

1 A. No. Mr. May will respond to Mr. Reeder's assertions that EGSI should have used
2 in-house counsel. Mr. Reeder testifies that EGSI's "law firms charged high levels
3 of fees for communications with Entergy personnel, travel to New Orleans and
4 Beaumont decisionmaking centers, and for communications with other Entergy
5 outside counsel." [Reeder at p. 20, ln. 13 – 16]. Although Mr. Reeder does not
6 quantify exactly what fees he describes as "high levels," and does not make a
7 specific disallowance related to this assertion, he does recommend a
8 disallowances associated with travel for the Bickerstaff firm. I address Mr.
9 Reeder's disallowances for travel below and have the following observations
10 about Mr. Reeder's assertions concerning the Company's use of outside counsel.

11 Given the pre-existing relationship between Bickerstaff and Entergy, which
12 originated prior to the merger of Entergy and Gulf States, and the expertise of the
13 Bickerstaff firm in Texas utility regulatory matters, I find EGSI's reliance on
14 Bickerstaff completely reasonable. Similarly, there is a long-standing relationship
15 between CTW and EGSI, again dating back to pre-merger times and the
16 attorneys at CTW who billed time to EGSI are certainly well qualified to provide
17 services to EGSI before the Commission.

18 Mr. Reeder does not recommend any disallowances based upon his
19 conclusion that EGSI inappropriately over-relied on outside counsel and instead
20 concedes that outside counsel should be retained to handle non-recurring
21 projects, and that many of the transition proceedings were of a non-recurring
22 nature. His concern about use of outside counsel accordingly seems limited to
23 rulemakings, which he finds "involved issues that would certainly re-occur in the

1 future." I find this last observation questionable in light of the uniqueness of
2 many of the PUC rulemaking proceedings required by SB 7. In my opinion, it is
3 not reasonable to conclude that the reasonable and necessary standard requires
4 disallowance of expenditures for outside legal counsel's services provided in
5 rulemaking proceedings.

6
7 Q. SHOULD EGSI BE DENIED RECOVERY OF EXPENDITURES BECAUSE IT
8 USED TOO MANY OUTSIDE LAW FIRMS?

9 A. No. It is implicit in Mr. Reeder's testimony about inappropriate reliance on
10 outside counsel that he thinks the standard of review as he applies it should
11 result in the disallowance of expenditures for multiple lawyers or firms. I
12 disagree.

13 First, the lawyers and firms involved in EGSI's TTC proceedings were not
14 duplicating each other's work, but instead were assigned discrete issues and
15 tasks by the client. Accordingly, it would be unreasonable to conclude that there
16 was duplication of effort that could be characterized as unnecessary.

17 Second, the Cities have similarly retained multiple attorneys to represent
18 them in this proceeding as well as in the proceedings for which they were
19 reimbursed by the Company during the TTC cost period. The Cities have
20 asserted that they are entitled to recover as reasonable and necessary expenses
21 those expenditures made by them in this proceeding for the services of six
22 lawyers from four separate firms: Brown McCarroll, L.L.P. (C. Reeder and C.
23 Wisdom); Mounce, Green, Myers, Safi & Galatzan (N. Gordon); Law Offices of

1 Jim Boyle, PLLC (J. Boyle); and The Lawton Law Firm (D. Lawton and S. Mack).

2 Similarly, the GSU Steering Committee was reimbursed by EGSi during the TTC
3 cost period for legal services provided to the Cities by multiple lawyers. [See
4 Trostle Direct, Exhibit JKT-5].

5
6 Q. DO YOU AGREE WITH MR. REEDER'S TESTIMONY CONCERNING EGSi'S
7 EMPLOYMENT OF SEVERAL OF ITS OUTSIDE COUNSEL AS INSIDE
8 COUNSEL LATER IN THE TTC PROCESS (Reeder at p. 21, ln. 7-13)?

9 A. No. First, it is incorrect that EGSi hired several of its outside attorneys to be
10 inside counsel. The only formerly outside counsel hired as an inside counsel is
11 Mr. Neinast. Second, the fact that internal counsel began shouldering more of
12 the regulatory workload is more indicative of the reduction in the number and
13 complexity of proceedings later in the transition process than it is indicative of
14 inappropriate over-reliance on outside counsel during the earlier transition period.

15
16 Q. DO YOU HAVE A RESPONSE TO MR. REEDER'S TESTIMONY THAT
17 SUGGESTS THE COMMISSION SHOULD DISALLOW A GREATER
18 PERCENTAGE OF BICKERSTAFF MEAL AND TRAVEL EXPENSES?

19 A. Yes. I disagree with Mr. Reeder's suggestion that the disallowance for the
20 Bickerstaff meal and travel expenses should be increased from 50% to 75%.
21 [Reeder at p. 23, ln. 13; p. 29 at Table, ln. 16 – 17; p. 33, ln. 11 – p. 34, ln. 6].
22 After filing my direct testimony, and in response to Staff RFI 1-4, EGSi obtained
23 the detailed receipts for meal and travel expenditures that are presented in

1 summary form on the Bickerstaff invoices. [See WP/JKT-R-1]. After reviewing
2 the detailed receipts, I concluded that my initial recommendation to disallow 50%
3 of the invoices is correct and that Mr. Reeder's suggestion to increase the
4 disallowance to 75 percent should be rejected.

5
6 Q. PLEASE DESCRIBE THE BICKERSTAFF RECEIPTS THAT YOU REVIEWED
7 AFTER YOUR DIRECT TESTIMONY WAS FILED.

8 A. The Bickerstaff receipts cover a little less than three years (from mid-1999
9 through November 2001) and can be classified into roughly three groups. First,
10 there are Expense Reports prepared by individual attorneys that indicate the
11 purpose of the expenditures, the dates involved and which also include receipts
12 for hotels, taxis, meals, and airfare. Second, there are numerous receipts for air
13 travel which occurred primarily between Austin and New Orleans, which reflect
14 payment directly by the law firm, rather than the individual attorney. The airfare
15 receipts are, with only a few exceptions, for travel on Southwest Airlines, a
16 recognized low-cost carrier which does not offer first class accommodations.
17 Third, the receipts include Mr. Kever's American Express statements, which
18 reflect charges incurred for travel and meals but do not contain copies of the
19 underlying receipts.

20
21 Q. DID YOU APPLY THE SAME CRITERIA DISCUSSED IN YOUR DIRECT
22 TESTIMONY TO YOUR REVIEW OF THESE BICKERSTAFF MEAL
23 RECEIPTS?

1 A. Yes. First, in order to verify that the meal expense was incurred on behalf of
2 EGSI, I cross checked the invoice date against the Bickerstaff billing records,
3 found in WP/JKT-1. In most instances I was able to verify that the individual had
4 traveled on the dates reflected on the receipts, or had a meeting which I
5 concluded involved a meal. If I could find no indication that a meeting could have
6 occurred during a meal, I disallowed the meal expenditure. If it was reasonable
7 to conclude from the billing entries that a business meal was reasonably likely,
8 but there was nonetheless some question as to how many people were attending
9 a meal, I limited the meal expense to \$25 per person and assumed the lowest
10 number of people based on the records I reviewed. For example, the expense
11 report might reflect "lunch with EGSI," but in the absence of any more detail, I
12 would assume two people were in attendance and allow no more than \$50. In
13 other instances, if the receipt reflected one sandwich and a soft drink at an
14 airport restaurant, I assumed it was for one person and could therefore conclude
15 that anything less than \$25 was reasonable. This type of receipt reflected an
16 attorney's meal during travel. In a few, rare, instances the receipts reflected
17 alcohol was paid for, and I disallowed all expenditures for alcohol. Finally, there
18 were several receipts for meals at upscale restaurants that were not verifiable
19 under the standards I applied. Accordingly, I disallowed 100% of those
20 expenditures.

21
22 Q. PLEASE EXPLAIN WHAT WAS INVOLVED WITH YOUR REVIEW OF THE
23 TRAVEL RELATED EXPENDITURES AMONG THE BICKERSTAFF RECEIPTS.

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1 A. First, I verified with Messrs. Fogel and Neinast that the line item for "Travel" on
2 Bickerstaff's monthly invoices included airfare, hotels, meals and other incidental
3 charges (e.g., long distance) that occurred during travel. Second, as I did with
4 the meal expenses, I verified to the extent I was able that the attorney's billing
5 entries were consistent with travel on the dates reflected on the receipts. If I
6 could not reasonably conclude that travel occurred on behalf of EGSI, based on
7 the billing entries, I disallowed the expenditures. Third, I found as I reviewed the
8 travel related expenditures that often times the law firm paid the airfare directly,
9 as reflected by the receipts. While the firm's receipts reflect the name of the air
10 passenger, the airline, and the destination(s), they do not reflect the date of
11 travel. Accordingly, I had to cross check those receipts against Expense
12 Reports, which usually reflected airfare paid for by the firm, to ensure that I did
13 not double count expenditures for airfare. Fourth, most travel related
14 expenditures for Mr. Kever are reflected only on his American Express
15 statement, and there are no accompanying receipts. However, air travel on the
16 American Express statements reflects the carrier, the route and destination, and
17 the departure date. The hotel expenditures reflected on Mr. Kever's American
18 Express statements also lacked sufficient detail to allow me to ensure that no
19 luxury or personal items were included. I could, however, determine from the
20 American Express statement, the number of nights of lodging involved. I was
21 able to ascertain the base rate for the particular hotel from another Bickerstaff
22 attorney's Expense Report and accompanying receipts in most instances, and

1 therefore I allowed only the hotel base rate (with taxes) for the Kever hotel
2 expenditures and disallowed the remainder.

3 Q. WHAT CONCLUSION, IF ANY, DID YOU DRAW FROM YOUR REVIEW OF
4 THE BICKERSTAFF MEAL AND TRAVEL RECEIPTS?

5 A. As a result of my review of Bickerstaff's travel and meal receipts that were not
6 available for my review prior to filing my Direct Testimony, I found that the
7 reasonable and necessary travel and meal expenditures that should be
8 recovered equaled 50% of the travel and meal expenditures reflected on the
9 Bickerstaff invoices. Specifically, I found that the Bickerstaff detailed receipts
10 that reflected meal and travel expenditures that I concluded were reasonable and
11 necessary totaled \$62,516.76. The travel and meal expenditures reflected on the
12 Bickerstaff invoices which are listed on Exhibit JKT-4 of my Direct Testimony,
13 totaled \$123,285.92. The simple math (62,517 divided by 123,286)
14 demonstrates that my original recommendation to disallow 50% of the meal and
15 travel expenditures was actually, but coincidentally, on target. Accordingly, Mr.
16 Reeder's suggestion that the disallowance should be 75% is not reasonably
17 supported by the detailed Bickerstaff invoices included as WP/JKT-R-1.

18
19 Q. WHAT IS YOUR RESPONSE TO MR. REEDER'S SUGGESTED
20 DISALLOWANCE OF ALL BILLINGS BY BICKERSTAFF ATTORNEY ANDY
21 KEVER?

22 A. I disagree with Mr. Reeder's suggested disallowance of all of Mr. Kever's billings.
23 Mr. Reeder's suggested disallowance of \$485,694.50 of Mr. Kever's billings is

1 based on several observations or conclusions Mr. Reeder reaches, which are
2 unsupported by the evidence. [Reeder at p. 23, ln. 10; p. 29, Table, ln. 16 -17;
3 Exhibit CR-5; p. 30, ln. 1 – 13].
4

5 Q. PLEASE EXPLAIN WHY MR. REEDER'S CONCLUSIONS REGARDING MR.
6 KEVER'S BILLINGS ARE UNSUPPORTED BY THE EVIDENCE.

7 A. The first point I will address is Mr. Reeder's recommendations linked to Mr.
8 Kever's billings in excess of 12 hours per day. Mr. Reeder testifies that Mr.
9 Kever "would *routinely* bill on a daily basis between 12 and 16 hours, either on
10 one particular matter, or as combined between various matters." [Reeder at p.
11 30, ln. 4 – 5]. Mr. Reeder also testifies that "Ms. Trostle professed to apply a
12 stricter scrutiny of all time entries exceeding 12 hours, and she 'disallowed'
13 several of Mr. Kever's entries exceeding 12 hours. Yet, she failed to apply the
14 same strict standard to Mr. Kever's time when it was split among several different
15 matters on the same day." He cites billing entries from two days (February 23,
16 2000 and March 9, 2000) and concludes that "[n]umerous other examples
17 abound". [Reeder at p. 32, ln. 5 – 13].

18 In order to evaluate Mr. Reeder's assertions concerning Mr. Kever's
19 billings, I prepared the attached Exhibit JKT-R-4 based upon my re-examination
20 of Mr. Kever's time entries, which are included in the workpapers accompanying
21 my Direct Testimony, WP/JKT-1. As reflected on the attached Exhibit JKT-R-4,
22 Mr. Kever billed in excess of 12 hours a day on one matter or in combination of
23 several matters on 96 days over a 14 month period (June 1999 to August 2000).

1 Out of those 96 days, there were only 17 days in which Mr. Kever billed in excess
2 of 12 hours with the billings, in Mr. Reeder's words, "split among several different
3 matters on the same day." I think these statistics demonstrate that Mr. Reeder's
4 testimony – "Numerous other examples abound" – is hyperbolic, at best. Of
5 those 17 days, 6 include time entries for a single matter that exceeded 12.0
6 hours, and I had already disallowed the hours in excess of 12 hours for 5 of
7 those 6 billing entries.¹ [See Exhibit JKT-R-5].

8 In addition, contrary to Mr. Reeder's testimony that I disallowed "*several* of
9 Mr. Kever's entries exceeding 12 hours," I actually recommended disallowance of
10 *all but four* of his time entries that exceeded 12 hours billed to one matter. [See
11 Exhibit JKT-4, pages 12-13 (Bates 4-164 – 4-165) (concerning allowance of
12 12.0+ hour days in the week preceding the filing of the EGSI UCOS case on
13 3/31/00 and Bates 3967-S6 showing three billing entries for Mr. Kever in excess
14 of 12.0 hours per day on March 25 – 27, 2000); and Exhibit JKT-4, pages 17 and
15 18 (Bates 4-169 – 4-170) (concerning one time entry of 14.0 hours for Mr. Kever
16 on 7/28/00 and Bates 115 showing billing entry on invoice)].

17 In sum, Exhibits JKT-R-4 and JKT-R-5 demonstrate that there were 96
18 days in which Mr. Kever's billings exceeded 12.0 hours; out of those 96 days,
19 there were only 11 days in which Mr. Kever's combined billings exceeded 12.0
20 hours; and the remaining 85 days in which Mr. Kever billed in excess of 12.0

¹ Mr. Reeder cites to one of those 6 days, March 9, 2000, and testifies that Mr. Kever's total billings on that date equaled 15.20 hours. The billings were actually 14.20 hours for SB 7 (Bates 3946-S12) and 1.20 hours for Docket 21957 (Bates 3946-S21), for a total of 15.4 hours. In my Direct Testimony, I had already disallowed 2.2 hours of the 14.2 hours billing entry. [See Exhibit JKT-4, pages 10 – 12 (Bates 4-162 to 4-164)].

1 hours for a single matter were identified in my Direct Testimony and the hours
2 were reduced for all but 4 out of those 85 days.

3 To my knowledge, there is no precedent to support Mr. Reeder's
4 recommendation that the stricter standard of review should be applied to entries
5 for multiple billing matters on a single day that combine to exceed 12.0 hours. If
6 the Commission were to apply that standard for the first time in this case, *and*
7 decided to disallow all hours in excess of 12.0 hours per day, there would be
8 23.6 hours to be disallowed in addition to the adjustments I already made. This
9 would equal a \$3,894 disallowance, which is far short of Mr. Reeder's suggested
10 disallowance of \$485,694.50.

11 The Bickerstaff invoices included in WP/JKT-1, as summarized in the
12 attached rebuttal exhibits, do not support Mr. Reeder's conclusion that Mr. Kever
13 "over billed" or that his billing was "egregious." More importantly, this complete
14 analysis of Mr. Kever's billings demonstrates that Mr. Reeder has
15 mischaracterized the evidence, and that his conclusion, drawn from those
16 mischaracterizations, to "simply disallow all of [Mr. Kever's] billed time" should be
17 rejected.

18 Q. WHAT OTHER MATTERS IN MR. REEDER'S TESTIMONY CONCERNING MR.
19 KEVER'S FEES DO YOU ADDRESS?

20 A. Mr. Reeder testifies that "Mr. Kever appears to have produced almost no work
21 product, and EGSI refused requests to produce any of his work product."
22 [Reeder at p. 30, ln. 7 – 8]. Mr. Reeder apparently reached this conclusion after
23 EGSI objected to producing attorney work product and attorney-client privileged

1 documents in response to Cities RFI 11-2, 11-3, and 11-17. The Cities did not
2 file a motion to compel EGSI to respond to these RFIs after receiving EGSI's
3 objection. EGSI's refusal to waive a privilege, which I assume the Cities
4 recognize since they did not file a motion to compel a response, does not provide
5 evidence in support of Mr. Reeder's conclusion that Mr. Kever produced no work
6 product.

7
8 Q. WHAT IS YOUR RESPONSE TO MR. REEDER'S TESTIMONY CONCERNING
9 HIS PERSONAL RECOLLECTIONS THAT MR. KEVER WAS ABSENT FROM
10 MOST OF THE WORKSHOPS, HEARINGS OR MEETINGS AND THAT IF MR.
11 KEVER WAS IN ATTENDANCE THAT MR. REEDER DOES NOT RECALL
12 THAT HE EVER SPOKE OR PROVIDED ANY OTHER INPUT INTO THE
13 PROCESS (Reeder at p. 30, ln. 8-10)?

14 A. First, it is unusual for a witness who is called to provide opinion testimony on the
15 reasonableness and necessity of a utility's expenditures to rely upon his personal
16 recollections of multiple proceedings that occurred 6 to 7 years ago rather than
17 the invoices that reflect the amounts billed.

18 Second, it seems inescapable to me that Mr. Reeder's testimony boils
19 down to an accusation that Mr. Kever fraudulently billed EGSI for services
20 because Mr. Reeder does not recall observing services being rendered! As
21 reflected on Exhibit JKT-R-4, the billing matters on which Mr. Kever billed the
22 most time were Senate Bill 7 and the "April Filing." The "April Filing" refers to
23 what became Docket 22356, EGSI's UCOS case. I note that Mr. Kever is the

1 person who signed EGSI's UCOS application that initiated Docket 22356 on
2 March 31, 2000. A review of the docket sheet for Docket 22356 reflects that Mr.
3 Reeder's client, Shell Energy Services, was not a participant in that proceeding.
4 I conclude therefore, that, unless Mr. Reeder was representing some other party
5 to that case that he has not identified in his testimony, he would have had no
6 reason to be present at or been able to form, let alone recall, his personal
7 observations about Mr. Kever's participation in that docket.

8 Proceedings that fell under Bickerstaff billing matter "SB 7" include at least
9 the eleven projects listed on Exhibit JKT-R-6. A review of the PUC docket sheets
10 for those projects indicate, assuming Mr. Reeder's personal observations were
11 made while representing Shell Energy Services (Reeder at p. 1, ln. 9 - p. 2, ln.
12 5), that Shell did not file comments in three out of the eleven projects, and in an
13 additional three projects, Shell filed comments but they were not signed by Mr.
14 Reeder. While I do not question Mr. Reeder's involvement in these projects,
15 whether public or not, the application of Mr. Reeder's analysis of Mr. Kever's
16 work to Mr. Reeder himself would lead to the unsupported conclusion that Mr.
17 Reeder participated in only five of the eleven identified projects.

18 In sum, it is very difficult to ascertain from the publicly available
19 information if Mr. Reeder was in attendance at the workshops and meetings
20 indicated on Mr. Kever's time entries. But assuming that they were both present
21 at the same meetings, it is equally difficult to test Mr. Reeder's recollection of
22 who was in attendance. I conclude that it is more reasonable to rely on billing

1 entries made contemporaneously with the legal services performed rather than
2 on Mr. Reeder's recollection of events that occurred over five years ago.

3
4 Q. WHAT OTHER REASONS DOES MR. REEDER GIVE FOR RECOMMENDING
5 DISALLOWANCE OF ALL OF MR. KEVER'S BILLINGS?

6 A. Mr. Reeder concludes that Mr. Kever was the "coordinating" attorney for
7 Bickerstaff; that if Mr. Kever had fulfilled that role to Mr. Reeder's liking, EGSI
8 would not have incurred "thousands of dollars in expense of communication
9 between it and various other Bickerstaff attorneys"; it is not reasonable for a
10 coordinator to "bill hundreds of hours for that function"; and Mr. Kever "provided
11 absolutely no services whatsoever of a unique nature." [Reeder at p. 30, ln. 10 –
12 18]. So, having assumed what role Mr. Kever had in the law firm's relationship
13 with this client, Mr. Reeder then criticizes how he handled the role and the
14 number of hours he billed. All of this, in addition to Mr. Reeder's earlier points,
15 leads him to conclude that 100% of Mr. Kever's billings should be disallowed. I
16 find this conclusion completely outside the realm of the applicable standards and
17 Commission precedent. I am particularly struck by Mr. Reeder's position that the
18 work performed by Mr. Kever must be "unique" – I have never seen even a
19 suggestion that an attorney's work must be unique in order to be reasonable and
20 necessary, and do not believe there is any basis for imposing such a standard for
21 the first time in this proceeding. If uniqueness were part of the standard of
22 review, and it means only one attorney can have billing entries that address one
23 issue, then many of the Cities rate case expenses in this proceeding would fail

1 that standard. [See Pous Direct, Appendix B and compare, e.g., p. 125 (12/9/05
2 N. Gordon review FERC documents regarding AFUDC) to p. 163 (11/16/05 D.
3 Lawton USOA analysis, AFUDC issues); p. 126 (12/22/05 N. Gordon work on
4 Reeder issues) to p. 150 (12/23/05 J. Boyle telephone call with C. Reeder
5 regarding outline for testimony, and follow-up call to D. Lawton about testimony);
6 p. 93 (9/22/05 C. Reeder review EGSi testimony of May and Trostle) to p. 116
7 (9/14/05 N. Gordon Review testimony of Vikki Cuddy and Kay Trostle)].

8 Mr. Reeder goes on to suggest two conflicting theories of what happened
9 when Mr. Kever left the firm: either "it did not appear that another attorney
10 assumed the same role" or "Mr. Neinast appeared to take over Mr. Kever's
11 coordination and communication role." [Reeder at p. 31, ln. 9 – 12]. There is no
12 support for Mr. Reeder's assumption that Mr. Kever was the "coordinator" and
13 accordingly, speculation as to who took over a non-existent role after Mr. Kever's
14 departure from Bickerstaff is irrelevant.

15
16 Q. DO YOU AGREE WITH MR. REEDER THAT MR. KEVER'S "TIME ENTRIES
17 CONTAIN FAR TOO LITTLE DESCRIPTION TO ENABLE ONE TO EVALUATE
18 HIS WORK, AND [IN] THE ABSENCE OF ANY DEMONSTRABLE WORK
19 PRODUCT, THE COMMISSION CANNOT REACH ANY CONCLUSIONS AS TO
20 WHAT WORK HE DID, MUCH LESS WHETHER IT WAS REASONABLE AND
21 NECESSARY" (Reeder at p. 30, ln. 18 – 21)?

22 A. I agree that Mr. Kever's time entries contain very little description, but I disagree
23 that the reviewer cannot therefore "evaluate his work," or that the standard

1 applicable to his billings requires evaluating his work. This is the fourth case in
2 which I have been retained to review rate case expenses, and in each of those
3 engagements, as well as my years as an Administrative Law Judge presiding
4 over rate cases, I have seen the full array of billing entries – from the cryptic to
5 time entries with overwhelming detail (although the latter is rare). When the
6 billing entries offer little description of the work performed, as Mr. Kever's and Mr.
7 Lawton's do, it requires some additional investigating to determine if the services
8 provided were necessary and if the time devoted to the task was reasonable. The
9 additional investigation in a traditional rate case is often as simple as talking to
10 the billing attorney to obtain a complete description of what services were
11 provided. However, this is not a traditional rate case and as a result the review
12 of the invoices is much more challenging due to the length of time included in the
13 recoverable period, which means several of the attorneys whose time I reviewed
14 are no longer available for interviewing. In those instances my review consists of
15 several secondary sources, including communications with colleagues of the
16 attorney who worked on the project to explain what services were being
17 provided. I also rely on the PUC interchange, and the documents contained
18 therein, to ascertain what was going on in a particular case. For example, I look
19 to see if a hearing or workshop was scheduled, or discovery disputes were
20 ongoing, or testimony was due, or an application was being filed. Based on my
21 19 years of utility experience, I can assess the need for the legal services based
22 on the type of activity occurring in a docket, and then form an opinion as to the
23 reasonableness of the time spent rendering those services.

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1

2 Q. DOES MR. REEDER RECOMMEND DISALLOWANCE OF OTHER INVOICES
3 BASED ON HIS CONCLUSION THAT THEY LACK SUFFICIENT DETAIL?

4 A. Apparently not. Mr. Reeder testifies that many invoices do not reveal details
5 necessary to demonstrate compliance with the statutory recovery standards.
6 [Reeder at p. 22, ln. 5-17]. Notwithstanding Mr. Reeder's testimony that he is
7 attaching several examples to his testimony, no such examples were identified.
8 It appears that the only disallowance based, even in part, on Mr. Reeder's
9 observation that the details were insufficient to allow recovery, relate to Mr.
10 Kever's billings. It is worthy of note that some of the Cities' invoices, which are
11 offered in support of recovery of the Cities' rate case expenses in this
12 proceeding, contain time entries substantially the same as the type of time
13 entries that form the basis of Mr. Reeder's criticism of EGSI. [See Pous
14 Appendix B at 156 (Lawton – 5 time entries for "Review Filing"), p. 158 (Lawton –
15 9/19/05 one time entry for "Review" and two time entries for "Discovery"), p. 160
16 (Lawton – time entries for "Costs Analysis", and "Research"), and p. 163 (Lawton
17 – time entries for "discovery," "develop overview," "deposition preparation," etc.)].
18 On a final note, in my opinion a billing entry for "discussion with client," which Mr.
19 Reeder apparently finds inadequate (Reeder Direct at p. 22, ln. 12), is
20 appropriately cryptic because it ensures that the attorney's billing records do not
21 disclose the content of privileged communications.

22

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1 Q. WHAT IS YOUR RESPONSE TO MR. REEDER'S PROPOSED
2 DISALLOWANCE OF 50% OF EXPENDITURES RELATED TO THE FERC
3 ENTERGY SYSTEM AGREEMENT CASE (Reeder p. 23, ln. 11-12, p. 24, Table,
4 and p. 26, ln. 1 – p. 27, ln. 8)?

5 A. Mr. Reeder bases his 50% disallowance on his conclusion that the initial case
6 was filed equally for the Texas and Arkansas Entergy operating companies and
7 accordingly all costs associated with the case should be shared equally by
8 Arkansas and Texas ratepayers. The costs for the FERC System Agreement
9 case that EGSI requests in this docket, however, have already been divided
10 between Arkansas and Texas. The Skadden Arps invoices that I reviewed
11 showed the total dollar amount billed for the System Agreement case before the
12 costs were divided between Texas and Arkansas. After I reviewed the Skadden
13 Arps invoices and determined the dollar amount that I found to be reasonable, I
14 provided that number to Company witness Phillip May. He then divided the
15 dollar amount of those reasonable costs between Texas and Arkansas, and
16 included only the Texas portion in the TTC cost request in this docket. Mr. May
17 discusses Mr. Reeder's proposed disallowance for the System Agreement costs
18 in more detail in his Rebuttal Testimony.

19
20 Q. DO YOU HAVE A RESPONSE TO MR. REEDER'S RECOMMENDED
21 DISALLOWANCE OF PUBLIC RELATIONS EXPENSES (Reeder at p. 24, Table,
22 and FN 19 referencing WP-JKT-1, Bates Nos. 4-VL-5800 to 4-VL-5839 Stone &
23 Ward)?

1 A. Yes. As can be seen from my Exhibit JKT-5, I did not review these invoices or
2 include them in my dollar recommendation. The invoices are included in my
3 workpapers only because the Company inadvertently provided them to me, and I
4 have provided all invoices given to me, even those I did not review. Company
5 rebuttal witness Phillip May will respond to the substance of Mr. Reeder's
6 proposed disallowance for public relations expenses.

7
8 Q. WHAT DO YOU THINK OF MR. REEDER'S PROPOSED DISALLOWANCE OF
9 EXPENDITURES MADE BY EGSI TO PAY FOR MR. BRUCE DAILEY'S
10 SERVICES (Reeder at p. 24, Table and p. 25, ln. 13 -20)?

11 A. I disagree with this disallowance. First, Mr. Reeder appears to not believe that
12 Mr. Dailey is an attorney. I confirmed during the preparation of my Direct
13 Testimony that Mr. Dailey is an attorney in good standing with the State Bar of
14 Texas, holding bar card number 24000112, and licensed since May 1, 1997. As
15 reflected on the Company's Response to Cities' RFI 9-18, Mr. Dailey was
16 retained by ESI on January 18, 1999 at a contract rate of \$30 per hour. I learned
17 from the Company that Mr. Dailey functioned as a legal assistant during the time
18 period for which his expenses are submitted. I concluded that Mr. Dailey's
19 services, at \$30 an hour, were not only well below the hourly rate charged by
20 most legal assistants, including those working for Mr. Reeder, but a bargain for
21 the services of a licensed attorney.

22

1 Q. DO YOU AGREE WITH MR. REEDER THAT LEGISLATIVE ADVOCACY
2 EXPENSES SHOULD BE DISALLOWED (Reeder at p. 28, ln. 15 – 19 and p. 24,
3 Table)?

4 A. Yes. Both I and the Company agree that Legislative Advocacy expenses are not
5 recoverable. It appears that Mr. Reeder has tabulated billings, primarily by Mr.
6 Neinast, that reference HB 2107 and is recommending disallowance of those
7 expenditures. [See Reeder at p. 24, Table and fn. 18]. I have identified several
8 time entries on the workpapers identified by Mr. Reeder that contain a reference
9 to HB 2107, but have been unable to replicate Mr. Reeder's calculation of
10 \$16,294.46. Many of these time entries indicate that Mr. Neinast was briefing his
11 client on issues related to HB 2107, or meeting with an industry group, AECT, to
12 confer regarding HB 2107. In my opinion those billing entries do not describe
13 legislative advocacy. Instead, they reflect Mr. Neinast's work to understand
14 proposed legislation and how it would affect EGSI's Chapter 39 obligations. It is
15 not unreasonable in my opinion to disallow time entries for drafting amendments
16 to HB 2107. Accordingly, I find it reasonable to disallow \$762.30 for the following
17 time entries:

- 18 • 3/29/01 SHN Draft suggested amendments to HB 2107; telephone
19 conference with P. McCollough regarding same 1.3 hrs. (@\$195/hr)
- 20 • 3/29/01 JPD Draft amendment to House Bill 2107 for Steve Neinast 2.3
21 hrs. (@\$150/hr)

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1 • 4/09/01 SHN Telephone conversation with P. Cyr regarding Genco code
2 of conduct issue; work on same; draft additional proposed amendments to
3 HB 2107 2.5 hrs. (disallow 1/3 @\$195/hr)

4 I recommend that MR. Reeder's \$16,294.46 disallowance for HB 2107 be
5 reduced to \$762.30.

6

7 Q. MR. REEDER TESTIFIES THAT RATES IN EXCESS OF \$250 PER HOUR FOR
8 WINSTON & STRAWN AND MR. JOHN SHEARMAN SHOULD BE
9 DISALLOWED (Reeder at p. 34, ln. 7 – 18). DO YOU HAVE A RESPONSE TO
10 THAT SUGGESTION?

11 A. Yes. First, I will note that while Mr. Reeder makes this suggestion in his
12 testimony, neither he nor any other intervenor witness makes the calculation
13 necessary to determine the dollar amount of the disallowance that would result if
14 his suggestion were to be adopted.

15 Second, Mr. Reeder incorrectly states that Winston & Strawn charged
16 \$425 per hour. The rate actually charged was \$400 per hour. [See Trostle
17 Direct, Exhibit JKT-6 at p. 25 (4-239) and Bates WP/JKT-1, 4-VL-6007)].

18 Third, Mr. Reeder assumes that Texas counsel were available that could
19 have performed the same services at a much lower rate. However, this was
20 work related to the ESI Service Agreement, which is a PUHCA-related matter,
21 and it is not unreasonable for EGSI to use an attorney, even if the attorney is
22 from New York, with whom the Company had a long-standing relationship related
23 to PUHCA matters. [See Trostle Direct at 4-81 and 4-82]. There is efficiency in

1 utilizing specialists for discrete matters such as this, which Mr. Reeder
2 recognizes earlier in his testimony when he discusses the Company's use of
3 Wise, Carter in Mississippi for nuclear generation issues. [Reeder at p. 20, ln. 18
4 – p. 21, ln. 1]. Mr. Reeder does not question that Mr. Havens' hourly rate
5 (Winston & Strawn) conformed with the rates charged by his peer firms at the
6 time.

7 Fourth, with respect to Mr. Shearman's hourly rate of \$500 and the
8 services provided by UMS Group, I have several observations. Mr. Shearman is
9 an expert on conducting benchmarking studies, interpreting the results for
10 business purposes, and explaining how those results should be used in
11 regulatory proceedings. In addition, Mr. Shearman did more than (as Mr. Reeder
12 states) conduct a benchmarking study and present it in testimony. He also
13 presented testimony on the industry practice of maintaining the confidentiality of
14 the data underlying benchmarking studies and on the interpretation of
15 benchmarking studies in regulatory proceedings. Moreover, benchmarking was
16 vital to EGSI in Docket No. 22356 because of the issue of affiliate transactions.
17 The Commission and PURA impose a heavy burden of proof to recovery of
18 affiliate charges, and benchmarking studies are one of the types of evidence the
19 Commission considers and encourages when it reviews the reasonableness of
20 affiliate charges. Therefore, it was reasonable for EGSI to retain Mr. Shearman
21 and to pay him his hourly rate.

22

1 III. REBUTTAL TO MR. JACOB POUS' TESTIMONY

2 Q. TO WHICH PART OF MR. POUS' TESTIMONY ARE YOU RESPONDING?

3 A. I am rebutting only that portion of Mr. Pous' testimony in which he incorporates
4 the disallowances suggested by Mr. Reeder. Mr. Pous lists the cumulative total
5 of Mr. Reeder's disallowances on page 7, at lines 4 – 13, and concludes that Mr.
6 Reeder's testimony supports an \$8,039,656 reduction to the Company's TTC
7 costs. The component parts of that adjustment are found in Mr. Reeder's
8 testimony in the tables found on pages 24 and 29. My rebuttal to Mr. Reeder's
9 proposed adjustments is addressed above and I incorporate that testimony here
10 in rebuttal to Mr. Pous' testimony.

11
12 IV. REBUTTAL TO MR. HUGH HIGGINS' TESTIMONY

13 Q. ON PAGE 12 OF MR. HIGGINS' DIRECT TESTIMONY, HE REFERENCES A
14 NOVEMBER 8, 2005 FILING THAT CONTAINED SUPPLEMENTAL
15 WORKPAPERS FOR YOU. DO YOU HAVE A RESPONSE TO MR. HIGGINS'
16 TESTIMONY CONCERNING THAT NOVEMBER 8, 2005 FILING?

17 A. Yes. The portion of the November 8, 2005 filing that contained my supplemental
18 workpapers consisted of 7 pages. As explained in the cover letter accompanying
19 the additional invoices, there were invoices or parts of invoices from two law
20 firms, Thelen Reid and CTW. In both instances, the supplemental filing was
21 simply to provide invoices that were incomplete in the original filing. These two
22 invoices are clearly labeled as my supplemental workpapers and I do not believe

1 there is any reason for Mr. Higgins' inability to analyze them to confirm the
2 Company's TTC request.

3
4 V. REBUTTAL TO MS. ANNA GIVENS' TESTIMONY

5 Q. PLEASE SUMMARIZE THE PORTIONS OF MS. GIVENS' TESTIMONY THAT
6 YOU WILL ADDRESS IN THIS REBUTTAL TESTIMONY.

7 A. I respond to Ms. Givens' testimony regarding:

- 8 1. Other consultants' costs;
9 2. MAC Adder;
10 3. Hagler Bailey Costs;
11 4. Bickerstaff Costs;
12 5. GSU Steering Committee Costs;
13 6. Other Attorneys' Costs;
14 7. CTW Copy Charges; and
15 8. Costs that EGSI has already agreed should be removed from its
16 request.

17
18 Q. DO MS. GIVENS' PROPOSED DISALLOWANCES FOR CONSULTANTS HAVE
19 A COMMON THEORY?

20 A. Yes. Most of Ms. Givens proposed disallowances for consultants' fees and
21 expenses are based upon her opinion that the documentation supplied by the
22 Company was insufficient to allow her to determine that the costs were incurred,
23 or that they were reasonable and necessary.

24
25 Q. DO YOU AGREE WITH MS. GIVENS' OVERALL ANALYSIS IN THIS REGARD?

1 A. No. As I stated in my Direct Testimony at page 78 (Bates 4-84), consultants'
2 invoices presented in Commission rate case recovery proceedings are
3 remarkable primarily for the lack of detailed hourly billing. The consultants that
4 have appeared before this commission for the last two decades have, except in
5 rare circumstances, never presented the type of detailed billing statements and
6 underlying documentation that Ms. Givens' sought during the discovery phase of
7 this proceeding. I am particularly concerned about Ms. Givens' conclusion that
8 she "cannot determine whether the costs were actually incurred" based only on
9 consultants' statements for services, without production of the underlying
10 invoices or time sheets. [Givens at p. 9, ln. 1-2]. It is simply illogical to conclude
11 that the consultants would fabricate invoices and the Company would pay for
12 services that were not actually rendered. In addition, the fact that services were
13 provided, and hence an expenditure was actually incurred, is evidenced by the
14 work product of the consultants or the information supplied by the Company. As
15 I explain in my Direct Testimony, a review of the PUC interchange and the
16 consultants' prefiled testimony, or the Company's explanations of the services
17 provided by consulting experts is, in my opinion, sufficient to demonstrate that
18 services were rendered and an expenditure was made for those services.

19 While I agree that it would be desirable to have greater detail from
20 consultants to explain what services they have provided, Commission precedent
21 simply does not support Ms. Givens' proposed disallowance of *all* of the
22 expenses for these consultants. The Commission's precedent for at least the
23 past decade supports recovery of rate case expenses based upon consultants'

1 invoices that are indistinguishable, in terms of the level of detail, from the ones
2 Ms. Givens concludes are completely inadequate.

3
4 Q. WHAT IS INCLUDED IN MS. GIVENS' PROPOSED DISALLOWANCE OF
5 \$782,717.05 RELATED TO CHARGES BY CONSULTANTS WHICH, IN HER
6 OPINION, WERE INSUFFICIENTLY DOCUMENTED? (Givens' at p. 8, ln. 15 –
7 25 and Exhibit AG-1b.)

8 A. Ms. Givens' proposed disallowance includes:

- 9 • All of the fees and expenses paid by EGSI to:
- 10 ○ Actuarial Sciences Associates, Inc. (Jonathan Nemeth appeared as a
11 witness on behalf of EGSI in Docket 22356);
 - 12 ○ JRA Associates (John Ake, a retired AT&T executive with experience in
13 unbundling utility operations, was a consulting expert to EGSI and his flat
14 rate (as opposed to hourly) fees and expenses were split among several
15 Entergy Operating Companies);
 - 16 ○ KFG, Inc. (Kenneth Gallagher appeared as an EGSI witness in Docket
17 Nos. 22357 and 30123);²
 - 18 ○ Utility Data Resources (Corey Pettett was a consulting expert on issues
19 related to distribution pricing that arose in Docket 22356, and at an hourly

² Ms. Givens' suggested disallowance covers only the costs for the UCOS case, Docket 22356. I assume she has limited the disallowance to the UCOS case in this section of her testimony because she recommends disallowance of all expenses for Docket 30123 earlier in her testimony. [Givens at p. 7, ln. 7 – 23].

1 rate of only \$100, he was billing at the low end of a reasonable range);

2 and

- 3 ○ UMS Group (Jack Shearman was an expert witness for EGSi in the
4 UCOS proceeding, testifying on benchmarking issues).³

- 5 • And, all of the *expenses* paid by EGSi to:

- 6 ○ Econat (Bruce Louiselle advised EGSi on the effect of unbundling and
7 retail open access on the Entergy System Agreement and also appeared
8 as witness for EGSi in Docket 22356); and

- 9 ○ NERA (Jeff Markholm filed rebuttal testimony in Docket 22344 regarding
10 the appropriate capital structure for an unbundled T&D utility; his
11 testimony was sponsored by all of the Texas IOUs (except El Paso
12 Electric); the eight IOUs co-sponsored various direct and rebuttal
13 witnesses and Markholm was EGSi's responsibility).

14
15 Q. IN YOUR OPINION, IS IT REASONABLE TO DISALLOW ALL FEES AND
16 EXPENSES PAID BY EGSi TO THE FIVE CONSULTANTS YOU HAVE JUST
17 LISTED?

18 A. No. In order to determine that not a single penny of these consultants' fees and
19 expenses is recoverable would necessitate a determination that the services
20 listed were not actually rendered, or that the services were unnecessary or
21 unreasonable. Such a conclusion would be contrary to the weight of the readily

³ See above, rebuttal to Mr. Reeder's suggestion that Mr. Shearman's expenses and fees be disallowed.

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1 available evidence (i.e., PUC Interchange) for the testifying consultants, and
2 would require that no weight be given to the evidence presented by the Company
3 in its direct case, in which the services provided by the consulting experts is
4 explained.

5
6 Q. IN YOUR OPINION, IS THE DISALLOWANCE OF ALL THE EXPENSES FOR
7 THE TWO CONSULTANTS YOU IDENTIFY ABOVE REASONABLE?

8 A. No. With respect to expenses paid to ECONAT for Bruce Louiselle's services, it
9 can be reasonably ascertained from ECONAT's invoices that the majority of the
10 expenses were associated with trips from McLean, VA to New Orleans or Austin,
11 on the dates specified. As I stated in my Direct Testimony, travel associated with
12 appearing as a witness is necessary when the consultant, the Company, and the
13 Commission are in different locations. The amount of travel-related expenditures
14 was reasonable, in my opinion.

15 With respect to the expenses paid to NERA for Jeff Markholm's, they
16 cover postage, telephone, reproduction, etc. as well as travel, meals and lodging.
17 Based on the billing entries, it is indisputable that Mr. Markholm engaged in travel
18 for testimony preparation and to attend the hearings at which he testified, which
19 supports my opinion that these amounts were necessary. In addition, after re-
20 examining the total amount of these expenditures in the context of the activities
21 in which he was engaged, it remains my opinion that these expenses are
22 reasonable.

23

1 Q. IS THERE ANY RECENT COMMISSION PRECEDENT CONCERNING THIS
2 ISSUE?

3 A. Yes. In the CenterPoint case, PUC Docket 30706, the Commission's initial
4 position was to disallow all of the company's non-legal expenses which it found
5 were "unclear," or which are "purportedly substantiated by receipts or other
6 documentation that do not make the purpose of the expense clear." [Order at
7 page 26]. However, in its final order, the Commission looked to the portion of
8 CenterPoint's requested other non-legal expenses incurred by Mr. Gerald Tucker
9 to determine what portion of the total request should be disallowed. The
10 Commission "determined that approximately five and one-half percent of the
11 witness' expenses for this period were for premium services" and therefore
12 concluded that proportion of premium services to total expenses should be
13 applied to the total CenterPoint request for other non-legal expenses and
14 disallowed. This is a far more reasoned and measured approach than Ms.
15 Givens' proposal to disallow 100% of the expenses discussed above.

16
17 Q. DO YOU HAVE A RESPONSE TO MS. GIVENS' PROPOSAL TO DISALLOW
18 WHAT SHE CHARACTERIZES AS A 5% OVERHEAD LOADER CHARGED BY
19 MANAGEMENT APPLICATIONS CONSULTING, INC. ("MAC")? (Givens at p. 9,
20 In. 3 – 11).

21 A. Yes. Ms. Givens testifies that without copies of the letters of engagement for
22 MAC, she cannot verify the amount that the Company agreed to pay and without
23 that verification, she cannot determine the reasonableness and necessity of

1 MAC's "overhead loader." First, the verification of the amount that the Company
2 agreed to pay is reflected on the MAC invoices, which were submitted to EGSI,
3 with the 5% fee clearly indicated. Second, I would note that what Ms. Givens'
4 characterizes as an "overhead loader" actually covers Miscellaneous Office
5 Expenses such as telephone, copying, postage and data processing. I reviewed
6 invoices for another consultant that contained a mark-up for overhead in another
7 proceeding and determined that it represented a reasonable and necessary
8 expenditure. In a Gas Utility Docket before the Railroad Commission, I testified
9 in support of a 12.2 percent mark-up by GDS Associates, which was intended to
10 cover administrative costs, and costs associated with affiliated consultants.⁴ An
11 overhead loader or charge for miscellaneous office expenses applied as a
12 percentage of fees could just as easily be rolled into the fee and would, in my
13 opinion, never raise a question. In other words, consultants either cover these
14 types of expenses through their hourly rate or they, less frequently, include a
15 separate line item to capture these costs. If Mr. Goble with MAC had increased
16 his hourly rate by 5%, to \$152.25, I do not believe anyone would have
17 questioned the reasonableness of this expense. There is simply no rational way
18 to distinguish between overhead or miscellaneous expenditures that are rolled
19 into an hourly rate and those that are billed as a separate line item. In addition,
20 in Docket No. 28813 decided by the Commission in August 2005, the

⁴ In the Railroad Commission proceeding, the witness from GDS Associates whose time and expenses I was reviewing was Ms. Ellen Blumenthal. In this TTC case, Ms. Blumenthal, who is still with GDS Associates, is a witness for the Office of Public Utility Counsel ("OPC"). If OPC, an agency of the State funded by ratepayers, is paying this type of overhead charge, that would be one indication that this type of overhead charge is an acceptable practice.

1 Commission allowed rate case expenses for MAC specifically including the 5%
2 adder at issue here.⁵ Accordingly, I conclude that Ms. Givens' disallowance of
3 \$3,109.52 for MAC's 5% miscellaneous office expenses should not be found
4 persuasive.

5
6 Q. MS. GIVENS' RECOMMENDS DISALLOWANCE OF THE EXPENDITURES
7 MADE FOR THE CONSULTING SERVICES PROVIDED BY PHB HAGLER
8 BAILLY, INC. BECAUSE "EGSI DID NOT PROVIDE DAILY LOGS OR TIME
9 SHEETS WHICH IDENTIFY THE DATES SERVICES WERE PERFORMED
10 AND THE TYPE OF SERVICES PERFORMED BY THE CONSULTANT."
11 (Givens at p. 9, ln. 19 – 24). WHAT IS YOUR OPINION OF THIS SUGGESTED
12 DISALLOWANCE?

13 A. Ms. Givens testifies that she is recommending disallowance of "only those
14 principals, consultants, or other staff for which daily logs were not provided."
15 [Givens at p. 10, ln. 1 – 4 and Exhibit AG-1c]. In the first 4 entries listed by Ms.
16 Givens on Exhibit AG-1c, I was unable to replicate the adjustment she arrives at.
17 For the February 17, 2000 and September 1, 2000 invoices she includes on
18 Exhibit AG-1c, she recommends disallowance of 100% of the invoices. Finally,
19 for the April 1, 2000 invoice, she recommends disallowance of \$1,746.56 on an
20 invoice on which the Company is seeking to recover only \$54.60. [See Exhibit

⁵ *Petition to Inquire Into the Reasonableness of the Rates and Services of Cap Rock Energy Corporation*, Docket No. 28818, Order at page 10 and FoF 154(a) (Aug. 5, 2005) compared with Proposal for Decision at page 169 and FoF 154(a).

1 JKT-8 at p. 2]. The expenditures that Ms. Givens' suggests be disallowed due to
2 lack of daily logs or time sheets include sufficient information to determine the
3 number of hours worked, the person responsible for the work, the hourly rate,
4 and the month in which the work was performed. The work performed by Mr.
5 Stephen Henderson and his associates is described in my Direct Testimony
6 beginning at page 109 and in Exhibit JKT-7. This evidence is sufficient to
7 support my opinion that the expenses are reasonable and necessary. In
8 addition, a disallowance of 100% of the two invoices as suggested by Ms. Givens
9 would be inconsistent with Commission precedent, and would necessitate a
10 finding that no work was performed, notwithstanding the summary invoice which
11 indicates to the contrary, or a finding that the work was unnecessary or
12 unreasonable. It is permissible to rely on secondary sources to reach the
13 conclusion that these expenses are reasonable and necessary. At a minimum,
14 Ms. Givens' disallowance of more than the total for which recovery is sought on
15 the one invoice identified above must be rejected.
16

17 Q. MS. GIVENS' RECOMMENDS A DISALLOWANCE OF \$112,656.39 FOR
18 BICKERSTAFF INVOICES FOR UNSUPPORTED TRAVEL AND MEALS
19 EXPENSES. (Givens at p. 10, ln. 6-9 and Exhibit AG-1d). DO YOU AGREE
20 WITH HER SUGGESTED DISALLOWANCE?

21 A. No. First, Ms. Givens testifies that \$68,010.98 of the total disallowance she is
22 recommending is "the remaining fifty percent of undocumented travel and meals
23 expenses that EGSI witness Trostle failed to remove from the Company's

1 request for Bickerstaff expenses." [Givens at p. 10, ln. 22 – p. 11, ln. 1]. I
2 disagree with this additional disallowance for each of the reasons set forth in my
3 rebuttal to Mr. Reeder's suggested disallowance of 75% of the Bickerstaff travel
4 and meal expenses. It is somewhat puzzling that Ms. Givens' complains about
5 the lack of documentation (Givens p. 11, ln. 4) in light of the fact that the
6 additional Bickerstaff invoices were produced in response to Staff's RFI 1-4.
7 [See WP/JKT-R-1].

8 Second, Ms. Givens suggests an additional disallowance of \$4,645.41 for
9 other expenses, which I detail below with my response:

- 10 o Contract Labor expense of \$652.80, which was to pay for assistance with
11 preparation of testimony in the BSP case, and which is reasonable and
12 necessary in my opinion;
- 13 o Temporary Service expenses of \$2,289.90, which paid for a temporary
14 paralegal who also assisted the firm with preparation of the BSP filing, which
15 is reasonable and necessary in my opinion;
- 16 o Meal expenses of \$49.09 and \$235.80, which do not appear on the Bates
17 pages cited by Ms. Givens and about which I therefore cannot form an
18 opinion;
- 19 o Travel expenses of \$559.59, which are sufficiently detailed on the invoice to
20 support recovery (see two entries for travel by Mr. Glenn from June 11 - 12,
21 2001 to New Orleans for a total of \$182.17, and by Mr. Neinast on June 11 –
22 13, 2001 to New Orleans for a total of \$377.42 [Bates 249 or 4-VL-250]);

- 1 ○ Travel expense of \$552.48 which is sufficiently detailed on the invoice to
- 2 support recovery (See Bates 319, or 4-VL-320, note that this includes travel
- 3 of \$546.19 and \$6.29 for a meal);
- 4 ○ Travel expense of \$190.50 for roundtrip airfare for Mr. Neinast from Austin to
- 5 Houston on the Entergy Wholesale Operations matter (Bates page 354, or 4-
- 6 VL-374), which is sufficiently detailed to support recovery; and
- 7 ○ Two entries for travel expenses (\$55.00 on Bates 3960, or 4-VL-6140, and
- 8 \$60.25 on Bates 245, or 4-VL-256), which should have been captured in my
- 9 50% disallowance in my Direct Testimony.

10

11 Q. WHAT IS YOUR RESPONSE TO MS. GIVENS' SUGGESTED DISALLOWANCE

12 OF COSTS PAID BY EGSI TO THE GSU STEERING COMMITTEE? (Givens at

13 p. 12, ln. 6 – 25).

14 A. Ms. Givens recommends that the hourly fee on two invoices submitted by a

15 consultant for the Cities and several travel expenses submitted by an attorney for

16 the Cities be disallowed due to inadequate documentation. There is no question,

17 however, that EGSI incurred these costs when it reimbursed the Cities for

18 participation in TTC proceedings. Thus, it is reasonable that EGSI recover the

19 reimbursements paid to the Cities. Ms. Givens reasons for disallowing the costs

20 for the consultant, DUCI, is the lack of detailed daily time entries. As I discussed

21 earlier, it is a common practice for consultants to provide an invoice with the total

22 number of hours worked, but not provide the daily time entries. The lack of daily

23 time entries does not mean, however, that the work was not performed. For the

1 reasons I discussed earlier, and because EGSI was reimbursing the Cities for
2 their rate case expenses, EGSI should be allowed to recover the consultant's
3 time charges. In regard to the attorney's travel expenses, there is again no
4 dispute that EGSI incurred these costs when it reimbursed the Cities. It is not
5 reasonable to expect EGSI to withhold reimbursements until it receives back-up
6 documentation from the Cities. EGSI should be able to rely upon the Cities'
7 representation of the costs they incurred to participate in TTC proceedings.

8
9 Q. MS. GIVENS' NEXT PROPOSED ADJUSTMENT IS FOR FEES AND
10 EXPENSES INCURRED BY LAW FIRMS OTHER THAN BICKERSTAFF OR
11 CTW (Givens at p. 13, ln. 1 – 25). WHAT IS YOUR OPINION OF THIS
12 SUGGESTED DISALLOWANCE?

13 A. This part of Ms. Givens' adjustment consists of: (1) disallowance of the remaining
14 50% of travel and meal expense where I had recommended a 50% disallowance
15 in my Direct Testimony; and (2) a 100% disallowance of various travel and meal
16 expenses that I did not adjust in my Direct Testimony based upon my conclusion
17 that they were reasonable and necessary. Ms. Givens' disallowance of the
18 remaining 50% of those expenses for which I had already disallowed one-half is
19 not reasonable. Based on the Commission's recent application of a percentage
20 adjustment to all non-legal invoices, derived from a sampling of one consultant's
21 invoices, and my review of the backup Bickerstaff invoices discussed above
22 which supports my 50% disallowance, Ms. Givens' adjustment is not reasonable.
23 In other words, her removal of the remaining 50% of the expenses for these other

1 law firms is not an appropriate application of the standards and is inconsistent
2 with recent Commission precedent. By the same logic, if those invoices that I
3 recommended be allowed in their entirety are to be disallowed at all, which I do
4 not suggest, the disallowance should not exceed 50%.

5
6 Q. MS. GIVENS NEXT ADJUSTMENT IS TO REDUCE COPYING COSTS
7 CHARGED BY CTW FROM 20 CENTS TO 10 CENTS PER PAGE (Givens at p.
8 14, ln. 8 – p. 15, ln. 7). IS THAT A REASONABLE ADJUSTMENT IN YOUR
9 OPINION?

10 A. No. The Commission has often approved recovery of copying charges in excess
11 of 10 cents. Most recently, in the Cap Rock case, Docket 28813, the
12 Commission allowed recovery of the 20 cent copying costs charged by the law
13 firm of Lloyd Gosselink. The fact that CTW may have been charging another
14 client a lower cost per page for copying does not per se make the 20 cent charge
15 reflected on the CTW EGSI bills unreasonable. In my experience, there is a
16 range of costs for expenditures like copying charges that are reasonable, and 20
17 cents is within that range of reasonableness based on charges commonly
18 collected among practitioners in this area and the Commission's precedent in
19 other cases.

20
21 Q. MS. GIVENS ALSO NOTES THAT EGSI HAS IDENTIFIED LEGAL AND
22 CONSULTANT COSTS THAT SHOULD BE REMOVED FROM ITS REQUEST,
23 AND RECOMMENDS THAT EGSI'S REQUEST BE REDUCED BY THAT

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1 AMOUNT (Givens at p. 15, ln. 8 – 14). DO YOU AGREE WITH HER
2 RECOMMENDATION?

3 A. Yes. In addition to the three items that Ms. Givens lists in her testimony, there
4 are other legal and consulting costs that EGSI has agreed should be removed
5 from its request. These items, which include the three listed by Ms. Givens, are
6 covered in the next section of my testimony (§ VI).

7

8 VI. CORRECTIONS OR CHANGES TO DIRECT TESTIMONY

9 Q. DURING THE DISCOVERY ON THE COMPANY'S DIRECT CASE, HAS THE
10 COMPANY ACKNOWLEDGED CORRECTIONS OR CHANGES TO EXPENSES
11 YOU SPONSORED IN YOUR DIRECT TESTIMONY?

12 A. Yes. As reflected on EGSI's Response to Cities' 21-5, a copy of which is
13 attached hereto as Exhibit JKT-R-7, the company identified eight adjustments,
14 which resulted in a net adjustment of \$13,440.35, excluding carrying costs, which
15 should not have been included in TTC costs requested in this docket.

16

17 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

18 A. Yes, at this time.

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ENTERGY GULF STATES, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 31544 Transition to Competition Cost Case

Response of: Entergy Gulf States, Inc.
to the Seventeenth Set of Data Requests of
Requesting Party: Cities

Prepared By: Counsel
Sponsoring Witnesses: Phillip R. May / J.
Kay Trostle
Beginning Sequence No.
Ending Sequence No.

Question No.: Cities 17-32

Part No.:

Addendum:

Question:

Regarding page 492 of the Trostle work papers, John Donisi has an entry on October 26, 1999 for "PG & E, Southern California Edison, First Energy [sic] filings in California and Ohio." Please explain the nature of this work and how it was necessary to comply with Chapter 39 of PURA.

Response:

This question refers to Company witness J. Kay Trostle's workpaper WP/JKT-1, page 492 (Bates page 4-VL-492).

In regard to Pacific Gas & Electric Company, please see the Company's response to State RFI 6-26, initial response and addendum 1.

In regard to Southern California Edison, please see the Company's response to State RFI 6-28, initial response and addendum 1.

In regard to FirstEnergy, during the time periods covered by the Bickerstaff invoices, FirstEnergy was an Ohio utility that had faced or was preparing to face many of the same or similar electric restructuring issues that the Texas utilities were preparing to face. The restructuring ideas, rules, or proposals that arose in FirstEnergy proceedings before the Public Utilities Commission of Ohio had the potential to be presented to the Commission or to affect the Commission's actions in rulemaking or contested case proceedings implementing Chapter 39 of the Public Utility Regulatory Act ("Chapter 39"), or provide a model for a proposal that the Company might make in these proceedings. Consequently, it was reasonable and necessary for the Company, through its counsel, to conduct this research in order to learn how a utility in another electric restructuring state was responding to restructuring issues in that state, to be prepared to participate fully in the Chapter 39 proceedings, and to protect its interests in the Chapter 39 proceedings.

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31544

LR5303

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R-00336

ENTERGY GULF STATES, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 31544 Transition to Competition Cost Case

Response of: Entergy Gulf States, Inc.
to the Sixth Set of Data Requests of
Requesting Party: State of Texas

Prepared By: Counsel
Sponsoring Witnesses: Phillip R. May/J.
Kay Trostle
Beginning Sequence No.
Ending Sequence No.

Question No.: State of Texas 6-26

Part No.:

Addendum:

Question:

Please refer to the Company's response to the State's 1st RFI, Question No. 24, and the Bickerstaff, Heath, Smiley et. al. charges relating to research which involved Pacific Gas & Electric. Please provide:

- a. An itemized listing of the amounts spent or incurred (and included in TTC costs) as part of this research effort. In connection therewith, please provide a full and complete explanation as to how each of these spent or incurred amounts are both reasonable and necessary as TTC costs.
- b. In the event that the Company does not possess the means to provide the requested listing of detailed amounts spent or incurred (part a. of this data request) in connection with this research, please so state and disregard part a.

If the requested data has been furnished by the Company, please provide the name of the witness, along with specific Bates page and line reference(s).

Response:

- a. As explained in the Company's response to the State's RFI 1-24, the original invoices were not prepared in a manner that enables one to now readily prepare an itemized listing of daily time entries (and associated fees) reflecting research on Pacific Gas & Electric Company ("PG&E"). Although it is possible to manually review the invoices to locate daily time entries that refer to PG&E, this method of review will not produce a rigorous or precise list of the time spent on that research. The Company has provided all of the invoices and back-up detail in its possession regarding the research on PG&E. (See the invoices provided in Company witness J. Kay Trostle's workpaper WP/JKT-1.) Thus, the State has access to the same documents available to the Company, and has the same ability as does the Company to conduct a manual review of those documents.

During the time periods covered by the Bickerstaff invoices, PG&E was one of the California utilities that had faced or was preparing to face many of the same or

Question No.: State of Texas 6-26

similar electric restructuring issues that the Texas utilities were preparing to face. In addition, PG&E was an active participant in Commission rulemaking and contested case proceedings implementing Chapter 39 of the Public Utility Regulatory Act (Chapter 39). The restructuring ideas, rules, or proposals that PG&E presented in California had the potential to be presented to the Commission or to affect the Commission's actions in rulemaking or contested case proceedings implementing Chapter 39 of the Public Utility Regulatory Act. Consequently, it was reasonable and necessary for the Company, through its counsel, to conduct this research in order to learn how a utility in another electric restructuring state was responding to restructuring issues in that state, to be prepared to participate fully in the Chapter 39 proceedings, and to protect its interests in the Chapter 39 proceedings.

- b. Please see the response to subpart a.

31544

54

LB451

338

R-00338

ENTERGY GULF STATES, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 31544 Transition to Competition Cost Case

Response of: Entergy Gulf States, Inc.
to the Sixth Set of Data Requests of
Requesting Party: State of Texas

Prepared By: Counsel
Sponsoring Witnesses: Phillip R. May/J.
Kay Trostle
Beginning Sequence No.
Ending Sequence No.

Question No.: State of Texas 6-28

Part No.:

Addendum:

Question:

Please refer to the Company's response to the State's 1st RFI, Question No. 24, and the Bickerstaff, Heath, Smiley et. al. charges relating to research which involved Southern California Edison. Please provide:

- a. An itemized listing of the amounts spent or incurred (and included in TTC costs) as part of this research effort. In connection therewith, please provide a full and complete explanation as to how each of these spent or incurred amounts are both reasonable and necessary as TTC costs.
- b. In the event that the Company does not possess the means to provide the requested listing of detailed amounts spent or incurred (part a. of this data request) in connection with this research, please so state and disregard part a.

If the requested data has been furnished by the Company, please provide the name of the witness, along with specific Bates page and line reference(s).

Response:

- a. As explained in the Company's response to the State's RFI 1-24, the original invoices were not prepared in a manner that enables one to now readily prepare an itemized listing of daily time entries (and associated fees) reflecting research on Southern California Edison. Although it is possible to manually review the invoices to locate daily time entries that refer to Southern California Edison, this method of review will not produce a rigorous or precise list of the time spent on that research. The Company has provided all of the invoices and back-up detail in its possession regarding the research on Southern California Edison. (See the invoices provided in Company witness J. Kay Trostle's workpaper WP/JKT-1.) Thus, the State has access to the same documents available to the Company, and has the same ability as does the Company to conduct a manual review of those documents.

Question No.: State of Texas 6-28

During the time periods covered by the Bickerstaff invoices, Southern California Edison was one of the California utilities that had faced or was preparing to face many of the same or similar electric restructuring issues that the Texas utilities were preparing to face. The restructuring ideas, rules, or proposals that arose in Southern California Edison proceedings before the California PUC had the potential to be presented to the Commission or to affect the Commission's actions in rulemaking or contested case proceedings implementing Chapter 39 of the Public Utility Regulatory Act ("Chapter 39"). Consequently, it was reasonable and necessary for the Company, through its counsel, to conduct this research in order to learn how a utility in another electric restructuring state was responding to restructuring issues in that state, to be prepared to participate fully in the Chapter 39 proceedings, and to protect its interests in the Chapter 39 proceedings.

- b. Please see the response to subpart a.

31544

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LB455

340

R-00340

ENTERGY GULF STATES, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 31544 Transition to Competition Cost Case

Response of: Entergy Gulf States, Inc.
to the Sixteenth Set of Data Requests

of Requesting Party: Cities

Prepared By: Counsel
Sponsoring Witness: Phillip R. May/J. Kay
Trostle
Beginning Sequence No.
Ending Sequence No.

Question No.: Cities 16-8

Part No.:

Addendum:

Question:

Definition: "Trostle work papers" shall refer to work paper JKT-1.

Regarding pages 134-135 of the Trostle work papers, on December 13 and December 15, 2000, time is billed for research of trade secret and open records. Why is this expense necessary to comply with Chapter 39 of PURA?

Response:

This question refers to Company witness J. Kay Trostle's workpaper WP/JKT-1, page 134 - 135 (Bates page 4-VL-134 to -135), the entries "12/13/00 BBY" for 1.3 hours and "12/15/00 BBY" for 2.8 hours, a total of 4.1 hours (\$676.50).

These time entries were for work on Docket No. 22356, EGSI's UCOS case. In December 2000, the Company was responding to discovery and assessing possible objections to particular questions. Mr. Young analyzed whether certain documents potentially responsive to discovery requests were exempt from discovery or covered by a privilege as trade secret information, whether the Commission had authority to prevent the disclosure of trade secret information provided in response to discovery, and the legal standards used to define trade secrets.

This expense was necessary in order for the Company to determine and protect its interests in Docket No. 22356.

31544

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TH2662

341

R-00341

EXHIBIT CR-5

Exhibit JKT-R-3

Docket No. 31544

Page 1 of 3

Office Supplies			General Legal Research			Meals & Travel (Bickerstaff only)		
(My Bates #)	4-UL- Bates #	Amount	4-UL- Bates #	M-1 Bates #	Amount	Bates #	Amount	
	81	\$69.26 Meak	1814K 1547-		\$936.00 Morgan Lewis	68	\$57.42	
(98)	99 April Filing	\$5,215.61 BHS Supplies	1814x 526		\$840.00 Tr. Pange	78	\$61.45	
	99 D-2 1957	\$592.68 "	1819x		\$432.00 "	91	\$12.87	
	121	\$170.68 "	2601x 2016		\$516.00 Taggart	99	\$73.46	
	193	\$177.40 "	2601x		\$816.00	102	\$122.68	
	193	\$273.95 "	2603x		\$8.94 Lexis-Taggart	121	\$7.00	
	210	\$86.60 "	2622x 2131		\$1,308.00 Taggart	136	\$51.94	
	210	\$86.60 "	2624x 2039		\$516.00 "	176	\$149.35	
	210	\$31.91 "	2625x		\$149.02 " (Lexis)	193	\$414.53	
(226)	227	\$102.84 "	2638x 2053		\$179.90	210	\$442.13	
	227	\$63.85 "	2657	2012	\$6.40 Lexis (Taggart)	223	\$29.68	
	227	\$866.00 "	2665x 2020		\$71.03 Taggart NOT TTC	246	\$60.25	
	227	\$19.44 "	2677x 2092		\$30.86 Lexis NOT TTC	250	\$72.69	
	308	\$346.40 "	2680x 2095		\$625.00 Taggart NOT TTC	273	\$74.67	
	499	\$6.23 "	2684x 2097		\$35.00 "	275	\$15.49	
(496)	510	\$17.34 "	2686	2103	\$1,776.00 " ? 900 of entries	308	\$81.02	
	528	\$751.41	2688	2103	\$36.10 Lexis	320	\$6.29	
	528	\$446.50	2693x 2108		\$572.00 NOT TTC	350	\$51.94	
(506)	528 not +TTC	\$311.55	2694x 2109		\$528.00 " "	461	\$729.80	
	528	\$28.51	2695x 2110		\$1,155.00 " "	476	\$134.38	
(618)	538 NOT TTC 9000	\$11.82	2702x 2117		\$67.76 " " (Lexis)	499	\$562.98	
(534)	554	\$436.47 BHS Supplies	2744	2159	\$139.52 Lexis (Taggart)	510	\$530.27	
(2594-54)	3201	\$727.02 "	2749x 2144		\$1,232.50 Taggart NOT TTC	515	\$899.88	
(2597-54)	3226	\$68.48 "	2750x 2145		\$170.00 " "	518	\$319.33	
(2711-517)	3554 NOT TTC	\$499.50	2753x		\$295.80 " " (Lexis)	526	\$389.36	
(2712-5345)	3911 Labels etc.	\$61.67 (ucos) 31100	2757x 2172		\$17.63 " " "	528	\$37.54	
D + J	3957 Not included	\$61.67	2767x		\$360.00 " NOT TTC	537	\$1,115.61	
(3940-51)	6072	\$57.70 BHS Supplies	2772x 2197		\$80.36 " "	554	\$35.53	
	6072 Printer rental	\$123.95x	2782x 2197		\$428.10 " "	561	\$706.74	
	6072 Fax rental	\$81.19x	2790x 2205		\$120.00 " "	569	\$63.49	
(3943-510)	6087	\$266.91 Supplies	2791x 2204		\$1,176.00 " "	680	\$2.66	
(3952)	6132 Computer	\$256.55 413-41300	2792x 2207		\$936.00 " "	684	\$2.66	
	6140	\$44.84 Supplies	2793x 2208		\$540.00 " "	694	\$7.52	
	TOTAL	\$12,362.33	2794x 2209		\$696.00 " "	697	\$7.52	
	NOT TTC	-2,110.96	2799x 2214		\$283.00 " "	723	\$10.67	
		(10, 25) 37	2800x 2215		\$425.00 " "	755	\$10.67	
			2802x 2215		\$759.00 " "	756	\$147.74	
			2803x 2218		\$8.38 " "	763	\$368.75	
			2816x 2220		\$145.00 Taggart	776	\$117.75	
			2830x 2244		\$1,769.00 Research financial	777	\$251.00	
			2832x 2246		\$652.00 Research recovery	885	\$32.25	
			2834x 2248		\$536.50 " NOT TTC costs	890	\$32.25	
			2847x 2260		\$1,914.20 Thelen not TTC	908	\$58.80	
			2848x 2261		\$1,591.20 " "	968	\$40.13	
			2850x		\$1,451.38 " "	969	\$60.23	
			2854x		\$109.00 Lexis	983	\$40.13	
			2857x 2270		\$1,398.25 Thelen - research	1037	\$96.17	
			2867x 2290		\$428.40 Thelen - NOT TTC	1039	\$12.00	

x = Not paid

NOT TTC

Only 9 are

included as NOT TTC costs.

X on this page = \$ 21,808.44

64

342

R-00342

EXHIBIT CR-5

Office Supplies	General Legal Research	Meals & Travel (Bickerstaff only)
	2871 2284 \$798.15 Thelen (multiple)	1100 \$12.00
	2872 2285 \$336.60 "	1117 \$10.00
	2873 2286 \$809.20 "	1169 \$10.00
	2874 2287 \$634.48 Lexis + Westlaw	1175 \$40.58
	2893 2306 \$994.50 Thelen (multiple)	1184 \$11.13
	2895 2308 \$731.00 119 Thelen "	1355 \$23.54
	2896 2309 \$1,453.50 Thelen (multiple)	1366 \$16.76
	2899 2312 \$382.50 "	1369 \$7.92
	2900 2313 \$2,195.18 Lexis + Westlaw	1374 \$19.54
	2906 2319 \$872.10 Thelen (research)	1433 \$12.54
	2908 2321 \$688.50 " (multi)	1452 \$28.39
	2909 2322 \$306.00 "	1453 \$15.67
	2911 2324 \$228.00 Lexis	1459 \$5.29
	2920 2333 \$752.54 Lexis/Westlaw	1464 \$10.38
	2947 2360 \$600.00 Lexis	1469 \$56.32
	3088 2498 \$2,000.00 Wise Carter	1471 \$19.53
	3227 2597-517 \$23.99 BHS - Westlaw	1472 \$50.03
	3262 2603-516 \$24.13 BHS - Westlaw	1473 \$4.14
	3304 2611-511 \$389.85 CTW - Lexis	1474 \$80.31
	3318 2611-517 \$389.85X " "	1475 \$6.31
	3357 2650 \$302.84 CTW - Lexis	2205 \$18.00
	Cities 4662X2908 \$259.88 Pae SB-7	2256 \$23.00
	B. Day part 5174 3412 \$700.00 Research & briefs (8.25)	2267 \$52.00
	B. Day part 5194 3432 \$885.94 Multiple research notes	2277 \$52.00
	DUCI 7 5210 3448 \$218.75 ? Summary	2323 \$124.00
	Lawton 5378 3513 \$283.50 - fraction of entries	2343 \$13.00
	" 5379 \$280.00	2390 \$9.00
	" 5380 \$525.00	3192 \$420.17
	? 5383 3573 \$420.00 ✓ + 378 + 560	3201 \$3,299.00
	Lawton 5385X \$700.00X	3203 \$2,590.00
	5387X \$1,050.00X	3205 \$264.25
	5388X \$854.00X	3210 \$393.03
	5871X 3862-32 \$159.00 Target Not TTC	3226 \$5,203.03
	5878X 3862-32 \$636.50X " NOT TTC	3236 \$51.28
	5891 3963-55 \$80.00X NOT TTC	3242 \$691.12
	wrong page 5898 3963-512 \$165.00 ??	3262 \$659.04
	6025 3969 \$247.00 Baker Botts	6072 \$18,570.76
	6028 3913 \$487.50 100% Large Agt.	6087 \$12,771.74
	NOT TTC 6079 3963-52 \$1,188.00 excluded	6092 \$1,767.30
	6087 3945-510 \$1,900.00 BHS	6096 \$804.12
	6088 3945-511 \$1,169.00 BHS Multi-lingual	6109 \$6,235.88
	6108 3946-55 \$2,128.50 @ \$165-12.9 hrs. multi-lingual	6117 \$5,716.23
	6116 513 \$2,343.00 CHS	6122 \$58.29
	6117 514 \$1,056.00 6.4 hrs @ \$165	6124 \$67.86
	6119 516 \$1,072.50 6.5 hrs ??	6140 \$55.00
	6120 517 \$1,897.50 11.5 hrs (4 + max)	6150 \$49.65
	6121 518 \$1,031.50 6.25 hrs (1 + ?)	6156 \$17,660.11
	6123 520 \$247.50 ✓ (?)	6158 \$266.00
	6124 521 \$109.99 ✓ (?)	TOTAL \$86,933.91
	6134 3954 \$330.00 2.0 Research re motion in limine	

2 entries mention research as well as multiple other matters + total 9.0 hrs @ \$135/hr. = \$1,215 so \$2000 is overstated.

Not Included on JKT-52
Lawton
B. Day
DUCI
Lawton

2 Research + Westlaw \$185 unable to get \$1,900

Research D14 965 re performance studs., attributing authority + SB7 4.9 hrs SW Falk @ \$165 \$2,343 ÷ 165 = 14.2 hrs

X on this page = \$4,051.73

65

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Office Supplies

General Legal
ResearchMeals & Travel
(Bickerstaff only)

6157³⁹⁶⁷⁻⁵¹⁰ \$616.50 BHS Research for brief + statutory construction
6159⁻⁵¹² \$697.95 " 32100 K.R. 49 hrs research + other - 677.95??
6160⁻⁵¹³ \$676.50 " = 4.16 @ \$165 JD 413-4.2 research for RF response
6184³⁹⁷²⁻⁵² \$711.00 CTW research re legal power to subrogate (60.3 hrs.
6199³⁹⁹⁰ \$1,554.00 " research justiciable interest PUC products
6218⁴⁰⁰⁴ \$712.00 " Disallow research but not analysis
6219⁴⁰⁰⁵ \$288.16 " Multiple research references of research w's testimony
6220⁴⁰⁰⁶ \$15.00 " 1/2 of 4th time entry @ \$75/hr.
6227⁴⁰¹³ \$81.00 CTW Research commissioning statements re functional separability
6230⁴⁰¹⁶ \$164.00 " Research prod. + Tr. allocators in previous rate cases
6270⁴⁰⁵⁶ \$665.00 " Research legal history of PURA 39,242 (K)
6278⁴⁰⁶⁴ \$530.00 " 50/hr. research by
6313⁴⁰⁹⁷⁻⁵² \$133.50 "
6314⁻⁵³ \$1,376.00 " Multiple "research" entries
6315⁻⁵⁴ \$1,351.50 " Multiple entries? how this and. was determined
6317⁻⁵⁶ \$1,190.00 " 2 entries Disallow research but allow "work as legal issue
6345⁴⁰⁹⁷⁻⁵² \$1,015.00 " 2 entries research legal history
6349⁵⁶ \$1,062.50 " 3 entries - This is some 70% of that total
6350⁵⁷ \$444.00 " 1/2 of 888 entry for research on projected CUS + memo on same
6541⁴¹¹⁶ \$472.50 Newark Howell (A. King + assoc. - several entries)
6542⁴¹¹⁷ \$190.00 " " " "
6596⁴¹⁵³⁻⁵³ \$392.00 Skadden Apts = 1 hr. out of 4.0 hr. entry
6612⁴¹⁵⁷⁻⁵⁴ \$796.50 " " Research Formatting Requests for Tariff
6613⁴¹⁵⁷⁻⁵⁵ \$488.25 " " or Procedural Schedule
6614⁻⁵⁴ \$180.50 " " @ \$75/hr. = 1.55 hrs (out of 3.75 hr entry)
6615⁻⁵⁴ \$113.00 " " Research FERC procedural schedule
6620^{X4158} \$169.50 " " Research prod. sch. + FERC Act
6626^X \$226.00 " " Legislation - NOT TTC JKT 6 p. 11-12
6634⁴¹⁶¹⁻⁵⁵ \$440.00 Taggart Norton Research allocation methods
6640^{X4161-55} \$63.50 52.50 NOT TTC (See 4161)
6658^{X4163-59} \$465.75 NOT TTC (See 4162)
6659^X \$142.50 NOT TTC " "
6660^X \$880.00 NOT TTC " "
6661^X \$769.00 NOT TTC " "
6682^X \$750.50 NOT TTC AND Duplicate of 4-UL-6658
6684^X \$820.50 NOT TTC " Note difference in disallowance
6685^X \$769.00 NOT TTC " Duplicate
6715^{X4165} \$3,578.60 NOT TTC See 4164-4165 This page = LA.
6719^X \$442.00 " " " " " "
6732^X \$871.00 NOT TTC See 4167 (Watts + Owens - Corning)
6737^{X4167} \$220.00 Taggart 1/2550 country research Cities materials
6746^{X4167} \$120.00 " NOT TTC (See 4169) deficiencies
6757^X \$600.00 NOT TTC - LA. (See 4169)
6758^X \$1,770.00 NOT TTC - LA. (See 4169)
6761⁵¹⁸ \$120.00 Taggart research private letter ruling on tax non-allowance
6796^{X4198} \$667.25 Thelton Reid NOT TTC (See JKT-6 p. 19)
6803⁴²⁰⁵ \$120.00 Williams + Anderson Research re opinions re Securitization. 8 hrs state law issues
TOTAL \$95,527.16

Entergy Corp.
System Agreement
CR disallows 1/2 of
this on p. 24
(CR w/ p. 325)

\$1,578.25

X on this page = \$12,663.10

Total X - 3 pages = \$40,523.29

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R-00344

June 16 to July 15, 1999

Exhibit JKT-R-4
Docket No. 31544
Page 1 of 15

	Misc/538	SB7						
June 16, 1999		5.30						
June 17, 1999	2.00	6.30						
June 18, 1999		4.30						
June 20, 1999		5.70						
June 21, 1999		5.90						
June 22, 1999		10.50						
June 23, 1999		10.50						
June 24, 1999	12.50							
June 25, 1999		6.40						
June 26, 1999	1.50							
June 27, 1999	4.50							
June 28, 1999	11.70							
June 29, 1999		8.40						
June 30, 1999		8.40						
July 1, 1999		7.50						
July 2, 1999		6.30						
July 3, 1999		3.50						
July 5, 1999		8.60						
July 6, 1999		14.00						
July 7, 1999		14.30						
July 8, 1999		15.00						
July 9, 1999		10.50						
July 11, 1999		7.30						
July 12, 1999		13.00						
July 13, 1999		14.20						
July 14, 1999		12.90						
July 15, 1999		14.80						
Totals:	32.2	213.6		245.8	(Grand Total)			

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R-00345

Jul 16 to Aug15, 1999

Exhibit JKT-R-4
Docket No. 31544
Page 2 of 15

	SB7	April File	21957	21984				
Jul 16, 1999	12.80							
Jul 17, 1999	5.30							
Jul 18, 1999	3.90							
Jul 19, 1999	11.90							
Jul 20, 1999	12.50							
Jul 21, 1999	12.50							
Jul 22, 1999	13.60							
Jul 23, 1999	13.60							
Jul 24, 1999								
Jul 25, 1999	1.50							
Jul 26, 1999	11.50							
Jul 27, 1999	14.60							
Jul 28, 1999	10.50							
Jul 29, 1999	8.90							
Jul 30, 1999	10.30							
Jul 31, 1999	6.00							
Aug 1, 1999	4.70							
Aug 2, 1999	14.30							
Aug 3, 1999	14.70							
Aug 4, 1999	13.40							
Aug 5, 1999	12.60							
Aug 6, 1999	8.60							
Aug 7, 1999	2.90							
Aug 8, 1999	4.30							
Aug 9, 1999	10.70							
Aug 10, 1999	10.60							
Aug 11, 1999	13.50							
Aug 12, 1999	14.50							
Aug 13, 1999	12.70							
Aug 14, 1999	6.0							
Aug 15, 1999	4.70							
Total:	297.6							

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R-00346

Aug 16 to Sept 15, 1999

Exhibit JKT-R-4
Docket No. 31544
Page 3 of 15

	SB7	April File	21957	21984				
Aug 16, 1999	10.80							
Aug 17, 1999	11.90							
Aug 18, 1999	12.50							
Aug 19, 1999								
Aug 20, 1999								
Aug 21, 1999								
Aug 22, 1999								
Aug 23, 1999	3.50							
Aug 24, 1999	11.80							
Aug 25, 1999	12.30							
Aug 26, 1999	10.90							
Aug 27, 1999	8.60							
Aug 28, 1999	4.50							
Aug 29, 1999								
Aug 30, 1999	6.50							
Aug 31, 1999	10.30							
Sep 1, 1999	12.90							
Sep 2, 1999	12.90							
Sep 3, 1999	9.70							
Sep 4, 1999								
Sep 5, 1999								
Sep 6, 1999	3.50							
Sep 7, 1999	9.40							
Sep 8, 1999	12.00							
Sep 9, 1999	9.60							
Sep 10, 1999								
Sep 11, 1999								
Sep 12, 1999	2.00							
Sep 13, 1999	12.00							
Sep 14, 1999	11.80							
Sep 15, 1999	12.50							
Total:	211.9							

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R-00347

Sep16 to Oct 15, 1999

Exhibit JKT-R-4
Docket No. 31544
Page 4 of 15

	SB7	April File	21957	21984				
Sep 16, 1999	11.80							
Sep 17, 1999	11.30							
Sep 18, 1999	4.30							
Sep 19, 1999	6.50							
Sep 20, 1999	12.60							
Sep 21, 1999	10.50							
Sep 22, 1999	11.90							
Sep 23, 1999	4.80							
Sep 24, 1999	3.70							
Sep 25, 1999	2.50							
Sep 26, 1999	3.50							
Sep 27, 1999	9.50							
Sep 28, 1999	12.40							
Sep 29, 1999	11.30							
Sep 30, 1999	10.30							
Sep 31, 1999								
Oct 1, 1999	7.7							
Oct 2, 1999	2.0							
Oct 3, 1999	5.0							
Oct 4, 1999	13.40							
Oct 5, 1999	9.40							
Oct 6, 1999	10.50							
Oct 7, 1999	11.00							
Oct 8, 1999	11.30							
Oct 9, 1999	2.40							
Oct 10, 1999	4.20							
Oct 11, 1999	11.60							
Oct 12, 1999	10.30							
Oct 13, 1999	5.00							
Oct 14, 1999	12.30							
Oct 15, 1999	8.00							
Total:	251							

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R-00348

Oct 16 to Nov15, 1999

Exhibit JKT-R-4
Docket No. 31544
Page 5 of 15

	SB7	April File	21957	21984				
Oct 16, 1999								
Oct 17, 1999	4.30							
Oct 18, 1999	10.50							
Oct 19, 1999	11.50							
Oct 20, 1999	12.40							
Oct 21, 1999	10.50							
Oct 22, 1999	8.40							
Oct 23, 1999								
Oct 24, 1999	4.20							
Oct 25, 1999	13.00							
Oct 26, 1999	10.00							
Oct 27, 1999	10.50							
Oct 28, 1999	12.50							
Oct 29, 1999	11.60							
Oct 30, 1999								
Oct 31, 1999	4.60							
Nov 1, 1999	12.50							
Nov 2, 1999	12.60							
Nov 3, 1999	10.40							
Nov 4, 1999	12.00							
Nov 5, 1999	11.30							
Nov 6, 1999	3.60							
Nov 7, 1999	2.50							
Nov 8, 1999	14.70							
Nov 9, 1999	16.20							
Nov 10, 1999	12.80							
Nov 11, 1999	12.90							
Nov 12, 1999	9.50							
Nov 13, 1999	3.00							
Nov 14, 1999	3.60							
Nov 15, 1999	13.50							
Total:	275.1							

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