues before the Federal Energy Regulatory Commission and
10 numerous state regulatory commissions including: Arkansas, Arizona, California,
11 Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas,
12 Louisiana, Michigan, Missouri, Montana, New Jersey, New Mexico, New York, North
13 Carolina, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Utah,
14 Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and before the
15 provincial regulatory boards in Alberta and Nova Scotia, Canada. I have also spon-
16 sored testimony before the Board of Public Utilities in Kansas City, Kansas;
17 presented rate setting position reports to the regulatory board of the municipal utility
18 in Austin, Texas, and Salt River Project, Arizona, on behalf of industrial customers;
19 and negotiated rate disputes for industrial customers of the Municipal Electric
20 Authority of Georgia in the LaGrange, Georgia district.

1 Q PLEASE DESCRIBE ANY PROFESSIONAL REGISTRATIONS OR
2 ORGANIZATIONS TO WHICH YOU BELONG.

3 A I earned the designation of Chartered Financial Analyst ("CFA") from the CFA
4 Institute. The CFA charter was awarded after successfully completing three
5 examinations which covered the subject areas of financial accounting, economics,
6 fixed income and equity valuation and professional and ethical conduct. I am a
7 member of the CFA Institute's Financial Analyst Society.

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