

1 A. Oh, yes.

2 Q. Yeah.

3 MR. COOPER: At this time I would reoffer
4 Exhibit 98.

5 JUDGE RUTH: Okay. I will note that you have
6 laid some additional foundation questions.

7 Are there any objections to admitting what's
8 been marked as Exhibit 98?

9 MR. CONRAD: Yeah, I'll make the objection. I
10 really don't think the foundation is there.

11 The witness didn't prepare them, he's not
12 underscoring them, he's not attesting to them.

13 Mr. Loos is here, was here. Foundation should
14 have been laid then.

15 JUDGE RUTH: Okay.

16 And, Mr. Williams, it's your witness. Do you
17 have a comment?

18 MR. WILLIAMS: I concur that there is
19 inadequate foundation.

20 MR. COOPER: Okay. Well, I guess I would make
21 a couple of responses.

22 First off, the fact that Mr. Loos is here,
23 makes -- I guess is of limited value in this type of
24 proceeding, because I don't believe that when I put
25 Mr. Loos on the stand, I had the opportunity to do

1 anything with him other than present his prefiled
2 testimony in this case.

3 So it's not a situation where I could have gone
4 through this with Mr. Loos. And, in fact, it's not a
5 situation where I could have gone through it in prefiled
6 testimony, because this appears in Mr. Adam's surrebuttal
7 testimony.

8 So if I'm not going to be allowed -- let me add
9 one more thing.

10 I believe that Mr. Adam is testifying in an
11 expert -- as an expert in this matter. I believe that one
12 of the things that he took into account in reaching his
13 recommendations and his testimony, specifically that we're
14 referring to on page 5 of the surrebuttal testimony, was
15 Mr. Loos's workpapers.

16 So I guess my argument would be that I should
17 be allowed to admit them at least for the purpose of
18 impeaching Mr. Adam's testimony, based upon one of the --
19 based upon the information that he claims he depended upon
20 in reaching his recommendation.

21 JUDGE RUTH: Let me ask you, Mr. Cooper, is
22 Mr. Loos available? Is he still here?

23 MR. COOPER: He is here, Your Honor, yes.

24 JUDGE RUTH: I suggest that you go ahead and
25 re-call him. We can change witnesses at the stand. You

1 can lay a better foundation, and then we can recall
2 Mr. Adam.
3 Do you wish to do that?
4 MR. COOPER: I do, Your Honor.
5 JUDGE RUTH: Okay. Would you please step down,
6 Mr. Adam.
7 Mr. Loos, I'll just remind you that you are
8 still under oath.
9 And, Mr. Cooper, you may proceed.
10 And, Mr. Adam, you are going to stay.
11 L. W. LOOS testified as follows:
12 RE-CROSS-EXAMINATION BY MR. COOPER:
13 Q. Mr. Loos, I'm going to hand to you the document
14 that previously was in Mr. Adam's possession.
15 Now that I have done so, do you recognize that
16 document?
17 A. Yes, I do. It's the workpapers that were
18 prepared under my direction pertaining to the development
19 of depreciation expense rates for production plant.
20 Q. Okay. And did you have the opportunity to
21 review those papers after they were produced?
22 A. Yes, I did.
23 Q. And did you believe that the numbers reflected
24 in there were true and correct to the best of your
25 knowledge and belief?

1 A. Yes, they are.

2 Q. Tell me, again, what use you made of those
3 workpapers.

4 A. These workpapers show the development of, in
5 detail, the depreciation rates that I propose in this
6 matter.

7 It includes details with respect to historical
8 additions, retirements, includes forecast of future,
9 interim activity based on historical additions and
10 retirements, excluding major environmental, maintenance
11 and other items. Just the routine things, and the
12 development of the base depreciation rate and then
13 adjusted for salvage.

14 They do not include allowance for amortization
15 of reserve deficiency.

16 Q. And, ultimately, they were used, again, for
17 that purpose?

18 A. They are the underlying support for my
19 recommended depreciation rates.

20 Q. Did you have the opportunity to provide those
21 workpapers that are before you to the Commission Staff?

22 A. I understand that they were provided to the
23 Commission Staff, but at the time that our direct
24 testimony was filed.

25 Q. I'm going to hand you what has been marked as

1 Exhibit 98 at this time.

2 I believe those are pages that are identified
3 by handwritten numbers in the upper right-hand corner as
4 pages 717, 736, 754, 771, 788, 805, and 842. Is that
5 correct?

6 A. Yes.

7 Q. Could you compare those pages to the pages that
8 are included within the workpapers that are before you?

9 A. They are the same.

10 Q. So you would say that they accurately represent
11 pages 717, 736, 754, 771, 788 and 805 of your workpapers
12 that were provided to the Staff in this case?

13 A. Also, 842, yes.

14 Q. And 842.

15 MR. COOPER: At this time I would again offer
16 Exhibit 98.

17 MR. WILLIAMS: I'm going to object based on
18 relevance.

19 JUDGE RUTH: Explain.

20 MR. WILLIAMS: He also had an opportunity to
21 provide this in his direct testimony and his rebuttal
22 testimony and his surrebuttal testimony.

23 Mr. Adam has not testified that he relied upon
24 these documents in preparing his testimony filed in here
25 that Mr. Cooper is attempting to impeach. He's indicated

1 that he did rely upon workpapers, but he's certainly not
2 indicated he relied on these specific papers.

3 JUDGE RUTH: Okay.

4 And, Mr. Conrad, were you ready to object?

5 MR. CONRAD: Well, I was going to ask if I
6 could very quickly do -- maybe this is what -- oh, this is
7 dead. Maybe that's what the problem is.

8 John, quit kicking my microphone.

9 MR. CONRAD: If I could ask the witness a
10 couple of voir-dire questions?

11 JUDGE RUTH: Yes. But you're going to need to
12 speak into the microphone more.

13 MR. CONRAD: I'll try do so.

14 VOIR-DIRE EXAMINATION BY MR. CONRAD:

15 Q. Mr. Loos, the testimony that you filed, I
16 believe that was Exhibit 11, is dated October 31. Is that
17 correct?

18 A. Yes.

19 Q. Did these workpapers exist as of October 31?

20 A. They would have existed prior to that date.

21 They may have been printed subsequently.

22 Q. And secondly, Exhibit 98, is that a complete
23 copy of your workpapers?

24 A. No. It's only those pages which are identified
25 as page 2, generally, of 15 for each production plant and

1 only for the production units.

2 MR. CONRAD: Thank you, Mr. Loos.

3 Your Honor, I would join in the objection on
4 the basis that it's out of sequence supplementation of
5 direct testimony material that clearly existed.

6 The witness has testified it existed at the
7 time of his original testimony, so it obviously existed at
8 the time of his rebuttal and surrebuttal.

9 And, secondly, it's an incomplete offering of
10 the exhibit, even if it's offered in supplement.

11 JUDGE RUTH: Okay.

12 And, Public Counsel, did you want to add your
13 two cents?

14 MR. COFFMAN: No, thank you.

15 MR. WILLIAMS: Judge, may I inquire, too, of
16 the witness?

17 JUDGE RUTH: Yes.

18 VOIR-DIRE EXAMINATION BY MR. WILLIAMS:

19 Q. Exhibit 98 is seven pages?

20 A. Yeah. Yes.

21 Q. And how many are the total pages of the
22 document from which that is excerpted?

23 A. The final page in this document is 855. The
24 first page is 713.

25 More likely with respect to mass accounts and

1 other accounts, 713, or 12 before that.

2 Q. And that document you're looking at, is that
3 your entire workpapers or is that a subset also?

4 A. A subset with respect to production plants.

5 MR. WILLIAMS: No further questions.

6 JUDGE RUTH: Okay. Let me restate then here:

7 We had further foundation questions from Mr. Cooper.

8 We've had objections from the parties, voir dire. I've
9 heard them. I think the foundation is adequate.

10 I'm going to allow the document in and Mr. Loos
11 can step down. We will re-call Mr. Adam.

12 So Exhibit 98 is admitted into the record, and
13 the parties' objections are noted.

14 (EXHIBIT NO. 98 WAS RECEIVED INTO EVIDENCE.)

15 JUDGE RUTH: Okay.

16 Mr. Adam, you're back on the stand, and you are
17 still under oath.

18 Mr. Cooper, you may continue your
19 cross-examination of the witness.

20 MR. COOPER: Thank you, Your Honor.

21 PAUL ADAM testified as follows:

22 CROSS-EXAMINATION (CONT'D) BY MR. COOPER:

23 Q. First, just kind of a point of clarification,
24 Mr. Adam.

25 I believe in a prior response you may have said

1 that Empire is proposing to include costs of removal in
2 plant.

3 Is Empire really proposing to include -- or to
4 add cost of removal to plant in-service or proposing to
5 reduce reserve by the cost of removal?

6 A. Well, they're including the cost of removal in
7 the determination of the depreciation rate.

8 Q. And it has nothing to do with plant in-service.
9 Correct?

10 A. Correct. Plant in-service is what you multiply
11 it by to get the accrual.

12 Q. Now, as I understand your testimony, you have a
13 concern with including a net salvage allowance based on
14 the historical relationship of net salvage to retirements.
15 Correct?

16 A. The characteristic way that they calculate net
17 salvage in the Whole Life formula is to take current cost
18 of removal and divide it by the original cost of the plant
19 that was removed.

20 Q. Now, when you were deriving a net salvage
21 allowance --

22 A. I didn't derive one.

23 Q. When a net salvage allowance is derived in the
24 traditional Whole Life formula, is it possible to reflect
25 factors other than just the historical relationship of net

1 salvage and retirement?

2 A. It would be -- that's what we're doing.

3 Q. Yeah.

4 But even within the Whole Life method -- let's
5 refer to the Whole Life method being a situation where you
6 establish the life, percentage of net salvage and come up
7 with a resulting depreciation rate.

8 In establishing that number that you're going
9 to use for net salvage, it's possible to include factors
10 in arriving at that number other than just the historical
11 relationship of net salvage and retirements, isn't it?

12 A. It would be possible. Go out and do an
13 independent study of what you think the cost is going to
14 be in the future entirely exclusive of what has occurred.

15 Q. And as a result of such study, then, a person
16 could go back and persons of, I suppose, reasonable minds
17 could then differ and present different opinions as to
18 what the precise number should be that is used for net
19 salvage in that calculation. Correct?

20 A. For future calculation?

21 For a future determination?

22 Q. No. Let's say we're -- and we may -- your
23 question may have just thrown me.

24 But let's say that we're utilizing -- and set
25 aside your proposal for a minute.

1 Let's say we're utilizing what we refer to as
2 the Whole Life method of deriving a depreciation rate.

3 And as I said before, we're going to assume
4 through that method we're going to -- we're going to come
5 up with a life, a net salvage number and then a resulting
6 depreciation rate. Okay?

7 A. Yes.

8 Q. And I believe what you told me was, that in
9 arriving at that net salvage number, you, someone else,
10 some depreciation professional, could take a look at, make
11 a study of, potential future cost of removal costs, and
12 from that come up with a proposal of numbers to be
13 reflected as net salvage. Correct?

14 A. Certainly.

15 MR. COOPER: That's all of questions I have,
16 Your Honor.

17 JUDGE RUTH: This is a good time for a break.

18 We will go off the record and come back at
19 four o'clock.

20 (A RECESS WAS TAKEN.)

21 JUDGE RUTH: Let's go ahead and go back on the
22 record.

23 We are back on the record.

24 And we will now take some questions from the
25 bench.

1 Commissioner Murray, would you like to begin?

2 COMMISSIONER MURRAY: Thank you.

3 QUESTIONS BY COMMISSIONER MURRAY:

4 Q. Good afternoon, Mr. Adam.

5 A. Hi, Commissioner Murray.

6 Q. I just have a couple of questions for you.

7 In your surrebuttal testimony on page 5, you
8 speak about the future costs being unknown and in cases
9 where the plant is sold before retirement, the future net
10 salvage costs never occurs for the Company, although
11 consumers would have paid for it if the Company's
12 consultant's depreciation rates are ordered.

13 Do you recall that?

14 Isn't it true that a buyer usually insists that
15 costs -- future costs, such as retirement or environmental
16 remediation, those types of costs be considered and
17 included in the pricing?

18 A. I think if we were probably to look at all of
19 the power plants that have been sold in the last few
20 years, that have been sold at much over books, sometimes
21 multiples of books, that those people were looking at
22 getting over the power plants to sell the power and were
23 not determining the price they were willing to pay on what
24 the retirement cost was going to be.

25 If there was an environmental hazard, I would

1 expect that they would probably try to put something in
2 the contract when they purchased it to exempt themselves
3 from the cost of an environmental problem.

4 Q. Isn't it ordinary for a buyer to insist upon an
5 environmental audit of some kind?

6 A. I can't speak as an expert in that area, but I
7 would expect that to be the normal.

8 Q. My other question relates to your direct
9 testimony, on page 19, and I believe you spoke briefly
10 with Mr. Cooper about where a major retirement and removal
11 is necessary -- or would be necessary with Staff's
12 depreciation method, how that would be done.

13 A. Uh-huh.

14 Q. Do you recall that?

15 Is it accurate that you are suggesting that
16 under Staff's method, when a major retirement and removal
17 is necessary, that the Company would first spend the money
18 for retirement and then collect from the ratepayers in the
19 future?

20 A. Removal rather than retirement.

21 And essentially, yes. I've also said in
22 testimony -- I believe I said in the county water
23 testimony that if there was some kind of contract or
24 commitment that was taken care of between a company and
25 the company that was going to do the tear-down and the

1 remediation, that Staff would look upon that favorably as
2 saying, yes, there is a commitment here by this company to
3 actually go forward with the removal as planned.

4 This is the very same kind of issue -- if you
5 happen to remember the Laclede case and the gasholders, is
6 that they have told us they're going to get rid of the
7 gasholders, but they would not commit to it in that rate
8 case.

9 Q. And the instance that we're talking about here,
10 where removal and/or remediation were required, the
11 Company would have to spend the money?

12 A. The Company will spend the money, and they will
13 collect it from the customers, yes. And we would set up
14 an amortization.

15 Q. So they would collect it from the ratepayers in
16 the future over time?

17 A. A relatively short period of time, uh-huh.

18 Q. And did I hear you say that you did not know
19 whether Staff would recommend to include the unamortized
20 portion in rate base?

21 A. Unrecovered.

22 Well, I -- I don't think I answered that
23 question. If it was answered -- if it was asked, I don't
24 remember answering it.

25 But the unamortized portion would be

1 calculated, I believe, out of the balance. So in other
2 words, if it's -- if it's on the books -- well, they
3 wouldn't be removing it if it was not retired. So if it's
4 retired it's off of the books.

5 Q. But if you --

6 A. If there is -- I think what you might have
7 heard was I talked about the unrecovered portion of the
8 plant. In other words, if you had set up a depreciation
9 rate and accrued and accrued and accrued and then they
10 retired the plant and they hadn't accrued the full cost of
11 the original plant.

12 We also frequently -- we've had this case with
13 digital switches, the early digital switches for tel co.
14 We would set up an amortization for the company to recover
15 the unrecovered portion of the original cost of the plant.

16 Q. Okay. Did I understand you to say, though,
17 that rather than expensing the cost of removal in year
18 one, that you would amortize that out over the future?

19 A. It would be am-- yeah, we'd set up an -- for a
20 cost of removal of a major plant, like, tearing down a
21 power plant, we would simply set up an amortization.

22 And if there was, say, a million dollars spent
23 and that was not going to cause rate shock, we'd do it in
24 a year. If it was going to cause rate shock, we might do
25 it in three years. Or we would propose that at least.

1 Q. Okay. So potentially it would be collected
2 from ratepayers who did not use the plant that was
3 retired?

4 A. That would be a true statement.

5 COMMISSIONER MURRAY: I think that's all.

6 Thank you, Judge.

7 JUDGE RUTH: Thank you.

8 Commissioner Gaw, do you have any questions for
9 the witness?

10 COMMISSIONER GAW: Yes. Thank you.

11 QUESTIONS BY COMMISSIONER GAW:

12 Q. Mr. Adam, there were some questions earlier
13 about whether or not you were estimating the -- estimating
14 certain things in regard to the depreciation amount and
15 whether or not that was not the same thing that Staff was
16 complaining about in regard to the way that depreciation
17 is handled when you deal with negative net salvage.

18 When a plant is put in service initially, and
19 there is -- there is a -- there are a couple of things --
20 there is one thing known, I suppose, isn't there, and that
21 is the amount of money expended to create the plant.
22 Would that be accurate?

23 A. It's known sometimes shortly after the plant is
24 in service, when they get all of the true numbers brought
25 together.

1 If you were to look at this Company right now,
2 what they're booking are estimates of the cost.

3 At some point in time after the plant is
4 running, maybe as much as a year later, they will bring
5 together all of the true costs, they'll book them, reverse
6 out the estimates.

7 Q. And those will be the figures that are actually
8 used for all of the years after that as adjusted by
9 additional improvements to the plant?

10 A. That would be the plant -- that would be -- the
11 depreciation rate would be multiplied times that plant
12 balance.

13 Q. So that is a known figure basically upon the --

14 A. Yes.

15 Q. -- year or so period expiring?

16 A. Yes.

17 Q. So we're not estimating that. Is that correct?

18 A. Correct.

19 Q. What you do estimate, I assume, and what we
20 have to estimate, when you were talking about amortization
21 at that point, would be the number of years of useful
22 life?

23 A. At that point -- are you talking about when the
24 plant is brand new?

25 Q. Yes.

1 A. We do similar to what we did in this case, is
2 we talked to the people that design the plant.

3 Usually engineers, when they take on a job, are
4 given a design life, where they develop the design of a
5 plant with a design life.

6 In the case of power plants, 30, 35, 40 years
7 are common. In the case -- in this case we talked to the
8 engineer that was responsible for the design, and this is
9 a phone-call-type thing that we did, and were told that
10 the design life was 35 years.

11 Q. And that's for which plant?

12 A. The new combined cycle plant.

13 Q. I just want to make sure that we have it
14 correctly on the record.

15 From the standpoint of other plants that are
16 already in service, the remaining life that you estimated
17 on those plants, was it the same or different than what
18 the Company --

19 A. On the other plants, the life that is the life
20 given on the schedules is calculated from interim
21 retirements.

22 In other words, even in a big power plant
23 you're always retiring something and replacing it. Maybe
24 replacing it with something newer that's better or similar
25 but better, more efficient.

1 And those interim retirements still allow you
2 to develop a survivor curve. And you can then do a
3 overlay of a type curve to the actual events that have
4 occurred and develop an average service life on those
5 interim retirements.

6 Now, when you have that, at some point in time
7 you've got all of these additions that have occurred since
8 the original construction of the plant.

9 At some point in time there will be a final
10 retirement of that whole plant, and it will retire all
11 together.

12 And so you'll have some of that plant that was
13 bought later and have a very short life up to that
14 retirement date. Some of it maybe is from the original
15 plan.

16 And at that point in time you have to analyze
17 what is the life based on that retirement date.

18 Q. And did your dates -- did the dates of Staff --
19 how did they compare with the dates of the Company?

20 A. Well, they're considerably different, because
21 the Company picks a retirement date in that table that was
22 talked about earlier.

23 They picked that Riverton would retire in
24 2000 -- or several units at Riverton would retire in 2008.
25 They picked that Asbury would retire 2014 and that Iatan

1 would retire 2014. So they're putting the cut on that
2 curve.

3 The area under the curve represents the average
4 service life. So if you cut that curve off, you're
5 reducing the area under the curve. You reduce the average
6 service life.

7 What we asked when we go on plant tours is when
8 is this going to be retired? Do you see a retirement
9 date?

10 And if they told us they saw a retirement date,
11 we would say, well, where are you going to get the
12 replacement power?

13 With this Company and other power companies, we
14 have not been told that there is a retirement date for
15 power plants, specifically, coal-burning power plants that
16 they have, we have not been able to get the Company to
17 tell us, yeah, we have a retirement date planned.

18 Q. So from your standpoint on this particular
19 case, you made those inquiries about -- of the Company
20 about when they intended to retire the plants that are in
21 issue here?

22 A. I made them not only of the Company; I
23 discussed with our electric department what the Company is
24 telling them about their future with their plants and
25 their plant additions.

1 And through the data that is released
2 confidentially to our electric department, they are not
3 talking about retiring plant. They're talking about
4 developing more plant, adding more plant.

5 Q. What do you mean by that? Explain that to me,
6 please.

7 A. Well, they need -- based on their demand that
8 they expect to see in the next three to five years, they
9 need more power than they're capable of producing at this
10 time.

11 Q. Even with the two -- even with the additions
12 that we have in front of us here?

13 A. With all of the base load and with all of the
14 peaking, they will not have enough peak load power by
15 2003.

16 Q. All right. And, now, I also would assume,
17 though, that it is possible that they could retire some of
18 these plants and replace them with another one, that
19 that's a way -- in addition to -- to trying to make the
20 assumption that they're just not going to retire these
21 plants and build additional ones on top of that.

22 Do you have any information -- or did you get
23 any information that indicated that there was an intention
24 to retire any of the plants that are currently in service?

25 A. No.

1 Q. Do you believe based upon your information that
2 your estimates in regard to -- well, I assume you do.

3 You're telling us that your estimates are more
4 accurate in regard to when these plants will actually
5 retire than company's estimates on when they will actually
6 be retired? I assume that's correct?

7 A. I believe their retirement dates are shorter
8 than will actually occur.

9 Q. Right.

10 A. Because if they --

11 Q. All right.

12 A. -- because if -- the Company would need to be
13 making plans now.

14 Combustion turbines from GE or Seimens
15 Westinghouse are five years out. That's -- that's how
16 much of a backlog they have on their demand for combustion
17 turbines.

18 This Company is looking at an alternate
19 supplier of a combustion turbine to try to pick up the
20 shortfall that they expect to have in 2003.

21 And that shortfall has to be given that all of
22 the power, including the 300 megawatts out of the combined
23 cycle unit that is not running yet, are in place.

24 Q. So what are the estimates of the shortfall by
25 2003?

1 Do you know the answer to that?

2 A. Yeah. But it's given confidentially to our
3 electric department.

4 Q. All right. I understand.

5 Let's avoid that for the time being.

6 From this -- is that number that you're
7 starting to see the shortfall in 2003, is it likely to
8 get -- to get better or worse after 2003?

9 A. It gets -- by their own projections, it gets
10 worse.

11 Q. Do you see -- do you see any evidence, based
12 upon the information that you were given, that any of the
13 plants that are estimated to be terminated by -- I think
14 it's 2007 -- that that will be a retirement date that is
15 likely to occur?

16 A. I don't believe it will. That's one place
17 where we differ.

18 Q. All right. I want to get back to the issue of
19 estimates again.

20 So when we're doing classic depreciation -- and
21 I don't know. Maybe I should just say depreciation --
22 initially we know the value of the item to be depreciated.
23 Is that correct?

24 A. That's a fair statement.

25 Q. We're estimating the length, the period of time

1 of useful life?

2 A. To recover that capital investment, yes.

3 Q. We're doing that based upon whether it be
4 models or experience or whatever, there is some way that
5 we've got to come up with an idea about when that may
6 actually occur, and that's what we have some disagreement
7 on in front of us, one of the issues?

8 A. One of the issues is life, yes.

9 Q. When you're dealing with net salvage, if we
10 deal with net salvage, we are having to estimate two
11 different things, are we not, first of all, the value of
12 net salvage and, secondly, when that will occur?

13 Is that accurate?

14 A. That's -- that's a good statement.

15 You would be needing to know the date that you
16 expect to retire that plant and remove it, so that that
17 cost would be incurred.

18 And exactly as you say, what it's really going
19 to be?

20 Q. Is it possible that a plant that is retired
21 never -- that the Company never incurs the expense of
22 removal of the plant itself?

23 A. It's possible that the physical plant could be
24 sold in place on the land.

25 Q. All right.

1 And based upon your experience, is that -- if
2 that is sold, is that sold for a positive number or does
3 the Company have to pay someone to take it off of their
4 hands?

5 A. Well, I've never been an employee of a power
6 company, but my -- I would probably bet everything I'm
7 totally worth that they don't pay someone to take it off
8 of their hands.

9 Q. Well, I'm asking that question because it was
10 brought up a little earlier, that the significance of the
11 value of the land may be very small.

12 Can you tell me what the -- in comparison to
13 some of the other numbers we're talking about, can you
14 tell me what the figures are for the cost of removal that
15 is being estimated in terms of calculating net salvage on
16 some of these plants that are at issue in front of us?

17 A. Can I tell you what the cost of net salvage is?

18 Q. What the Company is estimating net salvage
19 should be.

20 A. Versus the value of the land?

21 Q. Let's ignore the land for the time being.

22 A. Okay.

23 Q. Just tell me, if you know, what the Company is
24 estimating that net salvage should be on these plants upon
25 their removal?

1 A. I don't know that off the top of my head, no.

2 Q. They have provided numbers, I assume, for what

3 they believe net salvage should be?

4 A. When they do a life span calculation, they're

5 going to have a retirement at the end of it -- or removal.

6 Excuse me.

7 Q. And are those -- can you give me some range or

8 idea of what kind of numbers we would be talking about

9 when we're dealing --

10 A. For cost of removal?

11 Q. Yes.

12 A. I really can't.

13 It would partly be dictated by the size of the

14 plant, location of the plant and those kinds of things.

15 But, honestly, in the work that I've done here,

16 I haven't dug into the numbers to see what they were

17 using.

18 Q. All right. Do you know if those numbers are --

19 A. I would suspect that --

20 Q. Do you know if any of those numbers have been

21 provided to Staff?

22 A. I would think that in all of these workpapers

23 and such that were addressed earlier, that somewhere in

24 there those numbers would be located.

25 Q. Is it possible that those numbers for cost of

1 removal would exceed the value of the real estate that
2 they're on?

3 A. It's possible.

4 Q. But you don't believe that selling that real
5 estate would be -- would cause the Company to pay someone
6 to take it off of their hands?

7 A. I'm just doubtful of it.

8 But there is more to it than just looking at
9 that. There is --

10 Q. I suspected that. Go ahead.

11 A. There is an infrastructure there that is
12 already set up to carry electricity away from there. If
13 it's a coal plant, there is already a train track set up
14 there to bring the train in and dump the coal.

15 And there is a lot of infrastructure that tells
16 you why would you want to abandon this location.

17 Even if you shut down a coal-burning plant, it
18 would be very logical to still use the location for
19 something like a combined cycle unit or something like
20 that, because the infrastructure is there to carry the
21 power away.

22 Q. Even though those items may have been
23 depreciated out already as far as the Company is
24 concerned, they may still have value to them?

25 A. The location would have value and those other

1 infrastructure parts have value to them.

2 Q. If we use the calculation mode that Staff has
3 proposed, you don't have to estimate the cost of removal
4 under that scenario, do you?

5 A. That's right.

6 Q. Because you used the actual numbers?

7 A. We -- as I was telling Commissioner Murray, if
8 there was a removal of a major plant, when that is known,
9 then we would set up -- we would propose an amortization
10 to recover that, for the Company to recover it.

11 Q. You also do not have to estimate when that
12 occurs?

13 A. That's true.

14 Q. So we have two knowns in those cases -- in that
15 scenario as opposed to two unknowns under the -- under the
16 scenario where we allow amortization of negative net
17 salvage?

18 A. That's -- that's my argument. That's my
19 position, yes.

20 Q. If we use negative net salvage in the Company's
21 position and the retirement date is estimated to be at a
22 specified year, assuming that there are no additional
23 improvements added over the course of time, should all of
24 the depreciation be done by the time that you arrive at
25 the end of useful life year?

1 A. And are we only recovering the original cost?
2 Q. Original cost, plus negative net salvage,
3 assume there is a negative --
4 A. Well, that would be their objective, yes.
5 Q. That's what I'm asking.
6 A. Yes.
7 Q. So when we get to --
8 A. The day they would retire the plant.
9 Q. That they're making the estimate from a book
10 standpoint?
11 A. Yes.
12 Q. If the actual removal were not done for years
13 later, what would be the advantage to the Company of
14 having the retirement date earlier in regard to -- I'm
15 just going to limit it to the negative salvage value -- if
16 the removal were not done for many years afterward but the
17 value had been depreciated out by the end of that useful
18 life?
19 A. Well, one advantage would be that the Company
20 would have that money to use for whatever they wanted to
21 use it for, as real dollars to buy something with or pay
22 salaries or whatever.
23 The disadvantage is, is what happens is you let
24 that plant sit. Do you have a problem, as one of the
25 power companies did, with kids scrambling over a chain-

1 link fence and one of them getting hurt and they got a big
2 lawsuit, and they decided then it was time to tear the
3 plant down.

4 So you never know. They actually may end up
5 spending more money by letting the plant --

6 Q. But the value, as far as the depreciation is
7 concerned, and the value of money, there is -- and believe
8 me, I'm probably asking this incorrectly, but there is
9 something called -- that says that if you get money in
10 sooner, it's worth more than if you get it in later.
11 Correct?

12 A. Present worth at valuation.

13 Q. What do you call --

14 A. Present worth at valuation.

15 Q. All right. So if the Company is able to take
16 advantage of getting the money in and then not actually
17 paying for removal until later, there are some additional
18 dollars of value to that. Is that not correct?

19 A. From a present worth point of view, yes.

20 Q. Are you aware of any requirements that the
21 improvements actually be removed at any point in time?

22 A. I'm not aware of one.

23 COMMISSIONER GAW: That's all I have. Thank
24 you.

25 JUDGE RUTH: Chair Lumpe.

1 CHAIR LUMPE: Just a couple, Mr. Adam.

2 QUESTIONS BY CHAIR LUMPE:

3 Q. To go back to Mr. Loos statement about your
4 proposal versus his proposal, that it doesn't leave any,
5 quote, middle ground, that we could choose some of yours
6 and some of theirs, do you have any thoughts on what a
7 middle ground would be?

8 A. Commissioner Lumpe, although I wouldn't
9 probably be elated to see you do it, you could go account
10 by account and pick the rates we propose on certain
11 accounts and the rates they propose on other accounts.

12 Q. And how about with net salvage?

13 A. Well, then you would have to --

14 Q. Is that --

15 A. -- make a determination of how much we ought to
16 reduce the net salvage number that we show as an expense
17 due to the increase that they would have in their
18 depreciation numbers.

19 Q. So on net salvage it would either be expensing
20 it or including it in depreciation; there is not someplace
21 in the middle there that is something different?

22 A. Well, you could take the number that our
23 auditors have proposed and make an amortization, which
24 would then bring it over on the depreciation side, where
25 it would become accrual, but that would not change the

1 revenue requirement because you're still working with the
2 same dollar amount.

3 What it would do would -- the concern that some
4 of the people with the Company have about the possibility
5 that these removal costs will increase in the next two or
6 three years greater than what Staff has determined as the
7 current expense level, if you did that, then you would be
8 able to track that number and the Company would be able to
9 say -- say if they came back three years from now for
10 another rate case, they'd say, look, we had this under-
11 recovery against this amortization amount, and we want to
12 recover that in this next rate case.

13 Q. So that would be an alternative way of --

14 A. It's an alternative to what is proposed, but it
15 doesn't change -- it doesn't give them any additional
16 revenue, which I think is what they really want.

17 Q. The intergenerational issue is raised, that if
18 you do net salvage the way you're suggesting, that somehow
19 people are paying for it who didn't have use of it.

20 And I'm not quite clear on that, because it
21 seems to me that if you're expensing it and it's in the
22 rate, is it in the rate then, would not people be paying
23 for it as they were using it?

24 A. What -- the way we propose it, the customers
25 would be paying an amount equal to the plant that is

1 retired today.

2 What they're proposing is that you make an
3 estimate of some future cost of removal.

4 Typically it's done on a ratio of what the
5 original cost of plant was 30, 40 years ago to the cost to
6 remove that same plant today.

7 And you apply that ratio, then, to today's
8 plant and say, well, that same ratio applies for when I'll
9 retire it in the future.

10 If that ratio were to apply, then they put it
11 in the formula and they say, I want to collect that amount
12 of money over the life of this plant also.

13 That's the difference in our positions, is
14 we're saying that the Company is collecting, then, more
15 than they currently spend, and there is no fund or
16 anything that those dollars go into to be certain that
17 they will be available for retirement of that plant in the
18 future.

19 There is no certainty that that plant is going
20 to cost that amount to retire it or remove it in the
21 future.

22 So those are the reasons that we have come
23 up -- the Company will collect as much as they spend on
24 our basis. They will collect what they're spending now
25 for cost of removal, and they'll collect a reasonable

1 portion of the capital investment that they have in plant.

2 Q. And they will be collecting it from the people
3 that are currently using --

4 A. -- using the plant.

5 Q. Okay.

6 And one other thing. I think I heard you say
7 that -- the question was asked about whether we're
8 violating the accounting standards in our rules, and you
9 said that should be better asked of a later witness --

10 A. I think there will be an accountant or an
11 auditor testifying later who can probably give you a much
12 better answer than I could attempt.

13 CHAIR LUMPE: Okay. I will wait for that
14 person then.

15 Thank you, Mr. Adam.

16 JUDGE RUTH: Commissioner Murray.

17 COMMISSIONER MURRAY: Yes. I have something
18 else that I forgot to ask you, Mr. Adam.

19 FURTHER QUESTIONS BY COMMISSIONER MURRAY:

20 Q. In relation to the retirement, the estimated
21 retirement of certain plant and your claim that Empire
22 doesn't have any plans to retire --

23 A. Generating.

24 Q. -- these plants, and at the time that they are
25 saying that they will retire them.

1 Can you tell me if a -- if at the end of the
2 depreciation period the plant -- any plant is not retired
3 but it is fully depreciated, wouldn't the plant, then,
4 continue to operate even though it was fully removed from
5 rate base at that time, and wouldn't the net effect be
6 that the Company would be serving the ratepayers with
7 assets that no longer were in rate base, and wouldn't that
8 be to the ratepayers advantage?

9 A. If there is a case -- a rate case that allows
10 that calculation to be done, your assumption would be
11 right, and we would set the depreciation rate to zero.

12 Again, it would be essentially identical to the
13 gasholders in St. Louis in the Laclede case, where we set
14 the depreciation rate to zero because they already over-
15 recovered the original cost.

16 Q. So there is not necessarily any harm that
17 occurs from a plant being depreciated before it's actually
18 retired?

19 A. Any harm?

20 What we're talking about right now is recovery
21 of the original costs.

22 We're not talking about a net salvage amount
23 that is in excess of what they're currently spending.

24 Q. Okay. I think you have to separate those two
25 issues.

1 But it appears to me that one of the issues
2 that Staff is having a problem with in terms of the
3 Company's proposal is that they don't have any definite
4 plans in mind to retire the plant as of certain dates?

5 A. Generating plant, correct.

6 Q. Okay. Correct.

7 But that is separate from the net salvage
8 issue, is it not?

9 A. Correct.

10 Q. And that's the issue that I was trying to
11 explore right now.

12 There is not necessarily any harm done by
13 having fully depreciated a particular generating plant
14 before it's retired?

15 A. As far as the customers are concerned, I
16 believe your statement is reasonably correct, given that
17 there are rate cases held on a reasonable frequency.

18 COMMISSIONER MURRAY: Thank you.

19 JUDGE RUTH: Commissioner Lumpe.

20 CHAIR LUMPE: Just one more.

21 And I don't know who to ask this of, but it's
22 Mr. Lyons' testimony, and I don't necessarily have a
23 question of him, but I'd like some clarification on what I
24 think he's trying to say, but I don't know if I'm correct
25 in what I think he's trying to say.

1 Is there -- so I'm not quite sure. I don't
2 know that I need him to come, but if there is some
3 accountant I can ask at some point whether I'm correct in
4 what he's trying to say.

5 MR. COOPER: Chair Lumpe, I'm kind of looking
6 for help here from the Company. I may need to discuss
7 that with Company personnel.

8 I suppose it's possible that one of the Company
9 accountants would feel qualified to answer that question.

10 CHAIR LUMPE: If they would, all I need to have
11 is my -- you know, clarify, is this what he's trying to
12 say. If they say yes, that's fine. If they say no, then
13 I'll know I haven't correctly interpreted it. But that's
14 all I need to know about it.

15 MR. COOPER: Commissioner, it's a little
16 difficult, I guess, for them to say without knowing what
17 your question is.

18 But would it be possible for you to go ahead
19 and state your question?

20 CHAIR LUMPE: Yes, I can do that. And in the
21 morning, if you want, you can tell me.

22 As I read his testimony, he's discussing new
23 accounting standards or a proposed draft that the
24 accounting board is proposing, and stating what he thinks
25 those new standards will say.

1 If he's going beyond that, then I haven't
2 caught it.

3 MR. COOPER: Yes, Commissioner.

4 I guess I feel comfortable confirming that,
5 although I shouldn't testify.

6 And a Company accountant is available that
7 could confirm that for you on the stand if you would like
8 for him to do so.

9 CHAIR LUMPE: Okay. Thank you.

10 MR. WILLIAMS: Chair, we anticipate putting the
11 exposure draft -- portions of the exposure draft in as an
12 exhibit.

13 CHAIR LUMPE: Okay. Then that will get to it
14 that way. Okay. Thanks very much.

15 I'm sorry.

16 JUDGE RUTH: While we still have Mr. Adam on
17 the stand, are there any other questions for him from the
18 Commissioners?

19 Okay. Well, I'd like to go ahead and at least
20 start -- maybe I should ask how long Praxair anticipates
21 recross.

22 MR. CONRAD: Zero.

23 JUDGE RUTH: Zero.

24 Public Counsel.

25 MR. COFFMAN: No recross.

1 JUDGE RUTH: And Empire.

2 MR. COOPER: Just a few minutes, Your Honor.

3 JUDGE RUTH: Go ahead and start then, please.

4 RE-CROSS-EXAMINATION BY MR. COOPER:

5 Q. Mr. Adam, the subject of Laclede gasholders

6 came up several times during your testimony.

7 Empire doesn't have any gasholders, do they?

8 A. Not that I'm aware of.

9 Q. Okay. Secondly, early in your testimony, in

10 response to questions from the bench, I believe you talked

11 about property, specifically, generation property, being

12 sold at prices above book value.

13 I take it that you're referring to the sale of

14 a piece of generating property that would still be used

15 and useful. Correct?

16 A. Correct, in other states, as a matter of fact.

17 Q. And in Missouri, if a piece of property such as

18 generating property is still used and useful, an electric

19 corporation must come to the Commission for permission to

20 sell that property. Correct?

21 A. Yeah. The generating side is not deregulated

22 in the State of Missouri.

23 Q. Next I think there was some reference to

24 retirement dates of 2008. Do you recall those?

25 A. (Nods head.)

1 Q. And I take it your answer is yes?
2 A. Yes. I'm sorry.
3 Q. And I take it you were referring to some
4 retirement -- projected retirement dates that were used by
5 Mr. Loos. Is that correct?
6 A. Table, yes.
7 Q. And that table, the 2008 retirement dates,
8 referred to Riverton Units 7, 8 and 9. Correct?
9 A. That sounds right.
10 Q. Okay. Do you remember whether Mr. Loos later
11 in his testimony adjusted those retirement dates?
12 A. I believe there were surrebuttal where he
13 proposed some alternative dates.
14 Q. Okay. And do you happen to have Mr. Loos's
15 surrebuttal in front of you?
16 A. No, I don't.
17 Q. Let me hand that to you, if I can.
18 MR. COOPER: Your Honor, if you would allow me
19 to hover just momentarily. I can do this pretty quickly,
20 I think.
21 BY MR. COOPER:
22 Q. Mr. Adam, on page 15, if you'll look at
23 approximately line 8. There is a section referring to
24 some changes that Mr. Loos has made.
25 Would you take a look at Item No. 1 that

1 actually begins on line 11.

2 A. Okay. Just right here?

3 Q. Correct.

4 A. Do you want me to read it?

5 A. The life span for generating units which have a
6 projected retirement date prior to 2013, being Riverton 7,
7 8 and 9, is increased so that the projected retirement
8 date is 2013.

9 Q. So as to Riverton 7, 8 and 9, Mr. Loos is
10 actually talking about 2013. Correct?

11 A. No. I think -- I think he says earlier in that
12 testimony that he still believes in his previous dates,
13 but here is an alternative if you'd like to look at it.

14 Q. And, indeed, he provides a schedule with his
15 surrebuttal that would do just that. Correct?

16 A. He provides a schedule, yes. I don't believe
17 he's supporting. I believe he's supporting his original
18 data -- or dates.

19 Q. Now, in response to a question from
20 Chair Lumpe, I think she asked you whether under your
21 proposal you would be collecting cost removal from people
22 currently using the plant.

23 And I had some question about that. Because
24 it's my understanding that when we talk about cost of
25 removal and the actual cost of it -- or the actual

1 expenditure of dollars for cost of removal, we've got to
2 assume that that particular piece of plant has already
3 been retired. Would you agree with that?

4 A. Uh-huh. Yes, I would.

5 Q. So if they're -- under your proposal any
6 payment for actual cost for removal would necessarily
7 relate to plant that has already been retired and is no
8 longer in service. Correct?

9 A. Yes, sir, at least a contractual agreement.

10 MR. COOPER: Okay. That's all of the questions
11 I have, Your Honor.

12 JUDGE RUTH: Mr. Williams, do you have some
13 redirect?

14 MR. WILLIAMS: A little.

15 JUDGE RUTH: That's fine. If you go over
16 five o'clock, we'll just stop and pick it up tomorrow.

17 MR. WILLIAMS: Well, I certainly hope not.

18 JUDGE RUTH: Okay.

19 REDIRECT EXAMINATION BY MR. WILLIAMS:

20 Q. Mr. Adam, you've testified using the
21 terminology "life span property." Do you mean the same
22 thing as what Mr. Loos has called the unit property when
23 you use that term?

24 A. I think so.

25 You could have multiple units in the power

1 plant, and you could look at those units if they will
2 stand alone as individual life span units.

3 Q. Now, Mr. Cooper asked you a series of questions
4 regarding your responses to the Company's discovery
5 requests, 18-K and 18-0, and then he referred you to
6 Schedule 1-1 attached to your direct testimony and had you
7 review some ordered lives and depreciation rates.

8 Do you recall that?

9 A. Right.

10 Q. And it sounded like there might be some
11 inconsistency between the data request responses and that
12 table. Can you explain that?

13 A. Well, the difference is in the life that is
14 projected by the Staff which appears to be longer, and is
15 in the table longer than the life that is stated as
16 ordered.

17 But the ordered life had a life span cut-off on
18 it. As I described to Commissioner Gaw, that cut-off
19 shortens the life, the average service life. And these
20 columns are average service lives.

21 Q. And you remember Exhibit 98 which is excerpts
22 from Loos's workpapers?

23 A. I do today.

24 Q. Had you seen that before today?

25 A. I don't think I saw it. I think I had access

1 to the papers, but if I had seen that, I wouldn't have
2 written what I wrote in my surrebuttal.

3 MR. WILLIAMS: No further questions.

4 JUDGE RUTH: Thank you.

5 That will conclude the questions for Mr. Adam
6 at this time.

7 You may step down.

8 I'll state that we'll have to take up the
9 question of whether or not Mr. Lyons will be needed on
10 Friday, tomorrow morning, and we'll try and do that first
11 thing.

12 Let's see.

13 That will conclude the hearing.

14 But I did want to talk to the parties a little
15 bit about -- there had been some indication as to what
16 time they thought we'd finish tomorrow. And I wanted to
17 ask, once again, are there any other witnesses that you
18 could bring in tomorrow besides the ones listed on the
19 schedule?

20 We have down Empire has Gibson; Staff, Boltz;
21 Empire, McKinney; Staff, Fischer.

22 If we get through those, is that as far as the
23 parties are going to be able to go?

24 MR. DUFFY: I think that's right.

25 JUDGE RUTH: Okay. So I hear that.

1 Then I want you-all to think about, we may end
2 up breaking for a bit in the morning to allow the
3 Commissioners to conclude some business during agenda and
4 take a longer-than-usual break.

5 I'll allow you-all to think about that and ask
6 your opinion first thing in the morning. Of course, the
7 Commissioners may decide that for you. But I'll see what
8 you have to say.

9 I just -- if we're going -- if there is only
10 enough testimony tomorrow to take until noon, it just
11 might be an idea to consider allowing a longer break so
12 the Commissioners can finish their agenda and get back
13 down here.

14 MR. DUFFY: Alternatively, if you don't want to
15 start the hearing until after the Commission's agenda,
16 that would work too.

17 JUDGE RUTH: Well, the problem is, at this
18 point they're still expecting to come down at 8:30.

19 If you-all want to hang around, I can run
20 upstairs and ask them that, but I'm not going to not start
21 at 8:30 unless they give the okay.

22 MR. DUFFY: As far as I'm concerned, it's
23 whatever is convenient for the Commission and makes the
24 most sense for you.

25 JUDGE RUTH: Okay. Well, let's go off the

1 record.

2 I will at least try and call them.

3 (OFF THE RECORD.)

4 JUDGE RUTH: Mr. Williams has brought up to the
5 bench -- what would you characterize -- this is
6 financial --

7 MR. WILLIAMS: Exposure draft.

8 JUDGE RUTH: Exposure draft.

9 MR. WILLIAMS: Financial Accounting Standards
10 Board. It's numbered 206-B, February 17, 2000.

11 MR. DUFFY: Are we going to mark this as an
12 exhibit? Is that what is going on?

13 MR. WILLIAMS: Yes.

14 JUDGE RUTH: For identification purposes at
15 this point.

16 MR. WILLIAMS: And the parties are willing to
17 stipulate this into the record.

18 JUDGE RUTH: Is this No. 99?

19 MR. DUFFY: Yes.

20 (EXHIBIT NO. 99 WAS MARKED FOR IDENTIFICATION
21 BY THE COURT REPORTER.)

22 JUDGE RUTH: So I have marked as Exhibit 99 for
23 identification purposes this exposure draft. It is
24 approximately 60 pages.

25 Mr. Williams, are you wanting to go ahead and

1 offer it, then, at this time?

2 MR. WILLIAMS: Sure.

3 JUDGE RUTH: Okay. It's my understanding that
4 the parties all agreed to this document being admitted
5 into the record.

6 Is that correct?

7 MR. DUFFY: Yes, Your Honor. Except that I
8 don't want the record to reflect that it is the complete
9 exposure draft. It is --

10 JUDGE RUTH: A partial?

11 MR. WILLIAMS: -- selective pages.

12 MR. DUFFY: Yes, selective pages from the
13 exposure draft.

14 JUDGE RUTH: So I will note that it is
15 selective pages from the exposure draft, and it is
16 admitted into the record as Exhibit 99.

17 (EXHIBIT NO. 99 WAS RECEIVED INTO EVIDENCE.)

18 JUDGE RUTH: Okay. We'll start back at 8:30,
19 and we'll need to discuss Mr. Lyons, and then, also, the
20 nonunanimous stipulation and agreement that has
21 been objected to. I wanted to discuss that further on the
22 record in the morning.

23 Did you have something else, Your Honor?

24 MR. COOPER: Yes, Your Honor, one further
25 thing.

1 Is Mr. Loos excused such that we can send him
2 home? He is not scheduled to reappear.

3 JUDGE RUTH: He is excused. However, I cannot
4 guarantee that one of the Commissioners won't think of a
5 question later and then ask about him.

6 But, you know, I understand he's not scheduled
7 to testify later, and the Commissioners at this point have
8 told me they're finished with him.

9 MR. DUFFY: Could I inquire about your remark
10 about doing something in the morning about this
11 nonunanimous stipulation agreement, so that I know what to
12 prepare for?

13 JUDGE RUTH: I still haven't ruled on how to
14 handle or treat the nonunanimous stipulation and agreement
15 that Mr. Conrad has objected to.

16 And you don't need to do anything. I just want
17 to address it on the record in the morning.

18 MR. DUFFY: Okay.

19 JUDGE RUTH: Any other matters we need to
20 address?

21 Okay. Off the record again. Thank you.

22 (THE HEARING WAS ADJOURNED UNTIL 8:30 A.M. ON
23 THURSDAY, MAY 31ST, 2001.)

24

25

1	I N D E X	
2	Opening Statement by Mr. Duffy	72
3	Opening Statement by Mr. Frey	95
	Opening Statement by Mr. Coffman	107
4	Opening Statement by Mr. Conrad	118
5		
6	ISSUE: DEPRECIATION	
7	EMPIRE'S EVIDENCE:	
8	L. W. LOOS	
	Direct Examination by Mr. Cooper	131
9	Cross-Examination by Mr. Williams	134
	Questions by Chair Lumpe	141
10	Questions by Commissioner Murray	148
	Questions by Commissioner Simmons	152
11	Questions by Commissioner Gaw	156
	Further Questions by Chair Lumpe	170
12	Further Questions by Commissioner Simmons	173
	Further Questions by Commissioner Gaw	174
13	Recross-Examination by Mr. Williams	177
	Redirect Examination by Mr. Cooper	178
14		
15	STAFF'S EVIDENCE:	
16	PAUL ADAM	
	Direct Examination by Mr. Williams	186
17	Cross-Examination by Mr. Conrad	190
	Cross-Examination by Mr. Cooper	195
18	L. W. LOOS	
19	Recross-Examination by Mr. Cooper	242
	Voir-Dire Examination by Mr. Conrad	245
20	Voir-Dire Examination by Mr. Williams	246
21	PAUL ADAM	
	Cross-Examination by Mr. Cooper (Cont'd)	247
22	Questions by Commissioner Murray	251
	Questions by Commissioner Gaw	255
23	Questions by Chair Lumpe	270
	Further Questions by Commissioner Murray	273
24	Recross-Examination by Mr. Cooper	278
	Redirect Examination by Mr. Williams	281
25		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

E X H I B I T S I N D E X

MARKED REC'D

Exhibit No. 11		
W. R. Loos Direct		134
Exhibit No. 22		
W. R. Loos Rebuttal		134
Exhibit No. 31		
W. R. Loos Surrebuttal		134
Exhibit No. 33		
Paul Adam Direct		188
Exhibit No. 34		
Paul Adam Rebuttal		189
Exhibit No. 35		
Paul Adam Surrebuttal		190
Exhibit No. 98		
Unit Property Depreciation Rate Analysis, Riverton Station	237	247
Exhibit No. 99		
Financial Accounting Series No. 206-B/February 17, 2000	285	286