Liberty Utilities

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N.H.P.U.C. Case No. DG 13-149
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EX. 1

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DG 13-___

EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities
Fiscal Year 2013 (April 1, 2012 – March 31, 2013)
Cast Iron/Bare Steel Replacement Program Filing

May 15, 2013

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Docket No. DG 13-___

EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities
Fiscal Year 2013 (April 1, 2012 – March 31, 2013)
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JOINT DIRECT TESTIMONY

OF

GWYN M. CASSETTY and MARK G. SAVOIE

May 15, 2013

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I. INTRODUCTION

Q. Please state your full name and business address.

A. My name is Gwyn M. Cassetty. My business address is 130 Elm Street, Manchester New Hampshire, 03101-2716.

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

A. I am the Manager, Gas Construction for Liberty Energy Utilities (New Hampshire) Corp. ("Liberty Energy NH"), which provides services to EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities ("Liberty" or the "Company").

Q. Would you provide a brief overview of your experience and education?

A. Yes. In 1994 I received a Bachelor's of Arts in Finance from Saint Anselm College in Manchester, NH. In 2001 I received a Masters of Business Administration from the University of West Florida in Pensacola, FL. In September 2012, I became employed by Liberty Energy NH. My current position is Manager, Gas Construction. From 2001 to August 2012, I was employed by National Grid and its legacy companies where I held various positions including Senior Analyst Gas Financial Operations, Lead Analyst Resource Management and Program Manager, Gas Distribution Field Operations. One of my

responsibilities as Manager, Gas Construction is the execution and tracking of Liberty's Cast Iron/Bare Steel ("CIBS") program.

Q. Have you previously testified in regulatory proceedings?

A. No I have not.

Q. Mr. Savoie, please state your full name and business address.

A. My name is Mark G. Savoie. My business address is 11 Northeastern Blvd., Salem, New Hampshire 03079.

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

A. In December 2012, I became employed by Liberty Energy NH as a Utility Analyst. My primary duties include preparing the gas cost recovery projections for Liberty and related reconciliations, administering the Company's tariff, calculating the achieved rate of return, and appearing as a witness on rate matters.

Q. Please describe your educational background and professional experience.

A. I received a Bachelor of Science degree in Accounting in 1980 and a Master of Business Administration in 1995, both at Southern New Hampshire University (formerly, New Hampshire College). I have worked for regulated public utilities or a related company for a total of approximately 21 years. From 2006 to 2012, I was employed by Pennichuck Corporation as Manager of Financial Reporting,

Business Planning and Analysis. My duties included primarily Securities and Exchange Commission ("SEC") reporting, tax compliance and various treasury functions. From 1985 to 1986, I was the Accounting Manager for Concord Natural Gas, a wholly-owned subsidiary of EnergyNorth, Inc. From 1986 to 2006, I was the Tax/SEC Accountant for EnergyNorth, Inc. My primary duties as Tax/SEC Accountant included SEC reporting and Tax compliance. From 1996 to 2000, I was a Rate Analyst and was subsequently promoted to Manager of Regulatory Affairs for EnergyNorth. My primary duties as Rate Analyst and Manager of Regulatory Affairs included determining and administering rates, including calculating the cost of gas adjustment, analysis of rate of return, working capital calculations, and developing, monitoring and evaluating risk management policies and procedures. I also worked for approximately ten years for various public accounting firms, primarily as an auditor.

Q. Do you have any professional licenses?

A. Yes, I am licensed in the State of New Hampshire as a Certified Public Accountant.

Q. Have you previously testified in regulatory proceedings before the New Hampshire Public Utilities Commission (the "Commission")?

A. Yes, I testified in DG 13-085, Liberty's 2013 summer cost of gas proceeding. I have also testified in a number of regulatory proceedings before the Commission from 1996 to 2000 on a variety of matters for EnergyNorth that included cost of gas proceedings (DG 00-034 and DG 00-193), a recovery mechanism for costs related to clean-up of manufactured gas sites (DG 99-060), the hedging program (DR 97-140), the Natural Gas Price Stability Plan (DR 98-029) and a petition for approval of a gas transportation agreement with AES Londonderry (DG 00-145).

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of our testimony is to explain the Company's annual program report and revenue requirement calculation associated with the CIBS main replacement program for fiscal year ("FY") 2013, or the twelve months ended March 31, 2013 ("FY 2013").

Q. Please describe the purpose of the CIBS program.

A. The CIBS program was established as part of the National Grid/KeySpan merger settlement agreement approved by the Commission in Order No. 24,777 (July 12, 2007) in Docket No. DG 06-107 ("Merger Agreement") and the settlement

agreement in DG 11-040 approved by Order 25,370. The program is aimed at accelerating the replacement of cast iron and bare steel pipes used in the Company's distribution system, which tend to deteriorate over time. These are pipes that have been in-ground and exposed to a corrosive environment and earth movement for many years, in some cases more than one hundred years.

Q. How is the CIBS program implemented?

A. Under the CIBS program, the Company annually submits its plan for the replacement of cast iron and bare steel pipes for the coming fiscal year ("CIBS Plan") to the Commission Staff for review and comment. The proposed plan sets forth a prioritized list of pipes to be replaced based upon the year of installation and condition of the pipe as well as other relevant factors. Subject to certain limited exceptions, pipes replaced as part of public works projects or as part of the Company's gas main encroachment policy are excluded from the CIBS program because these pipes would likely have been replaced even in the absence of the program. Following review by Staff, including technical sessions between Staff and the Company, Liberty implements the CIBS plan over the course of the fiscal year, subject to reasonable deviations based on circumstances that may arise or additional information that may become available.

The base amount of capital expenditures required under the CIBS program is $500,000 ("CIBS Base Amount"), and the Company is permitted a permanent increase in its base distribution delivery rates ("Capital Investment Allowance"), effective as of July 1 of each year, to recover the annual revenue requirement for investments made in excess of the CIBS Base Amount during the preceding fiscal year.

By May 15 of each year, the Company submits an annual CIBS report and rate adjustment filing ("CIBS Report") detailing the actual amount expended in implementing the CIBS plan for the prior fiscal year. Accompanying the CIBS Report are schedules showing the calculation of the associated revenue requirement. The form of the CIBS revenue requirement calculation is set forth in the Merger Agreement.

Q. Are there any exhibits supporting your testimony in this proceeding?

A. Yes. Included with our testimony are the following supporting exhibits:

Exhibit	Description
Attachment A	FY 2013 CIBS Report
Attachment B	FY 2013 CIBS Final Cost Report
Attachment C	CIBS Computation of Revenue Requirement
Attachment D	Illustrative Example of CIBS Revenue Requirement from Inception of the Program
Attachment E	Illustrative Computation of Revenue Requirement Refund on Degradation Fees

III. FISCAL 2013 CIBS PROGRAM

Q. Please describe the FY 2013 CIBS program.

A. The FY 2013 CIBS program was based on a preliminary project plan developed by the Company in January 2012 and agreed to by Staff during a subsequent technical session in March. Based upon comments received from Staff during the technical session, the Company revised its FY 2013 CIBS Plan and subsequently submitted a final version to Staff in May. The final FY 2013 CIBS program consisted of 12 new projects comprising the replacement of 1.87 miles of leak prone pipe, as well as final restoration work on eight (8) projects that could not be completed in FY 2012, at a total estimated cost of $3,328,836. The program also included the replacement of 89 associated non-plastic services (62 Bare Steel and 27 Coated Steel). A report summarizing the FY 2013 CIBS program is included as Attachment A to our testimony. The report includes, among other things, an

overview of the actual capital expenditures incurred in implementing the FY 2013 CIBS Plan, variances in initial project estimated costs and final estimated project, and the calculation of the FY 2013 CIBS revenue requirement. Also included with the report is a "2013 Condition Bare Steel Main Replacement Program – Sample Analysis," describing steel pipe and soil samples collected from the CIBS projects completed over the course of the 2013 construction season.

Q. Please provide a brief overview of Attachment B.

A. Attachment B is the FY 2013 CIBS Final Cost Report, which compares the FY 2013 CIBS Plan to the actual units completed and the actual FY 2013 costs incurred through March 31, 2013. Overall, the Company installed 1.65 miles, as compared to the proposed 1.87 miles, at a final FY 2013 recoverable cost of $2,336,165. The Company also replaced 49 bare steel services, 35 plastic services and coated steel services. The costs for the plastic and coated steel services have been removed from the program (see Attachment B, Page 1, Column N, Line 15). A total of 13 fewer bare steel services required replacement versus what was estimated, due to actual field conditions and abandonments.

Q. Please explain the amount of estimated carry-over costs from FY 2012 CIBS projects that the Company expects to incur in FY 2013, as shown on Attachment B.

A. At the end of every fiscal year, there is some level of work related to that year's CIBS plan that carries over into the following fiscal year. The carry-over costs associated with such work are therefore included in the next fiscal year's CIBS plan. In general, such costs are related to final trench restoration work that could not be completed in the planned fiscal year, as well as associated road degradation fees paid to the municipality.

There are no carry-over costs from FY 2013 that are included in the FY 2014 CIBS Plan because all of the FY 2013 CIBS work was performed before the end of the fiscal period ending March 31, 2013. As a general practice, the Company works closely with municipalities to coordinate efforts when either entity has planned construction work. Thus, for example, when a municipality is resurfacing a street and the Company can coordinate its own replacement work in that area in advance of the municipality's restoration efforts, the Company will do so. This ultimately lowers the Company's unit cost and improves customer satisfaction in those areas.

Q. What has the Company done to control unit costs?

A. The Company controls direct costs by monitoring crew productivity and working closely with cities and towns to ensure that permits are obtained in a timely manner and down time is reduced to the greatest extent possible. Other significant drivers of costs associated with FY 2013 CIBS projects are contractor

labor costs, final restoration requirements for New Hampshire municipalities, and roadway degradation fees imposed by Manchester and Concord. The Company's FY 2013 contractor labor costs are fixed costs (to the extent that the length of main being replaced has already been determined) that were established through a competitive bidding process for a three-year contract. FY 2013 was the first year of this contract. In an effort to control contractor labor costs, the Company completed an RFP process for a three year mains and services contract with 12 qualified construction contractors. The actual total per foot cost for the FY 2013 program, not including contractor loadings, was $188 compared to the estimated loaded cost of $270.

The Company's ability to manage final restoration costs is less flexible. Final restoration requirements imposed by New Hampshire municipalities, including Manchester, Nashua, and Concord, are considerably higher than those imposed by other municipalities in New Hampshire as well as municipalities in nearby states. For example, most New Hampshire municipalities in which Liberty performs work require a 2' cutback of the gas trench to the depth of the existing pavement, and at least one municipality requires a 3' cutback of the gas trench and a dig out to a depth of 18", with gravel replacement. These requirements result in additional direct charges of $60 to $100 per linear foot, depending on the municipality.

By contrast, in most other areas outside of New Hampshire, restoration work is limited to repaving the gas trench back to its original condition. For example, in 1993, the Massachusetts Department of Public Utilities issued order MA 98-22, which standardizes the requirements that public utilities must comply with when restoring a roadway within a Massachusetts municipality. This ensures that legitimate public safety concerns are addressed, while at the same time attempting to control unit costs and limit the amount of main replacement expense that a utility must seek to recover through rates.

Finally, a large number of the Company's CIBS projects are located in Concord and Manchester, which require road degradation fees based on the limits of the disturbed area. In FY 2013, approximately 91 percent of the FY 2013 CIBS footage was installed within these two municipalities and was subject to these fees. There is a varying fee schedule, based on whether the work is within the roadway, sidewalk, or shoulder of the road. Typically, the fees equate to an additional $5 per square foot of the final restoration area or an additional $30 per linear foot after the final cutbacks in Manchester and $5 per square foot or an addition $10 per linear foot before the final cutback in Concord. The cities impose these degradation fees in addition to the existing road opening permit fees that the Company must pay to obtain the necessary permits. The Company is not subject to road degradation fees in any other municipality in which it operates.

Q. Has the Company attempted to address the degradation fees required by Manchester and Concord?

A. Yes. As described in greater detail below, the Company has challenged the degradation fees assessed by Concord and Manchester in Superior Court. The Concord case is currently on remand from the New Hampshire Supreme Court, which held in 2012 that the City ordinance is not preempted by State law. The Supreme Court concluded that there was a factual dispute between the Company and the City regarding whether patching an excavated paved road with new pavement diminishes or restores the road's original life expectancy. No schedule has been set for the Merrimack County Superior Court proceeding as of yet, and the Manchester litigation remains stayed.

Q. Please describe how overhead costs associated with the FY 2013 CIBS Program are accounted for by the Company

A. Overheads include such items as pensions, other post-employment benefits ("OPEBs"), employee health and welfare plans, payroll taxes, paid absences and vacations, and the 401(k) match program. The Company follows generally accepted accounting principles ("GAAP") and the Uniform System of Accounts with respect to capitalizing overheads and burdens. These accounting standards are designed to ensure that costs incurred by the Company are properly recorded

to the appropriate accounts and that the proper amount of overhead expense is assigned to capital related-activities undertaken by the Company.

The Company capitalizes labor overheads and burdens based on percentages applied to direct capital charges, such as payroll. The percentages are estimated so that the total overheads and burdens are appropriately allocated to the Company's overall capital program and are fully cleared by fiscal year-end to eligible open projects. The process allocates costs to projects that are open during this process. If a project was closed prior to the true-up process, and depending upon the timing of the final charges to the project prior to being closed, it may not receive its final overhead true-up prior to being closed.

As the allocation percentages may change either up or down during the process, projects can have a different percentage allocation of costs depending on the period that they are open and receiving burdens. During the course of the year, all actual costs will be properly charged to the capital projects in aggregate; however, the percentages charged on a project by project basis will be different due to the timing of when the project is closed.

Q. Can you please explain the variance between the initial estimated total cost of the FY 2013 projects ($3,328,836) and the estimated final costs ($2,442,640)?

A. The estimated total cost of the FY 2013 CIBS program was $3,328,836 when National Grid/Liberty finalized its FY 2013 CIBS Plan in 2012. The Company now estimates the final cost to be $2,442,640 once the associated degradation fees have been paid. Although there were variances typical to underground construction within each project, as shown in Column AD of Attachment B, as typical with underground construction, there are two specific areas contributing to the overall variance. The first is driven from two projects (WO# 705337 – Dickerman Street, NAS and WO# 791853 – Walnut Street, NAS) not being completed due to permit complications with the City of Nashua, which materialized early in FY 2013. The Company and the City have since come to a resolution of these issues. The Company plans to complete the Dickerman Street project as part of the FY 2014 CIBS program. There were also 0% contractor overhead burdens applied to the projects invoiced after June 2012, compared to the 78% contractor overhead burdens that were applied to the original project estimates. The Company is still developing an updated overhead cost burden to apply to future projects.

Q. Of the $2,442,640 total final cost, how much is recoverable?

A. The total final cost of $2,442,640 will be reduced by $106,476 of unrecoverable costs of relaying or inserting existing plastic or coated steel services.

IV. REVENUE REQUIREMENT CALCULATION

Q. Please describe the revenue requirement calculation and the proposed recovery period.

A. The revenue requirement calculation represents the CIBS program spending for FY 2013. The Company proposes to recover this revenue requirement beginning July 1, 2013 through an increase in its base distribution rates.

Q. What amounts are included in the CIBS revenue requirement?

A. The revenue requirement for FY 2013 is calculated in Attachment C and is based on actual spending related to projects set forth in the final FY 2013 CIBS plan submitted to Staff in 2012. It also includes, for illustrative purposes, a projection of the estimated revenue requirement on CIBS-eligible expenses that the Company expects to incur in FY 2014. Pursuant to a Staff request in a prior year technical session, the Company has also included in Attachment D, for information purposes only, a calculation of the total revenue requirement associated with the CIBS program from its inception in FY 2009. This calculation includes CIBS investment amounts through June 30, 2009 that became part of the permanent rate base established in the Company's last distribution rate case, Docket DG 10-017.

Q. Please explain how the CIBS revenue requirement is calculated.

A. As shown in Attachment C, eligible CIBS investments are split into the categories of mains and services. Recoverable book depreciation expense is calculated based on these investment amounts using the depreciation rates set in the Company's last approved depreciation study (which was approved in DG 08-009). The depreciation expense amount is used to calculate the deferred tax reserve associated with the effects of the timing difference between book and tax depreciation. The deferred tax reserve, along with accumulated book depreciation, reduces the rate base upon which the Company is eligible to earn a return in the first year. The adjusted rate base is multiplied by the pre-tax rate of return of 11.63 percent (as approved in DG 10-017) to arrive at the return on rate base and taxes. Added to the return and taxes are the actual calculated depreciation expense and the additional property taxes on the new investment. The property tax rate is calculated annually and is based on prior calendar year municipal property tax expense as a percentage of the average of the prior two calendar year's net plant in service.

Q. What is the CIBS revenue requirement for fiscal year 2013?

A. As shown on Attachment C, Page 1, the cumulative CIBS revenue requirement for FY 2013 is $1,213,587, which corresponds to a $157,667 revenue deficiency, as provided on Line 39(e).

Q. Please explain how you calculated the FY 2013 revenue requirement.

A. Page 1 of Attachment C provides detail as to how the Company derived the FY 2013 revenue requirement. Lines 1(e) and 2(e) represent the FY 2013 CIBS program investment related to mains and services, respectively. These current year amounts are added together and reduced by the CIBS Base Amount of $500,000. For FY 2013, the net incremental amount of CIBS additions, after the CIBS Base Amount, is $1,836,165, as shown on Line 6(e). This amount is then added to the cumulative incremental CIBS program additions from July 1, 2009 to March 31, 2012 of $9,348,353, as shown on Line 7(d), to derive the cumulative incremental CIBS program additions through March 31, 2013 of $11,184,518 as reported on Line 7(e).

On Lines 10(e) through 20(e) of Page 1, the Company shows the calculations for book and tax depreciation, and the resulting deferred tax reserve. Because the CIBS program spending is deemed to be 100 percent tax deductible, as discussed later in our testimony, the cumulative tax depreciation on Line 11(e) is equal to the cumulative incremental CIBS program spending of $11,184,518 from Line 7(e). When compared to the accumulated depreciation of $740,138 on Line 14(e), the resulting timing difference between book and tax depreciation is $10,444,379, as shown on Line 17(e). This amount is then multiplied by the Company's effective tax rate and the deferred tax reserve of $4,233,107 is shown on Line 20(e). On Lines 23(e) through 27(e), the Company calculates rate base by

reducing the amount of cumulative incremental CIBS spending of $11,184,518 by $740,138 for accumulated depreciation and $4,233,107 for deferred tax reserves, resulting in a year end rate base of $6,211,273. The Company then multiplied the rate base amount times the pre-tax ROR of 11.63 percent, which resulted in the return and taxes amount of $722,371 on Line 32(e). On Lines 33(e) and 34(e), the Company added book depreciation of $249,951 and property taxes of $241,265. The resulting FY 2013 revenue requirement is $1,213,587, as shown on Line 35(e). From this amount, the Company deducted the prior year revenue requirement of $1,055,920, as adjusted and shown on Line 37(e), to arrive at a revenue deficiency of $157,667 on Line 39(e).

Q. Please explain the rate design the Company intends to use to recover the proposed increase in the revenue requirement.

A. The Company will design rates that will result in an increase in annual revenues of $157,677. Specifically, the incremental cumulative revenue requirement for fiscal year 2013 amounts to $1,213,587, or $157,677 more than the $1,055,920 which is currently being billed, and as shown on Attachment C, Page 1 of 4, Line 35, Column (e). Consistent with past adjustments, the Company will increase all rate components on an equal basis. The Company will file proposed revised tariff pages by May 31, 2013.

Q. How was the statutory tax rate of 40.53% on Attachment C, line 18 calculated?

A. The statutory rate of 40.53% was calculated by using a 35% federal tax rate and an 8.5% tax rate for the State of New Hampshire (.35 + .085 – (.35 x .085) = .4053).

Q. How was the common equity pre-tax rate of 8.13% on Attachment C, line 53(d) calculated?

A. The common equity pre-tax rate of 8.13% was calculated by dividing the 9.67% rate or return authorized in DG 10-017 by .5947 (1 – .4053 [statutory tax rate – see previous question]) multiplied by 50% (ratio of debt to equity in DG 10-017) [.0967 / .5947 x .50 = .0813].

Q. Can you explain the repairs tax deduction as it applies to projects completed under the CIBS program?

A. In 2009, the Internal Revenue Service ("IRS") issued guidance, under Internal Revenue Code ("IRC") Section 162, regarding the eligibility of certain repair and maintenance expenses for an immediate deduction for income tax purposes, but capitalized by the Company for book purposes. This tax deduction has the effect of increasing deferred taxes and lowering the revenue requirement that customers

will pay under the CIBS program. Based on IRC §263(a) and §162, repairs resulting in the replacement of less than 20 percent of an original unit of property qualify for a repairs tax deduction. A gas company's gas subsystem is considered a "unit of property" for the purposes of the repairs tax deduction. Replacement pipe cannot be more than 2 additional inches in diameter from the original pipe, and to the extent that a length of replacement pipe is longer than the pipe being retired, the increase in length must be no more than 5 percent of the subsystem for it to be eligible for the repairs tax deduction.

As described above, based on these criteria, the projects included in the CIBS program are considered repairs by the Company and can be fully deducted from the tax return for the year that they occur. Therefore, in computing the revenue requirement, the Company is currently reflecting tax deductibility of 100 percent for all CIBS jobs. This tax deductibility results in a greater deferred tax reserve which reduces the rate base and resulting revenue requirement charged to customers.

Q. How are book depreciation expense and property tax expense calculated?

A. Book depreciation expense is calculated on Page 2 of Attachment C. The actual spending for mains and services is referenced on Page 1, Lines 1 and 2, respectively. These amounts are reduced on a pro rata basis by the CIBS Base Amount. The net amounts for mains and services are shown on Lines 3 and 23

and are used to calculate book depreciation expense for each vintage year. Lines 5 through 16 and 25 through 36 show the calculation of book depreciation expense using the depreciation rates set in the Company's last approved depreciation study. FY 2013 book depreciation expense of $182,243 and $67,708 for mains and services is shown on Lines 13(e) and 33(e), respectively. These amounts, when combined, equal $249,951 as shown on Line 40(e), which is carried forward to Page 1, Line 13(e). Cumulative book depreciation expense of $528,813 and $211,326 for mains and services are shown on Lines 16(e) and 36(e), respectively. Line 42(e) is the sum of these two lines, amounting to $740,138, which is then used on Page 1, Line 14(e).

Property taxes are calculated on Page 3 of Attachment C. Net plant is calculated using plant in service as reported on the Company's Annual Report less the reserve for accumulated depreciation and amortization. An average of the most recent two years of net plant is then calculated on Lines 6 through 8. Line 10(h) shows the property tax expense for the prior calendar year. The property tax expense rate of 2.31% shown on Line 12(h) is calculated by dividing Line 10(h) by the average net plant shown on Line 8(h). This property tax rate is then carried forward to Page 1, Line 34 and is multiplied by net plant in service found on Page 1, Line 25(e), resulting in the property tax amount of $241,265 on Page 1, Line 34(e).

Q. What is the typical bill impact of this year's CIBS revenue requirement?

A. Page 4 of Attachment C shows the typical bill impacts of the CIBS program. The annual CIBS-related increase for FY 2013 for a typical Residential Heating customer using a total of 1,250 therms per year is $1.25, as shown on Line 22(e).

Q. How will the Company address any refunded road degradation fees if it prevails in its litigation against Concord and Manchester?

A. During fiscal years 2011, 2012, and 2013, the Company included a total of $744,818 in degradation fee expenses as part of the costs of the CIBS program. If the Company prevails in the Concord and Manchester litigation, the Company will reflect the refund(s) it receives from Concord and an accrual reversal for Manchester in the revenue requirement calculation in the fiscal year (or years) in which those refunds are received. Customers will receive the benefit of those refunds through a reduction to rate base (and corresponding decrease in return and taxes) and a reduction in ongoing depreciation expense and property tax expense in the same year that the Company is reimbursed by the communities. Attachment E shows the illustrative calculation of the impact on the revenue requirement of such a refund. Based on degradation fees paid to date and embedded in the cumulative CIBS investment, the impact on the revenue requirement in the year such fees are refunded to the Company would be $81,701 as shown on Page 1, Line 32. It is estimated that the degradation fees to be

incurred during the FY 2014 construction season will be $262,712. If the litigation is concluded prior to the filing for the FY 2014 revenue requirement, this additional amount will not be charged to the CIBS program.

Q. Does this conclude your testimony?

A. Yes it does.

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