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Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.90	\$607.50	\$112.50	\$112.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.90	\$607.50	\$112.50	\$112.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	1.30	\$877.50	\$162.50	\$162.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	1.00	\$675.00	\$125.00	\$125.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jun-22	\$875.00	1.00	\$675.00	\$125.00	\$125.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	1.80	\$1,215.00	\$225.00	\$225.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	1.30	\$877.50	\$162.50	\$162.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	1.60	\$1,080.00	\$200.00	\$200.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	1.70	\$1,147.50	\$212.50	\$212.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts LLP	AM Stover	Partner	Jul-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Aug-22	\$590.00	4.50	\$2,655.00	\$180.00	\$180.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Aug-22	\$590.00	3.70	\$2,183.00	\$148.00	\$148.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Aug-22	\$590.00	2.30	\$1,357.00	\$92.00	\$92.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Aug-22	\$590.00	3.30	\$1,947.00	\$132.00	\$132.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Aug-22	\$590.00	3.70	\$2,183.00	\$148.00	\$148.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Aug-22	\$590.00	4.20	\$2,478.00	\$168.00	\$168.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Aug-22	\$590.00	1.60	\$944.00	\$64.00	\$64.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Aug-22	\$590.00	3.10	\$1,829.00	\$124.00	\$124.00
Baker Botts, L.L.P.	AM Stover	Partner	Aug-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Aug-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Aug-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Aug-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Aug-22	\$875.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts, L.L.P.	AM Stover	Partner	Aug-22	\$875.00	1.10	\$742.50	\$137.50	\$137.50
Baker Botts, L.L.P.	AM Stover	Partner	Aug-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00

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Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.00	\$675.00	\$125.00	\$125.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.00	\$673.00	\$125.00	\$125.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.00	\$675.00	\$125.00	\$125.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.40	\$945.00	\$175.00	\$175.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	2.50	\$1,687.50	\$312.50	\$312.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	2.10	\$1,417.50	\$262.50	\$262.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.40	\$945.00	\$175.00	\$175.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.10	\$742.50	\$137.50	\$137.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.40	\$945.00	\$175.00	\$175.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$540.00	\$100.00	\$100.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	2.70	\$1,822.50	\$337.50	\$337.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	2.50	\$1,687.50	\$312.50	\$312.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	3.00	\$5,400.00	\$1,000.00	\$1,000.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	4.60	\$3,105.00	\$575.00	\$575.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	2.30	\$1,552.50	\$287.50	\$287.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.70	\$1,147.50	\$212.50	\$212.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.30	\$877.50	\$162.50	\$162.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.40	\$945.00	\$175.00	\$175.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.70	\$1,147.50	\$212.50	\$212.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.90	\$607.50	\$112.50	\$112.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.60	\$1,080.00	\$200.00	\$200.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.40	\$945.00	\$175.00	\$175.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.90	\$607.50	\$112.50	\$112.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	1.00	\$675.00	\$125.00	\$125.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$675.00	0.20	\$135.00	\$25.00	\$25.00

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Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	1.60	\$1,080.00	\$200.00	\$200.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	1.40	\$945.00	\$175.00	\$175.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	1.20	\$810.00	\$150.00	\$150.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	1.70	\$1,147.50	\$212.50	\$212.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	1.20	\$810.00	\$150.00	\$150.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	1.70	\$1,147.50	\$212.50	\$212.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	1.00	\$875.00	\$125.00	\$125.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.80	\$540.00	\$100.00	\$100.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	1.20	\$810.00	\$150.00	\$150.00
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.90	\$607.50	\$112.50	\$112.50
Baker Botts, L.L.P.	AM Stover	Partner	Nov-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.20	\$810.00	\$150.00	\$150.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	6.00	\$4,050.00	\$750.00	\$750.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.70	\$1,147.50	\$212.50	\$212.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	2.70	\$1,822.50	\$337.50	\$337.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	3.10	\$2,092.50	\$387.50	\$387.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	2.60	\$1,755.00	\$325.00	\$325.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.60	\$1,080.00	\$200.00	\$200.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.40	\$945.00	\$175.00	\$175.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	2.20	\$1,485.00	\$275.00	\$275.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	3.70	\$2,497.50	\$462.50	\$462.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.90	\$607.50	\$112.50	\$112.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	2.40	\$1,620.00	\$300.00	\$300.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	2.20	\$1,485.00	\$275.00	\$275.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	2.10	\$1,417.50	\$262.50	\$262.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.30	\$877.50	\$162.50	\$162.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	2.20	\$1,485.00	\$275.00	\$275.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.90	\$1,282.50	\$237.50	\$237.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.70	\$1,147.50	\$212.50	\$212.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.90	\$1,282.50	\$237.50	\$237.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.70	\$1,147.50	\$212.50	\$212.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	0.30	\$202.50	\$37.50	\$37.50
Baker Botts, L.L.P.	AM Stover	Partner	Dec-22	\$875.00	1.20	\$810.00	\$150.00	\$150.00
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	1.10	\$742.50	\$137.50	\$137.50
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	0.90	\$607.50	\$112.50	\$112.50
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	1.30	\$877.50	\$162.50	\$162.50
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	1.40	\$945.00	\$175.00	\$175.00
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	0.70	\$472.50	\$87.50	\$87.50
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	1.20	\$810.00	\$150.00	\$150.00
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	0.90	\$607.50	\$112.50	\$112.50
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	0.20	\$135.00	\$25.00	\$25.00

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Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	0.40	\$270.00	\$50.00	\$50.00
Baker Botts, L.L.P.	AM Stover	Partner	Jan-23	\$875.00	0.60	\$405.00	\$75.00	\$75.00
<b>TOTAL BAKER BOTTS, L.L.P.</b>							<b>\$60,118.50</b>	<b>\$60,118.50</b>

<b>TOTAL DOCKET NO 53094</b>								<b>\$90,118.50</b>
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Docket No. 54634									
Fees > \$550									
Vendor's Name	Individual's Name	Individual's Title	Billing Period	Rate	Hours	Fees	Fees in excess of \$550/hr	Redacted Hours	Per Hour Excluding Redacted Hours
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$390.00	0.70	\$413.00	\$28.00		\$28.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	2.50	\$1,475.00	\$100.00		\$100.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	1.70	\$1,003.00	\$68.00		\$68.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$390.00	0.30	\$177.00	\$12.00		\$12.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	0.90	\$295.00	\$20.00		\$20.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	2.40	\$1,416.00	\$96.00		\$96.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	0.60	\$472.00	\$92.00		\$92.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$390.00	2.80	\$1,652.00	\$112.00		\$112.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	4.30	\$2,537.00	\$172.00		\$172.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	2.20	\$1,298.00	\$88.00		\$88.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	1.40	\$826.00	\$56.00		\$56.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	0.50	\$295.00	\$20.00		\$20.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	1.60	\$944.00	\$64.00		\$64.00
Eversheds Sutherland (US) LLP	Michael Bodt	Partner	Jul-22	\$585.00	0.50	\$292.50	\$17.50		\$17.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	2.30	\$1,357.00	\$92.00		\$92.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	1.50	\$885.00	\$60.00		\$60.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$390.00	0.30	\$177.00	\$12.00		\$12.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	1.20	\$708.00	\$48.00		\$48.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	2.50	\$1,475.00	\$100.00		\$100.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	2.30	\$1,357.00	\$92.00		\$92.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	1.30	\$767.00	\$52.00		\$52.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	2.10	\$1,239.00	\$84.00		\$84.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	0.30	\$177.00	\$12.00		\$12.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	1.30	\$767.00	\$52.00		\$52.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$390.00	1.00	\$590.00	\$40.00		\$40.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	0.50	\$295.00	\$20.00		\$20.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Jul-22	\$590.00	3.50	\$2,065.00	\$140.00		\$140.00
Eversheds Sutherland (US) LLP	Michael Bodt	Partner	Jul-22	\$585.00	0.70	\$409.50	\$24.50		\$24.50
Eversheds Sutherland (US) LLP	Lino Mendicla	Partner	Jul-22	\$385.00	3.60	\$1,106.00	\$176.00		\$176.00
Eversheds Sutherland (US) LLP	Michael Bodt	Partner	Jul-22	\$585.00	1.40	\$819.00	\$49.00		\$49.00
Eversheds Sutherland (US) LLP	Michael Bodt	Partner	Jul-22	\$585.00	1.30	\$760.50	\$45.50		\$45.50
Eversheds Sutherland (US) LLP	Michael Bodt	Partner	Jul-22	\$585.00	0.50	\$292.50	\$17.50		\$17.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Sep-22	\$590.00	1.70	\$1,003.00	\$68.00		\$68.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Sep-22	\$590.00	2.20	\$1,298.00	\$88.00		\$88.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Sep-22	\$590.00	1.10	\$649.00	\$44.00		\$44.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Sep-22	\$590.00	1.30	\$767.00	\$52.00		\$52.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Sep-22	\$590.00	1.30	\$767.00	\$52.00		\$52.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Sep-22	\$590.00	0.40	\$236.00	\$16.00		\$16.00
Eversheds Sutherland (US) LLP	Lino Mendicla	Partner	Sep-22	\$585.00	1.40	\$819.00	\$49.00		\$49.00
Eversheds Sutherland (US) LLP	Lino Mendicla	Partner	Sep-22	\$385.00	0.50	\$292.50	\$17.50		\$17.50
Eversheds Sutherland (US) LLP	Michael Bodt	Partner	Sep-22	\$585.00	1.70	\$994.50	\$59.50		\$59.50
Eversheds Sutherland (US) LLP	Michael Bodt	Partner	Sep-22	\$586.00	1.00	\$586.00	\$36.00		\$36.00
Eversheds Sutherland (US) LLP	Michael Bodt	Partner	Sep-22	\$587.00	0.50	\$293.50	\$18.50		\$18.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	0.10	\$55.50	\$0.50		\$0.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	1.80	\$999.00	\$9.00		\$9.00
Eversheds Sutherland (US) LLP	Lino Mendicla	Partner	Oct-22	\$805.00	0.50	\$402.50	\$127.50		\$127.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	0.90	\$499.50	\$4.50		\$4.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	0.90	\$499.50	\$4.50		\$4.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	4.40	\$2,442.00	\$22.00		\$22.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	2.60	\$1,554.00	\$14.00		\$14.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	1.30	\$721.50	\$6.50		\$6.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	1.80	\$999.00	\$9.00		\$9.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	1.00	\$595.00	\$45.00		\$45.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.50	\$297.50	\$22.50		\$22.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.50	\$297.50	\$22.50		\$22.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	2.40	\$1,428.00	\$108.00		\$108.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	2.10	\$1,249.50	\$94.50		\$94.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	3.40	\$1,897.00	\$17.00		\$17.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	0.20	\$111.00	\$1.00		\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	1.30	\$721.50	\$6.50		\$6.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$595.00	1.40	\$833.00	\$63.00		\$63.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.30	\$178.50	\$13.50		\$13.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	0.10	\$55.50	\$0.50		\$0.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	0.40	\$222.00	\$2.00		\$2.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	0.30	\$166.50	\$1.50		\$1.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	0.80	\$444.00	\$4.00		\$4.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$555.00	3.70	\$2,053.50	\$18.50		\$18.50

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Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.40	\$222.00	\$2.00	\$2.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.20	\$119.00	\$9.00	\$9.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.30	\$178.50	\$13.50	\$13.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	1.10	\$654.50	\$49.50	\$49.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.60	\$333.00	\$3.00	\$3.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.80	\$476.00	\$36.00	\$36.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.30	\$178.50	\$13.50	\$13.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.20	\$119.00	\$9.00	\$9.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.40	\$222.00	\$2.00	\$2.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.30	\$186.50	\$1.50	\$1.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Oct-22	\$595.00	0.50	\$297.50	\$22.50	\$22.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	3.40	\$1,887.00	\$17.00	\$17.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	1.50	\$832.50	\$7.50	\$7.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.60	\$333.00	\$3.00	\$3.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	2.00	\$1,110.00	\$10.00	\$10.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	2.60	\$1,443.00	\$13.00	\$13.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.60	\$333.00	\$3.00	\$3.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	1.60	\$888.00	\$8.00	\$8.00
Eversheds Sutherland (US) LLP	Lino Mendiola	Partner	Oct-22	\$805.00	1.50	\$1,207.50	\$382.50	\$382.50
Eversheds Sutherland (US) LLP	Lino Mendiola	Partner	Oct-22	\$805.00	0.80	\$644.00	\$204.00	\$204.00
Eversheds Sutherland (US) LLP	Lino Mendiola	Partner	Oct-22	\$805.00	0.80	\$644.00	\$204.00	\$204.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	1.20	\$666.00	\$6.00	\$6.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.40	\$222.00	\$2.00	\$2.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.50	\$277.50	\$2.50	\$2.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.80	\$166.50	\$1.50	\$1.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.10	\$55.50	\$0.50	\$0.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.20	\$111.00	\$1.00	\$1.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.10	\$55.50	\$0.50	\$0.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.10	\$55.50	\$0.50	\$0.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.10	\$55.50	\$0.50	\$0.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.30	\$166.50	\$1.50	\$1.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	2.00	\$1,110.00	\$10.00	\$10.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	2.00	\$1,110.00	\$10.00	\$10.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.40	\$222.00	\$2.00	\$2.00
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	0.80	\$476.00	\$36.00	\$36.00
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	2.20	\$1,309.00	\$99.00	\$99.00
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	1.50	\$892.50	\$67.50	\$67.50
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	1.10	\$654.50	\$49.50	\$49.50
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	0.80	\$476.00	\$36.00	\$36.00
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	0.80	\$476.00	\$36.00	\$36.00
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	1.20	\$714.00	\$54.00	\$54.00
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	2.60	\$1,547.00	\$117.00	\$117.00
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	0.60	\$357.00	\$27.00	\$27.00
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	0.70	\$416.50	\$31.50	\$31.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Oct-22	\$355.00	0.10	\$55.50	\$0.50	\$0.50
Eversheds Sutherland (US) LLP	Michael Boett	Partner	Oct-22	\$595.00	2.20	\$1,309.00	\$99.00	\$99.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Nov-22	\$595.00	0.30	\$178.50	\$13.50	\$13.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Nov-22	\$595.00	3.60	\$2,142.00	\$162.00	\$162.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	0.30	\$178.50	\$13.50	\$13.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Dec-22	\$355.00	0.10	\$55.50	\$0.50	\$0.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Dec-22	\$355.00	0.50	\$277.50	\$2.50	\$2.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Dec-22	\$355.00	0.30	\$186.50	\$1.50	\$1.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Dec-22	\$355.00	0.10	\$55.50	\$0.50	\$0.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	4.30	\$2,558.50	\$199.50	\$199.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	0.40	\$238.00	\$18.00	\$18.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	0.60	\$357.00	\$27.00	\$27.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	0.70	\$416.50	\$31.50	\$31.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	1.20	\$714.00	\$54.00	\$54.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	4.10	\$2,439.50	\$184.50	\$184.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	0.40	\$238.00	\$18.00	\$18.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	2.60	\$1,547.00	\$117.00	\$117.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	1.80	\$773.50	\$58.50	\$58.50
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	2.40	\$1,428.00	\$108.00	\$108.00
Eversheds Sutherland (US) LLP	Jeffrey Stuart	Partner	Dec-22	\$595.00	0.20	\$119.00	\$9.00	\$9.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Dec-22	\$355.00	0.10	\$55.50	\$0.50	\$0.50
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Dec-22	\$355.00	1.00	\$555.00	\$5.00	\$5.00
Eversheds Sutherland (US) LLP	Marty Hopkins	Partner	Dec-22	\$355.00	0.30	\$166.50	\$1.50	\$1.50
Hinkle Shenor LLP	NMGR		Jan-23	\$655.86	1.00	\$655.86	\$105.86	\$105.86
Utility Credit Consultancy, LLC	Other		Dec-22	\$2,969.75	1.00	\$2,969.75	\$2,419.75	\$2,419.75



Attachment VI-9

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Utility Credit Consultancy, LLC	Other		Jan-23	\$2,187.50	1.00	\$2,187.50	\$1,637.50	\$1,637.50
Utility Credit Consultancy, LLC	Other		Jun-23	\$9,375.00	1.00	\$9,375.00	\$8,825.00	\$8,825.00
Hinkle Shonor LLP	Other		Feb-23	\$588.53	1.00	\$588.53	\$38.53	\$38.53
Baker Botts, L.L.P.	AW Stover	Partner	Jun-21	\$675.00	0.20	\$135.00	\$25.00	\$25.00
Baker Botts, L.L.P.	AW Stover	Partner	Jun-21	\$675.00	0.60	\$405.00	\$75.00	\$75.00
Baker Botts, L.L.P.	AW Stover	Partner	Aug-21	\$675.00	0.50	\$337.50	\$62.50	\$62.50
Baker Botts, L.L.P.	AW Stover	Partner	Aug-21	\$675.00	1.80	\$1,215.00	\$225.00	\$225.00
Baker Botts, L.L.P.	AW Stover	Partner	Aug-21	\$675.00	0.90	\$607.50	\$112.50	\$112.50
<b>TOTAL BAKER BOTTS, L.L.P.</b>							<b>\$19,329.64</b>	<b>\$19,329.64</b>

<b>TOTAL DOCKET NO 54634</b>	<b>\$19,329.64</b>
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TOTAL DISALLOWANCE FOR FEES IN EXCESS OF \$550/HOUR

\$191,811.64

**PUC DOCKET NO. 55867**

<b>APPLICATION OF LCRA</b>	<b>§</b>	<b>BEFORE THE</b>
<b>TRANSMISSION SERVICES</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>CORPORATION FOR AUTHORITY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>TO CHANGE RATES</b>	<b>§</b>	

**DIRECT TESTIMONY**

**OF**

**PATRICK PEARSALL**

**ON BEHALF OF**

**LCRA TRANSMISSION SERVICES CORPORATION**

**November 30, 2023**

**PUC DOCKET NO. 55867**  
**DIRECT TESTIMONY OF PATRICK PEARSALL**

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**PUC DOCKET NO. 55867**  
**DIRECT TESTIMONY OF PATRICK PEARSALL**

**I.     INTRODUCTION**

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

A.     My name is Patrick Pearsall. My business address is 600 Congress Avenue, Suite 1900,  
Austin, Texas 78701.

**Q.     BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

A.     I am a partner with the law firm of Duggins Wren Mann & Romero, LLP (DWMR).

**Q.     PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

A.     I have a Juris Doctorate from the University of Texas School of Law (2003) and a Bachelor  
of Arts degree, Magna Cum Laude, from Southwestern University (1998) with a major in  
Communication Studies.

**Q.     ARE YOU A LICENSED ATTORNEY?**

A.     Yes. I am licensed as an attorney in Texas (2004) and New Mexico (2019).

**Q.     PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

A.     After law school, I served as a Briefing Attorney (2004-2005) and Staff Attorney (2005-  
2007) for Justice Bea Ann Smith (retired) of the Third Court of Appeals in Austin, Texas.  
Since 2007, my law practice has primarily focused on the representation of electric utilities  
and other clients in regulatory, trial, and appellate proceedings before state and federal  
agencies and courts. Specifically, I have represented utility clients in contested cases  
before the Public Utility Commission of Texas (Commission), New Mexico Public  
Regulation Commission, Arkansas Public Service Commission, Federal Energy  
Regulatory Commission (FERC), and the Railroad Commission of Texas. Before the  
Commission, I have represented electric utilities in a variety of matters, including: base-  
rate cases; interim cost recovery dockets; fuel reconciliation and refund/surcharge  
proceedings; generation and transmission certificate of convenience and necessity dockets;  
transmission cost recovery factor, distribution cost recovery factor, and energy efficiency  
cost recovery factor dockets; renewable tariff proceedings; and sale/transfer/merger

1 applications. I have also represented utility clients in appeals and suits for judicial review  
2 of agency orders before the United States Court of Appeals for the Fifth Circuit, the Texas  
3 Supreme Court, and numerous Texas Courts of Appeals.

4 As part of my utility practice, I have represented both Electric Reliability Council  
5 of Texas (ERCOT) and non-ERCOT utilities in base-rate cases before the Commission and  
6 other state utility commissions. Based on this experience, I am familiar with the tasks and  
7 amount of time and effort involved in: (1) preparing a base-rate case application, the  
8 supporting testimony, and the required rate filing package; and (2) prosecuting a fully  
9 litigated base-rate case. Such tasks include developing and addressing strategy, selecting  
10 witnesses and consultants, reviewing schedules, reviewing and editing testimony,  
11 propounding and responding to discovery, drafting discovery motions and responses,  
12 analyzing Commission and judicial precedent, preparing for and participating in  
13 depositions and hearings, drafting post-hearing briefing, filing appeals, and negotiating  
14 settlements. Through my professional experience, I have developed the experience  
15 necessary to determine whether the work performed in a base-rate case was reasonable and  
16 necessary and whether the rate-case expenses charged for such work are reasonable.

17 **Q. HAVE YOU TESTIFIED BEFORE THE COMMISSION PREVIOUSLY?**

18 A. No.

19 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?**

20 A. LCRA Transmission Services Corporation (LCRA TSC).

21 **II. PURPOSE OF TESTIMONY**

22 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

23 A. The purpose of my direct testimony is to review and assess the necessity and  
24 reasonableness of LCRA TSC's rate-case expenses incurred to prepare and prosecute this  
25 rate case. As discussed in the Direct Testimony of Mr. Don Kiser, LCRA TSC has incurred  
26 and will continue to incur various outside counsel and consulting costs in order to prepare  
27 and litigate this case.

1 My direct testimony addresses the rate-case expenses billed to LCRA TSC as of  
2 October 2023. As this case progresses, LCRA TSC will update and provide supplemental  
3 documentation supporting its actual rate-case expenses after such expenses are incurred.  
4 Accordingly, I anticipate that supplemental testimony and/or affidavits will become  
5 necessary as additional rate-case expense information becomes available.

6 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

7 A. I have reviewed the available rate-case expense documentation relating to each law firm  
8 and outside consultant supporting LCRA TSC in this case; analyzed the expenses in light  
9 of the applicable standards used to determine the reasonableness of rate-case expenses in  
10 Commission proceedings; and assessed these expenses in light of the complexity of the  
11 case and underlying issues, the scope and quality of the services being provided, and the  
12 importance of this case to LCRA TSC. Based on this review and analysis, it is my opinion  
13 that the rate-case expenses reviewed to date are reasonable and eligible for recovery  
14 because:

- 15 • the services of LCRA TSC's outside law firms and consultants are necessary;
- 16 • the fees charged by LCRA TSC's outside law firms and consultants as of October  
17 2023, are reasonable;
- 18 • the outside law firms working on multiple rate case issues have employed task  
19 codes and narrative descriptions to allow for the tracking of rate-case expenses by  
20 issue where the attorneys are working on specific issues, consistent with rate-case  
21 expense rule, 16 Tex. Admin. Code (TAC) § 25.245;
- 22 • the number of attorneys and consultants within the various firms working on this  
23 case at any given time are reasonable; and
- 24 • the rate-case expenses, in total, are necessary, reasonable, warranted and not  
25 extreme, excessive, or disproportionate.

26 **Q. WAS YOUR TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT**  
27 **SUPERVISION?**

28 A. Yes.

1 **Q. DO YOU SPONSOR ANY EXHIBITS?**

2 A. No. The invoices and engagement agreements that I have reviewed to date for each law  
3 firm or outside consultant that billed LCRA TSC for services associated with this case are  
4 included in Mr. Don Kiser's testimony workpapers.

5 **III. LCRA TSC'S REQUESTED RATE-CASE EXPENSES**

6 **Q. WHAT AMOUNT OF RATE-CASE EXPENSES IS LCRA TSC SEEKING TO**  
7 **RECOVER IN THIS CASE?**

8 A. As of the filing of this testimony, LCRA TSC is requesting recovery of \$777,076.53, which  
9 reflects LCRA TSC's actual rate-case expenses incurred during the preparation of this case  
10 and billed to LCRA TSC as of October 2023. As noted above, LCRA TSC will update its  
11 rate-case expense recovery request to reflect its actual expenses for this case after such  
12 expenses are incurred. No rate-case expenses are being sought in this proceeding for prior  
13 rate case dockets. A summary of LCRA TSC's requested rate-case expenses are included  
14 in Exhibit DK-1 (Confidential) to the Direct Testimony of Mr. Kiser.

15 **Q. HOW DOES LCRA TSC PROPOSE TO RECOVER ITS RATE-CASE EXPENSES?**

16 A. LCRA TSC's proposed methodology for recovering its rate-case expenses is addressed in  
17 the Direct Testimony of Mr. Kiser.

18 **IV. SCOPE OF REVIEW AND STANDARD FOR RECOVERY OF**  
19 **RATE-CASE EXPENSES**

20 **Q. PLEASE SUMMARIZE HOW YOU PREPARED TO TESTIFY IN THIS CASE.**

21 A. I undertook the following activities to prepare to testify in this case:

- 22 • I discussed the rate case, including case drivers, with key members of the LCRA  
23 TSC legal and litigation team—in particular, Emily Jolly, Senior Vice President  
24 of Regulatory Affairs and Associate General Counsel; Mr. Kiser, Senior  
25 Director of Regulatory Affairs; and Meghan Griffiths, one of LCRA TSC's  
26 outside counsel in this matter;

- I reviewed Public Utility Regulatory Act (PURA)<sup>1</sup> § 36.061, which permits the recovery of the reasonable costs and expenses associated with participating in a rate proceeding, as well as the Commission's rate-case expense rule, 16 TAC § 25.245, and the rulemaking order adopting this rule;<sup>2</sup>
- I reviewed rate-case expense testimony filed in recent base-rate proceedings on behalf of utilities as well as Commission Staff;<sup>3</sup>
- I reviewed Texas Disciplinary Rule of Professional Conduct 1.04(b) and the relevant Texas case law pertaining to the determination of attorneys' fees and costs of litigation;
- I examined the experience of the attorneys and consultants working on the case so I could form an assessment of the need for their services and the reasonableness of their fees;
- I made inquiries regarding LCRA TSC's internal procedures for reviewing and paying invoices and controlling rate case costs, and confirmed with Mr. Kiser that these procedures were followed with respect to LCRA TSC's requested rate-case expenses; and
- I reviewed the underlying invoices and documentation supporting the requested rate-case expenses for LCRA TSC's outside attorneys and consultants.

**Q. IS LCRA TSC ENTITLED TO RECOVER ITS REASONABLE RATE-CASE EXPENSES INCURRED TO PREPARE AND PROSECUTE THIS CASE?**

A. Yes. PURA § 36.061(b)(2) provides that the Commission may allow as a cost or expense the reasonable costs of participating in a rate proceeding. Consistent with this authority,

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<sup>1</sup> PURA is codified at Tex. Util. Code Ann. §§ 11.001-66.016.

<sup>2</sup> *Rulemaking to Propose New Subst. R. § 25.245, Relating to Recovery of Expenses for Ratemaking Proceedings*, Project No. 41622, Order Adopting New § 25.245 as Approved at the July 10, 2014 Open Meeting (Aug. 6, 2014).

<sup>3</sup> E.g., *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 54634 (Feb. 8, 2023); *Application of Entergy Texas, Inc. for Authority to Change Rates*, Docket No. 53719 (Jul. 1, 2022); *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 53601 (May 13, 2022); *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 51415 (Oct. 14, 2020); *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 49831 (Aug. 8, 2019).



1 the Commission historically has allowed utilities to recover their reasonable and necessary  
2 rate-case expenses. Further, in 2014, the Commission adopted its rate-case expense rule,  
3 16 TAC § 25.245, which provides that, if a utility requesting recovery of or reimbursement  
4 for its rate-case expenses meets its burden to prove the reasonableness of its rate-case  
5 expenses by a preponderance of the evidence, then the presiding officer shall allow its rate-  
6 case expenses.<sup>4</sup>

7 **Q. WHAT STANDARDS HAVE YOU APPLIED IN ASSESSING THE**  
8 **REASONABLENESS AND NECESSITY OF LCRA TSC'S RATE-CASE**  
9 **EXPENSES?**

10 A. Primarily, I apply PURA § 36.061 and 16 TAC § 25.245. I also apply the Texas  
11 Disciplinary Rule of Professional Conduct 1.04(b) and the relevant Texas case law  
12 pertaining to the determination of attorneys' fees and costs of litigation.<sup>5</sup>

13 **Q. WHAT IS LCRA TSC'S BURDEN OF PROOF UNDER THE COMMISSION'S**  
14 **RATE-CASE EXPENSE RULE?**

15 A. 16 TAC § 25.245(b) provides:

16 A utility or municipality seeking recovery of or reimbursement for rate-case  
17 expenses shall file sufficient information that details and itemizes all rate-  
18 case expenses, including, but not limited to, evidence verified by testimony  
19 or affidavit, showing:

- 20 (1) the nature, extent, and difficulty of the work done by the  
21 attorney or other professional in the rate case;
- 22 (2) the time and labor required and expended by the attorney or  
23 other professional;
- 24 (3) the fees or other consideration paid to the attorney or other  
25 professional for the services rendered;
- 26 (4) the expenses incurred for lodging, meals and beverages,  
27 transportation, or other services or materials;
- 28 (5) the nature and scope of the rate case, including:

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<sup>4</sup> 16 TAC § 25.245(d)(1).

<sup>5</sup> See generally *City of El Paso v. Pub. Util. Comm'n of Tex.*, 916 S.W.2d 515 (Tex. App.—Austin 1995, writ dismissed by agr.); *Arthur Andersen v. Perry Equipment Corp.*, 945 S.W.2d 812 (Tex. 1997); *Rohrmoos Venture v. UTSW DVA Healthcare, L.P.*, 578 S.W.3d 469 (Tex. 2019); and *Iola Barker v. Hurst*, 632 S.W.3d 175 (Tex. App.—Houston [1st Dist.] 2021, no pet.).

- (A) the size of the utility and number and type of consumers served;
- (B) the amount of money or value of property or interest at stake;
- (C) the novelty or complexity of the issues addressed;
- (D) the amount and complexity of discovery;
- (E) the occurrence and length of a hearing; and
- (6) the specific issue or issues in the rate case and the amount of rate-case expenses reasonably associated with each issue.

**Q. DOES THE COMMISSION’S RATE-CASE EXPENSE RULE ADDRESS THE FACTORS TO BE CONSIDERED IN ASSESSING THE REASONABLENESS OF RATE-CASE EXPENSES?**

A. Yes. Subsection (c) of the rule provides:

In determining the reasonableness of the rate-case expenses, the presiding officer shall consider the relevant factors listed in subsection (b) of this section *and any other factor shown to be relevant to the specific case*. The presiding officer shall decide whether and the extent to which the evidence shows that:

- (1) the fees paid to, tasks performed by, or time spent on a task by an attorney or other professional were extreme or excessive;
- (2) the expenses incurred for lodging, meals and beverages, transportation, or other services or materials were extreme or excessive;
- (3) there was duplication of services or testimony;
- (4) the utility’s or municipality’s proposal on an issue in the rate case had no reasonable basis in law, policy, or fact and was not warranted by any reasonable argument for the extension, modification, or reversal of commission precedent;
- (5) rate-case expenses as a whole were disproportionate, excessive, or unwarranted in relation to the nature and scope of the rate case addressed by the evidence pursuant to subsection (b)(5) of this section; or
- (6) the utility or municipality failed to comply with the requirements for providing sufficient information pursuant to subsection (b) of this section.<sup>6</sup>

<sup>6</sup> 16 TAC § 25.245(c) (emphasis added).

1 If the utility demonstrates the criteria above, then the rule provides that the presiding officer  
2 “shall allow or recommend allowance of recovery of rate-case expenses equal to the  
3 amount shown in the evidentiary record to have been actually and reasonably incurred by  
4 the requesting utility or municipality.”<sup>7</sup>

5 **Q. WHAT FACTORS DO TEXAS COURTS APPLY IN ASSESSING THE**  
6 **REASONABLENESS OF ATTORNEYS’ FEES?**

7 A. In 1995, prior to the adoption of 16 TAC § 25.245, the Third Court of Appeals agreed with  
8 the Commission that its determination of the reasonableness of rate-case expenses is  
9 analogous to a trial court’s determination of attorneys’ fees and costs of litigation and  
10 included consideration of the following factors:

- 11 (1) time and labor required;
- 12 (2) nature and complexities of the case;
- 13 (3) amount of money or value of property or interest at stake;
- 14 (4) extent of responsibilities the attorney assumes;
- 15 (5) whether the attorney loses other employment because of the  
16 undertaking; and
- 17 (6) benefits to the client from the services.<sup>8</sup>

18 Furthermore, the Texas Supreme Court identified the following factors that should be  
19 considered when examining the reasonableness of attorneys’ fees:

- 20 (1) the time and labor required, the novelty and difficulty of the  
21 questions involved, and the skill required to perform the legal  
22 service properly;
- 23 (2) the likelihood . . . that the acceptance of the particular employment  
24 will preclude other employment by the lawyer;
- 25 (3) the fee customarily charged in the locality for similar legal services;
- 26 (4) the amount involved and the results obtained;
- 27 (5) the time limitations imposed by the client or by the circumstances;
- 28 (6) the nature and length of the professional relationship with the client;

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<sup>7</sup> 16 TAC § 25.245(d)(1).

<sup>8</sup> *City of El Paso*, 916 S.W.2d at 522.

1 (7) the experience, reputation, and ability of the lawyer or lawyers  
2 performing the services; and

3 (8) whether the fee is fixed or contingent on results obtained or  
4 uncertainty of collection before the legal services have been  
5 rendered.<sup>9</sup>

6 Subsequently, the Court provided additional guidelines for determining the  
7 reasonableness and necessity of attorneys' fees by introducing the "lodestar" calculation  
8 by which a court can establish reasonable attorneys' fees by multiplying the reasonable  
9 hours worked by a reasonable hourly rate.<sup>10</sup> Under the lodestar method, the determination  
10 of what constitutes a reasonable attorney's fee involves a two-step process: "First, the court  
11 must determine the reasonable hours spent by counsel in the case and a reasonable hourly  
12 rate for such work. The court then multiplies the number of such hours by the applicable  
13 rate, the product of which is the base fee or lodestar. The court may then adjust the base  
14 lodestar up or down (apply a multiplier), if relevant factors indicate an adjustment is  
15 necessary to reach a reasonable fee in the case."<sup>11</sup>

16 The Court made clear that the lodestar method was merely a "short hand version of  
17 the *Arthur Andersen* factors and was never intended to be a separate test or method."<sup>12</sup> As  
18 in the federal courts, the base lodestar calculation usually includes at least the following  
19 considerations from *Arthur Andersen*: "the time and labor required," "the novelty and  
20 difficulty of the questions involved," "the skill required to perform the legal service  
21 properly," "the fee customarily charged in the locality for similar legal services," "the  
22 amount involved," "the experience, reputation, and ability of the lawyer or lawyers  
23 performing the services," "whether the fee is fixed or contingent on results obtained," "the  
24 uncertainty of collection before the legal services have been rendered," and "results  
25 obtained."<sup>13</sup> The lodestar method establishes a strong presumption that the lodestar figure  
26 is reasonable and was never intended to be conclusive in all circumstances. Consequently,

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<sup>9</sup> *Arthur Andersen*, 945 S.W.2d at 818.

<sup>10</sup> *Rohrmoos Venture*, 578 S.W.3d at 491; *see also, Iola Barker*, 632 S.W.3d at 186-87.

<sup>11</sup> *Iola Barker*, 632 S.W.3d at 186-87.

<sup>12</sup> *Rohrmoos Venture*, 578 S.W.3d at 490.

<sup>13</sup> *Id.* at 500; *Iola Barker*, 632 S.W.3d at 187.

1 the lodestar method allows for the base lodestar figure “to be adjusted up when  
2 considerations not already accounted for in the first step establish that the base lodestar  
3 figure represents an unreasonably low fee award, depriving fair compensation to the  
4 prevailing party’s attorney.”<sup>14</sup>

5 **Q. SHOULD RATE-CASE EXPENSES THAT FAIL TO SATISFY THE**  
6 **REQUIREMENTS OF THE COMMISSION’S RATE-CASE EXPENSE RULE BE**  
7 **AUTOMATICALLY DISALLOWED?**

8 A No. Commission precedent does not require the automatic disallowance of an expense.  
9 The rate-case expense rule’s standard is a subjective one in which “extreme or excessive”  
10 fees or expenses are to be determined in the context of the evidence, rather than  
11 prescriptively setting numeric or dollar thresholds. Therefore, if an item appears to call for  
12 further scrutiny, the item is investigated to determine whether the item is necessary,  
13 reasonable, and warranted under the circumstances of the case.

14 **V. NATURE AND SCOPE OF THIS CASE**

15 **Q. PLEASE DESCRIBE THE NATURE AND SCOPE OF THIS CASE.**

16 A. This is a comprehensive base-rate case, in which all of the components comprising LCRA  
17 TSC’s rates will be subject to review and adjustment by the Commission. It is LCRA  
18 TSC’s first base rate case since 2011. I understand that since 2011, LCRA TSC has  
19 experienced significant growth and that the adjustment to LCRA TSC’s rates is to:  
20 (1) facilitate the rapid pace of generator interconnections; (2) increase capacity and  
21 reliability of the system for continued residential, commercial, and industrial growth; and  
22 (3) ensure the security of the needed transmission infrastructure.

23 As the utility, LCRA TSC has the burden of proof. This means that it must address  
24 multiple factual and legal matters in its rate filing package, its direct testimony, and in its  
25 rebuttal testimony, and briefing, along with responding to numerous discovery requests  
26 from the Commission Staff and intervening parties, plus responding to questions and  
27 requests from the Commissioners at open meetings in which the rate case is deliberated.

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<sup>14</sup> *Rohrmoos Venture*, 578 S.W.3d at 502.

1 This requires utilizing highly qualified attorneys along with witnesses and consulting  
2 experts able to capably address the various substantive areas of utility operations,  
3 management, accounting, finance, etc.

4 **Q. HAS LCRA TSC PROPOSED ANYTHING IN THIS RATE CASE THAT HAS NO**  
5 **REASONABLE BASIS IN LAW, POLICY, OR FACT AND IS NOT WARRANTED**  
6 **BY ANY REASONABLE ARGUMENT FOR THE EXTENSION,**  
7 **MODIFICATION, OR REVERSAL OF COMMISSION PRECEDENT?**

8 A. No. Based on my review and discussions with the LCRA TSC litigation team, the issues  
9 raised by LCRA TSC through its application and testimony are consistent with the  
10 Commission's rate filing package and with prior Commission orders.

11 **Q. HAVE LCRA TSC AND THE OUTSIDE LAW FIRMS WORKING ON THIS CASE**  
12 **PROVIDED SUFFICIENT INFORMATION TO TRACK RATE-CASE EXPENSES**  
13 **REASONABLY ASSOCIATED WITH SPECIFIC ISSUES RAISED IN THE**  
14 **CASE?**

15 A. Yes, LCRA TSC is tracking rate-case expenses by issue in the rate case, to the extent  
16 practicable, in accordance with the Commission's rate-case expense rule. Notably, the  
17 outside attorneys code all of their time entries to individual categories, including:

- 18 • Administration / Case Management;
- 19 • Policy;
- 20 • Capital;
- 21 • O&M / A&G / Human Resources Exp.;
- 22 • Allocations;
- 23 • Debt Service / Debt Service Coverage;
- 24 • Taxes;
- 25 • Depreciation;
- 26 • Rate Design / Functionalization / Tariffs;
- 27 • Rate-Case Expenses; and
- 28 • Accounting.

1 In addition, the outside counsel and consultants' individual time entries provide narrative  
2 descriptions that enable LCRA TSC to refine the allocation of its rate-case expenses to  
3 specific case issues.

4 **Q. ARE LCRA TSC'S RATE-CASE EXPENSES, TAKEN AS A WHOLE,**  
5 **DISPROPORTIONATE, EXCESSIVE, OR UNWARRANTED IN RELATION TO**  
6 **THE NATURE AND SCOPE OF THIS CASE?**

7 A. No. In my opinion, the rate-case expenses of LCRA TSC's outside counsel and consultants  
8 incurred to date are not disproportionate, excessive, or unwarranted given the nature and  
9 scope of this base-rate case.

10 **VI. LEGAL FEES AND EXPENSES**

11 **Q. WHAT LAW FIRMS ARE PROVIDING LEGAL SERVICES TO LCRA TSC IN**  
12 **THIS CASE?**

13 A. Two law firms—Jackson Walker, LLP, and Hunton Andrews Kurth LLP—are representing  
14 and providing legal services to LCRA TSC in this case.

15 **Q. IS IT REASONABLE AND NECESSARY FOR LCRA TSC TO RETAIN OUTSIDE**  
16 **LEGAL COUNSEL IN THIS CASE?**

17 A. Yes. It is standard practice for electric utilities in Texas to use outside legal counsel for  
18 rate proceedings, given that rate case work is highly specialized and requires significant  
19 resources. Because it has the burden of proof in this case, LCRA TSC will be required to  
20 prepare for and address multiple issues in its direct and rebuttal testimony, at the hearing  
21 on the merits, and in the post-hearing briefing and exceptions processes, including issues  
22 raised by intervening parties and Commission Staff. Further, in base-rate cases, such as  
23 this, many of these issues will be scrutinized and challenged by Commission Staff and  
24 intervenors, which will involve a higher level of litigation activity. In addition, LCRA TSC  
25 will be required to timely respond to discovery requests, which have deadlines and can be  
26 voluminous and complex, as well as have its witnesses subject to possible depositions.

27 LCRA TSC does have internal legal resources. Those resources, however, are  
28 limited in the time available beyond the day-to-day activities necessary for utility  
29 operations. Consequently, it is reasonable for LCRA TSC to retain outside counsel who

1 possess extensive rate case experience at law firms capable of providing the necessary  
2 supporting resources. It is also common for utilities to retain outside counsel from more  
3 than one law firm given the highly specialized and significant matters involved and the  
4 limited number of attorneys with the depth of necessary experience.

5 Jackson Walker and Hunton Andrews Kurth are both experienced with rate cases  
6 and the standards for recovery of rate-case expenses. As such, they are aware of the need  
7 to avoid duplication of services and coordinate with LCRA TSC and each other on the  
8 marshalling of legal resources to be efficient and effective.

9 **Q. HOW DID YOU EVALUATE THE REASONABLENESS OF THE FEES**  
10 **CHARGED BY JACKSON WALKER AND HUNTON ANDREWS KURTH?**

11 A. The fee schedules and total fees charged are reflected in the engagement agreements and  
12 invoice information, respectively. I evaluated the reasonableness of the fees charged by  
13 Jackson Walker and Hunton Andrews Kurth based on my understanding of the issues in a  
14 rate case generally and LCRA TSC's requested rate relief specifically, my discussions with  
15 the litigation team, and my knowledge of the experience, credibility, and competence of  
16 the two law firms and their attorneys. I also compared their hourly rates to the hourly rates  
17 charged by other law firms providing similar services.

18 **Q. HOW WERE YOU ABLE TO COMPARE THE HOURLY RATES FOR SERVICES**  
19 **PROVIDED TO LCRA TSC BY JACKSON WALKER AND HUNTON ANDREWS**  
20 **KURTH WITH THOSE OF OTHER ATTORNEYS PROVIDING SIMILAR**  
21 **SERVICES?**

22 A. My primary source of information was from testimony filed in other recent proceedings  
23 before the Commission. I also have familiarity with hourly rates from my own law firm  
24 experience and working with other lawyers. While there can be, and is, variation in the  
25 hourly rates that different lawyers and law firms charge for working on rate cases, as well  
26 as variation in hourly rates over time, the upper end of the legal rates currently charged in  
27 rate cases before the Commission appears to be in the \$600 to \$850 per hour range.

28 I am also aware that the Railroad Commission of Texas recently approved  
29 settlements which found hourly attorney rates of \$877.50 per hour to be reasonable in two



1 separate gas utility rate proceedings.<sup>15</sup> Gas utility rate proceedings are similar in nature to  
2 electric utility rate proceedings and involve many of the same ratemaking principles. There  
3 is also considerable overlap among electric utility lawyers and gas utility lawyers.

4 **Q. HOW ARE HOURLY RATES ESTABLISHED BY A LAW FIRM?**

5 A. In my experience, hourly rates are largely a function of the nature of the work, the relevant  
6 experience and knowledge of the attorneys and legal assistants within the law firm, the  
7 length of the relationship with the client, and the current and anticipated workload of the  
8 relevant attorneys relative to the time commitment of an engagement that may limit the  
9 ability to undertake other legal work. As with any service, the market in which the  
10 attorneys operate plays a role in the setting of hourly rates. Obviously, the greater the  
11 demand for legal services, the higher the rates tend to be. Hourly rates of lawyers and non-  
12 legal consultants also tend to increase over time, as the underlying costs of providing  
13 services tend to increase over time.

14 **A. Jackson Walker**

15 **Q. ARE YOU FAMILIAR WITH THE EXPERIENCE AND REPUTATION OF THE**  
16 **JACKSON WALKER TEAM REPRESENTING LCRA TSC IN THIS CASE?**

17 A. Yes. I am very familiar with Jackson Walker and its excellent professional reputation. I  
18 also have personal knowledge of the high level of experience and professionalism that each  
19 Jackson Walker attorney on the team brings to the case. The primary Jackson Walker  
20 partners that have provided services to date are Mr. Kirk Rasmussen, Mr. Craig Bennett,  
21 Ms. Meghan Griffiths, and Mr. Taylor Holcomb.

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<sup>15</sup> See *Statement of Intent Filed by Hooks Gas Pipeline, LLC to Increase and Consolidate Rates for Hooks Gas Pipeline, LLC, Texas Gas Pipeline Company, LLC and 1486 Pipeline, LLC*, Railroad Commission of Texas Docket No. OS-20-00004866, Proposal for Decision at 14 (Mar. 23, 2021) (finding Vinson & Elkins' hourly attorney rates of \$647.40 to \$877.50 to be reasonable); *id.*, Final Order at Findings of Fact Nos. 46-49 (Apr. 14, 2021) (approving Proposal for Decision); *Statement of Intent Filed by Universal Natural Gas Inc. to Increase and Consolidate Rates in the Unincorporated Areas Served by Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc., Consumers Gas Company, LLC d/b/a Consumers Gas Company, Inc., Enertex NB, LLC, and Gas Energy, LLC*, Railroad Commission of Texas Docket No. OS-20-00004865, Proposal for Decision at 22-23 (Mar. 31, 2021) (finding Vinson & Elkins' hourly attorney rates which ranged up to \$877.50 to be reasonable); *id.*, Final Order at Findings of Fact Nos. 62-65 (Apr. 14, 2021) (approving Proposal for Decision).

- 1 • Mr. Rasmussen has over 20 years of utility experience. Mr. Rasmussen's clients  
2 have included some of the country's largest electric generators, investor-owned  
3 and public transmission and distribution utilities, retail electric providers, and  
4 large consumers of electricity. His practice covers all aspects of the  
5 administrative process, including contested case proceedings, compliance  
6 counseling, licensing matters, rulemakings, appeals of agency decisions, and  
7 the many issues associated with owning, operating, or transferring assets within  
8 a regulated market.
- 9 • Mr. Bennett's practice focuses on administrative and regulatory law, including  
10 counseling clients on a broad range of matters such as compliance, enforcement,  
11 litigation, and judicial review of administrative agency decisions. Prior to  
12 joining Jackson Walker, he served as a Master Administrative Law Judge with  
13 the Texas State Office of Administrative Hearings (SOAH) for 18 years.  
14 Mr. Bennett currently serves as an adjunct professor teaching Texas  
15 Administrative Law at Baylor Law School and at the University of Texas Law  
16 School, where he has taught since 2007.
- 17 • Ms. Griffiths has been practicing energy and utility law for 19 years. Her current  
18 and past clients include electric utilities, power generation companies, large  
19 power users, electric sector investors, and retail electric providers. Since 2004  
20 she has represented clients in rate case and regulatory proceedings before the  
21 Commission, as well as Commission rulemakings, ERCOT market matters,  
22 agency appeals, and general commercial litigation involving the electric utility  
23 industry. She also represents electric utilities, generators and large power users  
24 in project development and power supply matters.
- 25 • Mr. Holcomb has 13 years of experience practicing law as an energy,  
26 environmental, and regulatory lawyer. His past and present clients include  
27 electric, water, and gas utilities. He has represented clients in contested rate  
28 proceedings at the Commission, the Railroad Commission of Texas, and  
29 SOAH.

1 **Q. WHAT JACKSON WALKER INVOICES DID YOU REVIEW?**

2 A. I reviewed Jackson Walker's invoices for the period from May 2023 through October 2023.  
3 The firm's invoices include time, task, and attorney information, as well as billing category  
4 task codes.

5 **Q. WHAT DID YOU DETERMINE FROM YOUR REVIEW OF THE JACKSON**  
6 **WALKER INVOICES?**

7 A. I found that the level of detail was sufficient to allow me to reasonably identify the nature,  
8 extent, and difficulty of the work being performed, and to form some judgment about the  
9 reasonableness of the time and labor required and spent and the out-of-pocket expenses  
10 incurred. All of the invoices reflect the date and a description of the services provided by  
11 each timekeeper, billed in 1/10 hour increments, and the respective timekeeper's hourly  
12 rate.

13 In addition, there were no time entries for more than twelve hours in a single day.  
14 The invoices reviewed to date appear to have been calculated correctly. No double billings  
15 or inconsistencies were found. Further, it appears that none of the legal fees should have  
16 been assigned to other matters, none were lacking in supporting documentation or other  
17 verification (after due inquiry to the extent necessary), and that no luxury items were billed  
18 to the utility. Finally, when I needed more information about any particular entries, I  
19 investigated it further, so as to be able to form an opinion as to the reasonableness of the  
20 invoices.

21 Subject to the review of additional invoice information that becomes available later,  
22 my opinion is that the time spent, tasks performed, and fees charged that I have reviewed  
23 to date by the foregoing law firm are necessary, reasonable, warranted, and thus not  
24 extreme or excessive.

25 **Q. WHAT WERE THE FEES OF JACKSON WALKER BILLED TO LCRA TSC FOR**  
26 **THE PERIOD THROUGH OCTOBER 2023?**

27 A. Jackson Walker's total fees, including expenses, for this period were \$286,861.50.

1   **Q.   WHAT IS YOUR CONCLUSION REGARDING THE REASONABLENESS OF**  
2   **THE FEES BEING CHARGED BY JACKSON WALKER TO DATE IN THIS**  
3   **CASE?**

4   A.   While there is a competitive market for regulatory counsel, only a few firms could meet  
5   LCRA TSC's requirements. Based on my experience, expertise, review of the documents,  
6   and review of 16 TAC § 24.245 and Texas jurisprudence on reasonable attorneys' fees, and  
7   given Jackson Walker's high level of expertise and knowledge of electric utility regulation  
8   in Texas and rate cases in particular, the firm's long-standing and successful representation  
9   of the utility in prior matters and its attorneys' representation of LCRA TSC in prior rate  
10   proceedings, the extensive and intense time commitment necessary to complete the rate  
11   case, and the value and importance of the rate case to the utility, it is my opinion the rates  
12   charged by the LCRA TSC attorneys are reasonable. In addition, their rates are generally  
13   comparable to rates charged by other law firm practitioners providing similar services,  
14   which further confirms that Jackson Walker's fees are reasonable.

15   **Q.   WHAT IS YOUR CONCLUSION REGARDING FEES AND EXPENSES**  
16   **INCURRED BY LCRA TSC FOR LEGAL SERVICES PROVIDED BY JACKSON**  
17   **WALKER IN THIS CASE?**

18   A.   My opinion is the rates charged, time spent, tasks performed, and fees and expenses  
19   charged to date by Jackson Walker are necessary, reasonable, warranted, and are not  
20   extreme or excessive, and therefore should be recovered. This is based upon my review  
21   and evaluation of the invoices, and such factors as the number of and complexity of the  
22   rate case issues, the significance of the rate case to the utility, and the fact that the utility  
23   has the burden of proof (and thus must prepare, file, and give notice of an application,  
24   along with prepared direct testimony, that is subject to initial review for sufficiency and  
25   completeness, as well as be prepared to fully prosecute the case through discovery to an  
26   evidentiary hearing and through the applicable post-hearing procedures).

**B. Hunton Andrews Kurth**

**Q. ARE YOU FAMILIAR WITH THE EXPERIENCE AND REPUTATION OF THE HUNTON ANDREWS KURTH TEAM REPRESENTING LCRA TSC IN THIS CASE?**

A. Yes. I am very familiar with Hunton Andrews Kurth and its excellent professional reputation. I also have personal knowledge of the high level of experience and professionalism that each Hunton Andrews Kurth attorney on the team brings to the case. The primary Hunton Andrews Kurth attorneys that have provided services to date are Mr. Myles Reynolds, Mr. Tab Urbantke, and Ms. Lauren Freeland.

- Mr. Reynolds has over 20 years of utility experience and regularly represent clients in proceedings before the Commission, the Railroad Commission of Texas, the FERC, and other state regulatory commissions across the country. These proceedings include rate cases, certificate proceedings, complaints, investigations, and other proceedings. Notably, Mr. Reynolds has represented the largest transmission and distribution electric utility and multiple transmission-only electric utilities in Texas in multiple requests for cost of service-based rates.
- Mr. Urbantke has over 20 years of utility experience and regularly advises clients of the regulatory implications and risks of project development, capital market, and commercial energy transactions. His experience includes both rulemakings and administrative litigation/appeals involving a variety of rate cases, licensing matters, complaints, and merger proceedings before numerous state and federal agencies, including the Commission, the Railroad Commission of Texas, the Texas Commission on Environmental Quality, ERCOT, the North American Electric Reliability Corporation, FERC, and several state public utility commissions. Notably, Mr. Urbantke represented Texas's largest electric utility in connection with the Commission and FERC's approval of sale, transfer, and merger applications arising from majority owner's bankruptcy and restructuring – one of the largest bankruptcies in US history.

- Ms. Freeland has over 10 years of utility experience and has counseled and represented utility clients in regulatory proceedings before the Commission, FERC, SOAH, the Railroad Commission of Texas, and other state regulatory agencies, as well as in Texas state court and in arbitration. She has also assisted clients with due diligence in connection with the acquisition of natural gas, electric, and liquids assets.

**Q. WHAT HUNTON ANDREWS KURTH INVOICES DID YOU REVIEW?**

A. I reviewed Hunton Andrews Kurth's invoices for the period from May 2023 through October 2023. The firm's invoices are among my workpapers and include time, task, and attorney information, as well as billing category task codes.

**Q. WHAT DID YOU DETERMINE FROM YOUR REVIEW OF THE HUNTON ANDREWS KURTH INVOICES?**

A. I found that the level of detail was sufficient to allow me to reasonably identify the nature, extent, and difficulty of the work being performed, and to form some judgment about the reasonableness of the time and labor required and spent and the out-of-pocket expenses incurred. All of the invoices reflect the date and a description of the services provided by each timekeeper, billed in 1/10 hour increments, and the respective timekeeper's hourly rate.

In addition, with the exception of one day, there were no time entries for more than twelve hours in a single day.<sup>16</sup> The invoices reviewed to date appear to have been calculated correctly. No double billings or inconsistencies were found. Further, it appears that none of the legal fees should have been assigned to other matters, that none were lacking in supporting documentation or other verification (after due inquiry to the extent necessary), and that no luxury items were billed to the utility. Finally, when I needed more information about any particular entries, I investigated it further, so as to be able to form an opinion as to the reasonableness of the invoices.

Subject to the review of additional invoice information that becomes available later, my opinion is the time spent, tasks performed, and fees charged that I have reviewed to

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<sup>16</sup> Two attorneys billed over twelve hours in a single day due to travel to and from Austin and Dallas.

1 date by the foregoing law firm are necessary, reasonable, warranted, and thus not extreme  
2 or excessive.

3 **Q. WHAT WERE THE FEES OF HUNTON ANDREWS KURTH BILLED TO LCRA**  
4 **TSC FOR THE PERIOD THROUGH OCTOBER 2023?**

5 A. Hunton Andrews Kurth's total fees, including expenses, for this period were \$424,773.23.

6 **Q. WHAT IS YOUR CONCLUSION REGARDING THE REASONABLENESS OF**  
7 **THE FEES BEING CHARGED BY HUNTON ANDREWS KURTH TO DATE IN**  
8 **THIS CASE?**

9 A. While there is a competitive market for regulatory counsel, only a few firms could meet  
10 LCRA TSC's requirements. Based on my experience, expertise, review of the documents,  
11 and review of 16 TAC § 24.245 and Texas jurisprudence on reasonable attorneys' fees,  
12 and given Hunton Andrews Kurth's high level of expertise and knowledge of electric utility  
13 regulation in Texas and rate cases in particular, their long-standing and successful  
14 representation of utilities in prior cases, the extensive and intense time commitment  
15 necessary to complete the rate case, and the value and importance of the rate case to the  
16 utility, it is my opinion the fees charged by the LCRA TSC attorneys are reasonable. In  
17 addition, their hourly rates are generally comparable to rates charged by other law firm  
18 practitioners providing similar services, which further confirms that Hunton Andrews  
19 Kurth's hourly rates are reasonable.

20 **Q. WHAT IS YOUR CONCLUSION REGARDING THE RATES, FEES, AND**  
21 **EXPENSES INCURRED BY LCRA TSC FOR LEGAL SERVICES PROVIDED BY**  
22 **HUNTON ANDREWS KURTH IN THIS CASE?**

23 A. My opinion is the rates charged, time spent, tasks performed, and fees and expenses  
24 charged to date by Hunton Andrews Kurth are necessary, reasonable, warranted, and are  
25 not extreme or excessive, and therefore should be recovered. This is based upon my review  
26 and evaluation of the invoices, and such factors as the number of and complexity of the  
27 rate case issues, the significance of the rate case to the utility, and the fact that the utility  
28 has the burden of proof (and thus must prepare, file, and give notice of an application,  
29 along with prepared direct testimony, that is subject to initial review for sufficiency and

1 completeness, as well as be prepared to fully prosecute the case through discovery to an  
2 evidentiary hearing and through the applicable post-hearing procedures).

3 **VII. CONSULTANT FEES AND EXPENSES**

4 **Q. IS LCRA TSC USING OUTSIDE CONSULTANTS TO SUPPORT AND PREPARE**  
5 **PORTIONS OF THIS RATE CASE?**

6 A. Yes.

7 **Q. WAS IT NECESSARY FOR LCRA TSC TO RETAIN OUTSIDE CONSULTANTS**  
8 **FOR THIS CASE?**

9 A. It is common for electric utilities, including LCRA TSC, to employ outside experts and  
10 non-testifying consultants to support and prepare portions of rate cases filed at the  
11 Commission. LCRA TSC does not have the internal expertise necessary to properly and  
12 adequately address all of the complex issues in a base-rate case without the assistance of  
13 qualified outside consultants. Its reliance on outside consultants for this case is necessary  
14 and reasonable.

15 **Q. WHAT FIRMS ARE PROVIDING CONSULTING SERVICES TO LCRA TSC IN**  
16 **THIS CASE?**

17 A. The following consulting firms have been retained to provide services in connection with  
18 this case:

- 19 • Alliance Consulting Group (Alliance);
- 20 • Utility Accounting & Rates Specialists; and
- 21 • DWMR (my firm).

22 If other consulting firms subsequently provide services to the utility in connection with this  
23 case, or the consulting firms listed above submit further invoices beyond those which I  
24 have reviewed, that will be something that can be addressed in supplemental testimony or  
25 an affidavit in this docket.



**Q. WHAT INVOICES OR SUPPORTING DOCUMENTATION FOR CONSULTING SERVICES DID YOU REVIEW?**

A. I reviewed engagement letters and/or invoices submitted to LCRA TSC directly or through their outside counsel (and then passed through to LCRA TSC). As the case progresses, I will review the additional invoices submitted as well as invoices for the other consultants.

**Q. ARE THE CONSULTANTS' INVOICES SIMILAR TO THE INVOICES SUBMITTED BY THE LAW FIRMS?**

A. Yes. For the most part, the consultants' invoices include identification of the person or persons performing a billable task, the time they spent, and a description of the task or tasks performed.

**Q. WHAT SERVICES DID THE CONSULTANTS PROVIDE LCRA TSC?**

A. The table below lists the consulting firms, the key consulting professionals, and their primary areas of responsibility.

Firm	Key Consultant(s)	Primary Area(s) of Responsibility
Alliance	Mr. Dane A. Watson	Depreciation Study
Utility Accounting & Rates Specialists	Mr. Russell A. Hissom	Cost Allocation Methodology
DWMR	Mr. Patrick Pearsall	Rate-case expenses

**Q. DID YOU APPLY THE STANDARDS YOU DESCRIBED ABOVE WHEN REVIEWING THE WORK PERFORMED BY THOSE CONSULTANTS?**

A. Yes.

**Q. HOW DID YOU EVALUATE THE FEES CHARGED BY LCRA TSC'S OUTSIDE CONSULTANTS?**

A. Based on my understanding of the issues in this rate case and prior rate cases, as well as prior testimony regarding each of the key consultants' experience, credibility, and competence, and additional due diligence, when necessary, I was able to evaluate the reasonableness of the fees charged in this case.

1 **Q. WHAT IS YOUR CONCLUSION REGARDING THE FEES CHARGED BY LCRA**  
2 **TSC'S OUTSIDE CONSULTANTS?**

3 A. The fees charged by the consultants are reasonable for these types of rate case services, and  
4 thus not extreme or excessive, as discussed for each in turn below.

5 **A. Alliance**

6 **Q. ARE YOU FAMILIAR WITH ALLIANCE?**

7 A. I am familiar with Alliance's depreciation work and Dane A. Watson's excellent  
8 professional reputation. Mr. Watson specializes in regulatory and financial consulting for  
9 utilities and has extensive experience in preparing depreciation studies. He is the principal  
10 of Alliance, which he formed after working with TXU for approximately 20 years. He has  
11 over 30 years of experience in the area of depreciation and valuation. He is a Certified  
12 Depreciation Professional by the Society of Depreciation Professionals and is active in  
13 industry organizations, including service as the Chairman of Edison Electric Institute  
14 Property Accounting and Valuation Committee. He is also a Registered Professional  
15 Engineer (PE) in the State of Texas. Specific information regarding Mr. Watson's  
16 education and professional experience is included in his direct testimony.

17 **Q. PLEASE DESCRIBE THE SERVICES ALLIANCE PROVIDED LCRA TSC.**

18 A. Alliance was retained to prepare a depreciation rate study and provide expert testimony  
19 recommending depreciation rates for LCRA TSC's facilities based on the results of the  
20 depreciation study.

21 **Q. DID YOU REVIEW THE ALLIANCE ENGAGEMENT LETTER?**

22 A. Yes, the engagement letter, which includes the Alliance consultants' fee schedule, is  
23 included in Mr. Kiser's testimony workpapers.

24 **Q. DID YOU REVIEW ALL OF THE ALLIANCE INVOICES?**

25 A. Yes, I have reviewed all of the invoices submitted by Alliance for depreciation study  
26 services performed for LCRA TSC from October 2022 to October 2023. The invoices are  
27 included in Mr. Kiser's testimony workpapers.

1 **Q. WHAT WERE THE FEES CHARGED BY THE ALLIANCE CONSULTANTS?**

2 A. Alliance's fees, including expenses, were \$34,567.05 for the period through October 2023.

3 **Q. WHAT IS YOUR CONCLUSION REGARDING THE REASONABLENESS OF**  
4 **THE RATES AND CHARGES BY ALLIANCE IN THIS CASE?**

5 A. The rates charged by Alliance are reasonable and consistent with rates charged by Alliance  
6 for similar services in recent base-rate cases. The number of hours billed are reasonable.  
7 The invoices were calculated correctly. There were no double billings. There were no  
8 charges that should have been recovered through reimbursement for other expenses. None  
9 of the charges should have been assigned to other jurisdictions or other matters. There  
10 were no time entries for more than 12 hours in a single day. No luxury items were billed  
11 to the utility. Accordingly, in my opinion the amounts charged to date by Alliance are  
12 necessary, reasonable, and warranted, and are not extreme or excessive.

13 **B. Utility Accounting & Rates Specialists**

14 **Q. ARE YOU FAMILIAR WITH UTILITY ACCOUNTING & RATES**  
15 **SPECIALISTS?**

16 A. Yes, I am familiar with the services provided by Utility Accounting & Rates Specialists  
17 generally as well as those of Mr. Russell Hissom, in particular. Mr. Hissom has over 35  
18 years of experience in the power and utilities industry. During this time, he has assisted  
19 utility organizations in improving and maximizing the value of their accounting, cost-of-  
20 service, ratemaking, financial management, and business processes. To that end, he has  
21 provided rate, expert witness, and business process consulting services as well as on-  
22 demand and live training for industry accounting and operations staff to expand their  
23 practical knowledge of the industry to help their organizations and careers.

24 **Q. PLEASE DESCRIBE THE SERVICES UTILITY ACCOUNTING & RATES**  
25 **SPECIALISTS PROVIDED LCRA TSC.**

26 A. Mr. Hissom reviewed and provided his expert opinions on the reasonableness of LCRA  
27 TSC's cost allocation methodology.

1 **Q. DID YOU REVIEW THE UTILITY ACCOUNTING & RATES SPECIALISTS**  
2 **ENGAGEMENT LETTER?**

3 A. Yes, the engagement letter, which includes their consultants' fee schedule, is included in  
4 Mr. Kiser's testimony workpapers.

5 **Q. DID YOU REVIEW ALL OF THE UTILITY ACCOUNTING & RATES**  
6 **SPECIALISTS INVOICES?**

7 A. Yes, I have reviewed all the invoices submitted by Utility Accounting & Rates Specialists  
8 for Mr. Hissom's services performed for LCRA TSC from September 2023 to October  
9 2023. The invoices are included in Mr. Kiser's testimony workpapers.

10 **Q. WHAT WERE THE FEES CHARGED BY THE UTILITY ACCOUNTING &**  
11 **RATES SPECIALISTS CONSULTANTS?**

12 A. Utility Accounting & Rates Specialists' fees, including expenses, were \$14,753.75 for the  
13 period through October 2023.

14 **Q. WHAT IS YOUR CONCLUSION REGARDING THE REASONABLENESS OF**  
15 **THE RATES AND FEES CHARGED BY THE UTILITY ACCOUNTING & RATES**  
16 **SPECIALISTS CONSULTANTS IN THIS CASE?**

17 A. The rates charged by Utility Accounting & Rates Specialists are reasonable and consistent  
18 with rates charged by other consultants for similar services in recent base-rate cases. The  
19 number of hours billed are reasonable. The invoices were calculated correctly. There were  
20 no double billings. There were no charges that should have been recovered through  
21 reimbursement for other expenses. None of the charges should have been assigned to other  
22 jurisdictions or other matters. There were no time entries for more than 12 hours in a single  
23 day. No luxury items were billed to the utility. Accordingly, in my opinion the amounts  
24 charged to date by Utility Accounting & Rates Specialists are necessary, reasonable, and  
25 warranted, and are not extreme or excessive.

**C. DWMR**

**Q. DID YOUR REVIEW THE INVOICES FOR SERVICES PROVIDED BY YOUR FIRM?**

A. Yes. The invoices for my firm's services from July 2023 to October 2023 are included in Mr. Kiser's testimony workpapers along with a copy of the engagement letter with LCRA TSC, which provides my firm's fee schedule.

**Q. PLEASE DESCRIBE THE SERVICES DWMR PROVIDED LCRA TSC.**

A. I was retained to provide expert testimony regarding the rate-case expenses for outside services incurred by LCRA TSC in this rate proceeding. Such testimony is required by Commission precedent and 16 TAC § 25.245 in order for the utility to recover its reasonable and necessary rate-case expenses.

**Q. WHAT FEES DID DWMR CHARGE LCRA TSC FOR ITS SERVICES?**

A. DWMR's fees were \$16,121 for the period through October 2023.

**Q. WHAT IS YOUR CONCLUSION REGARDING THE REASONABLENESS OF THE FEES BY DWMR IN THIS CASE?**

A. DWMR has charged only for the services provided that were reasonable and necessary to perform the informal audit, formulate opinions, and prepare my testimony. To the extent practicable, I have utilized associates and/or paralegals to minimize the cost of my informal audit of LCRA TSC's outside legal and consultant invoices. The DWMR hourly rates are reasonable and reasonably comparable to the rates charged by attorneys providing similar services. The number of hours billed are reasonable. The invoices were calculated correctly. There were no double billings. There were no charges that should have been recovered through reimbursement for other expenses. None of the charges should have been assigned to other jurisdictions or other matters. There were no time entries for more than 12 hours in a single day. No luxury items were billed to the utility. Accordingly, in my opinion the fees charged by DWMR to date are necessary, reasonable, warranted, and are not extreme or excessive.

**VIII. ONGOING RATE-CASE EXPENSES**

**Q. DOES LCRA TSC INTEND TO SEEK RECOVERY OF ADDITIONAL RATE-CASE EXPENSES ASSOCIATED WITH THIS CASE?**

A. Yes. As discussed in the Direct Testimony of Mr. Kiser, as additional rate-case expenses are incurred, LCRA TSC will file supplemental testimony and/or affidavits to support additional rate-case expenses in accordance with the procedural schedule ultimately adopted by the administrative law judges.

**IX. CONCLUSION**

**Q. WHAT IS THE OVERALL AMOUNT OF RATE-CASE EXPENSES FOR WHICH LCRA TSC IS SEEKING RECOVERY?**

A. LCRA TSC is requesting recovery of \$777,076.53 in rate-case expenses associated with this case as recorded to its books and records through October 2023. This amount will obviously increase as additional invoices are received and paid. Therefore, I anticipate that I will be filing additional or supplemental testimony addressing such additional rate-case expenses.

**Q. WHAT IS YOUR OPINION REGARDING LCRA TSC'S RATE-CASE EXPENSES INCURRED TO DATE?**

A. Based on my experience and review of the above-described supporting documentation for the rate-case expenses requested for this case and the prior dockets at issue, I conclude that the expenses were reasonably and necessarily incurred. In particular, I conclude:

- LCRA TSC has provided adequate documentation, in the same form accepted in prior Commission rate-case expense dockets, to support all of the requested rate-case expenses.
- Retention of each of the professionals whose fees and expenses are included in LCRA TSC's requested rate-case expenses was necessary in order for the Company to properly and fully present its case and to meet Commission requirements for this case.
- The total amounts billed by outside legal counsel and consultants were necessarily incurred and reasonable in amount.

- 1           • The number of outside attorneys LCRA TSC used, and the amount of work they
- 2           performed (as documented in monthly invoices) was reasonable and justified
- 3           given the nature of this case.
- 4           • The fees paid to LCRA TSC's outside counsel are consistent with the
- 5           engagements and reasonable given the context of this case.
- 6           • The fees charged by LCRA TSC's outside counsel are reasonable and
- 7           comparable with those of other firms and individuals providing similar services.

8           Finally, I conclude that the amount of rate-case expenses incurred and requested by  
9           LCRA TSC is reasonable and necessary considering the:

- 10          • scope and complexity of the matters involved;
- 11          • the time and labor required;
- 12          • amount of money at stake;
- 13          • number and complexity of the legal, procedural, and evidentiary issues
- 14          addressed in each case; and
- 15          • the scope of responsibilities assumed by LCRA TSC's outside attorneys.

16   **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

17   A. Yes, it does.

DOCKET NO. 56165

PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF

AEP TEXAS INC.

FOR AUTHORITY TO CHANGE RATES

DIRECT TESTIMONY OF

MARK A. SANTOS

FOR

AEP TEXAS INC.

FEBRUARY 2024



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## **GLOSSARY OF ACRONYMS**

AEP	American Electric Power Company, Inc.
AEP Texas or the Company	AEP Texas Inc.
AEPSC	American Electric Power Service Corporation
Cities	Cities Served By AEP Texas
Commission	Public Utility Commission of Texas
DCRF	Distribution Cost Recovery Factor
Duggins Wren	Duggins Wren Mann & Romero, LLP
PURA	Public Utility Regulatory Act
TAC	Texas Administrative Code
TEEE	Temporary Emergency Electric Energy

1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

3 A. My name is Mark A. Santos. I am a partner in the law firm of Coffin Renner LLP and  
4 my business address is 1011 W 31<sup>st</sup> Street, Austin, Texas, 78705.

5 Q. WOULD YOU PLEASE REVIEW YOUR EDUCATIONAL AND BUSINESS  
6 BACKGROUND?

7 A. I have a Juris Doctorate from the University of Texas School of Law and a Bachelor of  
8 Arts degree, *cum laude*, from Texas A&M University in History with University  
9 Honors. My legal career began in the United States Army, where I spent four years on  
10 active duty as a Judge Advocate General Officer in the Army's Trial Defense Service.  
11 In 2007, I transitioned into private practice with a focus on the representation of electric  
12 and gas utilities in regulatory, trial, and appellate proceedings before regulatory  
13 agencies and courts. I have represented clients in proceedings before the Public Utility  
14 Commission of Texas (Commission), Railroad Commission of Texas, New Mexico  
15 Public Regulation Commission and Arkansas Public Service Commission. My work  
16 on behalf of those clients includes, but has not been limited to, lead and co-lead counsel  
17 duties in: base-rate cases; interim cost recovery proceedings related to distribution  
18 invested capital, temporary emergency electric energy (TEEE) facilities, and energy  
19 efficiency programs; storm restoration cost recovery proceedings; securitization cases;  
20 proceedings to amend generation certificates of convenience and necessity; and  
21 sale/transfer/merger applications. I have also been a member of the extended faculty  
22 at the University of Texas School of Law since 2009 as an adjunct professor in the  
23 Advocacy Department.

1 Q. DO YOU POSSESS ANY OTHER QUALIFICATIONS RELEVANT TO THE  
2 TESTIMONY YOU ARE PRESENTING IN THIS CASE?

3 A. Yes, having served as lead counsel in multiple base-rate cases and distribution cost  
4 recovery factor (DCRF) proceedings, I have firsthand experience in the drafting,  
5 assembling, and filing of testimony, management of case schedules, discovery, hearing  
6 preparation, hearing, briefing, negotiation, and settlement aspects of those cases. I have  
7 also assisted clients in the recovery of rate-case expenses. I am familiar with  
8 Commission and judicial precedent relevant to rate cases and rate-case expenses and  
9 have worked with consultants and other outside counsel for utilities like AEP Texas,  
10 Inc. (AEP Texas or the Company). Through my over 20 years of professional  
11 experience, I have developed the experience necessary to determine whether work  
12 performed by lawyers and consultants in the context of DCRF and base-rate cases is  
13 reasonable and necessary and whether rate-case expenses charged in those cases are  
14 reasonable.

15 Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?

16 A. AEP Texas.

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A. The purpose of my direct testimony is to address the reasonableness of rate-case expenses that have been and will be incurred by AEP Texas in prior DCRF proceedings, a wholesale distribution energy storage proceeding, and this base-rate proceeding. More specifically, as discussed in the Direct Testimony of Chad M. Burnett, AEP Texas is seeking the recovery of rate-case expenses incurred in the following proceedings:

- The total current amount of AEP Texas' rate-case expense request is \$674,594.24. The request includes \$82,355 in municipal rate-case expenses incurred in Docket Nos. 51984, 53451, 54824, and 55187. With respect to this proceeding, as of January 31, 2024, AEP Texas has incurred \$473,397.33 in rate-case expenses and will

1 continue to incur various outside counsel and consulting costs to prepare and litigate  
2 this case.

3 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

4 A. Having reviewed rate-case expense documentation related to AEP Texas' outside  
5 counsel, consultants, and employee expenses from Docket Nos. 51984, 53267, 53451,  
6 54824, 55187, 55820 and this proceeding in light of the applicable standards used to  
7 determine the reasonableness of rate-case expenses, the complexity of the cases, the  
8 scope and quality of services provided, and the importance of the litigation to AEP  
9 Texas, it is my opinion that the rate-case expenses addressed in my testimony are  
10 reasonable and eligible for recovery. In particular, I find that:

- 11 • the services provided by AEP Texas' outside counsel and consultants in Docket  
12 Nos. 53267, 54824, 55187, 55820, and this proceeding as of January 31, 2024,  
13 were and are necessary; and  
14 • the fees charged by AEP Texas' outside counsel and consultants in Docket Nos.  
15 53267, 54824, 55187, 55820, and this proceeding as of January 31, 2024, were  
16 and are reasonable.

17 For the reasons discussed in the direct testimony of Mr. Burnett, it is also my opinion  
18 that employee and other expenses incurred in Docket Nos. 51984, 53451, 54824,  
19 55187, and 55820 were reasonably and necessarily incurred. The basis for and  
20 methodology used to arrive at these opinions are addressed in detail below.

21 Q. DO YOU SPONSOR ANY EXHIBITS?

22 A. No. The invoices, engagement agreements, and other documentation that I reviewed  
23 to date are included in Mr. Burnett's exhibits and workpapers or are publicly available.

1                    **III.    AEP TEXAS' REQUESTED RATE-CASE EXPENSES**

2    Q.    WHAT AMOUNT OF RATE-CASE EXPENSES IS AEP TEXAS SEEKING TO  
3    RECOVER IN THIS CASE?

4    A.    As noted above, as of the filing of this testimony, AEP Texas is requesting recovery of  
5    \$674,594.24. AEP Texas will update its rate-case expense recovery request to reflect  
6    its actual expenses for this case as such expenses are incurred. A summary of AEP  
7    Texas' requested rate-case expenses is included in Exhibit CMB-2 to Mr. Burnett's  
8    direct testimony.

9    Q.    DOES YOUR TESTIMONY SUPPORT THE RECOVERY OF MUNICIPAL RATE-  
10   CASE EXPENSES REQUESTED BY AEP TEXAS?

11   A.    My testimony confirms that it is reasonable for AEP Texas to recover municipal  
12   rate-case expenses. I do not support the reasonableness of the outside counsel fees and  
13   expenses incurred by municipalities in Docket Nos. 51984, 53451, 54824, 55187, and  
14   this proceeding.

15   Q.    HOW DOES AEP TEXAS PROPOSE TO RECOVER ITS REQUESTED RATE-  
16   CASE EXPENSES?

17   A.    As discussed by Mr. Burnett, AEP Texas proposes to recover rate-case expenses  
18   through a surcharge tariff. AEP Texas witness Jennifer L. Jackson presents the  
19   proposed form of the surcharge tariff.

IV. STANDARD FOR RECOVERY

Q. WHAT STANDARDS ARE APPLICABLE TO AEP TEXAS' REQUEST FOR RATE-CASE EXPENSE RECOVERY?

A. Generally speaking, Public Utility Regulatory Act (PURA) § 36.061, 16 Texas Administrative Code (TAC) § 25.245, Texas Disciplinary Rule of Professional Conduct 1.04(b), and certain Texas case law pertaining to the determination of attorneys' fees and costs of litigation are all relevant to AEP Texas' request for rate-case expense recovery.<sup>1</sup>

Q. WHAT DOES PURA § 36.061 PROVIDE WITH RESPECT TO RATE-CASE EXPENSES?

A. PURA § 36.061(b)(2) allows the Commission to authorize the recovery of reasonable costs of participating in a rate proceeding. Consistent with this authority, the Commission historically has allowed utilities to recover their reasonable and necessary rate-case expenses and has adopted a rate-case expense rule, 16 TAC § 25.245.<sup>2</sup>

Q. WHAT IS AEP TEXAS' BURDEN OF PROOF UNDER THE COMMISSION'S RATE-CASE EXPENSE RULE?

A. Under 16 TAC § 25.245:

A utility or municipality seeking recovery of or reimbursement for rate-case expenses shall file sufficient information that details and itemizes all rate-case expenses, including, but not limited to, evidence verified by testimony or affidavit, showing:

<sup>1</sup> See generally, *City of El Paso v. Pub. Util. Comm'n of Tex.*, 916 S.W.2d 515 (Tex. App.—Austin 1995, writ dismissed by agr.); *Arthur Andersen & Co. v. Perry Equip. Corp.*, 945 S.W.2d 812 (Tex. 1997); *Rohrmoos Venture v. UTSW DVA Healthcare, LLP*, 578 S.W.3d 469 (Tex. 2019); and *Iola Barker v. Hurst*, 632 S.W.3d 175 (Tex. App.—Houston [1st Dist.] 2021, no pet.).

<sup>2</sup> 16 TAC § 25.245(d)(1).



- (1) the nature, extent, and difficulty of the work done by the attorney or other professional in the rate case;
- (2) the time and labor required and expended by the attorney or other professional;
- (3) the fees or other consideration paid to the attorney or other professional for the services rendered;
- (4) the expenses incurred for lodging, meals and beverages, transportation, or other services or materials;
- (5) the nature and scope of the rate case, including:
  - (A) the size of the utility and number and type of consumers served;
  - (B) the amount of money or value of property or interest at stake;
  - (C) the novelty or complexity of the issues addressed;
  - (D) the amount and complexity of discovery;
  - (E) the occurrence and length of a hearing; and
- (6) the specific issue or issues in the rate case and the amount of rate-case expenses reasonably associated with each issue.

Q. WHAT FACTORS ARE TO BE CONSIDERED WHEN ASSESSING THE REASONABLENESS OF RATE-CASE EXPENSES UNDER THE COMMISSION'S RATE-CASE EXPENSE RULE?

A. The rule requires the presiding officer to consider the following factors along with any other factors shown to be relevant to the specific case:

- (1) whether the fees paid to, tasks performed by, or time spent on a task by an attorney or other professional were extreme or excessive;
- (2) whether the expenses incurred for lodging, meals and beverages, transportation, or other services or materials were extreme or excessive;

- 1           (3)    whether there was duplication of services or testimony;
- 2           (4)    whether the utility's or municipality's proposal on an issue in  
3           the rate case had no reasonable basis in law, policy, or fact and  
4           was not warranted by any reasonable argument for the extension,  
5           modification, or reversal of commission precedent;
- 6           (5)    whether rate-case expenses as a whole were disproportionate,  
7           excessive, or unwarranted in relation to the nature and scope of  
8           the rate case addressed by the evidence pursuant to subsection  
9           (b)(5) of this section; or
- 10          (6)    whether the utility or municipality failed to comply with the  
11          requirements for providing sufficient information pursuant to  
12          subsection (b) of this section.<sup>3</sup>

13    Q.    IF AEP TEXAS MEETS ITS BURDEN IN LIGHT OF THE STANDARD ABOVE,  
14    IS IT ENTITLED TO RECOVERY OF RATE-CASE EXPENSES?

15    A.    Yes. The rule requires the presiding officer to "allow or recommend allowance of  
16    recovery of rate-case expenses equal to the amount shown in the evidentiary record to  
17    have been actually and reasonably incurred by the requesting utility or municipality."<sup>4</sup>

18    Q.    ARE ANY OTHER STANDARDS RELEVANT WHEN ASSESSING THE  
19    REASONABLENESS OF AEP TEXAS' RATE-CASE EXPENSE REQUEST?

20    A.    Yes. Consistent with the acknowledgment in 16 TAC § 25.245 that other factors may  
21    be relevant when assessing the reasonableness of rate-case expenses in specific cases,  
22    Rule 1.04(b) of the Texas Disciplinary Rules of Professional Conduct and factors  
23    identified by Texas courts also provide relevant context when assessing the  
24    reasonableness of attorney and consultant fees. Specifically, Rule 104(b) lists eight  
25    factors including:

<sup>3</sup> 16 TAC § 25.245(c).

<sup>4</sup> 16 TAC § 25.245(d)(1).

- (1) the time and labor required, novelty and difficulty of the question involved, and the skill requisite to perform the legal services properly;
- (2) the likelihood that acceptance of employment will preclude other employment by the attorney;
- (3) the customary fee charged in the locality for similar legal services;
- (4) the amount of time involved and result achieved;
- (5) time limitation imposed by the client or circumstances;
- (6) the nature and length of the professional relationship with the client;
- (7) the experience, reputation, and ability of the lawyers involved; and
- (8) whether the fee is fixed or contingent or uncertain of collection before the legal services are rendered.

Similarly, prior to the adoption of 16 TAC § 25.245, the Third Court of Appeals found that the Commission's determination of the reasonableness of rate-case expenses was analogous to a trial court's determination of attorneys' fees and costs of litigation and included consideration of the following factors:

- (1) time and labor required;
- (2) nature and complexities of the case;
- (3) amount of money or value of property or interest at stake;
- (4) extent of responsibilities the attorney assumes;
- (5) whether the attorney loses other employment because of the undertaking; and
- (6) benefits to the client from the services.<sup>5</sup>

<sup>5</sup> *City of El Paso*, 916 S.W.2d at 522.

1 And, the Texas Supreme Court identified the following factors that should be  
2 considered when examining the reasonableness of attorneys' fees:

- 3 (1) the time and labor required, the novelty and difficulty of the  
4 questions involved, and the skill required to perform the legal  
5 service properly;
- 6 (2) the likelihood . . . that the acceptance of the particular  
7 employment will preclude other employment by the lawyer;
- 8 (3) the fee customarily charged in the locality for similar legal  
9 services;
- 10 (4) the amount involved and the results obtained;
- 11 (5) the time limitations imposed by the client or by the  
12 circumstances;
- 13 (6) the nature and length of the professional relationship with the  
14 client;
- 15 (7) the experience, reputation, and ability of the lawyer or lawyers  
16 performing the services; and
- 17 (8) whether the fee is fixed or contingent on results obtained or  
18 uncertainty of collection before the legal services have been  
19 rendered.<sup>6</sup>

20 Any of these factors may or may not be relevant in any given case on the issue of  
21 reasonableness.

22 Q. IF A PARTICULAR RATE-CASE EXPENSE ITEM FAILS TO MEET THE  
23 CRITERIA OF THE COMMISSION'S RATE-CASE EXPENSE RULE, IS THE  
24 EXPENSE AUTOMATICALLY DISALLOWED?

25 A. No. The rate-case expense rule's standard is a subjective one in which "extreme or  
26 excessive"<sup>7</sup> fees or expenses are to be determined in the context of the evidence, rather

<sup>6</sup> *Arthur Andersen*, 945 S.W.2d at 818.

<sup>7</sup> 16 TAC § 25.245(c).

1 than prescriptively setting numeric or dollar thresholds. As such, if an item appears to  
2 call for further scrutiny, the item is investigated to determine whether the item is  
3 necessary, reasonable, and warranted under the circumstances of the case.  
4

5 V. METHODOLOGY

6 Q. HOW DID YOU ANALYZE THE RATE-CASE EXPENSES PRESENTED BY AEP  
7 TEXAS IN THIS PROCEEDING?

8 A. I reviewed the applicable standards, rules, and case law described in Section IV above  
9 as well as recent rate-case expense testimony filed in base-rate proceedings on behalf  
10 of utilities and Commission Staff. I then discussed Docket Nos. 51984, 53267, 53451,  
11 54824, 55187, 55820 and this rate case with key members of the AEP Texas legal and  
12 regulatory team—in particular Melissa Gage, Associate General Counsel for AEP  
13 Texas, Mr. Burnett, and Mr. Patrick Pearsall, attorney for the law firm of Duggins Wren  
14 Mann & Romero, LLP (Duggins Wren). During that same discussion, I inquired as to  
15 AEP Texas' internal procedures for reviewing and paying invoices and controlling rate-  
16 case expenses in light of the Company's guidelines for outside counsel and confirmed  
17 that the AEP Texas followed its procedures related to cost control. I then reviewed the  
18 experience of the attorneys and consultants working on the case to formulate an  
19 assessment of the need for their services and the reasonableness of their fees. Finally,  
20 I reviewed the underlying invoices and documentation supporting AEP Texas'  
21 requested rate-case expenses.

1 Q. HOW DO YOU INTEND TO ASSESS RATE-CASE EXPENSE COSTS THAT ARE  
2 INCURRED AFTER THIS TESTIMONY IS FILED?

3 A. As the proceeding progresses, I will continue to review invoices and other materials to  
4 determine the reasonableness of additional expenses. If necessary, I will present  
5 supplemental testimony addressing those rate-case expenses.  
6

6

7

## VI. FINDINGS

8 Q. HOW WOULD YOU DESCRIBE THE NATURE AND SCOPE OF A TYPICAL  
9 ELECTRIC UTILITY BASE-RATE CASE?

10 A. Base-rate cases are a highly complex form of specialized commercial litigation. They  
11 involve the preparation of detailed accounting schedules, testimonies, and exhibits that  
12 support the entire cost of service for the utility. In addition to highly knowledgeable  
13 company lay witnesses, the utility often needs to engage outside experts to testify on  
14 subjects such as depreciation, cash working capital, return on equity, and capital  
15 structure. The utility has the burden of proof, and a typical rate case filing package will  
16 contain thousands of pages of information in support of that burden. Base-rate cases  
17 are also often highly contentious, involving multiple parties all with sophisticated legal  
18 counsel representing diverse customer and party interests. The utility will likely be  
19 asked to respond to hundreds of requests for information and depositions are common.  
20 If the case does not settle, intervenor testimony, company rebuttal testimony, hearing,  
21 post-hearing briefing, exceptions, replies to exceptions, and appeals may be required.  
22 Additionally, because the rates resulting from rate cases directly impact utility earnings  
23 and the utility's ability to finance itself moving forward, the cases are extremely

1 important to the applicant. In fact, it is not unusual for analysts and credit rating  
2 agencies to monitor the status and outcomes of rate cases. As such, the utility needs to  
3 assemble a legal and regulatory team capable of handling each of the complex case  
4 facets.

5 Q. ARE DCRF PROCEEDINGS DIFFERENT FROM BASE-RATE CASES?

6 A. Yes. DCRF proceedings are interim rate proceedings related solely to certain  
7 incremental distribution investment. Though less intensive than a base-rate case from  
8 an initial filings standpoint, DCRF proceedings often include applications with  
9 hundreds, if not thousands, of pages in schedules and supporting testimony. The cases  
10 often involve intervenor participation similar to that of a base-rate case. The same  
11 highly sophisticated parties serve the company with discovery. DCRF cases can  
12 involve the same testimony, hearings, and appeals process of a base-rate case, if not  
13 settled. And, because the statutory deadlines for processing a DCRF case are shorter  
14 than those associated with base-rate cases, the procedural schedules are compressed.  
15 Similar to base-rate cases, the cases are financially important to the applicant and  
16 investment and credit communities.

17 Q. DID YOU REVIEW THE NATURE AND SCOPE OF THE WORK PERFORMED  
18 IN THE AEP DCRF-RELATED DOCKET NOS. 51984, 53451, 54824, 55187, AND  
19 55820?

20 A. I did. Docket Nos. 51984 and 53451 were relatively uncontested DCRF proceedings.  
21 The Cities Served by AEP Texas (Cities), Texas Industrial Energy Consumers, and  
22 Commission Staff participated in both proceedings. The Texas Energy Association for  
23 Marketers and Alliance for Retail Markets participated in Docket No. 53451. AEP

1 Texas did not incur outside counsel costs in Docket Nos. 51984 and 53451, however,  
2 the Company did incur costs associated with the provision of notice and minor  
3 meals/travel expense. Docket Nos. 54824 and 55187 involved AEP Texas' first 2023  
4 DCRF filing and the Company's request to recover costs related to TEEE Facilities.  
5 The cases were initially filed under a single application. The TEEE Facility-related  
6 issues were severed from Docket No. 54824 into Docket No. 55187 and considered  
7 separately by the Commission. Issues related to the TEEE Facilities were the subject  
8 of discovery and relatively considerable debate amongst various stakeholders. The  
9 Commission just recently issued a final order in AEP Texas' second 2023 DCRF filing.  
10 A statutory change was approved by the Legislature and effective June 18, 2023,  
11 relating to the timeline for approval in DCRF applications. That statutory change and  
12 its impact has been the subject of significant debate between stakeholders in multiple  
13 DCRF applications, including AEP Texas' second 2023 DCRF application, Docket No.  
14 55820.

15 Q. DID YOU REVIEW THE NATURE AND SCOPE OF THE WORK PERFORMED  
16 IN DOCKET NO. 53267?

17 A. Yes. In Docket No. 53267, AEP Texas has asked the Commission to approve a new  
18 wholesale distribution service distributed generation energy storage tariff. AEP Texas'  
19 request would establish new rates for distributed energy resources (primarily batteries)  
20 that are connected to or seeking connection to the Company's distribution system. AEP  
21 Texas' request, as well as the general issue of distributed energy resource connection,  
22 has been the subject of significant discussion at the Commission with stakeholders  
23 taking diverse positions. The case is currently abated but will likely resume. Because



1 the case involves the establishment of rates, AEP Texas is requesting rate-case expense  
2 recovery of the outside counsel costs it has incurred to date.

3 Q. WHAT DID YOU FIND WITH RESPECT TO HOW AEP TEXAS ASSEMBLED  
4 THE LEGAL AND REGULATORY TEAM RESPONSIBLE FOR PRESENTING  
5 THE RATE-RELATED DOCKETS DESCRIBED ABOVE AND THIS BASE-RATE  
6 PROCEEDING?

7 A. The key internal AEP Texas personnel responsible for managing the DCRF, distributed  
8 energy-related tariff, and TEEE Facility proceedings, and this rate proceeding include  
9 Melissa Gage, Leila Melhem, and Mr. Burnett. Melissa Gage has exercised overall  
10 responsibility for all of the completed proceedings and has overall responsibility for all  
11 pending cases, including this base-rate proceeding. Leila Melhem, Senior Counsel  
12 (Regulatory), has in prior proceedings and is providing in this base-rate case, legal,  
13 discovery, and witness support where needed. Mr. Burnett is the Vice President of  
14 Regulatory and Finance for AEP Texas and is the chief regulatory support coordinator  
15 for the Company in this rate proceeding. Ms. Gage and Ms. Melhem have been  
16 practicing utility law for approximately 30 years collectively. Both Ms. Gage and Ms.  
17 Melhem have backgrounds in utility-related private practice prior to being employed  
18 by AEP Texas. Ms. Gage represented certain utility customer interests in private  
19 practice and Ms. Melhem served as outside counsel for various utilities, including  
20 outside counsel in base-rate proceedings. Mr. Burnett has been an American Electric  
21 Power, Inc. employee for nearly 30 years in various economic forecasting, finance, and  
22 regulatory roles. He is also an adjunct professor of economics in the Graduate School  
23 of Business at Southern Nazarene University. AEP Texas engaged the law firm of

1 Duggins Wren to represent the Company in several of the dockets discussed above and  
2 the rate case process at the Commission.

3 Q. WHAT CONSULTANTS HAS THE COMPANY ENGAGED TO SUPPORT THE  
4 BASE-RATE CASE FILING?

5 A. With respect to consultants offering testimony or support for the filing, AEP Texas  
6 engaged Jay Joyce on cash working capital, Gregory S. Wilson on self-insurance  
7 reserve, Todd A. Shipman on financial integrity issues, Ann E. Bulkley on rate of return  
8 and capital structure, Patrick L Baryenbruch on affiliate costs, Randall W. Hamlett and  
9 Constance Wyman in support of the filing generally, and myself on rate-case expenses.  
10 I describe each of these consultants and their qualifications below.

11 A. LEGAL COSTS

12 Q. DOES THE LAW FIRM OF DUGGINS WREN POSSESS EXPERIENCE IN  
13 UTILITY REGULATION AND RATEMAKING?

14 A. Yes. The Energy and Public Utilities practice group at Duggins Wren possesses a deep  
15 bench of experienced utility attorneys. The group has represented AEP Texas in prior  
16 cases, as well as its fully bundled affiliate Southwestern Electric Power Company. In  
17 addition to American Electric Power, Inc. companies, Duggins Wren has long  
18 represented El Paso Electric Company and Entergy Texas, Inc. in proceedings before  
19 the Commission. Many of the attorneys in the Duggins Wren Energy and Public  
20 Utilities practice group have been practicing in the utility arena for over twenty years  
21 and the firm has represented utilities in multiple base-rate proceedings. I have personal  
22 knowledge of the high level of experience and professionalism at the law firm.

1 Q. WHICH DUGGINS WREN ATTORNEYS WERE ASSIGNED TO WORK ON THIS  
2 BASE-RATE CASE?

3 A. The primary Duggins Wren attorneys assigned to the case include William Coe, Kerry  
4 McGrath, and Patrick Pearsall. Mr. Coe and Mr. McGrath have been practicing in the  
5 energy and public utilities practice area for over fifty years collectively and have served  
6 as lead counsel in prior rate cases, Certificate of Convenience and Necessity (CCN)  
7 proceedings, fuel proceedings, and various other matters at the Commission. Mr.  
8 Pearsall has been practicing for almost twenty years, has represented clients in  
9 contested cases, complaints, and rulemakings before the Commission, Federal Energy  
10 Regulatory Commission, Railroad Commission of Texas, and New Mexico Public  
11 Regulation Commission and has served as co-lead counsel in prior base-rate cases and  
12 other regulatory proceedings. Mr. Coe, Mr. McGrath, and Mr. Pearsall are supported  
13 by Kevin Oldham and Stephanie Green. Biographies of each of the assigned Duggins  
14 Wren attorneys are available on the firm's website at [www.dwmrlaw.com](http://www.dwmrlaw.com).

15 Q. DID THE SAME DUGGINS WREN ATTORNEYS PROVIDE SUPPORT TO AEP  
16 TEXAS IN CERTAIN DCRF, TEEE FACILITY, AND DISTRIBUTED ENERGY  
17 RESOURCE RATE DOCKETS DESCRIBED ABOVE?

18 A. Yes. Mr. Coe, Mr. McGrath, and Mr. Pearsall also provided support to AEP Texas in  
19 two DCRF proceedings, the severed docket related to TEEE Facilities, and the  
20 distributed energy resource rate case.

1 Q. IS THE PRIOR EXPERIENCE OF MESSRS. COE, MCGRATH, AND PEARSALL  
2 WITH RESPECT TO AEP TEXAS RELEVANT TO YOUR ANALYSIS?

3 A. It is. Each utility is unique. Even the regulatory precedent with respect to each utility  
4 can vary. Lawyers such as Mr. Coe, Mr. McGrath, and Mr. Pearsall with extensive  
5 AEP Texas representative experience, bring their AEP Texas-specific experiences to  
6 the table each time they represent the utility. They are familiar with AEP Texas  
7 personnel and the specifics of how the utility generally operates on a day-to-day basis.  
8 In my experience, such familiarity results in more efficient and higher quality work.

9 Q. HOW DOES AEP TEXAS CONTROL ITS RATE-CASE EXPENSES?

10 A. As an initial matter, AEP Texas, through AEP Service Corporation, has proactively  
11 negotiated Duggins Wren rates. Further, on an on-going basis, the Company internally  
12 reviews legal and consulting invoices to ensure that they are correctly calculated, and  
13 that the activities performed and billed, are from its perspective, necessary and  
14 reasonable. As part of that internal process, appropriate personnel review each invoice  
15 received from law firms or consultants and forward them to Accounts Payable for  
16 payment. Only approved timekeepers may bill to matters and case budgets are  
17 required. Legal invoices require the name of the timekeeper, date of the activity, time  
18 spent in tenths of an hour, description of services, Uniform Task-Based Management  
19 System code, timekeepers' hourly rates and resulting fees. The level of detail required  
20 by AEP Texas provides reviewers with sufficient information with which to monitor,  
21 direct, and control expenses on a monthly basis as cases progress.

1 Q. HOW DO LAW FIRMS GENERALLY ESTABLISH BILLING RATES?

2 A. In my experience, hourly rates are largely a function of the nature of the work, relevant  
3 experience and knowledge of the attorneys, relationship with the client, and the current  
4 and anticipated workload of the attorneys working on any given matter. As noted  
5 above, utility rate proceedings are highly complex forms of commercial litigation that  
6 require specialized legal knowledge and expertise. Some of the larger national law  
7 firms in the Texas utility practice area include but are not limited to Baker Botts,  
8 Hunton Andrews Kurth LLP, Vison & Elkins LLP, and Eversheds Sutherland LLP.  
9 Within this specialty, it is not unusual for experienced utility regulatory counsel to  
10 charge from \$600 to over \$850 per hour.

11 Q. WAS IT REASONABLE AND NECESSARY FOR AEP TEXAS TO RETAIN  
12 OUTSIDE LEGAL COUNSEL IN THIS CASE AND IN THE CASES DESCRIBED  
13 ABOVE?

14 A. Yes. It is standard practice for electric utilities in Texas to use outside legal counsel  
15 for rate proceedings, whether they are full base-rate proceedings or interim-rate  
16 proceedings, given that rate case work is highly specialized and can require significant  
17 resources. While AEP Texas does have internal legal resources, those resources are  
18 limited in the time available beyond the day-to-day activities necessary for utility  
19 operations. Consequently, it was reasonable for AEP Texas to retain outside counsel  
20 with rate case experience at law firms capable of providing the necessary supporting  
21 resources. Duggins Wren is experienced with rate cases and the standards for recovery  
22 of rate-case expenses. As such, they are aware of the need to avoid duplication of

1 services and to coordinate with AEP Texas on the marshalling of legal resources to be  
2 efficient and effective.

3 Q. HOW DID YOU EVALUATE THE REASONABLENESS OF THE FEES  
4 CHARGED BY DUGGINS WREN?

5 A. The fee schedules and total fees charged are reflected in the engagement agreements  
6 and invoice information, respectively. I evaluated the reasonableness of the fees  
7 charged by Duggins Wren based on my understanding of the issues in DCRF cases and  
8 rate cases generally and my discussions with the litigation team, in addition to my  
9 knowledge of the experience, credibility, and competence of the firm and its attorneys.  
10 I also compared the hourly rates at Duggins Wren to the hourly rates charged by other  
11 law firms referenced above providing similar services.

12 Q. HOW DO THE HOURLY RATES OF DUGGINS WREN COMPARE WITH  
13 ATTORNEYS PROVIDING SIMILAR SERVICES?

14 A. Based on my review of rate-case expense testimony filed in other recent proceedings  
15 before the Commission and my familiarity with hourly rates from my own law firm  
16 experience and working with other lawyers, I found the hourly rates charged by  
17 Duggins Wren to be generally lower than those of attorneys providing similar services.

18 Q. WHAT FEES DID DUGGINS WREN CHARGE AEP TEXAS IN DOCKET  
19 NOS. 54824/55187, 53267 AND 55820?

20 A. As of January 31, 2024, Duggins Wren charged AEP Texas \$84,223, \$19,336.12, and  
21 \$6,662.52, respectively, in Docket Nos. 54824/55187, 53267, and 55820.

1 Q. WHAT FEES HAS DUGGINS WREN CHARGED AEP TEXAS THUS FAR IN  
2 THIS RATE PROCEEDING?

3 A. As of January 31, 2024, Duggins Wren has charged AEP Texas \$203,515.33 in rate-  
4 case expenses.

5 B. CONSULTING EXPENSES

6 Q. WHAT INVOICES OR SUPPORTING DOCUMENTATION FOR CONSULTING  
7 SERVICES DID YOU REVIEW?

8 A. I reviewed engagement letters and/or invoices submitted to AEP Texas. As the case  
9 progresses, I will review the additional invoices submitted as well as invoices for the  
10 other consultants.

11 Q. WAS IT NECESSARY FOR AEP TEXAS TO RETAIN OUTSIDE CONSULTANTS  
12 FOR THIS CASE?

13 A. Yes. It is common for electric utilities, including AEP Texas, to employ outside experts  
14 and non-testifying consultants to support and prepare portions of rate cases filed at the  
15 Commission. AEP Texas does not have the internal expertise necessary to properly  
16 and adequately address all of the complex issues in a base-rate case without the  
17 assistance of qualified outside consultants.

18 Q. ARE THE CONSULTANTS' INVOICES SIMILAR TO THE INVOICES  
19 SUBMITTED BY THE LAW FIRMS?

20 A. Yes. Generally, the consultants' invoices include identification of the person or  
21 persons performing a billable task, the time they spent, and a description of the task or  
22 tasks performed.

1 Q. DID YOU APPLY THE STANDARDS YOU DESCRIBED ABOVE WHEN  
2 REVIEWING THE WORK PERFORMED BY THOSE CONSULTANTS?

3 A. Yes.

4 Q. HOW DID YOU EVALUATE THE FEES CHARGED BY AEP'S OUTSIDE  
5 CONSULTANTS?

6 A. Based on my understanding of the issues in this rate case and prior rate cases, as well  
7 as prior testimony regarding each of the key consultants' experience, credibility, and  
8 competence, and additional due diligence, when necessary, I was able to evaluate the  
9 reasonableness of the fees charged in this case.

10 Q. DID AEP TEXAS INCUR ANY OUTSIDE CONSULTANT EXPENSES IN ANY  
11 DCRF DOCKETS DESCRIBED ABOVE, THE SEVERED TEE FACILITY  
12 PROCEEDING OR THE DISTRIBUTED ENERGY RESOURCE RATE  
13 PROCEEDING?

14 A. No. To the extent rate-case expenses were incurred in those proceedings, AEP Texas  
15 only incurred rate-case expenses for outside counsel, notice and employee travel/meal  
16 expenses.

17 Q. WHAT IS THE TOTAL OF ALL CONSULTING EXPENSES INCURRED BY AEP  
18 TEXAS?

19 A. The total amount of consulting rate-case expenses incurred by AEP Texas as of January  
20 31, 2024 is \$269,882.



1                   1.     EXPERGY

2     Q.     ARE YOU FAMILIAR WITH EXPERGY?

3     A.     Yes. Jay Joyce is the principal of Expergy and has extensive experience conducting  
4           lead-lag studies, testifying before the Commission and other regulatory bodies. He has  
5           also testified in prior AEP Texas cases. Lead-lag studies are intensive and require  
6           specialized training and expertise. Mr. Joyce worked alone on the lead-lag study.  
7           Additional information on Mr. Joyce's background and education is addressed in his  
8           direct testimony.

9     Q.     DID YOU REVIEW THE EXPERGY ENGAGEMENT LETTER AND ALL OF THE  
10           EXPERGY INVOICES?

11    A.     Yes. The Expergy invoices and engagement letter are included in Confidential  
12           Workpaper 2 and 3, respectively, to Exhibit CMB-2 to Mr. Burnett's direct testimony.

13    Q.     WHAT FEES HAVE BEEN CHARGED BY EXPERGY?

14    A.     Expergy's fees, including expenses, were \$37,874 through January 31, 2024.

15                   2.     LEWIS & ELLIS

16    Q.     WHAT WORK DID LEWIS & ELLIS PROVIDE?

17    A.     Lewis & Ellis and its consultant Greg Wilson were retained to provide testimony  
18           related to the Company's self-insurance reserve. Mr. Wilson is a consulting actuary  
19           and a Vice President of Lewis & Ellis, which specializes in property and casualty  
20           matters. Mr. Wilson has over 35 years of experience in this area and has previously  
21           submitted testimony in rate cases before the Commission and other regulatory bodies.  
22           Actuarial issues require special training and expertise. Mr. Wilson worked alone in his

1 analysis and on his testimony. Specific information regarding Mr. Wilson's education  
2 and professional experience may be found in Mr. Wilson's direct testimony.

3 Q. DID YOU REVIEW THE LEWIS & ELLIS ENGAGEMENT AGREEMENT AND  
4 ALL OF THE LEWIS AND ELLIS INVOICES?

5 A. Yes. The Lewis & Ellis invoices and engagement agreement are provided in  
6 Confidential Workpaper 2 and 3, respectively, to Exhibit CMB-2 to Mr. Burnett's  
7 direct testimony.

8 Q. WHAT FEES HAVE BEEN CHARGED BY LEWIS & ELLIS?

9 A. Lewis & Ellis' fees, including expenses, were \$2,695 through January 31, 2024.

10 3. THE BRATTLE GROUP

11 Q. ARE YOU FAMILIAR WITH THE BRATTLE GROUP?

12 A. Yes. The Brattle Group is a widely known consulting firm that provides advice on a  
13 number of utility-related matters, among other issues. Ms. Bulkley at the Brattle Group  
14 was retained to provide testimony related to return on equity, capital structure, and  
15 business risk. I am personally familiar with the quality of Ms. Bulkley's work, having  
16 worked with her in both gas and electric rate proceedings. Issues related to return on  
17 equity, capital structure and business risk are frequently heavily litigated in rate  
18 proceedings and require specialized knowledge and expertise. Ms. Bulkley was  
19 assisted by Prerna Agarwal. Ms. Bulkley's extensive experience and expertise are  
20 reflected in her direct testimony.

1 Q. DID YOU REVIEW THE BRATTLE GROUP ENGAGEMENT AGREEMENT AND  
2 ALL OF THE BRATTLE GROUP INVOICES?

3 A. Yes. The Brattle Group invoices and engagement agreement are included in  
4 Confidential Workpaper 2 and 3, respectively, to Exhibit CMB-2 to Mr. Burnett's  
5 direct testimony.

6 Q. WHAT FEES HAVE BEEN CHARGED BY THE BRATTLE GROUP?

7 A. The Brattle Group's fees, including expenses, were \$27,137.50 through January 31,  
8 2024.

9 4. THE UTILITY CREDIT CONSULTANCY

10 Q. WHAT WORK DID THE UTILITY CREDIT CONSULTANCY PROVIDE?

11 A. Mr. Todd Shipman is providing expert testimony on the issue of financial integrity.  
12 Similar to Ms. Bulkley's testimony related to return on equity and capital structure,  
13 issues related to utility financial integrity require specialized knowledge and expertise.  
14 Experience with capital and credit markets, as well as with credit rating agencies and  
15 their practices is required. Mr. Shipman has nearly 40 years of experience in utility  
16 regulation, utility credit analysis, consulting, and capital market strategies.  
17 Mr. Shipman worked alone on his analysis and in preparation of his testimony.  
18 Mr. Shipman's breadth of experience is substantial and he is also an attorney.

19 Q. DID YOU REVIEW THE UTILITY CREDIT CONSULTANCY ENGAGEMENT  
20 AGREEMENT AND ALL OF MR. SHIPMAN'S INVOICES?

21 A. Yes. Mr. Shipman's invoices and engagement agreement are included in Confidential  
22 Workpaper 2 and 3, respectively, to Exhibit CMB-2 to Mr. Burnett's direct testimony.

1 Q. WHAT FEES HAVE BEEN CHARGED BY THE UTILITY CREDIT  
2 CONSULTANCY?

3 A. The Utility Credit Consultancy's fees were \$20,960 through January 31, 2024.

4 5. PAT BARYENBRUCH

5 Q. WHAT SERVICES ARE BEING PROVIDED BY PAT BARYENBRUCH?

6 A. Mr. Baryenbruch is providing testimony and analysis related to the reasonableness of  
7 affiliate costs. Affiliate costs are subject to a specific recovery standard and require  
8 certain findings from the Commission. As a result, utilities often retain experts such  
9 as Mr. Baryenbruch to perform benchmarking analysis supporting the reasonableness  
10 of those costs. Mr. Baryenbruch is a Certified Public Accountant, has extensive  
11 experience with utilities and has previously performed more than 140 evaluations of  
12 affiliate charges for utilities. He worked alone on his analysis and in the preparation of  
13 his testimony and benchmarking study.

14 Q. DID YOU REVIEW THE ENGAGEMENT AGREEMENT WITH MR.  
15 BARYENBRUCH AND HIS INVOICES?

16 A. Yes. Mr. Baryenbruch's invoices and engagement agreement are included in  
17 Confidential Workpaper 2 and 3, respectively, to Exhibit CMB-2 to Mr. Burnett's  
18 direct testimony.

19 Q. WHAT FEES HAVE BEEN CHARGED BY MR. BARYENBRUCH?

20 A. Mr. Baryenbruch's fees were \$112,287.50 through January 31, 2024.

6. RANDALL HAMLETT

Q. WHAT SERVICES IS MR. HAMLETT PROVIDING?

A. Mr. Hamlett is providing general regulatory and accounting support for AEP Texas. Mr. Hamlett recently retired from the AEP family of companies after nearly 40 years of service. During his time with AEP he worked in various regulatory, regulatory accounting, and rate case roles. He filed testimony on behalf of the Company in numerous cases before the Commission and is well respected for his expertise in matters of regulatory accounting. The accounting schedules associated with any rate proceeding are complex and require familiarity with both the books and records of the utility and the Federal Energy Regulatory Commission Uniform System of Accounts. Mr. Hamlett's services have helped to ensure that the Company's filing is consistent with the Commission's rate filing package instructions and general expectations related to sufficiency.

Q. DID YOU REVIEW THE ENGAGEMENT AGREEMENT WITH MR. HAMLETT AND HIS INVOICES?

A. Yes. Mr. Hamlett's invoices and engagement agreement are included in Confidential Workpaper 2 and 3, respectively, to Exhibit CMB-2 to Mr. Burnett's direct testimony.

Q. WHAT FEES HAVE BEEN CHARGED BY MR. HAMLETT?

A. Though January 31, 2024, Mr. Hamlett's fees were \$408.

7. WYMAN IDEAS

Q. WHAT SERVICES ARE BEING PROVIDED BY THE FIRM OF WYMAN IDEAS?

A. Wyman Ideas is a utility consulting firm led by Ms. Constance McDaniel Wyman. Ms. Wyman has a master's degree in engineering from the University of Texas at Austin

1 and over thirteen years of experience in the utility industry. She has worked at the  
2 Commission, advocated for clients at the Electric Reliability Council of Texas, the  
3 Commission, and the Texas Legislature, and has worked in project development of  
4 offshore wind projects. Ms. McDaniel Wyman was retained to provide assistance in  
5 the compilation transmission capital investment rate filing package schedules and  
6 applicable testimony. She worked alone when providing assistance to Company  
7 personnel.

8 A. DID YOU REVIEW MS. WYMAN'S ENGAGEMENT AGREEMENT AND  
9 INVOICES?

10 A. Yes. Ms. Wyman's invoices and engagement agreement are included in Confidential  
11 Workpaper 2 and 3, respectively, to Exhibit CMB-2 to Mr. Burnett's direct testimony.

12 Q. WHAT FEES HAVE BEEN CHARGED TO AEP TEXAS BY WYMAN IDEAS?

13 A. Through January 31, 2024, Ms. Wyman's fees were \$68,520.

14 8. COFFIN RENNER LLP

15 Q. WHAT SERVICES HAS YOUR FIRM PROVIDED IN THE CONTEXT OF THE  
16 CURRENT PROCEEDING?

17 A. I was retained to provide expert testimony regarding the rate-case expenses for outside  
18 services incurred by AEP Texas. Such testimony is required by Commission precedent  
19 and 16 TAC § 25.245 for the utility to recover its reasonable and necessary rate-case  
20 expenses. In preparing my testimony, I was assisted by my firm's paralegal,  
21 Ms. Stephanie Tanner.

22 Q. HAVE YOU REVIEWED YOUR FIRM'S ENGAGEMENT AGREEMENT WITH  
23 AEP TEXAS AND YOUR INVOICES IN THIS PROCEEDING?

1 A. Yes. Prior to billing AEP Texas for my services, I have reviewed and will continue to  
2 review my firm's invoices to confirm they accurately reflect the engaged services. To  
3 date, however, the fees associated with firm's services have not been recorded to the  
4 Company's books and records and, thus, are not reflected in the Company's requested  
5 rate-case expenses incurred through January 31, 2024. As the case progresses, these  
6 invoices will be included with the Company's supplemental rate-case expense updated.  
7 My firm's engagement agreement is included in Confidential Workpaper 3 to Exhibit  
8 CMB-2 to Mr. Burnett's direct testimony.  
9

10 VII. OPINIONS AND CONCLUSIONS

11 Q. DO AEP TEXAS' REQUESTED RATE-CASE EXPENSES MEET THE  
12 STANDARDS FOR REASONABLENESS AND RECOVERY UNDER THE  
13 COMMISSION'S RATE-CASE EXPENSE RULE?

14 A. Yes. Based on the rate-case expense rule factors that can be evaluated at this point,  
15 AEP Texas' requested rate-case expenses are reasonable and should be recovered.  
16 Specifically, AEP Texas' requested rate-case expenses are:

- 17 • Reasonable in the context of the nature, extent and difficulty of the work done  
18 by the Company's outside counsel and consultants;
- 19 • Reasonable given the time and labor required of DCRF and base-rate  
20 proceedings;
- 21 • Reasonable in light of the hourly rates of the professionals hired by the  
22 Company;
- 23 • Reasonable in that no unreasonable lodging, meals, or transportation costs have  
24 been requested;

- 1 • Reasonable given the general nature and complexity of DCRF and base-rate  
2 proceedings; and
- 3 • Reasonable in light of the specific circumstances in the DCRF and base-rate  
4 proceedings for which AEP Texas seeks recovery.

5 Q. WHAT ARE YOUR SPECIFIC OPINIONS REGARDING AEP TEXAS' RATE-  
6 CASE EXPENSES INCURRED IN DOCKET NOS. 51984, 53267, 53451, 54824,  
7 55187, 55820 AND TO DATE IN THIS PROCEEDING?

8 A. Based on my experience and review of the above-described supporting documentation  
9 for the rate-case expenses requested for this case and the prior dockets at issue, I  
10 conclude that the expenses were reasonably and necessarily incurred. In particular, I  
11 conclude:

- 12 • AEP Texas has provided adequate documentation, in the same form accepted  
13 in prior Commission rate-case expense dockets, to support all of the requested  
14 rate-case expenses.
- 15 • Retention of each of the professionals whose fees and expenses are included in  
16 AEP's requested rate-case expenses was necessary in order for the Company to  
17 properly and fully present its cases and to meet Commission requirements  
18 related to the proceedings.
- 19 • The total amounts billed by outside legal counsel and consultants were  
20 necessarily incurred and reasonable in amount.
- 21 • The number of outside attorneys and consultants AEP Texas used, and the  
22 amount of work they performed (as documented in monthly invoices) was  
23 reasonable and justified given the nature of this case.
- 24 • The fees paid to AEP Texas' outside counsel and consultants are consistent with  
25 the engagements and reasonable given the context of the proceedings.
- 26 • The fees charged by AEP Texas' outside counsel and consultants are reasonable  
27 and comparable with those of other firms and individuals providing similar  
28 services.

29 I also conclude that the amount of rate-case expenses incurred and requested by AEP  
30 Texas is reasonable and necessary considering the:



- scope and complexity of the matters involved;
- time and labor required; and
- amount of money at stake.

Q. SHOULD ANY OF AEP TEXAS' REQUESTED RATE-CASE EXPENSES BE EXCLUDED FROM RECOVERY?

A. Not based on my review thus far. The invoices that I reviewed appear to be calculated correctly. There were no double billings. There were no charges that should have been recovered through reimbursement for other expenses. None of the charges should have been assigned to other jurisdictions or other matters. There were no time entries for more than 12 hours in a single day. No luxury items were billed to the utility. Accordingly, in my opinion, the fees charged to AEP Texas are necessary, reasonable, warranted, and thus not extreme or excessive. For the reasons noted above, AEP Texas should be permitted to recover its requested rate-case expenses.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.



ATTORNEY GENERAL OF TEXAS  
GREG ABBOTT

MEMORANDUM

TO: State Agencies, University Systems, and Institutions of Higher Education

FROM: Office of the Attorney General – General Counsel Division

DATE: April 2, 2012

RE: New Outside Counsel Rules and Templates

Pursuant to Subsection 402.0212(f) of the Texas Government Code, the Office of the Attorney General (“OAG”) has recently adopted new administrative rules related to the retention and contracting of outside legal counsel by state agencies, university systems, and institutions of higher education (collectively “agencies”). The OAG has also taken this opportunity to revise many of its processes, procedures, forms, and templates related to the retention and contracting of outside counsel. The purpose of this memorandum is to inform you of those new processes and procedures, and to provide you with a copy of the new administrative rules (Attachment A and Title I, Chapter 57 of the Texas Administrative Code) and all relevant forms and templates. Because of the many changes, we ask that you review this memorandum and all attached information carefully. We also ask that you share this memorandum and all attached information with your current and potential outside counsel so that they can perform a review as well.

**Retention of Outside Legal Counsel.** The Attorney General serves as the state’s legal counsel, therefore the OAG serves as legal counsel to all agencies. Agencies may not retain or select outside counsel without first receiving authorization and approval from the OAG to do so. If an agency requires legal services from outside counsel, it must first submit to the OAG a completed Request to Retain Outside Counsel form (Attachment B). The request form and any supporting documentation should be sent to the following e-mail address: [general.counsel@texasattorneygeneral.gov](mailto:general.counsel@texasattorneygeneral.gov).

Upon receipt, the OAG will review the request form to determine whether the requested legal services should be provided by the OAG or whether retaining outside counsel would be in the best interests of the state. Within ten (10) business days after receiving the request, the OAG will notify the agency in writing that its request has either been approved or denied, or that additional information is required to make a decision. Please remember that an approval to retain outside counsel does not constitute approval of an outside counsel contract.

**Competitive Procurement Process.** Previously, an agency was generally required to publish a Request for Proposals or a Request for Information before selecting outside counsel. Now, unless an exemption is granted by the OAG, an agency is required to publish a Request for Qualifications (“RFQ”) before selecting outside counsel. The RFQ must be published in the Texas State Business Daily for a minimum of thirty (30) calendar days. The RFQ may also be placed in other publications, such as the Texas Register, at the agency’s discretion. Please note that the RFQ may be published before or after the Request to Retain Outside Counsel form has been submitted to the OAG. The OAG will not review or

Memo to State Agencies, Universities and Institutions of Higher Education  
Outside Counsel Contract for Legal Services  
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approve an agency's RFQ, therefore the agency is not required to provide a copy of the RFQ to the OAG.

If an agency would like an exemption from the RFQ process requirements, it must provide the OAG with a reasonable justification for the exemption in its Request to Retain Outside Counsel form. Previously, the OAG granted a waiver from the competitive procurement process requirements if the maximum liability of an outside counsel contract was not anticipated to equal or exceed \$25,000. Now, however, agencies must follow the RFQ process requirements regardless of the anticipated maximum liability of a contract, unless a specific exemption is granted by the OAG.

Previously, responses to Requests for Proposals and Requests for Information were generally valid for two years after publication of the request. Now, the respective agency will determine how long a response to a published RFQ will be valid, consistent with RFQ limitations.

**Outside Counsel Contract.** After obtaining authorization to retain outside counsel and completion of the RFQ process (unless exempted), an agency may enter into a contract with its selected outside counsel. However, that contract must be approved by the OAG in order to be valid and enforceable. The OAG has revised its standard Outside Counsel Contract ("OCC") template (Attachment C), and as of the date of this letter, that template must be used by the agency and outside counsel. If an agency determines that a change to the contract template is required in a particular instance, the agency must request, in writing, and receive permission from the OAG to make the change before the modified contract is used. Agencies should not sign engagement letters with any potential outside counsel because such letters do not comply with applicable laws, rules, and procedures, and are not compatible with our contract template.

The agency and the outside counsel will complete and sign the outside counsel contract before submitting the contract to the OAG for review. Previously, the OAG required three signed copies of the contract. Now, the OAG will only require one signed copy to be submitted. The outside counsel contract and any supporting documentation should be sent to the following e-mail address: [general.counsel@texasattorneygeneral.gov](mailto:general.counsel@texasattorneygeneral.gov). After reviewing the contract, the OAG will either approve the contract and return it to the agency or notify the agency that the contract has been rejected.

When completing the outside counsel contract, please be mindful of the following changes:

Total Liability to Outside Counsel - The limitation of liability amount specified in the contract.

- Legal service fees and expenses cannot exceed the limitation of liability amount.
- All amounts paid to outside counsel, regardless of source, cannot exceed the contract cap amount.

Contract Term - The start date and end date of the contract term.

- Unless approved by the OAG, most contract terms will end on or before August 31st of the current biennium.
- Contracts for active litigation may be allowed to end, regardless of the biennium, upon the conclusion of the litigation.

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- Except by amendment, the agency shall no longer have the right to extend the term of the contract. Previously, agencies had a right (section 2.2 of the previous contract template) to extend the term of the contract by 12 months.

Addendum B to the Contract:

Timekeeper Rates – Unless expressly approved by the First Assistant Attorney General in advance, hourly rates for attorneys shall not exceed \$525/hour, while hourly rates for paralegals shall not exceed \$225/hour. Outside counsel may not bill for administrative staff, law clerks, or interns. A rate range for each timekeeper classification can be used instead of specifically identifying each timekeeper by name and hourly rate. A rate range provides more flexibility during the term of the contract than specifically identifying each timekeeper. However, if the agency wants to ensure that certain timekeepers are providing the legal services, identifying each timekeeper may be preferred.

- An example of rate range would be “Partners are \$250/hr to \$300/hr.”
- An example of specifically identifying a timekeeper would be “Susan Smith, Partner, \$250/hr.”

Previously, the hourly rates or rate ranges specified in a particular contract were generally required to remain unchanged, and an attorney listed at a particular rate or range could not be reclassified more than once during a twelve month period. These limitations will no longer apply. However, any changes to the contract will still require OAG approval (see “Amending an Outside Counsel Contract” discussion on page 6 of this memorandum).

Fixed Fee or Fee Schedule for Projects or Matters - Instead of using hourly rates, some legal services, such as immigration, bond, or intellectual property work, may be appropriately billed by a fixed fee per project.

- An example of a fixed fee per project would be “H-1B Visa Petition is \$900”

Billing Period – The billing period is the interval specified in the contract which determines the frequency Outside Counsel will submit invoices to the agency. The agency and outside counsel will determine the billing period for a particular contract. For most contracts, the billing period will likely be monthly.

Travel Rate – Previous versions of the contract template did not specify a rate for travel time for attorneys traveling on Agency matters. In Addendum B of the new contract template, the Agency and Outside Counsel are now permitted, but not required, to pay for travel time by setting travel rates. Note that an attorney’s travel rate may not exceed half of that attorney’s standard hourly rate under the OCC. If travel rates are not set in an OCC, Outside Counsel may not charge or seek reimbursement for time spent traveling on Agency matters. If an attorney is providing legal services while traveling, however, the attorney may charge the standard hourly rate.

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Contract Number - The OAG establishes a contract number for each outside counsel contract. Agencies may establish their own contract number in addition to the OAG's Contract Number; however, agencies must note the OAG contract number in all submissions to the OAG.

Law License - An attorney must be licensed by the State Bar of Texas in order to provide legal services and advice concerning Texas law, regardless of whether the attorney is actually located in Texas. If an OCC will require Outside Counsel to provide legal services and advice on Texas law, then a Texas licensed attorney must be utilized and named in Addendum B. A law firm with no Texas licensed attorneys will not be authorized to provide legal services and advice concerning Texas law.

**Invoices for Legal Services and Expenses.** Outside counsel will prepare and submit to the agency correct and complete "Invoices" and "Invoice Summaries" for legal services and expenses in accordance with the outside counsel contract and administrative rules. Invoices cannot be paid by the agency, regardless of the source of funds used, without the prior approval of the OAG. Therefore, after the agency reviews and approves an outside counsel invoice in accordance with the administrative rules, it must seek approval from the OAG to pay the invoice.

When an agency determines that an invoice, or a portion thereof, should be paid, the agency must complete a Request for Voucher Approval form (Attachment D). The completed Request for Voucher Approval form, a copy of the invoice at issue, and all other information required to be submitted by the administrative rules should be sent to the following e-mail address: **OCCInvoice@texasattorneygeneral.gov**. Note that an agency may only submit one Request for Voucher Approval form per billing period per contract, but one request form may be used for multiple invoices from the same billing period.

*The agency must submit the Request for Voucher Approval form and other required information to the OAG within 10 business days of the agency's receipt of a correct and complete invoice from the outside counsel.*

Once the Request for Voucher Approval form and other information are received and reviewed by the OAG, the invoice(s), or a portion thereof, will either be approved or rejected. If approved, the OAG will issue a Voucher Approval to the agency, which may then enter the payment information into the Uniform Statewide Accounting System ("USAS") or, if permitted, otherwise proceed to pay the invoice(s). Agencies should begin using Comptroller Code 7258 as soon as practicable when entering payment information into USAS. Comptroller Code 7246 will remain a viable option for the immediate future, but agencies will not be permitted to use that code after the current biennium. Previously, after issuing a Voucher Approval to an agency, the OAG would also approve payment of an invoice in USAS. Now, however, the OAG will no longer perform that second approval. Therefore, once an agency receives a Voucher Approval from the OAG, payment can occur when the agency enters the payment information and approves the documentation in USAS.

If an invoice(s) is rejected, or if the OAG has questions regarding an invoice(s), it will contact the agency to attempt to resolve the issue. The OAG will not discuss invoice issues with the outside counsel.

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**Expenses.** If an outside counsel bills for allowable expenses, copies of actual receipts must be submitted. The following is a list of some of the expenses that are not reimbursable: gratuity; alcohol; non-coach class airfare; routine copying charges; fax charges; routine postage; office supplies; telephone charges; local travel (within 20-mile radius of office), including mileage, parking, and tolls; all delivery services incurred by internal staff; air-conditioning; electricity or other utilities; and internet charges.

**Administrative Fee.** Pursuant to Subsection 402.0212(c) of the Texas Government Code, outside counsel must pay an administrative fee to the OAG for the review of invoices. The fee is non-refundable and outside counsel may not charge or seek reimbursement from the agency for the fee.

For outside counsel contracts that were entered into on or after June 17, 2011, the administrative fee is due to the OAG on the date that the outside counsel submits to the agency its first invoice after the adoption date of the administrative rules. No administrative fee is due for current contracts that were entered into before June 17, 2011. Any invoice submitted to the OAG for review after the effective date of the administrative rules will be deemed ineligible for payment until the outside counsel submits the requisite administrative fee to the OAG. For outside counsel contracts that cross the state's fiscal biennium(s), separate administrative fees are due to the OAG for every fiscal biennium covered under the term of the contract.

*Please note that an administrative fee is not due for each invoice submitted. For most contracts, it will be a one-time fee.*

The administrative fee is set on a sliding scale, based on the contract cap amount, as follows:

Limitation of Liability Amount	Administrative Fee
Less than \$2,000.00, but more than \$0.00	\$100.00
Equal to or greater than \$2,000.00 but less than \$10,000.00	\$200.00
Equal to or greater than \$10,000.00 but less than \$50,000.00	\$500.00
Equal to or greater than \$50,000.00 but less than \$150,000.00	\$1,000.00
Equal to or greater than \$150,000.00 but less than \$1,000,000.00	\$1,500.00
Equal to or greater than \$1,000,000.00	\$2,000.00

If the outside counsel contract is amended and the original limitation of liability amount is increased to an amount that would require a higher fee, the outside counsel shall pay the difference between the original lesser fee, if already paid, and the new higher fee.

Outside counsel will submit the administrative fee to the following address:

Outside Counsel Invoice  
Office of the Attorney General  
P.O. Box 13175  
Austin, TX 78711-3175

Checks or money orders must be made payable to the "Office of the Attorney General" and reference the OCC Number.

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**Amending an Outside Counsel Contract.** Any amendment to an approved outside counsel contract must also be approved by the OAG. An agency wishing to amend a contract must first submit to the OAG a completed amendment that is signed by the agency and outside counsel. We have included two amendment templates that may be used (Attachment E). The amendment and any supporting documentation should be sent to the following e-mail address: **[general.counsel@texasattorneygeneral.gov](mailto:general.counsel@texasattorneygeneral.gov)**.

Should you have any questions regarding these matters, please do not hesitate to contact the OAG's General Counsel Division. Our office will be hosting a training session for all agency outside counsel liaisons. The date, time, and location of this training session will be posted on the OAG's website. Thank you for your attention to these important matters.

## **Important Addresses and Contact Information**

### The Request to Retain Outside Counsel and the Outside Counsel Contract:

**[general.counsel@texasattorneygeneral.gov](mailto:general.counsel@texasattorneygeneral.gov)**

### The Request for Voucher Approval:

**[OCCInvoice@texasattorneygeneral.gov](mailto:OCCInvoice@texasattorneygeneral.gov)**

### Mail may be sent to:

Outside Counsel Contracts  
Office of the Attorney General  
General Counsel Division, Mail Code 074  
Post Office Box 12548  
Austin, Texas 78711-2548

### Outside Counsel must submit administrative fees to:

Outside Counsel Invoice  
Office of the Attorney General  
P.O. Box 13175  
Austin, TX 78711-3175

Questions may be directed to Candace Harris, Outside Counsel Contract Coordinator, General Counsel Division – Telephone Number (512) 463-9906

Electronic versions of all relevant documents, including the contract template, can be found on the OAG website: **[www.texasattorneygeneral.gov](http://www.texasattorneygeneral.gov)**

## Attachment A

### New Administrative Rules



## **Title 1, Chapter 57 of the Texas Administrative Code**

### *§57.1. Definitions.*

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) **Agency**--A department, commission, board, authority, office, or other agency in the executive branch of state government, including university systems and institutions of higher education as defined by §61.003 of the Education Code, but excluding public junior colleges.

(2) **Chief Administrator**--Has the meaning defined by §660.002(4) of the Government Code.

(3) **Contingency Fee**--Has the meaning defined by §2254.101(1) of the Government Code.

(4) **Invoice**--An itemized list of legal services provided, and fees, charges, or expenses associated with those services, by Outside Counsel to an Agency pursuant to an Outside Counsel Contract.

(5) **Invoice Summary**--As provided by the Outside Counsel Contract, a document furnished by Outside Counsel to the Agency that supports a submitted Invoice. The Invoice Summary must indicate the total number of hours worked by each legal professional during the billing period and the total number of hours billed by each timekeeper during the billing period; or, if the fee is based on a fixed fee basis or fee schedule, the number and type of projects or matters. The Invoice Summary must also include a subtotal for all legal fees, expenses, and the total amount of the Invoice, as well as the total amount of all Invoices submitted to the Agency to date under the Outside Counsel Contract.

(6) **Outside Counsel**--An attorney or law firm selected by an Agency to provide legal services. The term does not include a full-time employee of the Agency or the Office of the Attorney General.

(7) **Outside Counsel Contract**--A contract for legal services between an Agency and Outside Counsel selected by the Agency that must be approved by the Office of the Attorney General pursuant to this chapter.

(8) **Request for Voucher Approval**--A request made by an Agency to the Office of the Attorney General for the Office of the Attorney General to:

(A) review an Outside Counsel's Invoice; and

(B) to approve the payment of the Invoice, pursuant to this chapter.

(9) **Request to Retain Outside Counsel**--A request made by an Agency to the Office of the Attorney General for approval to retain an Outside Counsel pursuant to this chapter.

(10) State Fiscal Biennium--Period of time running concurrent with that set by the General Appropriations Act.

*§57.2.Application.*

(a) This chapter does not constitute independent authority for any Agency to contract for legal services with Outside Counsel.

(b) This chapter does not apply to an Agency excluded by §402.0212(a) of the Government Code or an Agency granted an exemption by, and at the sole discretion of, the Office of the Attorney General.

(c) The Attorney General, First Assistant Attorney General, or their designee, as designated in writing, may waive or modify any provision or requirement contained in this chapter at their sole discretion. To be effective, any such waiver or modification must be in writing.

(d) The Office of the Attorney General, at its sole discretion, may grant exemptions from or modify the retention of Outside Counsel process and the Request for Voucher Approval process in certain instances. Such exemptions or modifications may be based on the type and subject matter of the Outside Counsel Contract at issue.

*§57.3.Retention of Outside Counsel.*

(a) The Attorney General serves as the State of Texas' legal counsel and the Office of the Attorney General therefore represents state agencies and institutions of higher education. Accordingly, Agencies may not retain or select any Outside Counsel without first receiving authorization and approval from the Office of the Attorney General to do so. The Office of the Attorney General will determine if retaining Outside Counsel is in the best interest of the State.

(b) An Agency requiring legal services from Outside Counsel must first submit a completed Request to Retain Outside Counsel form to the Office of the Attorney General. The form and instructions for submitting the form are available on the Office of the Attorney General's official website or upon request from the General Counsel Division of the Office of the Attorney General.

(c) No later than ten (10) business days of receipt of the Request to Retain Outside Counsel form, the Office of the Attorney General will notify the requesting Agency that:

(1) the Agency's request has been approved and it may proceed with the process of selecting Outside Counsel;

(2) the Agency's request has been denied; or

(3) the Agency must provide the Office of the Attorney General with additional information before a decision to approve or deny the request will be made.

(d) A notification under subsection (c)(1) of this section may include limitations and requirements on the selection and retention of Outside Counsel, including, but not limited to, the requirement that the requesting Agency use the Request for Qualification Process outlined in §57.4 of this chapter.

(e) A notification under subsection (c)(1) of this section does not constitute approval of an Outside Counsel Contract.

(f) Except as expressly allowed by a Texas statute, final decision by the Texas Supreme Court or a final judgment by a federal court, an Agency requiring legal services from Outside Counsel on a contingency fee arrangement must first seek the written approval of the Executive Director of the Legislative Budget Board, or their authorized designee, before submitting a Request to Retain Outside Counsel form pursuant to subsection (b) of this section. The Office of the Attorney General shall not approve an Agency's Request to Retain Outside Counsel, involving a contingency fee arrangement, until the Agency provides the Office of the Attorney General with the written approval of the Executive Director of the Legislative Budget Board, or their authorized designee.

*§57.4. Request for Qualification Process.*

(a) An Agency seeking to obtain legal services from Outside Counsel must publish a Request for Qualifications for Outside Counsel in the Texas State Business Daily for thirty (30) days.

(b) The Request for Qualifications for Outside Counsel publication must contain:

- (1) a description of the legal services that the Outside Counsel will provide;
- (2) the name and contact information for an Agency employee who should be contacted by an attorney or law firm that intends to submit their qualifications;
- (3) the closing date for the receipt of qualifications;
- (4) the procedure by which the Agency will make a selection of Outside Counsel;
- (5) notice that the selection of and contracting with, Outside Counsel is subject to the approval of the Office of the Attorney General; and
- (6) any other information the Agency deems necessary.

(c) After the closing date for the receipt of qualifications, the Agency may select an Outside Counsel. The Agency may only select an Outside Counsel that complied with the Request for Qualifications for Outside Counsel. The Agency shall make the selection of Outside Counsel:

- (1) on the basis of demonstrated competence and qualifications to perform the legal services; and

(2) for a fair and reasonable price, which includes, but is not limited to, the hourly rates or fixed fee basis or fee schedule and expenses for legal services.

*§57.5.Outside Counsel Contract.*

(a) Except as authorized by law, an Outside Counsel Contract or any amendment to an Outside Counsel Contract must be approved by the Office of the Attorney General to be valid and enforceable.

(b) When entering into an Outside Counsel Contract, an Agency and Outside Counsel must use the Outside Counsel Contract template promulgated by the Office of the Attorney General. The contract template and instructions on submitting it are available on the Office of the Attorney General's official website or upon request from the General Counsel Division of the Office of the Attorney General.

(c) In the event of an inconsistency between this chapter and an executed Outside Counsel Contract, the contract shall prevail.

(d) Once an Agency selects an Outside Counsel, the Agency shall submit one copy of its proposed Outside Counsel Contract to the Office of the Attorney General for approval pursuant to this chapter. The Outside Counsel Contract must be signed by an authorized representative of the Outside Counsel and the chief administrator of the Agency, or authorized designee.

(e) Upon receipt of a proposed Outside Counsel Contract, the Office of the Attorney General will review the contract and either approve or reject it based upon the best interest of the State and compliance with state law.

(f) If the Office of the Attorney General approves a proposed Outside Counsel Contract, an authorized representative of the Office of the Attorney General will indicate that approval on the contract and return the signed copy to the Agency.

(g) If the Office of the Attorney General rejects a proposed Outside Counsel Contract, it will contact the submitting Agency to discuss the basis for the rejection and to explore whether revisions to the proposed contract could rectify the basis for the rejection. In the event the proposed contract is rejected and rectifying amendments are not acceptable or possible, the Office of the Attorney General will contact the submitting Agency to discuss alternatives to representation by the selected Outside Counsel.

*§57.6.Invoices for Legal Services and Expenses.*

(a) Outside Counsel shall prepare correct and complete Invoices and submit them, along with an Invoice Summary, for the billing period to the Agency for payment.

(b) A correct and complete Invoice must include, at a minimum, the following information:

(1) Outside Counsel Contract identification number;

- (2) Agency name;
  - (3) Outside Counsel name;
  - (4) Vendor Identification Number (assigned by the Texas Comptroller of Public Accounts), Social Security Number of an authorized representative of Outside Counsel or other appropriate payment identification number;
  - (5) Invoice number and date;
  - (6) Billing period of services rendered for which payment is being sought;
  - (7) Description and date of the task or service provided, the billable time for the task or service, the name and position (partner, associate, paralegal, etc.) of the timekeeper that performed the task or service, and the applicable hourly rate; or, if the fee is based on a fixed fee basis or fee schedule, the number and type of projects or matters;
  - (8) For filing charges, a description of the document filed and the name and location of the entity the document was filed with;
  - (9) For expenses, a copy of each receipt or other proof of payment; and
  - (10) Other information requested by the Agency or the Office of the Attorney General.
- (c) Unless requested to do so by the Agency or the Office of the Attorney General, Outside Counsel must not include information in its Invoices that is not related to compensable charges or reimbursable expenses.
- (d) Outside Counsel must verify, in writing, upon the submittal of each Invoice, that the Invoice is correct and complete and that: (1) the legal services being billed for were performed and were reasonable and either necessary or advisable;
- (2) the legal services being billed for were within the term and scope of services of the Outside Counsel Contract;
  - (3) the legal billing rates are the same as those set in the Outside Counsel Contract;
  - (4) any expense that requires the Agency's pre-approval was in fact pre-approved; and
  - (5) the total amount of the Invoice, along with all prior payments made to Outside Counsel under the Outside Counsel Contract, do not exceed the maximum liability amount set in the Outside Counsel Contract.

*§57.7.Agency Review of Invoices.*

(a) Upon receipt of an Invoice, the Agency shall immediately mark the Invoice with the date the Agency received the Invoice. The Agency must review the submitted Invoice, and any other information deemed necessary, to verify that: (1) the legal services contained in the Invoice were performed and were reasonable and either necessary or advisable;

(2) the legal services contained in the Invoice were performed within the term and scope of services of the Outside Counsel Contract;

(3) the legal billing rates are the same as those set in the Outside Counsel Contract;

(4) any expense that requires the Agency's pre-approval was in fact pre-approved; and

(5) the total amount of the Invoice, along with all prior payments made to Outside Counsel under the Outside Counsel Contract, do not exceed the maximum liability amount set in the Outside Counsel Contract.

(b) If the Agency determines that the submitted Invoice is correct and complete, and should be paid, the Agency's chief administrator or their designee must:

(1) approve the Invoice;

(2) verify that the requirements in subsection (a)(1) - (5) of this section have been met and attest to that verification with his or her signature;

(3) submit the Invoice and other required information to the Office of the Attorney General pursuant to §57.8(b) of this chapter; and

(4) if necessary, enter relevant information into the Uniform Statewide Accounting System.

(c) If the Agency determines that the Invoice is not correct and complete, and should not be paid, even in part, the Agency's designated representative must immediately notify Outside Counsel in writing that the Invoice is deficient and attempt to resolve the Invoice deficiency with Outside Counsel in a mutually agreeable manner.

(1) If the Invoice deficiency can be resolved in a reasonable time and in a mutually agreeable manner that results in a correct and complete Invoice, Outside Counsel should submit that Invoice to Agency for review and approval pursuant to §57.6 of this chapter.

(2) If the Invoice deficiency cannot be resolved in a reasonable time, the Agency should reject and deny payment for the disputed portions of the Invoice and approve the undisputed portions of the Invoice pursuant to subsection (b) of this section so that the undisputed portions of the Invoice can be processed for payment pursuant to this chapter. If necessary, Outside Counsel may resubmit the disputed and rejected portions of the Invoice to Agency once the deficiency is resolved in a mutually agreeable manner with Agency. In the event that Outside Counsel and Agency mutually agree on a resolution, then Outside Counsel must follow the steps in §57.6 of this chapter.

(d) Contingency Fee Outside Counsel may be required to submit Invoices for review as requested by the Office of the Attorney General.

*§57.8 Agency Submission of Request for Voucher Approval to the Office of the Attorney General.*

(a) An Invoice may not be paid without the prior approval of the Office of the Attorney General.

(b) If the Agency approves an Invoice, or a portion of an Invoice, pursuant to §57.7(b) of this chapter, the Agency must submit the following information to the Office of the Attorney General within ten (10) business days of receiving the Invoice from Outside Counsel:

- (1) a Request for Voucher Approval;
  - (2) a copy of the Invoice and Invoice Summary at issue;
  - (3) evidence of the date the Agency received the Invoice;
  - (4) a copy of the verification required by §57.7(b)(2) of this chapter;
  - (5) other information requested by the Office of the Attorney General;
  - (6) any other information the Agency deems necessary for the Office of the Attorney General to conduct a review of the Invoice; and
  - (7) if necessary, a description of any disputed charge that the Agency has not approved for payment and the reason(s) why it was not approved.
- (c) If the Office of the Attorney General determines that a properly submitted Invoice, or a portion thereof, is eligible for payment, it will provide the Agency with a voucher approval and, if necessary, enter relevant information in the Uniform Statewide Accounting System.

(d) If the Office of the Attorney General determines that any portion of an Invoice is not eligible for payment, it will immediately notify the Agency of that decision. The Agency may then, after consulting with Outside Counsel:

- (1) abide by the Office of the Attorney General's determination to deny payment;
- (2) inform the Office of the Attorney General that the Agency and the Outside Counsel agree that the payment should be denied and the Invoice will be withdrawn; or
- (3) submit a new Invoice for review and approval after resolving the Invoice deficiency with Outside Counsel in a mutually agreeable manner.

(e) The Office of the Attorney General will not approve payment of an Invoice in an amount that is greater than the amount approved by the Agency under §57.7(b) of this chapter.

(f) The Office of the Attorney General, at its sole discretion, may permit Agencies to submit information other than the information specified in subsection (b)(1) - (7) of this section before the Office of the Attorney General approves or disapproves payment of an Invoice. The Office of the Attorney General will specify what information is acceptable for an Agency to submit under this subsection.

(g) Except as allowed by the Office of the Attorney General, Agencies may submit only one Request for Voucher Approval per billing period per contract.

*§57.9. Administrative Fee.*

(a) Outside Counsel must pay a non-refundable administrative fee to the Office of the Attorney General for the Invoice review described in §57.8 of this chapter. Outside Counsel may not charge, or seek reimbursement from, the Agency for payment of this administrative fee.

(b) The administrative fee described in subsection (a) of this section is incurred on the date that the first Invoice after the effective date of this chapter is submitted to the Agency. Any Invoice submitted to the Office of the Attorney General by the Agency before the administrative fee has been submitted by the Outside Counsel to the Office of the Attorney General shall be deemed incorrect and incomplete and not eligible for payment.

(c) The administrative fee is set as follows:

(1) For an Outside Counsel Contract with a maximum liability of less than \$2,000.00, but more than \$0.00, the administrative fee is \$100.00.

(2) For an Outside Counsel Contract with a maximum liability equal to or greater than \$2,000.00 but less than \$10,000.00, the administrative fee is \$200.00.

(3) For an Outside Counsel Contract with a maximum liability equal to or greater than \$10,000.00 but less than \$50,000.00, the administrative fee is \$500.00.

(4) For an Outside Counsel Contract with a maximum liability equal to or greater than \$50,000.00 but less than \$150,000.00, the administrative fee is \$1,000.00.

(5) For an Outside Counsel Contract with a maximum liability equal to or greater than \$150,000.00 but less than \$1,000,000.00, the administrative fee is \$1,500.00.

(6) For an Outside Counsel Contract with a maximum liability of equal to or greater than \$1,000,000.00, the administrative fee is \$2,000.00.

(7) For Contingency Fee Outside Counsel Contracts, the Office of the Attorney General will establish a reasonable administrative fee when Invoices are submitted to the Office of the Attorney General for review.



(d) The administrative fee due under subsection (c) of this section covers the then current State Fiscal Biennium in an Outside Counsel Contract term. Outside Counsel must pay a non-refundable administrative fee to the Office of the Attorney General, as set by subsection (c) of this section, for every State Fiscal Biennium covered in an Outside Counsel Contract term. Subsequent biennial administrative fees are due upon submission of the first Invoice of a new State Fiscal Biennium.

(e) The administrative fee described in subsection (a) of this section is not due for a contract having a zero dollar liability or a contract that is only seeking reimbursement for expenses.

(f) For exceptional circumstances, the Office of the Attorney General, at its sole discretion, may modify the amount of the administrative fee due under subsection (c) of this section. If the Office of the Attorney General, at its sole discretion, permits an Agency to submit information other than the information specified in §57.8(b)(1) - (7) of this chapter, the Office of the Attorney General, in its sole discretion, may reduce or waive the administrative fee.

(g) When an Outside Counsel Contract is amended to increase the maximum liability of the contract to an amount that requires Outside Counsel to pay a higher administrative fee, under subsection (c) of this section, then Outside Counsel shall pay the difference between the original lesser fee, if already paid, and the new higher fee upon submission of the next submitted Invoice.

(h) The administrative fee described in subsection (a) of this section shall be sent to the Office of the Attorney General and not to the Agency.

## Attachment B

### New Request to Retain Outside Counsel Form

**REQUEST TO RETAIN OUTSIDE COUNSEL**  
**Title 1, Chapter 57 of the Texas Administrative Code**

**Requesting Agency** \_\_\_\_\_  
**Contact Person** \_\_\_\_\_  
**Mailing Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_ **Email** \_\_\_\_\_

1. Describe the legal services that the Outside Counsel would provide. The description of legal services provided herein will be used as the "Scope of Services" in the outside counsel contract.
2. If the legal services described above include litigation legal services, describe what the litigation is and in what jurisdiction it will occur.
3. Is this a contingency fee contract? If yes, attach the written approval of the LBB or cite to the statutory exemption.
4. Has the Agency discussed the possibility of the OAG providing the legal services? If so, give the names of the person(s) at the OAG that were contacted, the dates of contact(s) and a summary of discussions. Please provide any copies of relevant correspondence exchanged between the Agency and the OAG.
5. What is the anticipated total cost for both legal services to be provided, and related expenses to be incurred, by Outside Counsel?
6. List the source(s) of all funds that will be used to pay for the legal services and expenses under this contract? Examples of sources include the General Appropriations Act, grant funds, trust funds, local funds, etc.
7. What is the anticipated start date and end date of the outside counsel contract?
8. If an RFQ has already been posted and an outside counsel has been identified by the Agency, please list the date the RFQ was posted and the name, address and telephone number of the identified outside counsel.

OR

If an RFQ has not been published, please indicate when the Agency anticipates publishing a RFQ.

OR

If the Agency is seeking an exemption from the RFQ process requirements, provide a justification.

9. If an existing or expired outside counsel contract is or was in place for these or similar services, please provide:
  - The name of the outside counsel and the outside counsel contract number; and
  - The date and location where the RFQ (or RFI/RFP) was published.

## Attachment C

### New Outside Counsel Contract Template

## **OUTSIDE COUNSEL CONTRACT**

OAG Contract No. \_\_\_\_\_

**This Agreement**, including all Addenda (the Addenda are incorporated herein by reference), is hereinafter referred to as the "Outside Counsel Contract" or "OCC." This Outside Counsel Contract is made and entered into by and between the \_\_\_\_\_ ("Agency") and \_\_\_\_\_ ("Outside Counsel"). The term "Parties" as used in this OCC refers to the Agency and the Outside Counsel, and does not include the Office of the Attorney General of Texas ("Attorney General" or "OAG"). This OCC is made and entered into with reference to the following facts:

### **INDUCEMENTS**

**Whereas**, Agency requires the assistance of outside legal counsel in carrying out its responsibilities; and

**Whereas**, Agency has received prior approval from the OAG to contract for outside legal services; and

**Whereas**, Outside Counsel desires to provide legal services to Agency, subject to the authority of the Attorney General.

### **AGREEMENT**

**Now, Therefore**, in consideration of the inducements, covenants, agreements and conditions herein contained, the Parties agree as follows:

#### **Section 1. Purpose/OAG Approval.**

**1.1 Purpose.** The purpose of this OCC is for Outside Counsel to provide legal services to Agency, as described in Addendum A. Outside Counsel and Agency understand and agree to the OAG's continuing authority and right to expand or limit the scope of legal services provided by Outside Counsel to Agency.

**1.2 OAG Approval.** The Attorney General's, or his Designee's, signature on this OCC represents the OAG's approval of Outside Counsel serving as legal counsel to Agency during the term of, and for the purposes expressed in, this OCC. Consistent with Section 402.0212 of the Texas Government Code, the OAG may withdraw, modify, or expand this approval at any time.

**1.2.1 Litigation.** OUTSIDE COUNSEL SHALL NOT REPRESENT AGENCY IN ANY LITIGATION UNLESS ADDENDUM A SPECIFICALLY AUTHORIZES LITIGATION IN A PARTICULAR MATTER. If Addendum A does not specifically authorize Outside Counsel's representation of Agency in a particular litigation matter and the Agency requires such representation, then the Agency must request litigation authority from the OAG and submit a

new Outside Counsel Contract to the OAG for approval before filing or responding to litigation matters.

**1.2.2 Appellate Matters.** Irrespective of any authorization to engage in litigation in this OCC, or in a writing outside of this OCC, OUTSIDE COUNSEL IS NOT AUTHORIZED TO PROCEED ON ANY APPEAL, IN ANY CAPACITY, WHETHER INTERLOCUTORY OR OTHERWISE, WHETHER AS APPELLANT, APPELLEE, RESPONDENT, APPLICANT, OR OTHERWISE, WITHOUT FIRST OBTAINING THE WRITTEN PERMISSION OF THE ATTORNEY GENERAL, FIRST ASSISTANT ATTORNEY GENERAL, OR SOLICITOR GENERAL. Outside Counsel has the duty to promptly notify the Agency and OAG of the desirability or likelihood of an appeal.

**1.2.3 OAG Review of Outside Counsel Invoice and Release of Payment.** In addition to OAG approval to contract for legal services, Outside Counsel invoices must be reviewed and approved by the OAG pursuant to Subsection 402.0212(b) of the Texas Government Code and Title 1, Chapter 57 of the Texas Administrative Code.

## **Section 2. OCC Term.**

This OCC shall commence on [ \_\_\_\_\_ ], and shall terminate on [ \_\_\_\_\_ ] (hereinafter "OCC Term"), unless terminated earlier pursuant to section 7 of this OCC. The OCC Term may not be extended except by amendment pursuant to section 9.12 of this OCC.

## **Section 3. Obligations of Outside Counsel.**

**3.1 Duties.** Outside Counsel will provide professional legal services to the Agency as described in Addendum A. Outside Counsel shall represent Agency with due professional care as required by applicable law and disciplinary rules.

**3.2 Staff.** Outside Counsel is expected to perform valuable services for Agency, and the method and amount or rate of compensation are specified in Section 5 and Addendum B of this OCC. Outside Counsel staff and employees are expected to perform work of a type commensurate with their professional title. Outside Counsel agrees that any person employed or engaged by Outside Counsel and who assists in performing the services agreed to herein shall not be considered employees or agents of Agency or the State of Texas.

**3.3 Public Information and Client Communications.** Outside Counsel acknowledges that information generated in the course of representation of a governmental body may be subject to the Texas Public Information Act, Chapter 552 of the Texas Government Code. Outside Counsel will exercise professional judgment and care when creating documents or other media intended to be confidential or privileged attorney-client communications that may be subject to disclosure under the Public Information Act (e.g. invoices where incidental notation may tend to reveal litigation strategies or privileged information). Outside Counsel should mark confidential or privileged attorney-client communications as confidential. This subsection shall not be

interpreted to limit Outside Counsel's duty to provide full disclosure to Agency and the OAG as necessary in Outside Counsel's judgment to represent Agency with due professional care or as required by applicable law or disciplinary rules.

**3.4 Status.** Pursuant to the standard of professional care owed to the Agency, Outside Counsel shall endeavor to keep Agency fully informed about all material matters relating to legal services provided under this OCC.

**3.5 Subcontracting Authority.** In the event that Outside Counsel should determine that it is necessary or expedient to subcontract for any of the performances herein, or in support of any of those performances, Outside Counsel may enter into such subcontract(s). If Outside Counsel elects to enter into a subcontract, then the Parties agree that all such subcontracts are subject to section 4 (Limitation of Liability), subsection 5.2 (Reimbursement of Expenses), subsection 5.3 (Subcontractor Payments), subsection 6.2 (Subcontractor Invoices), and subsection 6.5 (Supporting Documents; Right-to-Audit; Inspection of Records) of this OCC. Furthermore, if Outside Counsel elects to enter into a subcontract for any legal services, then the Parties agree that the Agency shall not be liable to Outside Counsel for any hourly rates or rate ranges greater than the highest hourly rate or rate range specified in Addendum B unless prior written approval is obtained from the Agency and OAG. Any subcontracted legal counsel must comply with subsection 9.8 (Conflict of Interest) of this OCC.

Outside Counsel agrees to comply with all state and federal laws applicable to any subcontractors, including, but not limited to, laws regarding wages, taxes, insurance, historically underutilized businesses and workers' compensation.

In no event shall this section or any other provision of this OCC be construed as relieving Outside Counsel of the responsibility for ensuring that all performances rendered under this OCC, and any subcontracts thereto, are rendered in compliance with all of the terms of this OCC.

#### **Section 4. Liability.**

**4.1 Limitation of Liability.** The Parties stipulate and agree that the State of Texas and Agency's total liability to Outside Counsel, including consideration for the full, satisfactory and timely performance of all its duties, responsibilities and obligations, and for reimbursement of all expenses, if any, as set forth in this OCC or other liability arising out of any performance herein shall not exceed:

1 \$ 1 for this OCC Term.

The Parties stipulate and agree that any act, action or representation by either party, their agents or employees that purport to increase the liability of the State of Texas or Agency is voidable by the OAG, unless this OCC is amended to modify this limitation of liability. Outside Counsel agrees that the OAG, the State of Texas and its agencies (other than Agency) shall have no liability arising out of this OCC or the performances of this OCC to Outside Counsel.

**4.2 Subject to Appropriation.** The Parties acknowledge and agree that nothing in this OCC will be interpreted to create a future obligation or liability in excess of the funds currently appropriated to the Agency.

## **Section 5. Compensation/Expenses.**

**5.1 Fees to Outside Counsel.** Subject to Title 1, Chapter 57 of the Texas Administrative Code, Agency agrees to pay Outside Counsel in consideration of full and satisfactory performance of the legal services under this OCC. Outside Counsel agrees to the following fee schedule, subject to the limitations described in this OCC (see Addendum B for additional terms and conditions regarding fees/compensation to Outside Counsel).

**5.2 Reimbursement of Expenses.** Agency will reimburse Outside Counsel for actual expenses incurred in the performance of the legal services described in Addendum A, if such expenses are reasonable and either necessary or advisable. Outside Counsel must provide copies of original receipts as evidence of actual expenditures. Limitations on the amount and type of reimbursement include:

**5.2.1 Mileage.** Agency will reimburse Outside Counsel for reasonable and necessary travel mileage at the per mile rate posted on the Texas Mileage Guide adopted under Section 660.043 of the Texas Government Code. The Texas Mileage Guide is currently available on the Comptroller of Public Accounts' website, at: <https://fm.xcpa.state.tx.us/fm/travel/travelrates.php> (last visited April 2, 2012).

**5.2.2 Meals.** Agency will reimburse Outside Counsel for reasonable and necessary meal expenses at the rate of [\$\_\_\_\_\_] or actual expenses, whichever is less, for each attorney for each day requiring overnight travel. Agency will not reimburse Outside Counsel for the purchase of alcohol.

**5.2.3 Lodging.** Agency will reimburse Outside Counsel for reasonable and necessary lodging expenses. Unless otherwise agreed upon by Agency in writing in advance, in-state lodging or overnight accommodations will be reimbursed at the lesser amount of the actual expense or \$200.00 per night. Unless otherwise agreed upon by Agency in writing in advance, out-of-state lodging or overnight accommodations will be reimbursed at the lesser amount of the actual expense or \$250.00 per night.

**5.2.4 Airfare.** Airfare will be reimbursed at the lesser amount of the actual expense or the regular published rates for coach fares for commercial airlines.

**5.2.5 Expert Services.** Subject to Agency's prior approval, Agency will reimburse Outside Counsel for the reasonable and necessary cost of expert services.

**5.2.6 Other Reimbursable Expenses.** Agency will reimburse the actual cost for other expenses if Outside Counsel provides a reasonable and sufficient explanation of the nature and purpose of the charge and the charge is reasonable and either necessary or advisable.



**5.2.7 Non-Reimbursable Expenses.** Agency expects Outside Counsel to anticipate and include expenses and disbursements as part of overhead and, therefore, part of a basic hourly rate or flat rate. Therefore, Agency will not reimburse Outside Counsel for: copying charges (routine, day-to-day); fax charges; routine postage; office supplies; telephone charges; local travel (within 20-mile radius of office), including mileage, parking, and tolls; all delivery services incurred by internal staff; air-conditioning; electricity or other utilities; and internet charges.

**5.2.8 Gratuity.** Agency will not reimburse Outside Counsel for tips or gratuities.

**5.2.9 Reimbursement for Agency Employee Expenses.** Agency will not reimburse Outside Counsel for the cost of expenses incurred by Agency employees.

**5.2.10 No Mark-up.** Outside Counsel will only be reimbursed for actual expenses. Outside Counsel shall not be reimbursed for any mark-up or other overhead costs.

**5.3 Subcontractor Payments.** Outside Counsel shall be responsible for any payments and other claims due to subcontractors for work performed under this OCC. Outside Counsel, in subcontracting for any performances or in support of any of the performances specified herein (e.g., expert services, local counsel, and other services) expressly understands and agrees that Agency shall not be directly liable in any manner to Outside Counsel's subcontractor(s).

**5.4 Extensive Legal Research.** In general, Agency should be paying Outside Counsel to apply their knowledge and expertise for which it was hired, not paying Outside Counsel to obtain that knowledge. However, Agency understands that situations arise that justify extensive research on how best to proceed in order to achieve a desired result. The need for extensive legal research will be addressed on a case-by-case basis by Outside Counsel and Agency.

**5.5 Administrative Staff/Clerks.** Agency will not pay for law clerks, law interns, summer interns, or administrative staff, such as secretarial support, librarians, case clerks, and accounting and billing clerks, including but not limited to the following: overtime, file opening, file organization, docketing, and other administrative tasks; and preparation of billing, invoice review, budget preparation, and communications regarding same or any other accounting matter.

**5.6 Training.** Agency will not pay for the education or training of attorneys, paralegals, or other staff of Outside Counsel, including assigning such staff on a transient basis to an Agency matter.

## **Section 6. Invoices for Payment.**

**6.1.1 General.** Agency and Outside Counsel agree to abide by the administrative rules adopted by the OAG governing the submission, review and approval of invoices. These rules are found at Title 1, Chapter 57 of the Texas Administrative Code.

**6.1.2 Billing Period.** The billing period is the interval (ex. monthly) which determines the frequency Outside Counsel will submit invoices to the Agency. The billing period for this OCC is specified in Addendum B.

**6.1.3 Billable Time.** Agency will only pay for the services of individuals covered in Addendum B. All time must be billed in one-tenth hour or one-quarter hour increments, and must reflect only actual time spent. Tasks referencing correspondence and filings must describe the document received or authored. Agency expects to be billed for the actual time it takes to modify standardized forms, filings, and/or correspondence for use on the matter being billed. Agency will not reimburse Outside Counsel for the time it originally took to prepare any such standardized documents. Agency will not pay for review, execution, and processing of the OCC and submission of invoices.

**6.1.4 Submission of Invoices.** Outside Counsel must submit invoices to Agency at:

Agency Contact Name  
Title  
Agency Name  
Address  
City, State Zip

Agency must submit invoices and other related information to the OAG at the following e-mail address or mailing address:

OCCInvoice@texasattorneygeneral.gov

OR

Attn.: OCC Invoice  
Office of the Attorney General  
General Counsel Division, Mail Code 074  
Post Office Box 12548  
Austin, Texas 78711-2548

**6.2 Subcontractor Invoices.** Subcontractor(s) shall directly invoice Outside Counsel, and Outside Counsel shall then invoice Agency for the work performed. The actual work performed by subcontractor shall be specifically identified in the invoice supported by attaching documentation.

**6.3 Prompt Payment.** Payments to Outside Counsel by Agency under this OCC shall be in compliance with Chapter 2251 of the Texas Government Code and Title 34, Chapter 20, Subchapter D of the Texas Administrative Code.

**6.4 Administrative Fee.** Outside Counsel agrees that, pursuant to Subsection 402.0212(c) of the Texas Government Code and Title 1, Chapter 57 of the Texas Administrative Code, a non-refundable administrative fee is due to the OAG for the review of Outside Counsel invoices. In the event that Outside Counsel fails to timely submit to the OAG the required administrative fee, any invoices shall be deemed incorrect and incomplete and not eligible for payment. Outside Counsel may not charge or seek reimbursement from the Agency for the payment of the administrative fee.

Outside Counsel will submit the administrative fee to the following address:

Outside Counsel Invoice  
Office of the Attorney General  
P.O. Box 13175  
Austin, TX 78711-3175

Checks or money orders must be made payable to the "Office of the Attorney General" and reference the OCC Number.

**6.5 Supporting Documents; Right-to-Audit; Inspection of Records.**

**6.5.1 Duty to Maintain Records.** Outside Counsel shall maintain adequate records to support its charges, procedures, and performances to Agency for all work related to this OCC. Outside Counsel shall also maintain such records as are deemed necessary by Agency, OAG, the State Auditor's Office, or federal auditors if federal funds are used to pay Outside Counsel, to ensure proper accounting for all costs and performances related to this OCC.

**6.5.2 Records Retention.** Outside Counsel shall retain, for a period of at least four (4) years after the later of (1) the expiration or termination of this OCC, (2) an audit relating to this OCC, or (3) litigation relating to this OCC, such records as are necessary to fully disclose the extent of services provided under this OCC, including but not limited to any daily activity reports and time distribution and attendance records, and other records that may show the basis of the charges made or performances delivered.

**6.5.3 Inspection of Records and Right to Audit.** Outside Counsel shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to the State's property, services performed, and charges, such as work papers, reports, books, data, files, software, records, and other supporting documents pertaining to this OCC, for purposes of inspecting, monitoring, auditing, or evaluating by Agency, the State of Texas, or their authorized representatives. Outside Counsel shall cooperate with auditors and other authorized Agency and State of Texas representatives and shall provide them with prompt access to all of such State property as requested by Agency or the State of Texas.

**6.5.4 State Auditor.** In addition to and without limitation on the other audit provisions of this OCC, pursuant to Section 2262.003 of the Texas Government Code, the State Auditor's

Office may conduct an audit or investigation of Outside Counsel or any other entity or person receiving funds from the State directly under this OCC or indirectly through a subcontract under this OCC. The acceptance of funds by Outside Counsel or any other entity or person directly under this OCC or indirectly through a subcontract under this OCC acts as acceptance of the authority of the State Auditor's Office, under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with those funds. Under the direction of the Legislative Audit Committee, Outside Counsel or other entity that is the subject of an audit or investigation by the State Auditor's Office must provide the State Auditor's Office with access to any information the State Auditor's Office considers relevant to the investigation or audit. Outside Counsel further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. Outside Counsel shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through Outside Counsel and the requirement to cooperate is included in any subcontract it awards. The State Auditor's Office shall at any time have access to and the right to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of Outside Counsel related to this OCC.

#### **Section 7. Termination**

**7.1 Convenience of the State.** The Agency has the right to terminate this OCC, in whole or in part, without penalty, by notifying Outside Counsel in writing of such termination prior to the effective date of such termination. Such notification of termination shall state the effective date of termination. In the event of such termination, Outside Counsel shall, unless otherwise mutually agreed upon in writing, cease all services immediately, except such services that are necessary to wind-up, in a cost-effective manner, all services being provided. Subject to Section 4 of this OCC, Agency shall be liable for payments for all services performed under this OCC to the effective date of termination, plus any necessary services to cost effectively wind-up.

In the event the OAG withdraws its approval of this OCC during the OCC term, then Agency, in consultation with the OAG, shall terminate this OCC for convenience.

**7.2 Cause/Default.** In the event that Outside Counsel commits a material breach of this OCC, Agency may, upon written notice to Outside Counsel, immediately terminate all or any part of this OCC. Termination is not an exclusive remedy but will be in addition to any other rights and remedies provided in equity, by law, or under this OCC.

**7.3 Rights Upon Termination or Expiration.** Upon expiration or termination of this OCC for any reason, Outside Counsel shall, subject to Outside Counsel's professional obligations, immediately transfer to Agency all information and associated work products prepared by Outside Counsel or otherwise prepared for Agency pursuant to this OCC, in whatever form such information and work products may exist, to the extent requested by Agency. At no additional cost to Agency and in any manner Agency deems appropriate in its sole discretion, Agency is granted the unrestricted right to use, copy, modify, prepare derivative works from, publish, and distribute any component of the information, work product, or other deliverable made the subject of this OCC.