

**William Freeman
4301 Hyridge Drive
Austin, Texas 78759**

Details of hours provided under contract in January:

Total Generation	0.0
Total Transmission	<u>12.0</u>
Total hours against quarterly target	<u>12.0</u>
1/6 Review email on rate case	1.0
1/7 Review email on rate case	1.0
1/14 Review RFI responses	3.0
1/18 Review RFI responses	1.5
1/21 Review RFI responses	1.5
1/25 Review RFI responses	2.0
1/26 Rate Case mtg.	2.0

000100

**William Freeman
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Details of hours provided under contract in February:

Total Generation	0.0
Total Water	5.0
Total Transmission	41.5
Total Other General Business Matters	<u>4.0</u>
Total hours against quarterly target	<u>50.5</u>
2/2 Rate Case mtg.	2.5
2/3 Water Rates mtg.	1.0
2/9 Rate Case mtg.	2.5
2/10 Mtg. w/Bluntzer	1.0
Water Rates mtg.	1.0
2/12 RFI review	2.0
Rate Case mtg.	2.5
2/13 RFI review	2.0
2/16 Water Rates	2.0
Mtg. w/Meisner	0.25
Research on Actng. Treatment	2.75
Rate Case mtg.	1.5
2/18 Water Rates	1.0
2/19 RFI preparation	1.5
2/23 RFI preparation and review	3.0
2/24 RFI review	2.0
2/25 RFI preparation and review	5.0
2/26 Rate case mtg.	9.0
2/27 Rate case mtg. and RFI review	6.0
2/28 RFI review	<u>2.0</u>
Total for February 2004	<u>50.5</u> hours

000101

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Details of hours provided under contract in March, 2004:

Total Generation	10.75
Total Water	1.50
Total Transmission	55.25
Total Other General Business Matters	<u>2.50</u>

Total hours against quarterly target 70.00

3/1	Preparation for PUCT mtg. w/staff	7.5
3/2	Transmission Rate Case mtg. w/PUCT	8.5
3/3	RFI preparation & review	2.0
3/4	Rate Case mtg.	3.0
3/6	RFI preparation & review	2.5
3/8	Review draft Business Plan	1.5
	Rate Case mtg.	3.0
3/11	Rate Case mtg.	2.5
3/15	Rate Case mtg.	3.0
3/16	RFI preparation & review	4.0
3/18	Rate Case mtg.	3.0
3/21	RFI preparation & review	1.0
3/22	Review RFI's w/C.Eckhoff	1.25
	Rate Case mtg.	2.5
	RFI preparation & review	2.0
3/23	RFI preparation & review	3.5
	Review WPA	2.0
3/24	Review RFI's w/C.Eckhoff	1.0
	Review WPA & SDF notes	5.75
	Mtg.w/Water Svcs re:Rate Consultant	1.0
3/25	Review draft Customer Svc plan	.5
	Mtg. w/D.Mullen re:Customer Svcs	.5
	Meeting w/outside counsel re:WPA	3.0
	RFI preparation & review	1.0
3/26	RFI preparation & review	1.0
	Mtg. w/Travis et.al. regarding models	1.0
3/30	RFI preparation & review	1.0
3/31	Mtg. w/B.Coleman-Beattie re:rates	.5
	RFI preparation & review	1.0

Total Contract hours for March 2004 70.00 hours

000102

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Details of hours provided under contract in April, 2004:

Total Generation	5.00
Total Water	3.00
Total Transmission	65.00
Total General Business Matters	<u>3.75</u>
Total hours against quarterly target	<u>76.75</u>
4/1 RFI preparation & review	3.50
Rate Case mtg.	2.50
4/2 Review Customer Service Strategic Plan	1.00
Customer Service Plan Dry Run	1.00
4/5 Lunch w/J. Meisner	1.25
Mtg. w/B. Meyer re: Credit Union	.50
RFI preparation & Review	.75
Rate Case mtg.	.50
Preparation for deposition w/lawyers	1.00
RFI preparation & review	1.25
4/6 Return & preparation for deposition	2.00
4/7 Deposition & RFI review	5.00
Mtg. w/M.Pridgeon re:WPA	1.00
4/12 Rate Case mtg.	3.00
4/19 Review of staff motion to dismiss	2.00
4/20 Discussion w/LCRA staff on strategy re:WPA	2.00
Water rates discussion	1.00
Review of intervenor testimony & rebuttal preparation	5.00
4/21 Preparation for mtg. w/PUC staff	1.00
Mtg. w/PUC staff	1.50
Review of errata sheet and drafting transmittal	7.00
4/22 Review intervenor testimony & draft rebuttal testimony	2.50
Rate case mtg.	2.50
4/23 Draft rebuttal testimony	4.00
4/25 Review rebuttal issue matrix & draft response areas	4.00
Review WPA issues matrix project results	2.00
4/28 Draft rebuttal testimony	5.00
4/29 Mtg. re:Water/Wastewater project presentations w/J. Stephenson et.al.	2.00
Draft rebuttal testimony	6.00
Rate case mtg. & objection review w/counsel	2.00
4/30 Rebuttal review	<u>3.00</u>
Total Contract hours for April 2004	<u>76.75</u> hours

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Details of hours provided under contract in May 2004:

Total Transmission	<u>159.00</u>
Total hours against quarterly target	<u>159.00</u>

5/3	Preparation of rebuttal testimony	5.00
5/4	Rebuttal review w/attorneys	2.00
5/7	Rebuttal comments via email	1.00
5/11	Rebuttal review	5.00
5/12	Rebuttal prep & review	12.25
5/13	Rebuttal prep & review	10.00
5/14	Rebuttal prep & review	13.00
5/15	Rebuttal prep & review	11.25
	Rebuttal prep	3.50
5/16	Rebuttal prep & review	11.50
5/17	Staff rebuttal review	1.00
5/18	Rebuttal prep & review	8.75
5/19	Rebuttal prep & review	7.25
5/20	Rebuttal prep & review	4.00
	Rate case mtg.	2.50
5/21	Rate case prep.	6.50
5/22	Rate case prep.	2.50
5/23	Rate case prep.	2.00
5/24	Rate case prep.	4.50
	Mock cross witnesses	2.50
	Rate case mtg.	1.75
	Review RFI's	1.00
5/25	Rate case prep.	1.00
	Mock cross witness	1.25
	RFI review & conf. call w/AEP	5.50
5/26	RFI review, conf. call w/Staff & rate case prep.	8.00
5/27	Rate case prep.	1.50
	Hearing & meetings	8.00
5/28	Hearing & meetings	8.00
5/29	Preparation for Cross examination	2.00
5/31	" "	<u>5.00</u>

Total for May	<u>159.00</u>
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Question No. 34-15:

Please refer to page 28 of 29 of TSC's supplemental response to AG-2-29: the invoice from William Freeman which was due on February 20, 2004.

- a. Please confirm that Mr. Freeman's invoice indicates that he is billing for "activities provided under scope of contract."
- b. Please confirm that Mr. Freeman's invoice does not identify that the work billed for in this invoice related to LCRA TSC's rate case.
- c. Please confirm that Mr. Freeman's invoice does not indicate when the work was performed.
- d. Please confirm that there is a notation on the invoice that indicates "rec'd approval need wo #'s from Chris."
- e. Does this notation indicate that a work order number is needed?
- f. Is the work order number the number LCRA TSC uses to determine to which project to bill an expense?
- g. Please identify the "Chris" mentioned in the notation by full name and title.
- h. Please confirm that Mr. Freeman's invoice indicates that he worked 4.5 hours in December, whereas the invoice for the previous month indicated that he worked 4.25 hours in December.
- i. Please confirm that when dividing Mr. Freeman's retainer of \$12,500 a month by the 12 hours worked for January, Mr. Freeman was paid \$1,041.
- j. Please confirm that LCRA TSC's supplemental response to AG-2-30 indicates that Mr. Freeman's billed 12 hours for January, 2004 at \$250 an hour.

Response No. 34-15:

- a) The invoice described is for activities provided under the scope of the contract. However, this invoice incorrectly identified the retainer being billed as the *February* retainer rather than the *January* retainer. The contract calls for the retainer to be billed in arrears. The invoice for the February retainer, billed in March, recognizes this mistake.
- b) The invoice does not identify that the work billed for in this invoice is related to LCRA TSC's rate case. However, contemporaneous backup detail is provided separately with each invoice to the Chief Financial Officer of LCRA, who is responsible for the administration of Mr. Freeman's contract. This backup information details the dates of service, the specific work hours, and a description of the activities, which is reviewed by the CFO in determining the appropriateness of the activities and charges by Mr. Freeman. Then the CFO's assistant codes the activities by work order and sends them to the accounting department to enter the invoices into the accounting system. The contemporaneous information provided separately to the CFO is now being integrated into the accounting department's permanent records.

- c) The invoice does not detail the specific dates that activities were performed under the contract. However, contemporaneous backup detail is provided separately with each invoice to the Chief Financial Officer of LCRA, who is responsible for the administration of Mr. Freeman's contract. This backup information details the dates of service and a description of the activities, which is reviewed by the CFO in determining the appropriateness of the activities and charges by Mr. Freeman. Then the CFO's assistant codes the activities by work order and sends them to the accounting department to enter the invoices into the accounting system. The contemporaneous information provided separately to the CFO is now being integrated into the accounting department's permanent records.
- d) There is a notation on the invoice that reads "Rec'd approval and need wo#'s from Chris."
- e) Yes. The accounts department's accounts payable staff returned this invoice to the CFO's area to obtain the work order numbers necessary for the invoice to be processed.
- f) WO#'s are the tracking mechanism that enables the accounting system to correctly track costs.
- g) "Chris" refers to Griselda C. Resendez and her title is Administrative Assistant to the Deputy General Manager and Chief Financial Officer.
- h) The original invoice for the December retainer incorrectly listed 4.25 hours against the target. However, the detail provided to the CFO listed the details of the 4.50 hours. In addition, the invoices for the following months picked up the correct figure of 4.50 hours in calculation of hours to be used against the quarterly targets.
- i) \$12,500 divided by 12 equals \$1,041.67. However, the retainer, as previously described above and in the response to Q. # 34-12, is based on a targeted number of hours, which have been exceeded, producing the effective rate of \$250 per hour.
- j) Page 4 of 4 of the attachment to LCRA TSC's Updated Response to Staff's 2nd, Q.# AG-2-30 reflects that Mr. Freeman worked 12 hours in January for transmission and that his hourly rate (taking the total amount for all monthly retainers and excess hour over target and dividing by all hours worked as stated above) is \$250 per hour. For the specific work hours, please see the attachments to this response as described in part g. to question 34-14.

Prepared By: William Freeman
Sponsored By: William Freeman

Title: Consultant
Title: Consultant

Question No. 34-16:

Please refer to page 29 of TSC's supplemental response to AG-2-29: the invoice from William Freeman which was due on March 20, 2004.

- a. Please confirm that Mr. Freeman's invoice indicates that he is billing for "activities provided under scope of contract."
- b. Please confirm that Mr. Freeman's invoice does not identify that the work billed for in this invoice related to LCRA TSC's rate case.
- c. Please confirm that Mr. Freeman's invoice does not indicate when the work was performed.
- d. Please confirm that there is a notation on the invoice that indicates "rec'd approval need charge #'s."
- e. What does this notation indicate?

Response No. 34-16:

- a) The invoice described is for activities provided under the scope of the contract.
- b) The invoice does not identify that the work billed for in this invoice is related to LCRA TSC's rate case. However, contemporaneous backup detail is provided separately with each invoice to the Chief Financial Officer of LCRA, who is responsible for the administration of Mr. Freeman's contract. This backup information details the dates of service, the specific work hours, and a description of the activities, which is reviewed by the CFO in determining the appropriateness of the activities and charges by Mr. Freeman. Then the CFO's assistant codes the activities by work order and sends them to the accounting department to enter the invoices into the accounting system. The contemporaneous information provided separately to the CFO is now being integrated into the accounting department's permanent records.
- c) The invoice does not identify that the work billed for in this invoice is related to LCRA TSC's rate case. However, contemporaneous backup detail is provided separately with each invoice to the Chief Financial Officer of LCRA, who is responsible for the administration of Mr. Freeman's contract. This backup information details the dates of service and a description of the activities, which is reviewed by the CFO in determining the appropriateness of the activities and charges by Mr. Freeman. Then the CFO's assistant codes the activities by work order and sends them to the accounting department to enter the invoices into the accounting system. The contemporaneous information provided separately to the CFO is now being integrated into the accounting department's permanent records.
- d) There is a notation on the invoice "Rcv'd Approval need charge #'s."
- e) This notation indicated that at the time of initial approval of the invoice amount, the CFO had not provided the accounting code detail, produced from the detail provided by Mr.

Freeman, in order for the CFO's assistant to assign the proper work order numbers to the invoice.

Prepared By: William Freeman
Sponsored By: William Freeman

Title: Consultant
Title: Consultant