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APPLICATION OF CENTERPOINT ENERGY)	BEFORE THE STATE OFFICE
HOUSTON ELECTRIC, LLC FOR)	OF
AUTHORITY TO CHANGE RATES)	ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY

OF

MARK E. GARRETT

REVENUE REQUIREMENT ISSUES

ON BEHALF

OF

HOUSTON COALITION OF CITIES (“HCC”)

June 19, 2024

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I. WITNESS IDENTIFICATION AND PURPOSE OF TESTIMONY

Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A: My name is Mark E. Garrett. My business address is 4028 Oakdale Farm Circle, Edmond, Oklahoma 73013.

Q: WHAT IS YOUR PRESENT OCCUPATION?

A: I am the President of Garrett Group Consulting, Inc., a firm specializing in public utility regulation, litigation and consulting services.

Q: WOULD YOU PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND YOUR PROFESSIONAL EXPERIENCE RELATED TO UTILITY REGULATION?

A: I received my bachelor's degree from the University of Oklahoma and completed post graduate hours at Stephen F. Austin State University and the University of Texas at Arlington and Pan American. I received my juris doctorate degree from Oklahoma City University Law School and was admitted to the Oklahoma Bar in 1997. I am a Certified Public Accountant licensed in the States of Texas and Oklahoma with a background in public accounting, private industry, and utility regulation. In public accounting, as a staff auditor for a firm in Dallas, I primarily audited financial institutions in the State of Texas. In private industry, as controller for a mid-sized corporation in Dallas, I managed the Company's accounting function, including general ledger, accounts payable, financial reporting, audits, tax returns, budgets, projections, and supervision of accounting

1 personnel. In utility regulation, I served as an auditor in the Public Utility Division of the
2 Oklahoma Corporation Commission from 1991 to 1995. In that position, I managed the
3 audits of major gas and electric utility companies in Oklahoma. Since leaving the
4 Commission, I have testified in numerous rate cases and other regulatory proceedings on
5 behalf of various customer interveners.

6
7 **Q: HAVE YOUR QUALIFICATIONS BEEN ACCEPTED BY THIS COMMISSION**
8 **IN PROCEEDINGS DEALING WITH REVENUE REQUIREMENT ISSUES?**

9 A: Yes, they have. A more complete description of my qualifications and a list of the
10 proceedings in which I have been involved are attached to this testimony.

11
12 **Q: ON WHOSE BEHALF ARE YOU APPEARING IN THESE PROCEEDINGS?**

13 A: I am appearing on behalf of the Houston Coalition of Cities ("HCC").
14

15 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

16 A: The purpose of my testimony is to address various revenue requirement issues identified
17 in the application for authority to change rates of CenterPoint Energy Houston Electric,
18 LLC, ("CEHE" or the "Company"), a wholly-owned subsidiary of CenterPoint Energy,
19 Inc., ("CNP"). My testimony addresses several employee compensation issues, board of
20 directors' fees, and the self-insurance reserve plan costs. I also sponsor *Exhibit MG 2*
21 included with this testimony, which sets forth the overall impact of HCC's revenue
22 requirement recommendations.

II. SUMMARY OF RECOMMENDATIONS IN THIS TESTIMONY

1 **Q: PLEASE SUMMARIZE THE ADJUSTMENTS YOU ARE PROPOSING IN THIS**
2 **CASE.**

3 **A:** My proposed adjustments are set forth in the table below:

<u>Expense Adjustments</u>	
Adjustment to Remove Post Test Year Pay Raises	\$(5,982,672)
Adjustment to Remove Post Test Year Pay Raises – Affiliate	(1,124,225)
Adjustment to Remove Above-Market Short-Term Incentives	(2,922,835)
Adjustment to Remove Above-Market Short-Term Incentives- Affiliate	(3,711,615)
Adjustment to Storm Insurance Accrual	(5,848,100)
Adjustment to Executive Severance	(1,531,113)
Adjustment to Board of Directors’ Compensation	(1,030,895)
Adjustment to Directors’ and Officers’ Insurance	(720,680)
Adjustment to Investor Relations Costs	(514,094)
Adjustment to Edison Electric Institute Association Dues	(877,853)
Total Expense Adjustments	(\$24,264,081)

III. OPERATING EXPENSE ADJUSTMENTS

(A)(1) Employee Compensation Expense—To Remove Pay Increases After Test Year

1 Q: PLEASE DISCUSS CEHE'S ADJUSTMENTS TO PAYROLL COSTS.

2 A: For direct payroll, the Company annualized its test year end payroll by employee and
3 added post-test year pay increases of 3.5% for non-bargaining employees and 4% for
4 bargaining employees.¹ The Company also included post-test year step adjustments for
5 bargaining employees in the apprentice training program.² For affiliate payroll and salary
6 increases the Company proposed adjustments in Workpaper V-K-6 Wage Adjustment.³
7 The affiliate payroll adjustment includes prorated increases of 3.5% non-union employees
8 and 3% for union employees.⁴

10 Q: DO YOU AGREE WITH THE COMPANY'S PROPOSED PAYROLL
11 ADJUSTMENTS?

12 A: No. I disagree with the Company's inclusion of post-test year increases for its employees.
13 This is a selective increase in costs that may be offset by post-test year increases in

¹ See Direct Testimony of Kristic L. Colvin, p. 80, lines 7-11.

² *Id.*, lines 14-17.

³ See Workpaper V-K-6 Wage Adj.xlsx, tab DS3, see also CEHE's Response to GCCC-RFI 04-03, explaining that the month of August 2023 was used for Service Company annualization because it represented a payroll level that was closer to the average per books amount when compared with April-December 2023. Service Company salaries were further adjusted for the CPA based on January 1, 2024, for bargaining unit employees and April 1, 2024, for non-bargaining unit employees.

⁴ See Workpaper V-K-6 Wage Adj.xlsx, tab DS1, cells J31 – J35 for the formulas showing the 3% union increase rate.

1 revenues or other cost savings. I recommend that the post-test year component be removed
2 for both the direct and affiliate payroll adjustments.

3 **Q: WHAT IS THE AMOUNT OF THE ADJUSTMENT YOU RECOMMEND TO**
4 **REMOVE THE POST-TEST YEAR PAY RAISES FROM THE REVENUE**
5 **REQUIREMENT?**

6 A: The adjustment to remove the post-test year direct payroll increases reduces the revenue
7 requirement by \$5,587,343 and the related payroll taxes by \$395,329, for a total
8 adjustment of \$5,982,672, as set forth on Exhibit MG-2.1. The adjustment to remove the
9 post-test year increases to affiliate pay reduces the revenue requirement by \$1,124,225, as
10 set forth on Exhibit MG-2.2.

(A)(2) Adjustment to Remove Above-Market STI Costs

11 **Q: WHAT IS YOUR RECOMMENDATION REGARDING THE STI INCREASES**
12 **REQUESTED BY THE COMPANY?**

13 A: I recommend that the STI be reduced to the target level, which is the compensation level
14 used to determine competitive compensation rates. I recommend that both the direct and
15 affiliate STI be based on a target award factor of 1.00.

16
17 **Q: WHY IS THIS ADJUSTMENT NECESSARY?**

18 A: For incentive compensation, the base level or target level represents market compensation
19 costs. For ratemaking purposes, the first adjustment to incentive expense is always to
20 adjust the test year levels to target or base levels. Many utilities do this as a matter of

1 course.⁵ The reason this adjustment is necessary is because ratepayers are not responsible
2 for any above-market compensation costs.⁶ In other words, ratepayers are only obligated
3 to pay market-based levels of compensation costs. Therefore, an adjustment to reduce the
4 Company's requested level of compensation to the market level is required.

5
6 **Q: IS THIS ADJUSTMENT CONSISTENT WITH PURA § 36.067?**

7 A: Yes. PURA § 36.067 (b) states "the regulatory authority shall presume that employee
8 compensation and benefits expenses are reasonable and necessary *if* the expenses are
9 consistent with market compensation. . . ."⁷ Thus, the amount requested in rates must be
10 a market-based level, or the utility loses the presumption that the level is reasonable.⁸ The
11 utility would have a high burden to show that above-market costs are reasonable. This
12 would indeed be difficult because, for ratemaking purposes, only market-based
13 compensation is typically included in rates. In this case, CEHE has presented no evidence
14 to establish that the above-market compensation is justified or reasonable.

15

⁵ For example, SWEPCO and SPS routinely adjust test year incentive levels to target our base levels.

⁶Regulated utilities' prices are not set in the competitive markets. Instead, regulatory commissions serve as the surrogate for competition, and set prices for utilities that reflect market prices. For regulated utilities, above-market costs would not be considered "reasonable" for setting rates.

⁷PURA § 36.067 (b).

⁸ In the Company's compensation surveys, the target level is used to compare to the market to show that the levels paid by the utility are *consistent with* market-based levels. That means the target level is the correct level for setting rates.

1 **Q: WHY IS TARGET LEVEL THE REASONABLE LEVEL OF COMPENSATION**
2 **THAT MAY BE INCLUDED IN RATES?**

3 A: The Company compares its target level compensation to market-based compensation
4 surveys to show that the amounts paid by the utility are *consistent with* market-based
5 levels. That means the target level establishes the amount that may be included in rates
6 pursuant to the statute. This is seen in the testimony of Company witness, Villatoro:

7 WTW confirmed the Company's compensation program is
8 consistent with the market and determined that CNP's target total
9 direct compensation program and compensation levels are within
10 the competitive range (+/-10%), when compared to other utility
11 companies. The specific findings of WTW's analysis will be
12 discussed later in my testimony.⁹

13 Ms. Villatoro states that the Company's requested base pay and STI expenses are
14 reasonable because CNP targets the median of the market when designing total cash
15 compensation for positions in business units throughout CNP.¹⁰ Thus, the Company relies
16 on these market comparisons and concludes that "STI target levels for CNP and Company
17 employees are market-based and are consistent with similarly situated employees in peer
18 and competitor companies based on market studies."¹¹

⁹ See Direct Testimony of Bertha R. Villatoro, p. 13, lines 16-20.

¹⁰ See Direct Testimony of Bertha R. Villatoro, p. 27, lines 13-16.

¹¹ *Id.*, p. 28, lines 11-14.

1 **Q: WOULD THIS BE THE GENERALLY ACCEPTED RULE FOR RATEMAKING**
2 **PURPOSES EVEN WITHOUT PURA § 36.067?**

3 A: Yes. Ratepayers are only obligated, in normal circumstances, to pay the levels established
4 by the competitive markets for the ordinary costs of the utility. Since the competitive
5 markets establish market levels for compensation and employee benefits, these market
6 levels serve as the allowable ceiling for these costs in rates. Although there may be
7 extraordinary circumstances when a commission might allow above-market costs to be
8 passed on to ratepayers, these situations would be the exception to the rule.

9
10 **Q: IS THERE COMMISSION PRECEDENT FOR THIS POSITION?**

11 A: Yes. SWEPCO and SPS both routinely adjust test year incentives to target as part of their
12 rate case applications. This makes sense because payments above target are payments
13 above market, and ratepayers are only responsible for market-based compensation.

14
15 **Q: WHAT ADJUSTMENT DO YOU RECOMMEND TO THE STI EXPENSE?**

16 A: The adjustment to reduce the direct STI compensation expense to target level is
17 \$2,922,835, as shown on Exhibit MG-2.3. The adjustment to reduce the affiliate STI
18 compensation expense to target level is \$3,711,615, as shown on Exhibit MG-2.4.

(B) Executive Severance Pay

1 **Q: UNDER WHAT CONDITIONS DOES CNP PAY SEVERANCE BENEFITS TO A**
2 **NAMED EXECUTIVE OFFICER?**

3 A: Based on shareholder feedback, CNP recently created guidelines in which named
4 executive officers¹² are entitled to severance benefits only if a change-in control event
5 occurs. Furthermore, CenterPoint Energy does not enter into employment agreements
6 with its named executive officers. However, if a named executive officer is involuntarily
7 terminated without cause outside a change-in-control event, the Board may pay severance
8 benefits at its discretion of no more than 1.5 times¹³ the individual's base salary plus the
9 target short-term incentive award.¹⁴

10
11 **Q: DOES CNP REPRESENT THAT A "CHANGE-IN-CONTROL" EVENT**
12 **OCCURRED WHICH PRECIPITATED THESE SEVERANCE PAYMENTS?**

13 A: No. CNP does not represent that a "change-in-control" event occurred would entitle these
14 executives to severance payments. Instead, the parent company indicates these severance
15 payments occurred when two named executive officers left CNP due to the
16 implementation of a "new streamlined organizational structure".¹⁵

¹² The U.S. Securities and Exchange Commission requires a publicly traded company to identify its chief executive officer, its chief financial officer, and its three other highest paid executive officers in its annual proxy statement. These five individuals are referred to as "named executive officers."

¹³ The chief executive officer may receive as much as two times the individual's annual base salary plus short-term incentive award.

¹⁴ 2023 Proxy Statement at 51, 84.

¹⁵ *Id.* at 49.

1 **Q. DID CNP ALLOCATE SEVERANCE BENEFITS TO CEHE FOR ONE OR MORE**
2 **NAMED EXECUTIVE OFFICERS DURING THE TEST YEAR?**

3 A. Yes. CNP allocated \$1,531,113 to the Company in severance benefits to two named
4 executive officers during the test year.¹⁶ These two separations were the latest in a series

¹⁶ Company response to HCC 01-08 and 01-09, total severance pay for CNP was \$7,884,992 for two named executive officers. See 2023 Proxy Statement at 49-50. CNP's former Executive Vice President, Utility Operations, Scott E. Doyle, was separated from CNP on January 3, 2023 due to the elimination of his position. In connection with his separation, CNP entered into a separation and release agreement under which, in exchange for execution of a release of claims against CNP, Mr. Doyle received: (i) a lump sum cash payment of \$2,092,500 representing a separation payment equal to 1.5x Mr. Doyle's base salary and 1x his target short-term incentive award and payment of an amount equal to his short-term incentive award for the 2022 performance year determined at the approved achievement level for other executive officers, (ii) full vesting of his outstanding 2020, 2021 and 2022 stock awards under the 2009 Long Term Incentive Plan, including dividend equivalents, of 9,648 shares payable in 2023, 11,439 shares payable in 2024 and 13,946 shares payable in 2025, respectively, with the 2021 and 2022 stock awards subject to achievement of applicable performance goals, and (iii) continued vesting of his 2021 and 2022 performance share unit awards under the Plan, including dividend equivalents, of 34,318 target shares payable in 2024 and 41,837 target shares payable in 2025, respectively, in each case, subject to achievement of applicable performance goals.

CNP's former Executive Vice President, Customer Transformation and Business Services, Gregory E. Knight, was separated from CNP on January 3, 2023 due to the elimination of his position. In connection with his separation, CNP entered into a separation and release agreement under which, in exchange for execution of a release of claims against the Company, Mr. Knight received: (i) a lump sum cash payment of \$1,166,000 representing a separation payment equal to 1.5x Mr. Knight's base salary and 1x his target short-term incentive award; (ii) payment of his short-term incentive award for the 2022 performance year at the approved achievement level for other executive officers, (iii) a lump sum cash payment of \$100,000 to compensate Mr. Knight for relocation expenses incurred in connection with his separation, (iv) full vesting of the remaining 4,872 shares under Mr. Knight's sign-on equity incentive award, which were scheduled to vest on August 17, 2023 had Mr. Knight remained employed with the Company, and (v) vesting of Mr. Knight's other outstanding equity awards under the Company's 2009 Long Term Incentive Plan pursuant to certain vesting provisions under the applicable award agreements such that (x) his outstanding 2020, 2021 and 2022 stock awards, including dividend equivalents, of 11,274 shares payable in 2023, 10,894 shares payable in 2024 and 9,362 shares payable in 2025, respectively, fully vest, with the 2021 and 2022 stock awards subject to achievement of applicable performance goals and (y) his 2021 and 2022 performance share unit awards including dividend equivalents, of 32,683 target shares payable in 2024 and 28,086 target shares payable in 2025, respectively, continue to vest subject to achievement of applicable performance goals.

1 of steps that CNP has taken over the past several years to further strengthen execution of
2 its long-term growth strategy.¹⁷

3
4 **Q: WHAT DID CNP RECEIVE FROM THESE TWO NAMED EXECUTIVE**
5 **OFFICERS IN RETURN FOR THEIR SEVERANCE PACKAGES?**

6 A: Severance packages are frequently provided to impacted employees to ease the transition
7 for both employer and employee. In exchange for their severance packages, the two
8 named executive officers agreed to release any claims they may have had against CNP.¹⁸
9 Utility customers do not receive any substantial benefit in this exchange.

10
11 **Q: IS SEVERANCE PAY REQUIRED FOR THE PROVISION OF UTILITY**
12 **SERVICE?**

13 A: No. The parent company elects to provide severance pay to former employees whose
14 employment has been terminated. Severance pay is not required to provide utility service
15 to customers, either now or in the future. Furthermore, severance payments are made at
16 the Board's discretion to specific individuals under specific conditions which are not
17 reasonably expected to be repeated. Thus, these severance payments are non-recurring,
18 and should not be recovered from customers through base rates for this reason as well.

19

¹⁷News Release, "CenterPoint Energy announces organizational changes." January 3, 2023.

¹⁸ 2023 Proxy Statement at 49-50.

1 **Q: WHAT IS THE LEVEL OF SEVERANCE PAY THAT THE COMPANY IS**
2 **SEEKING TO RECOVER THROUGH RATES IN THIS PROCEEDING AND**
3 **WHAT IS YOUR RECOMMENDATION?**

4 A: The Company is seeking to recover \$1,531,113 in severance pay through rates in this
5 proceeding. Because severance pay is discretionary and not required to provide utility
6 service to customers, the Commission should disallow the Company's allocation of CNP'S
7 severance pay, as set forth at Exhibit MG-2.9.

(C) **Board of Directors' Compensation**

8 **Q: PLEASE DESCRIBE CNP'S BOARD OF DIRECTORS.**

9 A: CNP is a holding company that includes electric transmission & distribution in two states
10 and natural gas distribution in six states.¹⁹ Its Board of Directors ("Board") is comprised
11 of 11 members who meet periodically throughout the year to set broad, strategic direction
12 for CNP. The positions of the Chairman of the Board and Chief Executive Officer
13 ("CEO") are currently separate. Excluding the CEO, the remaining board members meet
14 the independence standards set by the New York Stock Exchange. The Board also
15 maintains three standing committees²⁰ comprised of independent directors to provide
16 oversight over specific corporate functions. In addition, the independent directors
17 regularly meet in executive session outside the presence of the CEO.²¹

¹⁹ On February 21, 2024, CNP announced its intention to sell its Louisiana and Mississippi gas LDCs to Bernhard Capital Partners for approximately \$1.2 billion. The sale is expected to close in 2025 Q1.

²⁰ The Board's current standing committees are: 1) Audit; 2) Compensation; and 3) Governance, Environmental, and Sustainability.

²¹ CenterPoint Energy, Inc., "2024 Proxy Statement and Notice of Annual Meeting" at 25 (March 15, 2024).

1 **Q: HOW IS CNP’S BOARD CHOSEN?**

2 A: Each member of the CNP Board is chosen by its shareholders on an annual basis to serve
3 a one-year term.²²

4
5 **Q: DOES CNP MANDATE THAT THE INDEPENDENT DIRECTORS TAKE**
6 **ACTION TO ALIGN THEIR INTERESTS WITH THE SHAREHOLDERS’**
7 **INTEREST?**

8 A: Yes. Each independent director is required to own CNP shares equal in value to at least
9 five (5) times the director’s annual cash retainer within five years of joining the Board.²³

10
11 **Q: DO THE UTILITY CUSTOMERS OF CEHE HAVE ANY ROLE IN THE**
12 **NOMINATION AND ELECTION OF CNP’S BOARD MEMBERS?**

13 A: No. Customers have no role in the nomination and election of CNP Board members.

14
15 **Q: IS CNP’S BOARD OF DIRECTORS FOCUSED PRIMARILY ON PROMOTING**
16 **THE INTERESTS OF CEHE’S UTILITY CUSTOMER?**

17 A: No. Most investor-owned utilities, like CEHE, are not directly publicly traded, but instead,
18 are one of several subsidiaries within a larger holding company. Like other publicly traded
19 corporations, the Board of Directors of holding companies such as CNP build and manage

²² *Id.* at 6.

²³ *Id.* at 31.

1 a dynamic portfolio of subsidiaries, regulated and unregulated,²⁴ to maximize long-term
2 earnings potential for shareholders.

3
4 **Q: CAN YOU PROVIDE AN EXAMPLE OF HOW CNP'S BOARD OF DIRECTORS**
5 **HAS BEEN FOCUSED RECENTLY ON PROMOTING SHAREHOLDERS'**
6 **INTERESTS AND ENHANCING CNP'S OVERALL EARNINGS POTENTIAL?**

7 A: Yes. CNP has recently taken several actions to benefit shareholders and increase its long-
8 term earnings potential. For example, CNP completed a sale of its Arkansas and
9 Oklahoma local gas distribution utility companies ("LDCs") in January 2022 to Summit
10 Utilities, Inc. for \$2.15 billion. When the sale was announced, CNP issued the following
11 statement:

12 The announcement demonstrates not only our ability to efficiently recycle
13 capital across our utility footprint, but also our ability to execute on our
14 commitments to our shareholders. As outlined in our December 2020
15 Investor Day, our commitments include delivering annualized utility
16 earnings per share growth of 6% - 8% and growing our rate base at a 10%
17 compound annual growth rate. The ability to efficiently redeploy this
18 capital and the eventual exit of the midstream investments will have no
19 impact on our targeted 6% - 8% annualized earnings per share growth
20 rate.²⁵

21 This clearly shows CNP's focus on maximizing profits and promoting the shareholders'
22 interests. Similarly, CNP recently announced that it would be exiting the midstream
23 industry with its sale of its Enable Midstream Partners, LP holdings. CNP indicated that

²⁴ In this context, the word "unregulated" refers to an entity not subject to economic regulation from a state public utility commission in a manner similar to the Commission's jurisdiction over Houston Electric.

²⁵ News Release. "CenterPoint announces sale of Arkansas and Oklahoma natural gas LDC businesses to Summit Utilities for \$2.15 billion in cash." April 29, 2021.

1 it was “now firmly on an accelerated path to reducing our exposure to the midstream
2 industry.”²⁶ A few years prior, CNP acquired Vectren Corporation, an Indiana-based
3 electric and gas utility.²⁷ Recently, CNP announced plans to divest two of its remaining
4 local natural gas distribution utilities.²⁸ These actions demonstrate that CNP’s Board
5 devotes a significant amount of time and effort managing CNP’s portfolio of subsidiaries
6 and maximizing shareholder profits.

7
8 **Q: HOW HAS CNP’S MARKET CAPITALIZATION CHANGED SINCE THE**
9 **COMPANY’S MOST RECENT BASE RATE PROCEEDING?**

10 A: From January 1, 2019 (*i.e.*, one day after the last day of the most recent test year) until
11 December 31, 2023, CNP’s market capitalization increased from \$14.1 billion to \$18.0
12 billion for an annual 5.0 percent gain.²⁹

13
14 **Q: HOW ARE MEMBERS OF CNP’S BOARD OF DIRECTORS COMPENSATED?**

15 A: Members receive an annual retainer fee, payable in cash and CNP shares as well as other
16 compensation. For the test year, the Company was allocated \$1,330,604 in total

²⁶ News Release. “CenterPoint Begins Exit of Midstream Following Energy Transfer’s Completed Acquisition of Enable Midstream Partners.” December 2, 2021.

²⁷ News Release. “CenterPoint Energy and Vectren to Merge.” April 23, 2018.

²⁸ Proxy Statement at 1.

²⁹ *CenterPoint Energy Market Cap 2010-2023*. <https://www.macrotrends.net/stocks/charts/CNP/centerpoint-energy/market-cap>. Most recently accessed January 31, 2024. *CenterPoint Energy (CNP) - Market capitalization (companiesmarketcap.com)*

1 compensation for CNP's board members with \$599,419 in cash compensation and
2 \$731,185 in stock-based compensation.³⁰

3
4 **Q: PLEASE DESCRIBE YOUR PROPOSAL REGARDING THE RECOVERY OF**
5 **THE BOARD MEMBERS' COMPENSATION ALLOCATED TO THE**
6 **COMPANY?**

7 A: To reflect the fact that both shareholders and ratepayers benefit from these costs, I
8 recommend that the Commission order a sharing of these costs on a 50/50 basis. This is
9 appropriate because the Board devotes significant attention to maximizing long-term
10 earnings potential for its shareholders. The Board is selected by CNP's shareholders,
11 represents the shareholders, and its members have fiduciary duties of care and loyalty to
12 shareholders, which take precedence over any responsibilities the Board may have to the
13 CEHE's customers. Finally, as shareholders themselves, the CNP's Board of Directors
14 are motivated to take actions that will increase the value of their holdings, which may have
15 a marginal, if any, impact on the provision of service to customers. For this reason, I
16 recommend an equal sharing of these costs between shareholders and ratepayers. As
17 shown in Exhibit MG-2-6, I recommend a reduction in the amount of \$1,030,895 for the
18 Company's operating expenses to account for this disallowance for Board of Directors'
19 compensation.

³⁰ Company response to HCC-RFI01-03.

(D) Directors' and Officers' Liability Insurance

Q: WHAT AMOUNT IS THE COMPANY REQUESTING IN RATES FOR DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE IN THIS PROCEEDING?

A: For the test year, CEHE was allocated \$1,441,360 for Directors and Officers ("D&O") liability insurance.³¹ The Company is seeking full recovery of its allocated share of these expenses.³²

Q: WHAT IS D&O LIABILITY INSURANCE?

A: D&O liability insurance generally protects the assets of a company's directors and officers from the financial impact of litigation that results from their actions and decisions acting on the Company's behalf in their official capacity. D&O liability insurance also shields shareholders and Board members alike against the impact of legal action resulting from decisions of CNP's board and senior leadership.³³

³¹ Company response to Data Request HCC-RFI01-06.

³² Company response to Data Request HCC-RFI01-07.

³³ Martin M. Boyer, *Directors' and Officers' Insurance and Shareholder Protection*, (Mar. 2005), http://papers.ssrn.com/sol3/papers.cfm?abstract_id=886504.

1 **Q: IF AN OFFICER OF CNP WAS FOUND NEGLIGENT IN THE INJURY OF**
2 **ANOTHER PARTY, WOULD IT BE APPROPRIATE TO RECOVER THOSE**
3 **COSTS FROM RATEPAYERS?**

4 A: No. The costs of a director's or officer's negligent acts is not a necessary cost of providing
5 utility service. Moreover, since directors and officers have a fiduciary duty to put the
6 interests of shareholders first, some of the costs of their compensation and benefits should
7 be paid by shareholders. This would include the cost of D&O liability insurance.

8
9 **Q: PLEASE DISCUSS THE RATEMAKING POLICY REASONS FOR**
10 **RECOMMENDING THE SHARING OF D&O LIABILITY INSURANCE COSTS.**

11 A: The D&O liability insurance is in place to protect not only the directors and officers of the
12 Company, but ultimately, the shareholders. Ratepayers should not be expected to bear the
13 full amount of Board of Directors compensation and expenses, including D&O liability
14 insurance, because officers and directors have legal, fiduciary duties of loyalty and care to
15 the corporation itself and not to its customers. These individuals are required by law to
16 put the interests of the Company first. Undoubtedly, the interests of the Company and the
17 interests of customers are not always the same, and at times, can be quite divergent. This
18 natural divergence of interests creates a situation where not every compensation cost is
19 presumed to be a necessary cost of providing utility service. A 50/50 allocation between
20 shareholders and ratepayers is appropriate because both groups benefit from the Company's
21 D&O liability insurance.

1 **Q. HAS THIS REGULATORY TREATMENT OF D&O LIABILITY INSURANCE**
2 **BEEN ADOPTED BY THIS COMMISSION?**

3 A. To my knowledge, it has not.

4 **Q: ARE YOU AWARE OF OTHER REGULATORY COMMISSIONS THAT**
5 **REQUIRE SHARING OF D&O LIABILITY INSURANCE COSTS?**

6 A: Yes. I am aware that regulatory commissions in Arkansas, California, Connecticut,
7 Nevada, New Mexico, Texas, Florida, and New York have required the sharing of these
8 costs, as discussed below:

9 Arkansas The Arkansas Public Service Commission ("APSC") has for many years
10 required a 50/50 sharing of these costs between shareholders and ratepayers. In the 2004
11 rate case of CenterPoint Energy/Arkla, the APSC found that because shareholders receive
12 the benefit of D&O liability insurance payouts, they should bear a portion of the cost of
13 buying the insurance.³⁴ Similarly, in the 2006 Entergy rate case, the APSC stated:

14 The Commission agrees that ratepayers, as well as shareholders, benefit
15 from good utility management, which D&O Insurance helps secure.
16 However, as found in prior dockets, the direct monetary benefits of D&O
17 Insurance flow to shareholders as recipients of any payment made under
18 these policies. That monetary protection is not enjoyed by ratepayers. The
19 Commission therefore finds that, because shareholders materially benefit
20 from this insurance, the costs of D&O Insurance should be equally shared
21 between shareholder and ratepayer.³⁵

³⁴ See Application for a General Change or Modification in CenterPoint Energy Arkla, a Division of CenterPoint Energy Resources Corp. Rates, Charges and Tariffs, Ark. Pub. Svc. Comm'n, Docket No. 04-121-U, Order No. 16, Sept. 19, 2005, pp. 39-40.

³⁵ Application of Entergy Arkansas, Inc. for Approval of Changes in rates for Retail Electric Service, Ark. Pub. Svc. Comm'n, Docket No. 06-101-U, Order No. 10, June 15, 2007, p. 70. (Emphasis added).

1 **California** The California Public Utilities Commission (“CPUC”) similarly ordered a
2 50/50 sharing of D&O liability insurance costs in a case involving Pacific Gas and Electric
3 Company. The CPUC explained:

4 We reduce PG&E’s D&O insurance forecast by 50%, resulting in a \$1.423
5 million reduction. Past Commission policy of equal sharing of cost
6 responsibility for D&O insurance should continue for this GRC [base rate
7 case]. In situations such as this, where a corporate service or product offers
8 separate benefits both to ratepayers and shareholders, imposing cost
9 sharing does not conflict with cost-of service ratemaking principles. By
10 allowing 50% of such costs for ratepayer funding, we provide
11 reimbursement for a reasonable level of costs attributable to D&O
12 insurance to the extent that ratepayers benefit. It is not reasonable for
13 ratepayers to bear all of the costs related to D&O insurance when a share
14 of those insurance benefits flow to shareholders.³⁶

15 **Connecticut** In a 2014 Connecticut Light & Power rate case, the Connecticut Public
16 Utilities Regulatory Authority (“CPURA”) allowed recovery of only 25% of D&O
17 liability insurance costs in rates. The CPURA stated:

18 The OCC agreed that DOL protects the officers of the Company from
19 lawsuits brought against them by shareholders that arise as a result of
20 decisions that they make while performing their duties. Therefore, the
21 shareholders, who receive the payout, are the primary beneficiaries of this
22 insurance. Ratepayers receive very little of the benefit and should not be
23 responsible for all of the costs. . . . The OCC noted that the Company failed
24 to recognize that many legitimate expenses (e.g., image building
25 advertisements, lobbying expenses) are not recoverable. . . . The Authority
26 finds no convincing reason to deviate from its previous treatment of DOL
27 insurance. Consistent with the determinations in previous Decisions
28 regarding BOD expense and DOL expense, the Authority will allow only
29 25% of DOL costs in rates.³⁷

³⁶ *Application of Pacific Gas & Elec.*, Application 12-11-009, 2014 Cal. PUC LEXIS 395 (Cal. P.U.C. Aug. 14, 2014).

³⁷ *Application of the Connecticut Light and Power Co., to Amend its Rate Schedules*, Conn. Pub. Util. Reg. Authority, Docket No. 14-05-06, Order issued Dec. 17, 2014, pp. 76-77 (Emphasis added).

1 **Nevada** The Nevada Public Utility Commission (“PUCN”) has issued several orders
2 requiring a 50/50 sharing of D&O liability insurance costs between shareholders and
3 ratepayers. One such order was issued in a recent Southwest Gas rate case. The PUCN
4 stated:

5 The Commission agrees with Staff that D&O insurance benefits both
6 shareholders and ratepayers, and consequently, those costs should be
7 shared. Based on the foregoing analysis, the Commission finds that a 50/50
8 apportionment of the cost of D&O Liability Insurance between ratepayers
9 and SWG is just and reasonable.³⁸

10 **New Mexico** The New Mexico Public Regulation Commission (“NMPRC”) addressed the
11 issue of D&O liability insurance cost sharing in a recent El Paso Electric rate case. The
12 ALJ’s Recommended Decision (RD) discussed why allocation of D&O liability insurance
13 cost is consistent with balancing the interests of ratepayers and shareholders. The ALJ
14 stated:

15 What is unique about D&O insurance is that it is a cost specifically incurred
16 for directors and officers, who have a fiduciary duty to put the interests of
17 shareholders first. Therefore, the responsibility for the cost of D&O
18 insurance goes to the heart of the Commission’s obligation to balance the
19 interests of shareholders and ratepayers.³⁹

³⁸ See *Application of Southwest Gas Corporation for Authority to Increase Rates*, Pub. Util. Comm’n of Nev., Docket No. 18-05031, Modified Order, May 15, 2019, p. 152. The PUCN has followed this ruling in later cases involving SWG. See *Application of Southwest Gas Corp. for Authority to Increase Its Retail Natural Gas Util. Serv. Rates et al.*, Docket No. 20-02023, 2020 WL 6119350, at *86 (Nev. P.U.C. Sept. 20, 2020).

³⁹ *Application of El Paso Electric Co. for Revision of its Retail Electric Rates*; New Mex. Pub. Reg. Comm’n, Case No. 20-00104-UT, Recommended Decision (RD) issued April 6, 2021, p. 167. The treatment of D&O liability insurance was not raised as an exception, and the NMPRC adopted, approved and accepted the ALJ’s RD in its Order Adopting Recommended Decision with Modifications, issued June 23, 2021, pp. 33-34.

1 **Texas** The Texas Railroad Commission excluded 50% of Texas Gas System's ("TGS")
2 D&O liability insurance expense in Docket No. 9896 based on a finding that both
3 shareholders and ratepayers' benefit.

4 It is reasonable to include 50 percent of TGS's requested amounts for ...
5 Directors' and Officers' Liability Insurance ... because both shareholders
6 and ratepayers benefit.⁴⁰
7

8 **Florida** The Florida Public Service Commission excluded 50% of Gulf Power's D&O
9 liability insurance expense in Docket No. 110138-EI based on a finding that customers
10 and shareholders both benefit from D&O Liability Insurance.

11 Based on the above, we find that both the shareholders and the customers
12 receive benefits from D&O Liability Insurance and that the associated cost
13 shall reflect this fact. As such, we find that D&O Liability Insurance
14 expense shall be reduced by \$58,133 (\$59,384 system) to share the cost
15 equally between the shareholders and the customers.⁴¹

16 It is also my understanding that the regulatory commission in New York⁴² has also
17 allocated these expenses on a 50-50 basis on the determination that shareholders and
18 customers both benefit from D&O liability insurance.
19

⁴⁰ In re Texas Gas Services, Tex. Railroad Commission, Docket No. 9896, Final Order, OS-22-00009896, (Jan. 19, 2023) ¶ 74.

⁴¹ In re Gulf Power Co., Florida Pub. Serv. Comm'n, Florida Pub. Serv. Comm'n, Docket No. 110138-EI, Order No. PSC-12-0179-FOF-EI, (Apr. 3, 2012) pp. 100-101.

⁴² Order Setting Electric Rates. State of New York Pub. Serv. Comm'n. Cases 08-E-0539 and 08-M-0618. (April 24, 2009), pp. 90-91.

1 **Q: WHAT DO YOU RECOMMEND FOR THE RECOVERY OF D&O LIABILITY**
2 **INSURANCE?**

3 A: I recommend that the Commission allocates the cost of the Company's portion of its D&O
4 liability insurance expense on a 50/50 basis between its customers and shareholders. The
5 adjustment to remove 50% of the D&O liability insurance expense reduces operating
6 expense by \$720,680. This adjustment is shown on Exhibit MG-2.7.

(E) **Investor Relations Expense**

7 **Q: DID CNP ALLOCATE COSTS TO CEHE FOR A PORTION OF ITS INVESTOR**
8 **RELATIONS EXPENSE?**

9 A: Yes. CNP allocated \$1,028,187 to CEHE during the test year for investor relation costs,
10 which are costs primarily for the maintenance of communication with existing and
11 potential shareholders.⁴³

12
13 **Q: HOW DOES CNP DISTRIBUTE INFORMATION TO ITS SHAREHOLDERS?**

14 A: CNP competes in global capital markets with companies within and outside the utility
15 industry. As a publicly traded corporation, CNP provides information and
16 communications with thousands of shareholders that collectively own nearly 630 million
17 shares outstanding.⁴⁴ CNP maintains an investor relations unit to provide publicly
18 available information in various formats to existing and potential shareholders. These

⁴³ Company response to HCC-RFI01-01, Attachment 1.

⁴⁴ CenterPoint Energy, Inc. Form 10-K for the fiscal period ended December 31, 2022.

1 practices promote transparency between CNP and the public and help it build and maintain
2 a positive reputation that encourages trust and promotes integrity. For example, CNP's
3 website⁴⁵ contains information which provides news releases, investor presentations and
4 regulatory filings with the U.S. Securities and Exchange Commission. An existing or
5 potential shareholder can also download documents related to its Environmental, Social,
6 and Governance ("ESG") reports. Finally, an individual may also access information of
7 unique relevance to a shareholder, such as historical share prices and dividend dates.

8
9 **Q: ARE THERE OTHER MEANS IN WHICH CNP COMMUNICATES WITH THE**
10 **INVESTMENT COMMUNITY?**

11 A: Yes. After CNP publishes its earnings results from the prior quarter, it hosts conference
12 calls with equity analysts to provide a summary of the prior quarter's earnings results as
13 well as responds to questions regarding how specific actions or decisions may impact its
14 market value. In addition, CNP often participates in investor conferences which allow for
15 further communication with the investment community.

16
17 **Q: HOW DO SHAREHOLDERS BENEFIT FROM INVESTOR RELATIONS**
18 **EXPENSES?**

19 A: When global capital markets have access to timely, relevant, and accurate financial and
20 operational data, it allows the underlying value of CNP to be more closely reflected in its

⁴⁵ <https://investors.centerpointenergy.com/>

1 market capitalization. Existing and potential shareholders can then make better informed
2 decisions regarding their CNP share ownership.

3
4 **Q: HOW HAS CNP'S MARKET CAPITALIZATION CHANGED SINCE THE**
5 **COMPANY'S MOST RECENT BASE RATE PROCEEDING?**

6 A: From January 1, 2019 (*i.e.*, one day after the last day of the most recent test year) until
7 December 31, 2023, CNP's market capitalization increased from \$14.1 billion to \$18.0
8 billion for an annual 5.0 percent gain.⁴⁶

9
10 **Q: ARE INVESTOR RELATIONS EXPENSES A NECESSARY AND REQUIRED**
11 **COST TO PROVIDE NATURAL GAS UTILITY SERVICE?**

12 A: No. The parent company, CNP, is the party responsible for communicating timely,
13 relevant, and accurate financial and operational data regarding all of its subsidiaries to the
14 global capital markets. As evidenced by the numerous electric utilities nationwide owned
15 by cities, counties, and tribal nations that do not maintain an investor relations function,
16 these expenses are not a necessary and required cost for the provision of electric utility
17 service.

18
19
20

⁴⁶ *CenterPoint Energy Market Cap 2010-2023. <https://www.macrotrends.net/stocks/charts/CNP/centerpoint-energy/market-cap>. Most recently accessed January 31, 2024. [CenterPoint Energy \(CNP\) - Market capitalization \(companiesmarketcap.com\)](#)*

1 **Q. HAS THE TEXAS RAILROAD COMMISSION RECENTLY ADDRESSED**
2 **WHETHER A SHARING OF INVESTOR RELATIONS EXPENSES BETWEEN**
3 **SHAREHOLDERS AND CUSTOMERS IS APPROPRIATE?**

4 A. Yes. The Commission excluded 50 percent of Texas Gas System's ("TGS") investor
5 relations expense in Docket No. 9896 based on a finding that both shareholders and
6 ratepayers benefit.

7 It is reasonable to include 50 percent of TGS's requested amounts for ...
8 Investor Relations because both shareholders and ratepayers benefit.⁴⁷

9 **Q: HAS THIS THIS REGULATORY TREATMENT OF INVESTOR RELATIONS**
10 **EXPENSE BEEN ADOPTED BY THIS COMMISSION?**

11 A: To my knowledge, it has not.

13 **Q: WHAT IS YOUR RECOMMENDED REGULATORY TREATMENT FOR THE**
14 **COMPANY'S ALLOCATED INVESTOR RELATIONS EXPENSES?**

15 A: I recommend that the Commission disallows 50 percent of these investor relations
16 expenses allocated to CEHE. These expenses should be shared between shareholders and
17 customers, rather than being recovered exclusively from the Company's customers. The
18 responsibility to communicate with the global capital markets ultimately falls upon CNP,
19 not the utility company or its customers. As shown in Exhibit MG-2.8, I am proposing a

⁴⁷ In re Texas Gas Services, Tex. Railroad Commission, Docket No. 9896, Final Order, OS-22-00009896, (Jan. 19, 2023) ¶ 74.

1 reduction in the amount of \$514,094 for the Company's operating expenses to account for
2 this disallowance for investor relations expenses.⁴⁸

(F) Edison Electric ("EEI") Dues

3 **Q. SHOULD CEHE RECOVER THE EXPENSES ASSOCIATED WITH ITS**
4 **MEMBERSHIP DUES TO INDUSTRY ASSOCIATIONS, SUCH AS THE EDISON**
5 **ELECTRIC INSTITUTE ("EEI")?**

6 A. No. Captive utility customers should not be required to fund the dues that a utility holding
7 company pays to an industry association, such as EEI. Instead, these elective expenditures
8 should be funded by shareholders since industry associations act primarily in the interests
9 of the utility industry and its owners rather than its captive customers. EEI provides an
10 array of services to its members, with significant overlap between those services which
11 advocate for members' private interests and other services that serve the public interest.
12 Until the Company presents a clear showing that EEI dues are necessary for the provision
13 of service and promote customers' interests, the Commission should disallow CEHE's
14 requested recovery of \$877,853 for EEI membership dues allocated to the Company
15 during the test year.⁴⁹

⁴⁸ This -\$160,521 adjustment would be allocated to the four divisions in the following manner: -\$98,670 to the Houston division; -\$31,431 to the Texas Coast division; -\$16,861 to the East Texas division; and -\$13,560 to the South Coast division.

⁴⁹ CEHE RFP Workpapers D (redacted).xlsx, tab WP II-D-2.6a (cell E4 plus cell E10).

1 **Q: PLEASE DESCRIBE THE EDISON ELECTRIC INSTITUTE.**

2 A: Organized in 1933, the Edison Electric Institute (EEI) is the industry association that
3 represents all U.S. investor-owned electric companies. Its members provide electricity for
4 nearly 250 million Americans and operate in all 50 states and the District of Columbia. In
5 addition to U.S. members, EEI has more than 70 international electric companies, as
6 International Members, and hundreds of industry suppliers and related organizations as
7 Associate Members.

8
9 **Q: DOES EEI SELF-REPORT THE PERCENTAGE OF A MEMBER'S DUES THAT**
10 **THE ORGANIZATION ATTRIBUTES TO LOBBYING EXPENSES?**

11 A: Yes. The U.S. Internal Revenue Service ("IRS") denies a deduction for the amount a trade
12 or professional organization exempt under 501(c)(6) spends on lobbying.⁵⁰ Membership
13 organizations that conduct lobbying may either: 1) disclose to their members what
14 percentage of their dues are nondeductible because they are used for lobbying; or 2) pay a
15 35-percent proxy tax on lobbying expenditures. Regardless of the method chosen, they
16 must disclose the amount spent on lobbying on their Form 990 informational returns. Most
17 membership organizations choose to report the nondeductible amount to their members.

18

⁵⁰ IRC § 162(c).

1 **Q: DOES THE NOMINAL PERCENTAGE ALLOCATED TO ‘LOBBYING’ ON THE**
2 **ASSOCIATION’S MEMBERSHIP DUES INVOICE DISCLOSE THE ENTIRE**
3 **RANGE OF ACTIVITIES THAT PROMOTE PRIVATE INTERESTS OF THE**
4 **UTILITY INDUSTRY AND ITS OWNERS?**

5 A: No. The percentage of industry associations’ dues allocated to lobbying, as shown on their
6 invoices, is predicated on a very narrow definition for “lobbying” as defined by IRS
7 regulations. This allocation method may be appropriate for tax reporting purposes, but the
8 IRS lobbying definition is not sufficient to determine how much of EEI’s efforts are more
9 appropriately described as advocating for its members’ private interests to federal, state,
10 and local officials and policymakers.

11
12 **Q: IN WHICH FERC ACCOUNT ARE INDUSTRY ASSOCIATION DUES**
13 **RECORDED?**

14 A: After adjusting for the self-reported lobbying percentage, the Company typically records
15 the remaining expenses in FERC Account Number 930.2 for miscellaneous general
16 expense, as “Dues - Industry association dues for company memberships,” that are
17 customarily “above the line” expenses and presumptively recoverable from its
18 customers.⁵¹

⁵¹ 18 CFR §367.9302.

1 **Q: IS IT YOUR RECOMMENDATION THAT THE COMPANY SHOULD INSTEAD**
2 **RECORD ITS EEI DUES IN FERC ACCOUNT NUMBER 426.4?**

3 A: Yes. As described in greater detail below, a clear distinction does not exist between EEI's
4 advocacy on behalf of its members' private interests and other services which may serve
5 the public interest. FERC Account 426.4 is used for expenditures for the purpose of
6 influencing public opinion with respect to the election or appointment of public officials,
7 referenda, legislation, or ordinances (either with respect to the possible adoption of new
8 referenda, legislation or ordinances or repeal or modification of existing referenda,
9 legislation or ordinances) or approval, modification, or revocation of franchises; or for the
10 purpose of influencing the decisions of public officials. For expenses recorded in FERC
11 Account 426.4, the Company bears the burden to substantiate that these expenses are
12 appropriate for recovery from customers. If this burden is not met, these expenses are
13 recorded "below the line" and presumptively not recoverable from customers. This
14 account does not include expenditures that are directly related to appearances before
15 regulatory or other governmental bodies in connection with the Company's existing or
16 proposed operations.⁵²

⁵² 18 CFR §367.4264.

1 **Q: HAS THE U.S. FEDERAL ENERGY REGULATORY COMMISSION (“FERC”)**
2 **TAKEN ACTION REGARDING THE APPROPRIATE REGULATORY**
3 **TREATMENT FOR INDUSTRY ASSOCIATION DUES?**

4 A: Yes. Although the FERC has not clearly drawn a distinction between recoverable public
5 outreach/educational expenses and unrecoverable lobbying/advocacy expenses, it has
6 opened an investigatory docket to address the concern that captive customers should not
7 be required to pay industry association dues.⁵³ FERC’s Notice of Inquiry (“NOI”)
8 requested input to better understand the nature of industry association expenses included
9 in Account 930.2, and to consider other potential Uniform System of Accounts (“USoA”)
10 amendments to protect consumers from paying for activities that principally serve private
11 interests, rather than the public interest. A recent appellate court decision found that
12 *indirect* influence expenses (e.g., industry associations that provide public policy
13 advocacy services on behalf of dues-paying members) should be recorded in Account
14 426.4.⁵⁴

15
16 **Q: IN THE FERC NOI, DID CONSUMER ADVOCATES SUBMIT COMMENTS?**

17 A: Yes. Consumer advocates in at least 16 jurisdictions filed comments regarding the lack of
18 transparency in the delineation between industry associations serving their members’
19 private interests and the public interest. For example, in a joint filing, consumer advocates

⁵³ Federal Energy Regulatory Commission. Docket No. RM22-5-000. Rate Recovery, Reporting, and Accounting Treatment of Industry Association Dues and Certain Civic, Political, and Related Expenses. Notice of Inquiry. 86 Fed. Reg. 72,958 (2021) (“NOI”) at 5.

⁵⁴ *Newman v. FERC*, No. 20-1324, 22 F.4th 189, 2021 U.S. App. LEXIS 38373 (D.C. Cir. Dec. 28, 2021).

1 from California, Connecticut, Delaware, Maryland, Massachusetts, Michigan, Minnesota,
2 Oregon, and Rhode Island indicated that each advocate has an interest in “ensuring that
3 captive ratepayers [in their respective states] are not charged for political and public
4 advocacy expenses that do not provide ratepayer benefits and that may be contrary to
5 ratepayer interests.”⁵⁵ The joint filing called for a more detailed, transparent review of the
6 activities that industry association dues fund to ensure rates that are just and reasonable.
7 At a minimum, a utility should substantiate its requests for recovery of industry association
8 dues with categorical breakdowns of industry associations’ activities and clear connections
9 between the items for which the utilities seek recovery and ratepayer benefits.⁵⁶

10
11 **Q: IS THIS COMMISSION BOUND BY ANY FERC DETERMINATION**
12 **REGARDING THE RECOVERY OF INDUSTRY ASSOCIATION DUES FROM**
13 **CAPTIVE UTILITY CUSTOMERS?**

14 A: No. Each regulatory commission has the authority to determine whether its ratepayers
15 will be required to fund the utility’s elective industry association dues. The information
16 regarding FERC’s NOI proceedings merely highlights the widespread concern over
17 whether it is appropriate for captive customers to be required to fund the elective
18 association activities that promote the interests of the utility industry and its shareholders.

⁵⁵ Comments of the State Agencies in FERC Docket No. RM22-5-000. Rate Recovery, Reporting, and Accounting Treatment of Industry Association Dues and Certain Civic, Political, and Related Expenses, p. 8.

⁵⁶ *Id.* at 20.

1 **Q: HAVE OTHER STATE PUBLIC UTILITY COMMISSIONS DISALLOWED**
2 **INDUSTRY ASSOCIATION DUES ASSOCIATED WITH ADVOCACY**
3 **ACTIVITIES?**

4 A: Yes. Kentucky,⁵⁷ Minnesota,⁵⁸ and California⁵⁹ have disallowed all or part of a utility's
5 trade or industry association dues expenses because the utility could not show that such
6 expenses were required or necessary for the provision of utility service. Although
7 Michigan did allow for recovery for these expenses, the commission reiterated to the utility
8 for "the need to continually justify that [membership] fees are truly required and/or are in
9 the interests of ratepayers," and "of its continuing obligation to identify, describe, and
10 explain projected costs associated with membership fees in future rate cases."⁶⁰
11 Furthermore, Louisiana has recently opened an investigation to determine whether
12 recovery of such costs is appropriate.⁶¹

⁵⁷ Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, Case No. 2020-00349, Order at 28 (Ky. Pub. Serv. Comm'n June 30, 2021) (KYPSC KU Order); Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, Case No. 2020-00350, Order at 30.

⁵⁸ In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota, Docket No. E-017/GR-20-719, Findings of Fact, Conclusions, and Order (Minn. Pub. Util. Comm'n Feb. 1, 2022).

⁵⁹ Application of Southern California Edison Company (U338E) for Authority to Increase its Authorized Revenues for Electric Service in 2021, among other things, and to Reflect that Increase in Rates, Application 19-08-013, Decision on Test Year 2021 General Rate Case for Southern California Edison Company, Decision 21-08-036 (Cal. Pub. Util. Comm'n Aug. 20, 2021).

⁶⁰ In the Matter of the Application of DTE Electric Company for Authority to Increase Its Rates, Amend Its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority, Case No. U-20561, Order at 200 (Mich. Pub. Util. Comm'n May 8, 2020).

⁶¹ Minutes Of June 7, 2023 Open Session Of The Louisiana Public Service Commission held in New Orleans, Louisiana.

Q: HAS FEDERAL LEGISLATION BEEN INTRODUCED THAT WOULD DIRECT THE FERC TO PROHIBIT UTILITIES FROM RECOVERING DUES AND FEES PAID TO TRADE AND INDUSTRY ASSOCIATIONS, SUCH AS EEL, FROM CUSTOMERS?

A: Yes. In 2023, federal legislation was introduced that would direct FERC to promulgate regulations that would, *inter alia*, prohibit a utility from using ratepayer funds for expenses associated with political influence activities. If enacted, FERC would also be directed to amend the Uniform System of Accounts to instruct utilities to record such expenses as presumptively not recoverable from customers. The legislation specifically identifies “dues or fees paid to trade associations or industry associations” as a political influence activity.⁶²

On August 23, 2023, the Energy and Policy Institute published an article discussing the FERC NOI and legislative efforts aimed at increasing transparency and fairness to utility customers regarding utility industry association dues.⁶³ The article stated:

“Regulated utilities have every right to engage in outreach to influence public opinion on political issues. Presumptively, however, they do not have the right to pass through the costs of this outreach to their customers’ bills,” said Commissioner Allison Clements at the time. “At a minimum it is a good housekeeping exercise to ensure that customers are not inappropriately left footing the bill for their utility providers’ political aims simply because they were taken on by a trade association instead of the regulated entities themselves.”

“Commissioner Mark Christie said, “Nothing keeps the monopoly from spending money on First Amendment protected speech, including lobbying legislators and related public-relations activities, but its investors should

⁶² H.R. Bill 5075, “Ethics in Energy Act of 2023.”

⁶³ Kasper, Mark “Legislation Introduced by Rep. Kathy Castor Instructs FERC to Ban Utilities from Using Ratepayer Dollars for Political Activities,” Energy and Policy Institute (Aug. 2, 2023).

1 pay those costs, not captive customers. That is the issue implicated by this
2 NOI, which seeks to better understand whether costs permitted to be “above
3 the line” (chargeable to customers) and those required to be “below the
4 line” (chargeable to investors) for privately-owned companies are being
5 treated as such on a transparent and consistent basis.”⁶⁴

6 **Q: HAS THERE BEEN STATE LEGISLATION ENACTED THAT PROHIBITS THE**
7 **RECOVERY OF TRADE OR INDUSTRY ASSOCIATIONS’ DUES?**

8 A: Yes. Colorado,⁶⁵ Connecticut,⁶⁶ New York,⁶⁷ and Maine⁶⁸ have each enacted legislation
9 that prohibits its jurisdictional utilities from recovering the expenses for trade or industry
10 association dues from their retail customers.

11
12 **Q. WHAT PERCENTAGE OF ITS DUES DOES EEI INDICATE IS USED FOR**
13 **LOBBYING PURPOSES?**

14 A. For 2023, EEI self-reported that 16.4 percent of its dues were used for lobbying purposes
15 based on the IRS’ narrow definition of lobbying.⁶⁹ For many of EEI’s functions, however,
16 it is extremely difficult to distinguish between EEI educating its membership and the
17 public regarding safe, reliable, and cost effective retail electric utility service and EEI
18 advocating for its members’ private interests, such as protecting market share, a
19 competitive advantage, or earnings, which may conflict with customer and stakeholder

⁶⁴ *Id.*

⁶⁵ Colorado Revised Statutes 40-3-114(2)(g).

⁶⁶ Connecticut Statutes §16-243p(b)(3).

⁶⁷ New York Statutes § 334-114-a

⁶⁸ 35-A MRSA §302(2)(B).

⁶⁹ Edison Electric Institute, *2024 Lobbying, Advocacy, and Other Expenditures Report*, 4 (2024).

1 interests. When examining EEI's functions through this lens, the expenses EEI incurs to
2 advocate for its members' legislative and regulatory priorities are substantially larger than
3 the 16.4 percent lobbying expense EEI reported to its members for 2023.
4

5 **Q: WHAT AMOUNT OF EEI DUES DO YOU RECOMMEND THE COMMISSION**
6 **SHOULD EXCLUDE?**

7 A: I recommend that the Commission exclude 100% of the EEI dues. Absent a thorough
8 audit of the industry associations' expenses, the Commission and stakeholders will find it
9 extremely challenging to distinguish between expenditures for education of members and
10 the general public and advocacy of its members' private interests. EEI engages in
11 advocacy for the electric utility industry and its owners. Until the Company can
12 demonstrate that its request for recovery of EEI membership dues relates to customer
13 interests rather than lobbying and broader industry advocacy efforts, the Commission
14 should disallow CEHE's recovery of \$877,853 for EEI membership dues as shown on
15 Exhibit MG-2-10.

IV. SELF-INSURANCE RESERVE

1 **Q: PLEASE DESCRIBE THE COMPANY'S PROPOSAL RELATED TO ITS SELF -**
2 **INSURANCE PROGRAM.**

3 A: The Company is self-insured for property damage consistent with the Commission's
4 Rules.⁷⁰ In Docket No. 49421, the Company's 2019 rate case, Commission set an annual
5 accrual of \$3.575 million to provide for average annual expected losses from events where
6 losses are greater than \$100,000 and an accrual of \$4.11 million annual for three years to
7 achieve a target reserve of \$6.55 million from a reserve deficit level of \$5.79 million.⁷¹

8 In this proceeding, Company witness Gregory S. Wilson proposes to increase the
9 annual accrual to \$22.3 million, and to set a new target property insurance reserve of \$16.7
10 million. The increase in the annual accrual is needed to take the current reserve deficit
11 level of \$41.819 million to the target reserve level of \$16.7 million in a five-year period,
12 while paying annual expected losses of \$10.6 million per year.⁷²

13 In other words, the Company's proposed annual accrual is made up of two
14 components. The first is \$10.6 million to provide for average annual expected losses and
15 the second is \$11.7 million accrued annually for five years to achieve the target reserve of
16 \$16.7 million from the current reserve deficit level of \$41.819 million.⁷³

⁷⁰ See Direct Testimony of Gregory S. Wilson, pp. 4-5.

⁷¹ *Id.*, p. 4, lines 17-20.

⁷² See Direct Testimony-Errata 3 of Gregory S. Wilson, pp. 4-5.

⁷³ Direct Testimony-Errata 3 of Gregory S. Wilson, p 4, line 22—p. 5, line 2.

1 **Q: DO YOU AGREE WITH MR. WILSON'S RECOMMENDATION FOR AN**
2 **ANNUAL ACCRUAL OF \$22.3 MILLION PER YEAR OVER A FIVE-YEAR**
3 **PERIOD?**

4 A: No. The Company's proposal to implement property insurance reserve accruals of \$22.3
5 million per year for a five-year period places an undue burden on ratepayers. The current
6 reserve deficit of \$41.819 million occurred over a period of several years but included an
7 unusually large loss in 2023 of \$20.6 million that nearly double the deficit in one year
8 alone. Ratepayers should not be expected to repay an extraordinary loss of this magnitude
9 in a short five-year period.

10
11 **Q: WHAT WOULD BE A MORE REASONABLE PERIOD FOR THE RECOVERY**
12 **OF THE RESERVE DEFICIT AND THE ESTABLISHMENT OF A**
13 **REASONABLE RESERVE?**

14 A: I recommend a recovery period of ten years.

15
16 **Q: WHAT IS THE AMOUNT OF THE ACCRUAL FOR AN 10-YEAR RECOVERY**
17 **PERIOD?**

18 A: Instead of a five-year amortization as proposed by the Company, the amortization of the
19 \$58.519 million reserve deficit over ten years would be \$5.852 million per year. This
20 would allow the Company to accrue \$10.6 million annually for expected losses and
21 another \$5.852 million annually to increase the reserve, for a total annual accrual of

1 \$16.452 million rather than the Company's requested \$22.3 million. This saves ratepayers
2 \$5.848 million annually.

3
4 **Q: WHAT IS THE AMOUNT OF THE ADJUSTMENT THAT YOU RECOMMEND**
5 **TO SELF-INSURANCE EXPENSE?**

6 A: The adjustment to extend the reserve deficit recovery to ten years will reduce the self-
7 insurance expense by \$5,848,100 as shown on Exhibit MG 2.5.

V. RATE CASE EXPENSES

8 **Q: WHAT IS THE PURPOSE OF ADDRESSING RATE CASE EXPENSES IN THIS**
9 **PROCEEDING?**

10 A: The purpose of addressing rate case expenses in this proceeding is to comply with 16 TAC
11 §25.245, Rate Case Expenses.

12
13 **Q: WHAT AMOUNT OF THE HCC'S REQUESTED RATE CASE EXPENSES ARE**
14 **ATTRIBUTABLE TO GARRETT GROUP CONSULTING, INC. ("GARRETT**
15 **GROUP")?**

16 A: Garrett Group's actual fees through May 31, 2024, in the amount of \$47,987.50,
17 correspond to time reviewing the application, testimony, schedules and workpapers,
18 developing and reviewing discovery, analyzing the filing and conferring with counsel.

1 **Q: PLEASE IDENTIFY THE GARRETT GROUP PERSONNEL WHO INCURRED**
2 **EXPENSES IN THIS CASE, THEIR HOURLY RATES, AND TOTAL HOURS**
3 **BILLED.**

4 A: I serve as the lead consultant on this project for Garrett Group. My billing rate is \$250 per
5 hour. I have billed 158 hours, for a total of \$39,500.00, through May 31, 2024. Mr. Edwin
6 C. Farrar, CPA, provided technical analysis on this project on behalf of Garrett Group. Mr.
7 Farrar's billing rate is \$175 per hour, and he has billed 48.5 hours, for a total of \$8,487.50
8 through May 31, 2024. Garrett Group has had or will have additional tasks to complete,
9 including preparing testimony, participating in settlement negotiations, reviewing and
10 potentially responding to discovery, preparing for hearing and assistance with post hearing
11 filings. Because Garrett Group issues its invoices at the end of the month, it has not issued
12 invoices for services completed after May 31, 2024. Garrett Group will update its rate case
13 expenses at the appropriate time.

14
15 **Q: WHAT CRITERIA MUST BE MET UNDER THE COMMISSION'S RATE CASE**
16 **EXPENSE RULE (16 TAC § 25.245)?**

17 A: The following criteria are set out in the rule:

- 18 1. Whether the fees paid to, tasks performed by, or time spent on a
19 task by an attorney or other professional were extreme or excessive,
- 20 2. Whether the expenses incurred for lodging, meals and beverages,
21 transportation, or other services or materials were extreme or
22 excessive,
- 23 3. Whether there was duplication of services or testimony,
- 24 4. Whether the utility's or municipality's proposal on an issue in the

1 rate case had no reasonable basis in law, policy, or fact and was not
2 warranted by any reasonable argument for the extension,
3 modification, or reversal of commission precedent,

4 5. Whether rate-case expenses as a whole were disproportionate,
5 excessive, or unwarranted in relation to the nature and scope of the
6 rate case addressed by the evidence pursuant to subsection (b)(5) of
7 this section, or

8 6. Whether the utility or municipality failed to comply with the
9 requirements for providing sufficient information pursuant to
10 subsection (b) of this section.

11 **Q: AS TO THE FIRST CRITERION OF 16 TAC § 25.245, ARE GARRETT GROUP'S**
12 **BILLING RATES AND THE TIME SPENT ON THE TASKS IN THIS CASE**
13 **REASONABLE?**

14 A: Yes. The billing rates charged are the normal billing rate for services provided to similar
15 clients. The rates are in the range of billing rates charged by other consultants with similar
16 experience and are reasonable for consultants providing these types of services before
17 utility regulatory agencies in Texas. The hourly rates are especially reasonable given that
18 Mr. Garrett is a CPA and attorney with more than 30 years of utility rate regulatory
19 experience, and Mr. Farrar is a CPA with more than 40 years of experience.
20

21 **Q: AS TO THE SECOND CRITERION, DO GARRETT GROUP'S EXPENSES**
22 **INCLUDE ANY TYPE OF CHARGES THAT THE COMMISSION HAS**
23 **EXCLUDED IN THE PAST?**

24 A: No. Garrett Group's charges are entirely for professional fees. There are no other
25 expenses included on our invoices.

1 **Q: AS TO THE THIRD CRITERION, ARE YOU AWARE OF DUPLICATION OF**
2 **SERVICES OR TESTIMONY?**

3 A: No. At the outset of this case, HCC coordinated with experts testifying on behalf of other
4 intervening cities in an effort to avoid the duplication of services. On behalf of Garrett
5 Group, Mr. Garrett serves as the sole testifying witness in this case. Any tasks performed
6 by Mr. Farrar, including technical case review, discovery, and analysis, are billed at lower
7 hourly rates to efficiently support the opinions and recommendations presented by Mr.
8 Garrett, and do not result in duplication of services or testimony.

9
10 **Q: AS TO THE FOURTH CRITERION, DID THE ISSUES ADDRESSED HAVE A**
11 **REASONABLE BASIS IN LAW, POLICY, OR FACT?**

12 A: Yes. The issues raised in my testimony focus directly on whether CenterPoint's requested
13 revenue requirement is reasonable, and HCC's analysis of the request is consistent with
14 the requirements of Commission rules and past precedent.

15
16 **Q: AS TO THE FIFTH CRITERION, WHAT IS YOUR CONCLUSION REGARDING**
17 **GARRETT GROUP'S ACTUAL CHARGES?**

18 A: Garrett Group's actual fees of \$47,987.50 incurred through May 31, 2024 are reasonable
19 and necessary and are not disproportionate, excessive, or unwarranted in relation to the
20 nature and limited scope of the filing. Furthermore, to the best of my knowledge, I have
21 fully complied with the information requirements set out in the sixth criterion.

VI. CONCLUSION

1 **Q: DO YOU HAVE ANY FURTHER COMMENTS?**

2 A: Yes. My testimony does not address every issue. The fact that I do not express an opinion
3 on a particular issue is not to be interpreted as agreement with the Company's position on
4 that issue.

5

6 **Q: DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

7 A: Yes, it does.

MARK E. GARRETT

CONTACT INFORMATION:

4028 Oakdale Farm Circle
Edmond, OK 73013
(405) 203-5415

EDUCATION:

Juris Doctor Degree, With Honors, Oklahoma City University Law School, 1997
Post Graduate Hours in Accounting, Finance and Economics, 1984-85:
University of Texas at Arlington; University of Texas at Pan American;
Stephen F. Austin State University
Bachelor of Arts Degree, University of Oklahoma, 1978

CREDENTIALS:

Member Oklahoma Bar Association, 1997, License No. 017629
Certified Public Accountant in Oklahoma, 1992, Certificate No. 11707-R
Certified Public Accountant in Texas, 1986, Certificate No. 48514

WORK HISTORY:

GARRETT GROUP CONSULTING, INC. – Regulatory Consulting Practice (1996 - Present)

Participates as a consultant and expert witness in gas and electric regulatory proceedings and other matters before regulatory agencies in rate case proceedings to determine just and reasonable rates. Reviews management decisions of regulated utilities regarding the reasonableness of prices paid for electric plant, gas plant, purchased power, renewable energy projects, natural gas supplies and transportation, and coal supplies and transportation. Participates in legislative advisory role regarding regulated utilities. Participates as an Instructor at NMSU Center for Public Utilities and as a Speaker at NARUC Staff Subcommittee on Accounting and Finance.

OKLAHOMA CORPORATION COMMISSION - Coordinator of Accounting and Financial

Analysis (1991 - 1994) Planned and supervised the audits of major public utility companies doing business in Oklahoma for the purpose of determining revenue requirements. Presented both oral and written testimony as an expert witness for Staff in defense of numerous accounting and financial recommendations related to cost-of-service based rates. Audit work and testimony covered all areas of rate base and operating expense. Supervised, trained and reviewed the audit work of numerous Staff CPAs and auditors. Promoted from Supervisor of Audits to Coordinator in 1992.

FREEDOM FINANCIAL CORPORATION - Controller (1987 - 1990)

Responsible for all financial reporting including monthly and annual financial statements, cash flow statements, budget reports, long-term financial planning, tax planning and personnel development. Managed the General Ledger and Accounts Payable departments and supervised a staff of seven CPAs and accountants. Reviewed all subsidiary state and federal tax returns and facilitated the annual independent financial audit and all state or federal tax audits. Received promotion from Assistant Controller in September 1988.

SHELBY, RUCKSDASHEL & JONES, CPAs - Auditor (1986 - 1987)

Audited the financial statements of businesses in the state of Texas, with an emphasis in financial institutions.

Previous Experience Related to Cost-of-Service, Rate Design, Pricing and Energy-Related Issues

1. **NV Energy, 2024 (Nevada), (Docket No. 24-03006)** – Participating as an expert witness on behalf of the Southern Nevada Gaming Group, Nevada Resorts Association, MGM Resorts International, and Caesars Enterprise Services before the Nevada PUC to provide written and oral testimony in Cost Recovery Phase of the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
2. **Public Service Company of New Mexico, 2024 (New Mexico), (Case No. 24-00089-UT)** – Participating as an expert witness for the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”) before the New Mexico Public Regulation Commission to address various ratemaking issues in PNM’s rate case application.
3. **NV Energy, 2024 (Nevada), (Docket No. 24-08015)** – Participating as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission. Sponsoring written and oral testimony in the 2024 Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) to provide analysis of the Companies’ requested resource plan.
4. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 56511)** – Participating as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s distribution cost recovery factor (“DCRF”) case.
5. **Oklahoma Natural Gas Company, 2024 (Oklahoma), (Case No. PUD 2024-000010)** – Participating as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in ONGs performance based rate change plan for twelve months ending December 31, 2023, addressing transportation service charges.
6. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 55155)** – Participating as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s application to address a potential refund of imprudent amounts included in rate base from 2013 forward associated with the Turk plant after remand from the Court of Appeals.
7. **Duke Energy Indiana, 2024 (Indiana), (Docket No. 46038)** – Participating as an expert witness on behalf of the Office of Utility Consumer Counselor in Duke’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
8. **Chugach Electric Association, 2024 (Alaska), (Docket No. U-24-002)** – Participating as an expert witness on behalf of Providence Health and Services before the Alaska Regulatory Commission. Sponsoring testimony to address Chugach’s application to revise the Beluga River Unit (“BRU”) rebate to former Municipal Light and Power (“ML&P”) customers.
9. **CenterPoint Energy Houston Electric, 2024 (Texas) (Docket No. 56211)** – Participating as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy’s rate case application to provide testimony on various revenue requirement issues.
10. **Doyon Utilities, 2024 (Alaska)** – Participating as an expert witness on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of

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Alaska.

11. **Avista Utilities, 2024 (Washington), (Docket Nos. UE-240006)** – Participating as an expert witness on behalf of Public Counsel in Avista’s general rate case. Sponsoring testimony to address various revenue requirement issues and Avista’s requested attrition adjustments.
12. **Atmos Mid Tex, 2024 (Texas), (Dallas Annual Rate Review)** – Participating as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
13. **Sierra Pacific Power Company, 2024 (Nevada), (Docket No. 24-02026 and 24-02027)** – Participating as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
14. **Oklahoma Gas and Electric Company, 2024 (Oklahoma), (Cause No. PUD 202300087)** – Participating as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s general rate case application addressing various revenue requirement and rate design issues.
15. **Public Service Company of Oklahoma, 2024 (Oklahoma) (Cause No. PUD 202300086)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
16. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 55438)** – Participating as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s transmission cost recovery factor (“TCRF”) case.
17. **CenterPoint Energy Resources Corp., 2024 (Texas) (Docket No. OS-23-00015513)** – Participating as an expert witness for the City of Houston before the Texas Rail Road Commission in a general rate case proceeding for the gas utility.
18. **NV Energy, 2023 (Nevada), (Docket No. 23-08015)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission. Sponsoring written and oral testimony in the 2021 Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) Fifth Amendment to provide analysis of the Companies’ request for Critical Facility designation of the Sierra Solar PV and BESS project.
19. **Southwest Gas Corporation, 2023 (Nevada) (Docket No. 23-09012)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
20. **Nevada Power Company, 2023 (Nevada), (Docket No. 23-06007)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues Nevada Power’s general rate case application.
21. **Atmos Pipeline Texas 2023 (Texas), (Docket No. 13758)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in APT’s General Rate Case application, sponsoring testimony to address various revenue requirement proposals.
22. **Oklahoma Gas and Electric Company, 2023 (Oklahoma), (Cause No. PUD 2023000038)** –

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Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s application for pre-approval of new generation costs.

23. **NV Energy, 2023 (Nevada), (Docket No. 23-03003)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral testimony in the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
24. **NV Energy, 2023 (Nevada), (Docket No. 23-03004)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral testimony in Cost Recovery Phase of the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
25. **SiEnergy, LP (Texas) 2023 (Docket No. OS-23-00013504)** - Participated as an expert witness on behalf of the Cities Served by SiEnergy (Cities) in SiEnergy’s application to increase gas utility rates.
26. **CSWR-Texas Utility Operating Company, LLC (CSWR-Texas), 2023 (Docket No. 54565)** Participated as an expert witness on behalf of the Office of Public Utility Counsel (“OPUC”) in CSWR-Texas’ application for authority to change rates.
27. **Denton Municipal Electric (DME), 2023 (Texas) (Docket No. 52715)** Participated as an expert witness on behalf of the Office of Public Utility Counsel (“OPUC”) in DME’s application to change rates for wholesale transmission service.
28. **NV Energy, 2023 (Nevada), (Docket No. 22-09006)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC. Sponsoring written and oral testimony in the 2021 Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) Third Amendment to provide analysis of the proposed Transportation Electrification Plan to accelerate the roll out of electric vehicle charging facilities.
29. **Atmos MidTex, 2023 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
30. **Public Service Company of Oklahoma, 2023 (Oklahoma) (Cause No. PUD 202200093)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
31. **Montana-Dakota Utilities Co., 2023 (Montana), Docket No. 2022.11.099)** – Participating as an expert witness on behalf of the Montana Office of Consumer Council in MDU’s general rate case application to provide testimony on various revenue requirement issues.
32. **Public Service Company of Oklahoma, 2023 (Oklahoma) (Cause No. PUD 202200021)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for pre-approval of renewable generation additions and the ratemaking treatment of the costs of those additions.
33. **Public Service Company of New Mexico, 2023 (New Mexico), (Case No. 22-00270-UT)** – Participated as an expert witness for the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”) before the New Mexico Public Regulation Commission to address various ratemaking

issues in PNM's rate case application.

34. **Entergy Texas Inc., 2022 (Texas) (PUC Docket No. 53719)** – Participated as an expert witness on behalf of the Cities in ETI's general rate case to provide testimony on various cost of service issues and on the utility's overall revenue requirement.
35. **Oklahoma Gas and Electric Company, 2022 (Oklahoma), (Cause No. PUD 202200097)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers ("OIEC") before the Oklahoma Corporation Commission in PUD's show cause investigation into OG&E's fuel and purchased power under-recovered balance.
36. **Northern Indiana Public Service Company, 2022 (Indiana), (Docket No. 45772)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in NIPSCO's rate case application, sponsoring testimony to address various revenue requirement and tax issues.
37. **Oncor Electric Delivery Company (Texas), 2022 (PUC Docket No. 53601)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Public Utility Commission in Oncor's General Rate Case proceeding to provide testimony on various revenue requirement issues.
38. **York Waterworks (2022) (Pennsylvania), (Docket No. 061522)** – Participated as an expert witness on behalf of Office of Consumer Advocate ("OCA") before the Pennsylvania Public Utility Commission to address various revenue requirement issues in York rate case.
39. **Sierra Pacific Power Company, 2022 (Nevada), (Docket No. 22-06)** – Participated as an expert witness on behalf of Bureau of Consumer Protection ("BCP") before the Nevada Public Utility Commission to address various revenue requirement issues.
40. **NV Energy, 2022 (Nevada), (Docket No. 22-003028)** – Participated as an expert witness on behalf of Bureau of Consumer Protection ("BCP") before the Nevada Public Utility Commission to address various issues in the merger application of Sierra Pacific Power Company and Nevada Power Company.
41. **Atmos MidTex (Texas), 2022 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos's Dallas Annual Rate Review ("DARR") proceeding. Sponsoring recommendations on various revenue requirement issues.
42. **CenterPoint Energy Resources Corp., 2022 (Texas) (Docket No. 53442)** – Participated as an expert witness for the City of Houston before the Texas Public Utility Commission the Company's Distribution Cost Recovery Factor sponsoring testimony on various cost recovery issues.
43. **Cascade Natural Gas, 2021 (Washington)** – Participated as an expert witness on behalf of Public Counsel in Cascade's limited issue rate case application, sponsoring Public Counsel's revenue requirement schedules and testimony to address various revenue requirement and tax issues.
44. **Oklahoma Gas and Electric Company, 2021 (Oklahoma), (Cause No. PUD 202100164)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers ("OIEC") before the Oklahoma Corporation Commission in OG&E's general rate case application addressing various revenue requirement and rate design issues.

45. **Southwestern Electric Power Company, 2021 (Texas), (PUC Docket No. 52397)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s application to recover Uri storm costs.
46. **Southwestern Public Service Co., 2021 (Texas) (Docket No. 52210)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) before the Texas Public Utility Commission in SWEPCO’s application to recover Uri storm costs.
47. **CenterPoint Energy Resources Corp., 2021 (Texas) (Docket No. OS—00007061)** – Participated as an expert witness for the City of Houston before the Texas Rail Road Commission in a consolidated application from the large natural gas distribution utilities in Texas to securitize and recover URI storm costs from February 2021.
48. **Indiana Michigan Power, 2021 (Indiana), (Docket No. 45576)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in I&M’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
49. **Chugach Electric Association, 2021 (Alaska), (Docket No. U-21-059)** – Participated as an expert witness on behalf of Providence Health and Services before the Alaska Regulatory Commission. Sponsoring testimony to address Chugach’s application to address a shortfall in revenues after its acquisition of Municipal Light and Power.
50. **Southwestern Public Service Co., 2021 (Texas) (Docket No. 51802)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues.
51. **El Paso Electric Company, 2021 (Texas), (Docket No. 52195)** – Participated as an expert witness on behalf of the City of El Paso in the El Paso Electric Company general rate case to provide recommendations to the Texas Public Utility Commission regarding rate base and operating expense issues.
52. **NV Energy, 2021 (Nevada), (Docket No. 21-06001)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC. Sponsoring written and oral testimony in the Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) to provide analysis of the proposed generation additions and cost allocations.
53. **Summit Utilities Arkansas (Arkansas), (Docket No. 21-060-U)** – Participated as an expert witness on behalf of Arkansas Gas Consumers and the Hospitals and Higher Education Group before the Arkansas Public Service Commission in Summit’s proposed acquisition of CenterPoint Energy’s Arkansas assets. Sponsoring testimony regarding the acquisition premium, ratepayer benefits and affiliate transactions.
54. **Doyon Utilities, 2021 Alaska (Regulatory Commission of Alaska)** – Participated as an expert witness on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.
55. **NV Energy, 2021 (Nevada), (Docket No. 21-03040)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral

testimony in the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).

56. **Public Service Company of Oklahoma, 2021 (Oklahoma) (Cause No. PUD 202100022)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
57. **Oklahoma Gas and Electric Company, 2021 (Oklahoma), (Cause No. PUD 202100072)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s application for securitization of its winter storm costs.
58. **Southwestern Electric Power Company, 2021 (Arkansas), (Docket No. 19-008-U)** – Participated as an expert witness on behalf of Western Arkansas Large Energy Consumers (“WALEC”) before the Arkansas Public Service Commission in SWEPCO’s Formula Rate Plan review and extraordinary winter storm cost recovery plan.
59. **Atmos MidTex (Texas), 2021 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
60. **Atmos MidTex, 2023 (Texas), (Dallas Annual Rate Review)** – Participating as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
61. **PNM Resources / Avangrid Merger, 2021 (New Mexico), (Case No. 20-00222-UT)** – Participated as an expert witness for the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”) before the New Mexico Public Regulation Commission to address various merger-related issues.
62. **Oklahoma Gas & Electric Co., 2020 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on cost of service issues.
63. **Public Service Company of Oklahoma, 2020 (Oklahoma) (Cause No. PUD 202000097)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for approval of facilities proposed for Fort Sill to address cost recovery and rate design issues.
64. **El Paso Electric Company, 2020 (Texas), (Docket No. 51348)** – Participated as an expert witness on behalf of the City of El Paso in the El Paso Electric Company annual Distribution Cost Recovery Factor (“DCRF”) application to provide recommendations to the Texas Public Utility Commission regarding the Company’s requested DCRF increase.
65. **NV Energy, 2020 (Nevada), (Docket No. 20-07023)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC. Sponsoring written and oral testimony in the Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) to provide analysis of the proposed transmission additions and cost allocations.
66. **Southwestern Electric Power Company, 2020 (Texas), (PUC Docket No. 51415)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the

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Texas Public Utility Commission in SWEPCO's general rate case application to provide testimony on various revenue requirement issues.

67. **Dominion Energy South Carolina, 2020 (South Carolina), (Docket No. 2020-125-E)** – Participated as an expert witness on behalf of DOD/FEA in DESC's rate case application, sponsoring testimony to address various revenue requirement, rate design and tax issues.
68. **Cascade Natural Gas, 2020 (Washington), (NG-UG-200568)** – Participated as an expert witness on behalf of Public Counsel in Cascade's rate case application, sponsoring testimony to address various revenue requirement and tax issues.
69. **Nevada Power Company, 2020 (Nevada) (Docket No. 20-06003)** – Participated as an expert witness on behalf of Bureau of Consumer Protection ("BCP") before the Nevada Public Utility Commission to address various revenue requirement issues in the case.
70. **El Paso Electric Company, 2020 (New Mexico), (Docket RC-20-00104-UT)** – Participated as an expert witness on behalf of the City of Las Cruces and Dona Ana County in EPE's rate case application, sponsoring testimony to address various revenue requirement and tax issues.
71. **Oklahoma Gas and Electric Company, 2020 (Oklahoma), (Cause No. PUD 202000021)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers ("OIEC") before the Oklahoma Corporation Commission in OG&E's Grid Enhancement Plan application. Sponsoring testimony to address the utility's proposed cost recovery mechanism and cost of service allocations.
72. **Philadelphia Gas Works, 2020 (Pennsylvania), (Docket No. R-2020-3017206)** – Participated expert witness on behalf of Office of Consumer Advocate ("OCA") before the Pennsylvania Public Utility Commission to address various revenue requirement issues in PGW's rate case.
73. **Atmos MidTex (Texas), 2020 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos's Dallas Annual Rate Review ("DARR") proceeding. Sponsoring recommendations on various revenue requirement issues.
74. **Southwest Gas Corporation, 2020 (Nevada) (Docket No. 20-02023)** – Participated as an expert witness on behalf of Bureau of Consumer Protection ("BCP") before the Nevada Public Utility Commission to address various revenue requirement issues.
75. **El Paso Electric Company, 2019 (Texas), (Docket No. 49849)** – Participated as an expert witness on behalf of the City of El Paso in the merger of El Paso Electric Company with Sun Jupiter Holdings LLC and IIF US Holdings 2 LLP to provide recommendations to the Texas Public Utility Commission regarding the treatment of tax issues in the proposed merger agreement.
76. **Nevada Senate Bill 300 Rulemaking, 2019 (Nevada), (Docket No. 19-069008)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group before the Nevada PUC to assist with the development of alternative ratemaking regulations under SB 300.
77. **Entergy Arkansas, 2019 (Arkansas), (Docket No. 19-020-TF)** – Participated as an expert witness on behalf of the Arkansas industrial consumer group to review EAI's application to allocate its perceived under-recovery of off-system sales margins to Arkansas customers.

78. **Public Service Company of Oklahoma, 2019 (Oklahoma) (Cause No. PUD 201900201)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for approval for the cost recovery of selected wind facilities.
79. **Oklahoma Gas & Electric Co., 2019 (Arkansas) (Docket No. 15-034-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Act 310 Environmental Compliance Plan (“ECP”) Rider case to provide testimony on whether OG&E can apply for an ECP rider now that it has elected to utilize an annual Formula Rate Plan with a 4% annual cap.
80. **Oklahoma Gas & Electric Co., 2019 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on various revenue requirement, cost of service and rate design issues.
81. **Southwestern Public Service Co., (“SPS”) 2019 (Texas), (Docket No. 49831)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
82. **Southwestern Electric Power Company, 2019 (Arkansas), (Docket No. 19-008-U)** – Participated as an expert witness on behalf of Western Arkansas Large Energy Consumers (“WALEC”) before the Arkansas Public Service Commission in SWEPCO’s rate case to address various revenue requirement and rate design issues.
83. **Anchorage Municipal Light and Power and Chugach Electric Association, 2019 (Alaska), (Docket No. U-19-020)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on pending acquisition of ML&P by Chugach to address the proposed acquisition premium and other issues associated with the public interest.
84. **Sierra Pacific Power Company, 2019 (Nevada), (Docket No. 19-06002)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
85. **Air Liquide Hydrogen Energy U.S., 2019 (Nevada), (704B Exit Application, Docket No. 19-02002)** – Participated as an expert witness on behalf of Air Liquide before the Nevada PUC. Sponsoring written and oral testimony in Air Liquide’s application to purchase energy and capacity from a provider other than NV Energy.
86. **Empire District Electric Company, 2019 (Oklahoma), (Cause No. PUD 201800133)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s general rate case to address various revenue requirement, rate design and tax issues.
87. **Indiana Michigan Power, 2019 (Indiana), (Docket No. 45235)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in I&M’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
88. **Puget Sound Energy, 2019 (Washington), (Docket No. 190529-30)** – Participated as an expert

witness on behalf of Public Counsel in PSE's rate case application, sponsoring testimony to address various revenue requirement and tax issues.

89. **Anchorage Municipal Light and Power, 2019 (Alaska), (Docket No. U-18-102)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on the ratemaking treatment of ML&P's acquired interest in the Beluga River Unit gas field with ratepayer funds.
90. **Oklahoma Gas and Electric Company, 2019 (Oklahoma), (Cause No. PUD 201800140)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers ("OIEC") before the Oklahoma Corporation Commission in OG&E's General Rate Case application. Sponsoring testimony to address the utility's overall revenue requirement and rate design proposals.
91. **Cascade Natural Gas, 2019 (Washington) (Docket No. 190210)** – Participated as an expert witness on behalf of Public Counsel in Cascade's rate case application. Sponsoring testimony to address various revenue requirement and tax issues.
92. **CenterPoint Energy Houston Electric, 2019 (Texas) (Docket No. 49421)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy's rate case application to provide testimony on various revenue requirement issues.
93. **Oklahoma Gas & Electric Co., 2018 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers ("ARVEC") before the Arkansas Public Service Commission in OG&E's Formula Rate Plan application to provide testimony on various revenue requirement, cost of service and rate design issues.
94. **Southwest Gas Corporation, 2018 (Nevada) (Docket No. 18-05031)** – Participated as an expert witness on behalf of Bureau of Consumer Protection ("BCP") before the Nevada Public Utility Commission to address various revenue requirement issues.
95. **Puget Sound Energy, 2018 (Washington) (Docket No. UE 18089)** - Participated as an expert witness on behalf of Public Counsel in PSE's Emergency Rate Relief proceeding. Sponsoring testimony to address the application itself and various revenue requirement and TCJA issues.
96. **Public Service Company of Oklahoma, 2018 (Oklahoma) (Cause No. PUD 201800097)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO's general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
97. **Entergy Texas Inc., 2018 (Texas) (PUC Docket No. 48371)** – Participated as an expert witness on behalf of the Cities in ETI's general rate case to provide testimony on various cost of service issues and on the utility's overall revenue requirement.
98. **Atmos Energy Corp., Mid-Tex Division, 2018 (Texas) (Docket No. GUD No. 10779)** – Participated as an expert witness on behalf of the Atmos Texas Municipalities to review the utility's requested revenue requirement including TCJA adjustments.
99. **CenterPoint Energy Houston Electric, LLC, 2018 (Texas) (Docket No. 48226)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy's application for approval to amend its distribution cost recovery factor (DCRF) to address the utility's treatment of the Tax Cuts and Jobs Act of 2017 ("TCJA").

100. **NV Energy, 2018 (Nevada) (Docket No. 17-10001)** – Participated as an expert witness on behalf of the Energy Choice Initiative (“ECI”) before the Governor’s Committee on Energy Choice, in an investigatory docket of an Issue of Public Importance Regarding the Pending Energy Choice Initiative and the Possible Restructuring of Nevada’s Energy Industry.
101. **Southwestern Electric Power Company, 2018 (Texas) (PUC Docket No. 48233)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s application to implement base rate reductions as result of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
102. **Oncor Electric Delivery Company (Texas), 2018 (PUC Docket No. 48325)** – Participated as an expert witness before the Texas Public Utility Commission in Oncor’s application for authority to decrease rates based on the Tax Cuts and Jobs Act of 2017 (“TCJA”).
103. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2018 (Cause No. PUD 201800019)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application regarding ADIT under the Tax Cuts and Jobs Act of 2017 (“TCJA”).
104. **Oklahoma Natural Gas Company, 2018 (Cause No. PUD 201800028)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission in ONG’s Performance Based Rate Change Tariff, to address issues involving the impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
105. **Oklahoma Gas & Electric Co. (Arkansas), 2018 (Docket No. 18-006-U)** – Participated as an expert on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in the matter of an Investigation of the Effect on Revenue Requirements Resulting from Changes to Corporate Income Tax Rates under the Tax Cuts and Jobs Act of 2017 (“TCJA”).
106. **Texas Gas Service, 2018** – Participated as a consulting expert on behalf of the City of El Paso regarding implementation of rate changes related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
107. **Sierra Pacific Power Company (Nevada), 2018 (Docket No. 18-02011 and 18-02015)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers¹ before the Nevada PUC in SPPC’s application related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
108. **Nevada Power Company (Nevada), 2018 (Docket No. 18-02010 and 18-02014)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group before the Nevada PUC in NPC’s application related to the Tax Cuts and Jobs Act of 2017 (“TCJA”).
109. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2017 (Cause No. PUD 201700572)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application to examine the impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”).
110. **Empire District Electric Company (“EPE”) (Oklahoma), 2018 (Cause No. PUD 201700471)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s application to add 800MW of wind. Sponsoring

¹ The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.

testimony to address the various ratemaking and tax issues.

111. **Oklahoma Gas and Electric Company (“OG&E”), (Oklahoma), 2018 (Cause No. PUD 201700496)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
112. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2017 (Cause No. PUD 201700276)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s Wind Catcher case to provide testimony on various ratemaking and tax issues.
113. **Southwestern Public Service Co. (“SPS”) (Texas), 2017 (PUCT Docket No. 47527)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
114. **Southwestern Electric Power Company, (“SWEPCO”) (Texas), 2017 (PUC Docket No. 47461)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s Wind Catcher case proceeding to provide testimony on various ratemaking and tax issues.
115. **Atmos MidTex (Texas), 2017 (Docket No. 10640)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring testimony on various revenue requirement issues.
116. **Avista Utilities (Washington), 2017 (Docket Nos. UE-170485/UG-170486)** – Participated as an expert witness on behalf of Public Counsel in Avista’s general rate case proceeding. Sponsoring testimony to address various revenue requirement issues and Avista’s requested attrition adjustments.
117. **Nevada Power Company (Nevada), 2017 (Docket No. 17-06003)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC in NPC’s general rate case. Sponsored testimony on various revenue requirement, depreciation, and rate design issues.
118. **Anchorage Municipal Light and Power (Alaska), 2017 (Docket No. U-17-008)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony in ML&P’s General Rate Case on various revenue requirement and rate design issues.
119. **Public Service Company of Oklahoma (Oklahoma), 2017 (Cause No. PUD 201700151)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement and rate design issues.
120. **Oncor Electric Delivery Company (Texas), 2017 (PUC Docket No. 46957)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Public Utility Commission in Oncor’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
121. **EverSource (Massachusetts), 2017 (DPU Docket No. 17-05)** – Participated as an expert witness before the Massachusetts Department of Public Utilities EverSource’s General Rate Case application on behalf of Energy Freedom Coalition of America to provide testimony to address various revenue

requirement issues.

122. **El Paso Electric Company (Texas), 2017 (PUC Docket No. 46831)** – Participated as an expert witness on behalf of the City of El Paso before the Texas Public Utility Commission in El Paso’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
123. **Atmos Pipeline Texas (Texas), 2017 (Docket No. 10580)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in APT’s General Rate Case application, sponsoring testimony to address various revenue requirement proposals.
124. **Empire District Electric Company (Oklahoma), 2017 (Cause No. PUD 201600468)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
125. **Caesars Enterprise Service, LLC (Nevada), 2016 (704B Exit Application)** – Participated as an expert witness on behalf of Caesars before the Nevada PUC. Sponsoring written and oral testimony in Caesar’s application to purchase energy and capacity from a provider other than Nevada Power.
126. **Southwestern Electric Power Company (Texas), 2016 (PUC Docket No. 46449)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s general rate case proceeding to provide testimony on various revenue requirement issues.
127. **CenterPoint Texas, 2016 (Docket No. 10567)** – Participated as an expert witness on behalf of City of Houston before the Texas Railroad Commission in CenterPoint’s general rate case application, sponsoring testimony to address the utility’s overall revenue requirement and various rate design proposals.
128. **Entergy Texas, Inc., 2016 (Docket No. 46357)** – Participated as an expert witness on behalf Cities Served by Applicant before the Texas PUC in ETI’s application to amend its Transmission Cost Recovery Factor.
129. **Anchorage Municipal Light and Power, 2016 (Docket No. U-16-060)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on the ratemaking treatment of ML&P’s acquired interest in the Beluga River Unit gas field with ratepayer funds.
130. **Arizona Public Service Company, 2016 (Docket No. E-01345A-16-0036)** – Participated as an expert witness before the Arizona Corporation Commission in APS’s General Rate Case application on behalf of Energy Freedom Coalition of America to provide written and oral testimony to address various revenue requirement issues.
131. **Oklahoma Gas & Electric Co. (Arkansas), 2016 (Docket No. 16-052-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
132. **Sierra Pacific Power Company (Nevada), 2016 (Docket No. 16-06006)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers before the Nevada PUC in SPPC’s general

rate case proceeding. Sponsored testimony on various revenue requirement, depreciation, and rate design issues.

133. **Tucson Electric Power, 2016 (Docket No. E-01933A-15-0322)** – Participated as an expert witness before the Arizona Corporation Commission in TEP’s General Rate Case application, on behalf of Energy Freedom Coalition of America providing written and oral testimony to address the utility’s cost of service study and rate design proposals.
134. **Texas Gas Service, 2016 (Docket No. 10506)** – Participated as an expert witness on behalf of El Paso before the Texas Railroad Commission in TGS’s General Rate Case application, sponsoring testimony to address the utility’s overall revenue requirement and various rate design proposals.
135. **Texas Gas Service, 2016 (Docket No. 10488)** – Participated as an expert witness on behalf of South Jefferson County Service Area (“SJCSA”) before the Texas Railroad Commission in TGS’s General Rate Case application, sponsoring testimony to address the utility’s overall revenue requirement and various rate design proposals.
136. **Oklahoma Gas and Electric Company, 2016 (Cause No. PUD 201500273)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
137. **Oklahoma Gas & Electric Company, 2016 (Cause No. PUD 201500273)** – Participated as an expert witness on behalf of The Alliance for Solar Choice (“TASC”) before the Oklahoma Corporation Commission to address OG&E’s proposed Distributed Generation (“DG”) rates for solar DG customers.
138. **Anchorage Municipal Light and Power, 2016 (Docket No. U-13-097)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on rates and tariffs proposed for customer-owned combined heat and power plant generation.
139. **Oklahoma Natural Gas Company, 2015 (Cause No. PUD 201500213)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission in ONG’s General Rate Case application. Sponsored testimony to address the utility’s overall revenue requirement and rate design proposals.
140. **Oklahoma Gas & Electric Company, 2015 (Cause No. PUD 201500274)** – Participated as an expert witness on behalf of The Alliance for Solar Choice (“TASC”) before the Oklahoma Corporation Commission to address OG&E’s proposed Distributed Generation (“DG”) rates for solar DG customers.
141. **Nevada Power Company, 2015 (Docket No. 15-07004)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”)² before the Nevada PUC. Sponsoring written and oral testimony in NPC’s 2015 Integrated Resource Plan to provide analysis of the On Line transmission line allocation, the Siverhawk plant acquisition, and the Griffith contract termination.

² The Southern Nevada Hotel Group is comprised of Boyd Gaming, Caesars Entertainment, MGM Resorts, Station Casinos, Venetian Casino Resort, and Wynn Las Vegas.

142. **Oklahoma Gas & Electric Company, 2015 (Docket No. 15-034-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Act 310 application to implement a rider to recover environmental compliance costs.
143. **MGM Resorts, LLC, 2015 (Docket No. 15-05017)** – Participated as an expert witness on behalf of the MGM Resorts, LLC before the Nevada PUC. Sponsoring written and oral testimony in MGM’s application to purchase energy and capacity from a provider other than Nevada Power.
144. **Entergy Arkansas, 2015 (Docket No. 15-015-U)** – Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”) an intervenor group that includes the University of Arkansas and several hospitals before the Arkansas PSC in Entergy’s general rate case to provide testimony on various revenue requirement issues.
145. **Public Service Company of Oklahoma, 2015 (Cause No. PUD 201500208)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
146. **Nevada Power Company, 2014 (Docket No. 14-05003)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored written and oral testimony in NPC environmental compliance case, called the Emissions Reduction and Capacity Replacement case. The main focus of our testimony was our recommendation to eliminate the \$438M Moapa solar project from the compliance plan.
147. **Nevada Power Company, 2014 (Docket No. 14-05004)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC to sponsor written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
148. **Oklahoma Gas and Electric Co., 2014 (Cause No. PUD 201400229)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) in OG&E’s Environmental Compliance and Mustang Modernization Plan before the Oklahoma Corporation Commission to provide testimony addressing the economics and rate impacts of the plan.
149. **Sourcegas Arkansas, Inc., 2014 (Docket No. 13-079-U)** Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”), an intervenor group that includes the University of Arkansas and several hospitals before the Arkansas PSC in SGA’s general rate case to provide testimony on various revenue requirement issues.
150. **Anchorage Municipal Light and Power, 2014 (Docket No. U-13-184)** – Participated as an expert witness before the Alaska Regulatory Utility Commission on behalf of Providence Health and Services to provide testimony on various revenue requirement and cost of service issues.
151. **Public Service Company of Oklahoma, 2014 (Cause No. PUD 201300217)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
152. **Entergy Texas Inc., 2013 (PUC Docket No. 41791)** – Participated as an expert witness on behalf of

the Cities³ in ETI's general rate case to provide testimony on various cost of service issues and on the utility's overall revenue requirement.

153. **MidAmerican/NV Energy Merger, 2013 (Docket No. 13-07021)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored testimony to address various issues raised in the proposed acquisition of NV Energy by MidAmerican Energy Holdings Company, including capital structure and acquisition premium recovery issues.
154. **Entergy Arkansas, 2013 (Docket No. 13-028-U)** – Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”) an intervenor group that includes the University of Arkansas and several hospitals before the Arkansas PSC in Entergy's general rate case to provide testimony on various revenue requirement issues.
155. **Sierra Pacific Power Company, 2013 (Docket No. 13-06002)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers⁴ before the Nevada PUC in SPPC's general rate case proceeding to provide testimony on various cost of service and revenue requirement issues. Sponsored written and oral testimony in the depreciation phase, the revenue requirement phase and the rate design phase of these proceedings.
156. **Gulf Power Company, 2013 (Docket No. 130140-ET)** – Participated as an expert witness on behalf of the Office of Public Counsel before the Florida Commission in Gulf Power's general rate case proceeding to provide testimony on various revenue requirement issues.
157. **Public Service Company of Oklahoma, 2013 (Cause No. PUD 201200054)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission (“OCC”) to provide testimony in PSO's application seeking Commission approval of its settlement agreement with EPA.
158. **Southwestern Electric Power Company, 2012 (PUC Docket No. 40443)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO's general rate case proceeding to provide testimony on various cost of service issues and on the utility's overall revenue requirement.
159. **Doyon Utilities, 2012 Alaska Rate Case (Docket No. TA7-717)** – Participated as an expert witness consultant on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.
160. **University of Oklahoma, 2012** – Participated as an expert witness on behalf of the University of Oklahoma to provide expert testimony on various revenue requirement issues in the University's general rate case with the Corix Group, which provides utility services to the University.
161. **Public Service Company of Oklahoma, 2012 (Cause No. PUD 201200079)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission to provide expert testimony addressing the utility's request to earn additional compensation on a 510MW purchased

³ The Cities include Beaumont, Conroe, Groves, Houston, Huntsville, Orange, Navasota, Nederland, Pine Forest, Pinchurst, Port Arthur, Port Neches, Rose City, Shenandoah, Silsbee, Sour Lake, Vidor, and West Orange.

⁴ The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.

power agreement with Exelon.

162. **Centerpoint Energy Texas Gas, 2012 (Docket No. GUD 10182)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Railroad Commission to provide expert testimony on various revenue requirement issues.
163. **Entergy Texas Inc., 2012 (PUC Docket No. 39896)** – Participated as an expert witness on behalf of the Cities in ETT's general rate case to provide testimony on various cost of service issues and on the utility's overall revenue requirement.
164. **Oklahoma Natural Gas Company, 2012 (Cause No. PUD 2012-029)** – Participated as an expert witness on behalf of the OIEC before the OCC in ONG's Performance Based Rate ("PBR") application seeking Commission approval of a requested rate increase based upon formula results for 2011.
165. **University of Oklahoma, 2012** – Assisted the University of Oklahoma with an audit of the costs associated with its six utility operations and its contract with the Corix Group to provide utility services to the university.
166. **Oklahoma Gas and Electric Company, 2012 (Cause No. PUD 2011-186)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E's application seeking Commission approval of a special contract with Oklahoma State University and a wind energy purchase agreement in connection therewith.
167. **Empire Electric Company, 2011, (Cause No. PUD 11-082)** – Participated as an expert witness on behalf of Enbridge before the OCC in Empire's rate case to provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
168. **Nevada Power Company, 2011, (Docket No. 11-04010)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group ("SNHG") before the Nevada PUC. Sponsored written and oral testimony to address proposed changes to the Company's customer deposit rules.
169. **Nevada Power Company, 2011, (Docket No. 11-06006)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
170. **Public Service Company of Oklahoma, 2011 (Cause No. PUD 2011-106)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's application seeking rider recovery of third party SPP transmission costs and fees.
171. **Oklahoma Gas and Electric Company, 2011 (Cause No. PUD 2011-087)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E's rate case to provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
172. **Oklahoma Gas & Electric Company, 2011 (Docket No. 10-109-U)** – Participated as an expert witness on behalf of Gerdau Macsteel before the Arkansas Public Service Commission in OG&E's application to recover Smart Grid costs to make recommendations regarding the allocation of the Smart Grid costs.

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173. **Oklahoma Gas & Electric Company, 2011 (Cause No. PUD 2011-027)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking to include retiree medical expense in the Company’s pension tracker mechanism.
174. **Public Service Company of Oklahoma, 2011 (Cause No. PUD 2010-50)** – Participated as an expert witness on behalf of OIEC before the Oklahoma Corporation Commission in AEP/PSO’s application to recover ice storm O&M expenses through a regulatory asset/rider mechanism to address tax impact and return issues in the proposed rider.
175. **Public Service Company of Colorado, 2011 (Docket No. 10AL-908E)** – Participated as an expert witness on behalf of the Colorado Retail Council (“CRC”) before the Colorado Public Utilities Commission providing written and live testimony to address PSCo’s proposed Environmental Tariff.
176. **Oklahoma Gas & Electric Company, 2011 (Docket No. 10-067-U)** – Participated as an expert witness on behalf of the Northwest Arkansas Industrial Energy Consumers (“NWIEC”)⁵ before the Arkansas Public Service Commission in OG&E’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
177. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-146)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking rider recovery of third party SPP transmission costs and SPP administration fees.
178. **Massachusetts Electric Co. & Nantucket Electric Co. d/b/a National Grid, 2010 (Docket No. DPU 10-54)** – Participated as an expert witness providing both written and live testimony before the Massachusetts Department of Public Utilities on behalf of the Associated Industries of Massachusetts (“AIM”) to address the Company’s proposed participation in the 438MW Cape Wind project in Nantucket Sound.
179. **Public Service Company of Oklahoma, 2010 (Cause No. PUD 2010-50)** – Participated as an expert witness on behalf of the OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
180. **Texas-New Mexico Power Co., 2010 (Docket 38480)** – Participated as an expert witness on behalf of the Alliance of Texas Municipalities (“ATM”) before the Texas PUC in TMNP’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
181. **Southwestern Public Service Co., 2010 (PUCT Docket No. 38147)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
182. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-37)** – Participated as an expert witness on behalf of OIEC before the OCC to address the preapproval and ratemaking treatment of OG&E’s 220MW self-build wind project.

⁵ NWIEC is an association of industrial manufacturing facilities in northwest Arkansas.

183. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-29)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking pre-approval of deployment of smart-grid technology and rider-recovery of the associated costs. Sponsored written testimony to address smart-grid deployment and time-differentiated fuel rates.
184. **Public Service Company of Oklahoma, 2010 (Cause No. PUD 2010-01)** – Participated as an expert witness on behalf of the OIEC before the OCC in the Company’s proposed Green Energy Choice Tariff. Sponsored testimony to address the pricing and ratemaking treatment of the Company’s proposed wind subscription tariff.
185. **Nevada Power Company, 2010 (Docket No. 10-02009)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC to provide testimony in NPC’s Internal Resource Plan to address the ratemaking treatment of the proposed ON Line transmission line.
186. **Entergy Texas Inc., 2010 (PUC Docket No. 37744)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
187. **El Paso Electric Company, 2010 (PUC Docket No. 37690)** – Participated as an expert witness on behalf of the City of El Paso in the EPI general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
188. **Public Service Company of Oklahoma, 2009 (Cause No. 09-196)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application for approval of DSM programs and cost recovery. Sponsored testimony to address program costs, lost revenue recovery, cost allocations and incentives.
189. **Oklahoma Gas and Electric Company, 2009 (Cause No. PUD 09-230 and 09-231)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s application to add wind resources from two purchased power contracts. Sponsored written testimony to address the proper ratemaking treatment of the contract costs and the renewable energy certificates.
190. **Oklahoma Gas and Electric Company, 2009 (Cause No. PUD 08-398)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s rate case. Provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
191. **Nevada Power Company, 2009, (Docket No. 08-12002)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
192. **Public Service Company of Oklahoma, 2009 (Cause No. 09-031)** – Participated as an expert witness on behalf of OIEC before the OCC in PSO’s application to add wind resources from two purchased power contracts. Sponsored written testimony to address the proper ratemaking treatment of the contract costs and the renewable energy certificates.
193. **Oklahoma Natural Gas Co., 2009 (Cause No. PUD 08-348)** – Participated as an expert witness on witness on behalf of the OIEC before the OCC in ONG’s application to establish a Performance Based Rate tariff. Sponsored both written and oral testimony to address the merits of the utility’s proposed

PBR.

194. **Rocky Mountain Power, 2009 (Docket No. 08-035-38)** – Participated as an expert witness on behalf of the Division of Public Utilities (Staff) in PacifiCorp’s general rate case to provide testimony on various revenue requirement issues.
195. **Texas-New Mexico Power Co., 2008 (Docket 36025)** – Participated as an expert witness on behalf of the Alliance of Texas Municipalities (“ATM”) before the Texas PUC in TMNP’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
196. **Public Service Company of Oklahoma, 2008 (Cause No. 08-144)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s general rate case application to address revenue requirement and rate design issues to establish prospective cost-of-service based rates.
197. **Public Service Company of Oklahoma, 2008 (Cause No. 08-150)** – Participated as an expert witness on behalf of the OIEC before the OCC to address PSO’s calculation of its Fuel Clause Adjustment for 2008.
198. **Oklahoma Gas and Electric Company, 2008 (Cause No. PUD 08-059)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking authorization of its Demand Side Management (“DSM”) programs and the establishment of a DSM Rider to recover program costs, lost revenues and utility incentives.
199. **Entergy Gulf States, 2008 (PUC Docket No. 34800, SOAH Docket No. 473-08-0334)** – Participated as an expert witness on behalf of the Cities in EGST’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
200. **Public Service Company of Oklahoma, 2008 (Cause No. 07-465)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application to recover the pre-construction costs of the cancelled Red Rock coal generation facility.
201. **Oklahoma Gas and Electric Company, 2008 (Cause No. 07-447)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking authorization to recover the pre-construction costs of the cancelled Red Rock coal generation facility using proceeds from sales of excess SO₂ allowances.
202. **Rocky Mountain Power, 2008 (Docket No. 07-035-93)** – Participated as an expert witness on behalf of Division of Public Utilities (Staff) in PacifiCorp’s general rate case to provide testimony on various revenue requirement issues.
203. **Public Service Company of Oklahoma, 2008 (Cause No. PUD 07-449)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking authorization of its Demand Side Management (“DSM”) programs and the establishment of a DSM Rider to recover program costs, lost revenues and utility incentives.
204. **Public Service Company of Oklahoma, 2008 (Cause No. PUD 07-397)** – Participated as an expert witness on behalf of OIEC before the OCC in PSO’s application seeking authorization to defer storm damage costs in a regulatory asset account and to recover the costs using the proceeds from sales of excess SO₂ allowances.

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205. **Oklahoma Gas & Electric Co., 2007 (Cause No. PUD 07-012)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s application seeking pre-approval to construct the Red Rock coal plant to address the Company’s proposed rider recovery mechanism.
206. **Oklahoma Natural Gas Co., 2007 (Cause No. PUD 07-335)** – Participated as an expert witness on behalf of the OIEC before the OCC in ONG’s application proposing alternative cost recovery for the Company’s ongoing capital expenditures through the proposed Capital Investment Mechanism Rider (“CIM Rider”). Sponsored testimony to address ONG’s proposal.
207. **Public Service Company of Oklahoma, 2007 (Cause No. PUD 06-030)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking a used and useful determination for its planned addition of the Red Rock coal plant to address the Company’s use of debt equivalency in the competitive bidding process for new resources.
208. **Public Service Company of Oklahoma, 2006 (Cause No. PUD 06-285)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
209. **Nevada Power Company, 2007, (Docket No. 07-01022)** - Participated as an expert witness on behalf of the MGM MIRAGE before the Nevada PUC in Nevada Power Company’s deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
210. **Nevada Power Company, 2006, (Docket No. 06-11022)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
211. **Southwestern Public Service Co., 2006 (PUCT Docket No. 37766)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application. Provided testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsored the Accounting Exhibits on behalf of AXM.
212. **Atmos Energy Corp., Mid-Tex Division, 2006 (Texas GUD 9676)** – Participated as an expert witness in the Atmos Mid-Tex general rate case application on behalf of the Atmos Texas Municipalities (“ATM”). Provided written and oral testimony before the Railroad Commission of Texas regarding the revenue requirements of Mid-Tex including various rate base, operating expense, depreciation and tax issues. Sponsored the Accounting Exhibits for ATM.
213. **Nevada Power Company, 2006 (Docket No. 06-06007)** – Participated as an expert witness on behalf of the MGM MIRAGE in the Sinatra Substation Electric Line Extension and Service Contract case. Provided both written and oral testimony before the Nevada Public Utility Commission to provide the Commission with information as to why the application is consistent with the line extension requirements of Rule 9 and why the cost recovery proposals set forth in the application provide a least cost approach to adding necessary new capacity in the Las Vegas strip area.
214. **Public Service Co. of Oklahoma, 2006 (Cause No. PUD 05-00516)** - Participated as an expert witness on behalf of the OIEC to review PSO’s application for a “used and useful” determination of its proposed peaking facility.

215. **Oklahoma Gas and Electric Co., 2006 (Cause No. PUD 06-00041)** – Participated as an expert witness on behalf of the OIEC in OG&E’s application to propose an incentive sharing mechanism for SO₂ allowance proceeds.
216. **Chermac Energy Corporation, 2006 (Cause No. PUD 05-00059 and 05-00177)** – Participated as an expert witness on behalf of the OIEC in Chermac’s PURPA application. Sponsored written responsive and rebuttal testimony to address various rate design issues arising under the application.
217. **Oklahoma Gas and Electric Co., 2006 (Cause No. PUD 05-00140)** – Participated as an expert witness on behalf of the OIEC in OG&E’s 2003 and 2004 Fuel Clause reviews. Sponsored written testimony to address the purchasing practices of the Company, its transactions with affiliates, and the prices paid for natural gas, coal and purchased power.
218. **Nevada Power Company, 2006, (Docket No. 06-01016)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written testimony in NPC’s deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
219. **Oklahoma Gas and Electric Co., 2005 (Cause No. PUD 05-151)** – Participated as an expert witness on behalf of the OIEC in OG&E’s general rate case application. Sponsored both written and oral testimony before the OCC to address various revenue requirement and rate design issues for the purpose of setting prospective cost-of-service based rates.
220. **Oklahoma Natural Gas Co., 2005 (Cause No. PUD 04-610)** – Participated as an expert witness on behalf of the Attorney General of Oklahoma. Sponsored written and oral testimony to address numerous rate base, operating expense and depreciation issues for the purpose of setting prospective cost-of-service based rates.
221. **CenterPoint Energy Arkla, 2004 (Cause No. PUD 04-0187)** – Participated as an expert witness on behalf of the Attorney General of Oklahoma. Sponsored written testimony to provide the OCC with analysis from an accounting and ratemaking perspective of the Co.’s proposed change in depreciation rates from an Average Life Group to an Equal Life Group methodology. Addressed the Co.’s proposed increase in depreciation rates associated with increased negative salvage value calculations.
222. **Public Service Co. of Oklahoma, 2004 (Cause No. PUD 02-0754)** – Participated as an expert witness on behalf of the OIEC. Sponsored written testimony (1) making adjustments to PSO’s requested recovery of an ICR programming error, (2) correcting errors in the allocation of trading margins on off-system sales of electricity from AEP East to West and among the AEP West utilities and (3) recommending an annual rather than a quarterly change in the FAC rates.
223. **PowerSmith Cogeneration Project, 2004 (Cause No. PUD 03-0564)** - Participated as an expert witness on behalf of the OIEC to provide the OCC with direction in setting an avoided cost for the PowerSmith Cogeneration project under PURPA requirements. Provided both written and oral testimony on the provisions of the proposed contract under PURPA.
224. **Electric Utility Rules for Affiliate Transactions, 2004 (Cause No. RM 03-0003)** – Participated as a consultant on behalf of the OIEC to draft comments to assist the OCC in developing rules for affiliate transactions. Assisted in drafting the proposed rules. Successful in having the Lower of Cost or Market rule adopted for affiliate transactions in Oklahoma.

225. **Nevada Power Company, 2003, (Docket No. 03-10001)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
226. **Nevada Power Company, 2003, (Docket No. 03-11019)** - Participated as an expert witness on behalf of the MGM MIRAGE before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
227. **Public Service Company of Oklahoma, 2003 (Cause No. PUD 03-0076)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
228. **Oklahoma Gas & Electric Co., 2003 (Cause No. PUD 03-0226)** – Participated as an expert witness on behalf of the OIEC. Provided both written and oral testimony before the OCC to determine the appropriate level to include in rates for natural gas transportation and storage services acquired from an affiliated company.
229. **Nevada Power Company, 2003 (Docket No. 02-5003-5007)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC. Sponsored written and oral testimony to calculate the appropriate exit fee in MGM Mirage's 661 Application to leave the system.
230. **McCarthy Family Farms, 2003** – Participated as a consultant to assist McCarthy Family Farms in converting a biomass and biosolids composting process into a renewable energy power producing business in California.
231. **Bice v. Petro Hunt, 2003 (ND, Supreme Court No. 20030306)** - Participated as an expert witness in a class certification proceeding to provide cost-of-service calculations for royalty valuation deductions for natural gas gathering, dehydration, compression, treatment and processing fees in North Dakota.
232. **Nevada Power Company, 2003 (Docket No. 03-11019)** - Participated as a consulting expert on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power. Provided written and oral testimony on the reasonableness of the cost allocations to the utility's various customer classes.
233. **Wind River Reservation, 2003 (Fed. Claims Ct. No. 458-79L, 459-79L)** – Participated as a consulting expert on behalf of the Shoshone and Arapaho Tribes to provide cost-of-service calculations for royalty valuation deductions for gathering, dehydration, treatment and compression of natural gas and the reasonableness of deductions for gas transportation.
234. **Oklahoma Gas & Electric Co., 2002 (Cause No. PUD 01-0455)** – Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored written and oral testimony on numerous revenue requirement issues including rate base, operating expense and rate design issues to establish prospective cost-of-service based rates.
235. **Nevada Power Company, 2002 (Docket No. 02-11021)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power and to make recommendations with respect to rate design.

236. **Nevada Power Company, 2002 (Docket No. 01-11029)** - Participated as a consulting expert on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power included in the Company's \$928 million deferred energy balances.
237. **Nevada Power Company, 2002 (Docket No. 01-10001)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
238. **Chesapeake v. Kinder Morgan, 2001 (CIV-00-397L)** - Participated as an expert witness on behalf of Chesapeake Energy in a gas gathering dispute. Sponsored testimony to calculate and support a reasonable rate on the gas gathering system. Performed necessary calculations to determine appropriate levels of operating expense, depreciation and cost of capital to include in a reasonable gathering charge and developed an appropriate rate design to recover these costs.
239. **Southern Union Gas Company, 2001** - Participated as a consultant to the City of El Paso in its review of SUG's gas purchasing practices, gas storage position, and potential use of financial hedging instruments and ratemaking incentives to devise strategies to help shelter customers from the risk of high commodity price spikes during the winter months.
240. **Nevada Power Company, 2001** - Participated as an expert witness on behalf of the MGM-Mirage, Park Place and Mandalay Bay Group before the Nevada Public Utility Commission to review NPC's Comprehensive Energy Plan (CEP) for the State of Nevada and make recommendations regarding the appropriate level of additional costs to include in rates for the Company's prospective power costs associated with natural gas and gas transportation, coal and coal transportation and purchased power.
241. **Bridenstine v. Kaiser-Francis Oil Co. et al., 2001 (CJ-95-54)** - Participated as an expert witness on behalf of royalty owner plaintiffs in a valuation dispute regarding gathering, dehydration, metering, compression, and marketing costs. Provided cost-of-service calculations to determine the reasonableness of the gathering rate charged to the royalty interest. Also provided calculations as to the average price available in the field based upon a study of royalty payments received on other wells in the area.
242. **Klatt v. Hunt et al., 2000 (ND)** - Participated as an expert witness and filed report in United States District Court for the District of North Dakota in a natural gas gathering contract dispute to calculate charges and allocations for processing, sour gas compression, treatment, overhead, depreciation expense, use of residue gas, purchase price allocations, and risk capital.
243. **Oklahoma Gas and Electric Co., 2000 (Cause No. PUD 00-0020)** - Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored testimony on OG&E's proposed Generation Efficiency Performance Rider (GEPR). Provided a list of criteria with which to measure a utility's proposal for alternative ratemaking. Recommended modifications to the Company's proposed GEPR to bring it within the boundaries of an acceptable alternative ratemaking formula.
244. **Oklahoma Gas and Electric Co., 1999** - Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored testimony on OG&E's proposed Performance Based Ratemaking (PBR) proposal including analysis of the Company's regulated return on equity, fluctuations in the capital investment and operating expense accounts of the Company and the impact that various rate base, operating expense and cost of capital adjustments would have on the Company's proposal.

245. **Nevada Power Company, 1999 (Docket No. 99-7035)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony addressing the appropriate ratemaking treatment of the Company's deferred energy balances, prospective power costs for natural gas, coal and purchased power and deferred capacity payments for purchased power.
246. **Nevada Power Company, 1999 (Docket No. 99-4005)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony to unbundle the utility services of the NPC and to establish the appropriate cost-of-service allocations and rate design for the utility in Nevada's new competitive electric utility industry.
247. **Nevada Power Company, 1999 (Docket No. 99-4005)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony to establish the cost-of-service revenue requirement of the Company.
248. **Nevada Power/Sierra Pacific Merger, 1998 (Docket No. 98-7023)** - Participated as an expert witness on behalf of the Mirage and MGM Grand before the Nevada PUC. Sponsored written and oral testimony to establish (1) appropriate conditions on the merger (2) the proper sequence of regulatory events to unbundle utility services and deregulate the electric utility industry in Nevada (3) the proper accounting treatment of the acquisition premium and the gain on divestiture of generation assets. The recommendations regarding conditions on the merger, the sequence of regulatory events to unbundle and deregulate, and the accounting treatment of the acquisition premium were specifically adopted in the Commission's final order.
249. **Oklahoma Natural Gas Company, 1998 (Cause No. PUD 98-0177)** - Participated as an expert witness in ONG's unbundling proceedings before the OCC. Sponsored written and oral testimony on behalf of Transok, LLC to establish the cost of ONG's unbundled upstream gas services. Substantially all of the cost-of-service recommendations to unbundle ONG's gas services were adopted in the Commission's interim order.
250. **Public Service Company of Oklahoma, 1997 (Cause No. PUD 96-0214)** - Audited both rate base investment and operating revenue and expense to determine the Company's revenue requirement and cost-of-service. Sponsored written testimony before the OCC on behalf of the OIEC.
251. **Oklahoma Natural Gas /Western Resources Merger, 1997 (Cause No. PUD 97-0106)** - Sponsored testimony on behalf of the OIEC regarding the appropriate accounting treatment of acquisition premiums resulting from the purchase of regulated assets.
252. **Oklahoma Gas and Electric Co., 1996 (Cause No. PUD 96-0116)** - Audited both rate base investment and operating income. Sponsored testimony on behalf of the OIEC for the purpose of determining the Company's revenue requirement and cost-of-service allocations.
253. **Oklahoma Corporation Commission, 1996** - Provided technical assistance to Commissioner Anthony's office in analyzing gas contracts and related legal proceedings involving ONG and certain of its gas supply contracts. Assignment included comparison of pricing terms of subject gas contracts to portfolio of gas contracts and other data obtained through annual fuel audits analyzing ONG's gas purchasing practices.
254. **Tenkiller Water Company, 1996** - Provided technical assistance to the Attorney General of Oklahoma

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in his review of the Company's regulated cost-of-service for the purpose of setting prospective utility rates.

255. **Arkansas Oklahoma Gas Company, 1995 (Cause No. PUD 95-0134)** - Sponsored written and oral testimony before the OCC on behalf of the Attorney General of Oklahoma regarding the price of natural gas on AOG's system and the impact of AOG's proposed cost of gas allocations and gas transportation rates and tariffs on AOG's various customer classes.
256. **Enogex, Inc., 1995 (FERC 95-10-000)** - Analyzed Enogex's application before the FERC to increase gas transportation rates for the Oklahoma Independent Petroleum Association and made recommendations regarding revenue requirement, cost-of-service and rate design on behalf of independent producers and shippers.
257. **Oklahoma Natural Gas Company, 1995 (Cause No. PUD 94-0477)** - Analyzed a portfolio of ONG's gas purchase contracts in the Company's Payment-In-Kind (PIC) gas purchase program and made recommendations to the OCC Staff on behalf of Terra Nitrogen, Inc. regarding the inappropriate profits made by ONG on the sale of the gas commodity through the PIC program pricing formula. Also analyzed the price of gas on ONG's system, ONG's cost-of-service based rates, and certain class cross-subsidizations in ONG's existing rate design.
258. **Arkansas Louisiana Gas Company, 1994 (Cause No. PUD 94-0354)** - Planned and supervised the rate case audit for the OCC Staff and reviewed the workpapers and testimony of the other auditors on the case. Sponsored cost-of-service testimony on cash working capital and developed policy recommendations on post test year adjustments.
259. **Empire District Electric Company, 1994 (Cause No. PUD 94-0343)** - Planned and supervised the rate case audit for the OCC Staff and reviewed the workpapers and testimony of other auditors. Sponsored cost-of-service testimony on rate base investment areas including cash working capital.
260. **Oklahoma Natural Gas Company, 1992 through 1993 (Cause No. PUD 92-1190)** - Planned and supervised the rate case audit of ONG for the OCC Staff. Reviewed all workpapers and testimony of the other auditors on the case. Sponsored written and oral testimony on numerous cost-of-service adjustments. Analyzed ONG's gas supply contracts under the Company's PIC program.
261. **Oklahoma Gas and Electric Company, 1991 through 1992 (Cause No. PUD 91-1055)** - Audited the rate base, operating revenue and operating expense accounts of OG&E on behalf of the OCC Staff. Sponsored written and oral testimony on numerous revenue requirement adjustments to establish the appropriate level of costs to include for the purpose of setting prospective rates.

Exhibit MG-2

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Net Rate Increase
1	Direct Payroll	MG-2.1	\$ (5,982,672)
2	Affiliate Payroll	MG-2.2	(1,124,225)
3	Direct STI	MG-2.3	(2,922,835)
4	Affiliate STI	MG-2.4	(3,711,615)
5	Self-Insurance Reserve Accrual	MG-2.5	(5,848,100)
6	Board of Directors' Compensation	MG-2.6	(1,030,895)
7	Directors and Officers Insurance	MG-2.7	(720,680)
8	Investor Relations Expense	MG-2.8	(514,094)
9	Executive Severance Expense	MG-2.9	(1,531,113)
10	Edison Electric Institute Dues	MG-2.10	(877,853)
11	Total Adjustments		\$ (24,264,081)

Note 1 II-B, line 27, column 8, rate increase from tab I-A, line 2, column 2.

Note 2 From CEHE RFP Schedules (redacted).xlsx, tab I-A, 1 column 2, total of lines 7 through 16.

Note 3 From CEHE RFP Schedules (redacted).xlsx, rate increase from tab I-A, line 17, column 2.

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Direct Payroll Adjustment
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Non-Union	Union	Total
1	Post Test Year Pay Adjustment	Note 1	\$ 1,502,856	\$ 2,298,054	\$ 3,800,910
2	Post Test Year Step Increase	Note 2	-	1,786,433	1,786,433
3	Total Post-Test Year Pay Increases		\$ 1,502,856	\$ 4,084,487	\$ 5,587,343
4	Adjustment to Exclude Post-Test Year Increase		<u>\$ (1,502,856)</u>	<u>\$ (4,084,487)</u>	<u>\$ (5,587,343)</u>
5	Employment Tax Effective Rate		<u>5.5%</u>	<u>7.65%</u>	
6	Adjustment to Employment Taxes	Acct 4081	\$ (82,866)	\$ (312,463)	\$ (395,329)
7	Total Adjustment		<u>\$ (1,585,722)</u>	<u>\$ (4,396,950)</u>	<u>\$ (5,982,672)</u>

Note 1 CEHE RFP Workpapers D (redacted).xlsx, tab WP II D-3 Adj 2, non-union cell P5591 plus cell W5591, union cell Q5591 plus cell X5591.

Note 2 CEHE RFP Workpapers D (redacted).xlsx, tab WP II D-3 Adj 2, union cell R5591.

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Affiliate Pay Adjustment
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Amount
1	Affiliate Post-Test Year Pay Increase	WP MG-2.2	\$ 1,124,225
2	HCC Adjustment		<u>\$ (1,124,225)</u>

See Workpaper V-K-6 Wage Adj.xlsx, tab DS1.

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Direct Short-Term Incentive Adjustment
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Amount
1	CEHE Requested Short-Term Incentive Expense	HCC-RFI02-05	\$ 9,141,633
2	Average Achievement Factor	Note 1	<u>147%</u>
3	Direct STI at Target		<u>\$ 6,218,798</u>
4	HCC Adjustment to Reduce Direct STI to Target Level		<u><u>\$ (2,922,835)</u></u>

Note 1 Workpaper V-K-6 Wage Adj.xlsx, tab DS1, cell V5.

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Affiliate Short-Term Incentive Adjustment
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Amount
1	Affiliate Non-Union Short-Term Incentive Expense at Tarj	WP MG-2.4	\$ 6,751,731
2	CEHE Requested Affiliate STI at 147% of Target	HCC-RFI02-05	<u>10,463,346</u>
3	HCC Adjustment to Reduce Affiliate STI to Target level.		<u>\$ (3,711,615)</u>

Note 1 Workpaper B-K-6 Wage Adj.xlsx, tab DS1, total of cells Z131 through Z140.

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Self Insurance Reserve
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Amount
1	Requested Insurance Reserve	Note 1	\$ 16,700,000
2	Current Reserve	Note 2	<u>(41,819,000)</u>
3	Amount to Recover for Reserve		\$ 58,519,000
4	HCC Recovery Period, Years		<u>10</u>
5	HCC Annual Reserve Recovery		\$ 5,851,900
6	Requested Annual Storm Damage Accrual	Note 3	<u>10,600,000</u>
7	HCC Recommended Storm Damage Accrual		\$ 16,451,900
8	Less Requested Storm Accrual	Note 4	<u>22,300,000</u>
9	HCC Storm Damage Accrual Adjustment Property Insurance, Account 9240		<u>\$ (5,848,100)</u>

Note 1 See the Direct Testimony of Gregory S. Wilson, p. 12, lines 10 through 14.

Note 2 See the ERRATA 3 Testimony of Gregory S. Wilson, p. 12, line 3.

Note 3 See the Direct Testimony of Gregory S. Wilson, p. 7, lines 5 and 6.

Note 4 Exhibit GSW-2 ERRATA 3

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Board of Directors Compensation
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Amount
1	Board of Directors Cash Compensation	Note 1	\$ 599,419
2	Ratepayer Sharing Percentage		<u>50%</u>
3	Ratepayer Share of Board of Directors Cash Compensation		<u>\$ 299,710</u>
4	HCC Adjustment to Board of Directors Cash Compensation		\$ (299,710)
5	Board of Directors Stock Compensation	Note 1	\$ 731,185
6	Adjustment to Exclude Board of Directors Stock Compensation		<u>\$ (731,185)</u>
7	HCC Total Adjustment to Board of Directors Compensation FERC Account 9302		<u><u>\$ (1,030,895)</u></u>

Note 1 HCC-RFI01-03

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Directors and Officers Liability Insurance
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Amount
1	Directors and Officers Liability Insurance	Note 1	\$ 1,441,360
2	Ratepayer Sharing Percentage		<u>50%</u>
3	Ratepayer Share of Directors and Officers Insurance		<u>\$ 720,680</u>
4	HCC Adjustment to Share the Directors and Officers Insurance FERC Account 9302		<u><u>\$ (720,680)</u></u>

Note 1 HCC-RFI01-06

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Investor Relations Expense
Docket No. 56211; Test Year Ended December 31, 2023

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>
1	Investor Relations Expense	Note 1	\$ 1,028,187
2	Ratepayer Sharing Percentage		<u>50%</u>
3	Ratepayer Share of Investor Relations Expense		<u>\$ 514,094</u>
4	HCC Adjustment to Share Investor Relations Expense FERC Account 9302		<u><u>\$ (514,094)</u></u>

Note 1 HCC-RFI01-01 Attachment 1.xlsx, cell G67.

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Executive Severance Expense
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Amount
1	Former Executive Vice President Doyle Severance Expense	Note 1	\$ 810,401
2	Former Executive Vice President Knight Severance Expense	Note 2	<u>\$ 720,712</u>
3	Requested Executive Severance Expense		\$ 1,531,113
4	HCC Adjustment to Exclude Executive Severance Expense Account 9302		<u><u>\$ (1,531,113)</u></u>

Note 1 HCC-RFI01-08(c).

Note 2 HCC-RFI01-09(c).

CenterPoint Energy Houston Electric, LLC
Houston Coalition of Cities Edison Electric Institute Dues
Docket No. 56211; Test Year Ended December 31, 2023

Line No.	Description	Reference	Amount
1	Edison Electric Institute Dues Allocated to CEHE	Note 1	\$ 1,046,475
2	CEHE Adjustment to Exclude Lobbying Expense	Note 2	<u>(168,622)</u>
3	CEHE Requested EEI Dues		\$ 877,853
4	HCC Adjustment to Exclude Edison Electric Institute Dues		<u>\$ (877,853)</u>

Note 1 CEHE RFP Workpapers D (redacted).xlsx, tab WP II-D-2.6a, cell E4 plus cell E10.
CEHE RFP Workpapers D (redacted).xlsx, tab WP II-D-2.6a, cell G28.