

**BEFORE THE STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

**I/M/O THE PETITION OF NUI )  
UTILITIES, INC d/b/a )  
ELIZABETH GAS COMPANY )  
AND AGL RESOURCES INC. )  
FOR APPROVAL UNDER N.J.S.A. 48:2-51.1 )  
AND N.J.S.A. 48:3-19 OF A CHANGE IN )  
OWNERSHIP AND CONTROL )**

**BPU DOCKET NO. GM04070721**

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**DIRECT TESTIMONY OF RICHARD L. LELASH  
ON BEHALF OF THE  
NEW JERSEY DIVISION OF THE RATEPAYER ADVOCATE**

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**SEEMA M. SINGH, ESQ.  
RATEPAYER ADVOCATE**

**Division of the Ratepayer Advocate  
31 Clinton Street, 11th Floor  
P. O. Box 46005  
Newark, New Jersey 07101  
(973) 648-2690 - Phone  
(973) 624-1047 - Fax  
[www.rpa.state.nj.us](http://www.rpa.state.nj.us)  
[njratepayer@rpa.state.nj.us](mailto:njratepayer@rpa.state.nj.us)**

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**AGLR ACQUISITION OF NUI**  
**DOCKET NO. GM04070721**  
**TESTIMONY OF RICHARD W. LELASH**

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1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE**  
3 **RECORD.**

4 A. My name is Richard W. LeLash and my business address is 18 Seventy Acre  
5 Road, Redding, Connecticut.

6 **Q. WHAT IS YOUR CURRENT BUSINESS AFFILIATION?**

7 A. I am an independent financial and regulatory consultant working on behalf of  
8 several state public utility commissions and consumer advocates.

9 **Q. PRIOR TO YOUR WORK AS AN INDEPENDENT CONSULTANT, WHAT**  
10 **WAS YOUR BUSINESS AFFILIATION, AND WHAT WAS YOUR**  
11 **REGULATORY EXPERIENCE?**

12 A. I was a principal with the Georgetown Consulting Group for twenty years. During  
13 my affiliation with Georgetown, and continuing to date, I have testified on cost of  
14 service, rate of return, and regulatory policy issues in about 270 regulatory  
15 proceedings. These testimonies were presented before the Philadelphia Gas  
16 Commission, the Federal Energy Regulatory Commission and in the following  
17 jurisdictions: Alabama, Arizona, Colorado, Delaware, District of Columbia,  
18 Georgia, Illinois, Kansas, Maine, Maryland, Minnesota, Missouri, New Jersey,

1 New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island,  
2 U.S. Virgin Islands, and Vermont.

3 **Q. MR. LELASH, WHAT IS YOUR EDUCATIONAL BACKGROUND?**

4 A. I graduated in 1967 from the Wharton School with a BS in Economics and in 1969  
5 from the Wharton Graduate School with an MBA.

6 **Q. DURING THE COURSE OF YOUR REGULATORY WORK, WHAT HAS  
7 BEEN YOUR EXPERIENCE WITH GAS POLICY?**

8 A. Since 1980, I have worked extensively on gas policy issues. In my Appendix there  
9 is a listing of the recent cases in which I have sponsored testimony. In addition to  
10 these cases, I have reviewed and analyzed many other gas policy filings which  
11 were resolved through stipulation. Among other issues, my testimonies have  
12 involved gas service unbundling, physical and economic bypass, gas supply  
13 incentives, gas plant remediation costs, gas price hedging, demand and capacity  
14 planning, capacity management agreements, gas price forecasting, and least cost  
15 gas standards. In addressing these issues, I have analyzed gas regulatory filings  
16 involving about 30 different local distribution companies.

1 **II. SCOPE AND PURPOSE OF TESTIMONY**

2 **Q. WOULD YOU PLEASE STATE THE SCOPE AND PURPOSE OF YOUR**  
3 **TESTIMONY IN THIS PROCEEDING?**

4 A. I was hired by the New Jersey Division of the Ratepayer Advocate (“RPA”) to  
5 review the Petition of NUI Utilities, Inc. (“NUI”) and AGL Resources Inc.  
6 (“AGLR”) for Approval of a Change in Ownership and Control. The purpose of  
7 my testimony is to present findings and recommendations to the New Jersey Board  
8 of Public Utilities (“Board”) concerning issues raised by the filing of NUI and  
9 AGLR (“Petitioners”).

10 **Q. IN PERFORMING YOUR REVIEW AND ANALYSIS, WHAT DATA**  
11 **SOURCES DID YOU UTILIZE?**

12 A. My review and analysis encompassed the Petitioners’ filing, responses to  
13 discovery requests, and information provided during discovery meetings. I also  
14 utilized information provided in previous NUI proceedings before the Board.

15 **Q. WAS THIS TESTIMONY PREPARED BY YOU OR UNDER YOUR**  
16 **DIRECT SUPERVISION AND CONTROL?**

17 A. Yes, I prepared this testimony.

1 **III. OVERVIEW OF THE ACQUISITION**

2 **Q. WHAT ARE THE MAJOR REGULATORY ISSUES ASSOCIATED WITH**  
3 **AGLR'S ACQUISITION OF NUI'S STOCK?**

4 A. From a practical perspective, the Board must ensure that NUI's utility operations,  
5 and specifically the operations of Elizabethtown Gas Company ("ETG" or  
6 "Elizabethtown"), will be able to return to "normal" without being constrained by  
7 past deficiencies as disclosed in the Liberty Focused Audit Report ("Liberty  
8 Report"). Normal operations would involve a return to financial health, proper  
9 governance of Elizabethtown and its parent and affiliated entities, and the on-going  
10 provision of safe and adequate service at just and reasonable rates.

11 In such utility acquisitions, particularly those involving distressed  
12 operations, it is vital that certain objectives are sought and fulfilled. The first is  
13 that ratepayer interests are protected. The second is to ensure that the acquiring  
14 entity is given the opportunity to obtain a fair and reasonable return provided that  
15 the utility operation is returned to acceptable levels of performance. And third, it  
16 is necessary that the financial impact of past deficiencies is assigned to the  
17 appropriate stakeholders, in this case, the NUI equity holders.

1 **Q. UNDER EXISTING RULES AND REGULATIONS IN NEW JERSEY,**  
2 **WHAT ARE THE CRITERIA FOR THE APPROVAL OF A PROPOSED**  
3 **UTILITY ACQUISITION?**

4 A. It is my understanding that the Board is to evaluate the proposed acquisition's  
5 impact on competition, on the rates of ratepayers, on utility employees, and on the  
6 utility's ability to provide safe and adequate service at just and reasonable rates.

7 **Q. IS IT YOUR TESTIMONY THAT THE ACQUISITION OF NUI BY AGLR**  
8 **WOULD BE BENEFICIAL AND THAT IT WOULD NOT HAVE AN**  
9 **ADVERSE IMPACT ON ELIZABETHTOWN'S EMPLOYEES,**  
10 **RATEPAYERS AND COMPETITION?**

11 A. I believe that the acquisition would be beneficial. However, it appears that certain  
12 conditions that have been included within the Merger Agreement are not in the  
13 public interest. While it is understood that in an acquisition there is an inherent  
14 give-and-take in the negotiation process, it does not appear that the ratepayers'  
15 interests were adequately factored into the negotiation. Specifically, it appears that  
16 the offering price established for NUI's equity is too high, and as a result, AGLR  
17 is seeking various conditions that are designed to improve its economics for the  
18 acquisition at the potential expense of Elizabethtown's ratepayers. AGLR has  
19 stated that it needs its "Acceptable Order" conditions because NUI is "a financially  
20 distressed company and that any acquirer will be faced with significant risks going

1 forward” (Petition, page 6). However, if this is the case, then one must question  
2 why AGLR offered to pay an acquisition price that was \$50 million in excess of  
3 book value at the time of the offer. The Company even acknowledges that this  
4 book value level, when the offer was made, was still subject to potentially  
5 significant adjustments” (Response RAR-30).

6 In the end analysis, it would appear that the Merger Agreement would have  
7 been far more reasonable if AGLR had offered to pay less for NUI’s common  
8 equity, and as a result, could have significantly reduced its Acceptable Order  
9 conditions. Such lower purchase price per share would have increased the  
10 assignment of liability for mismanagement to NUI stockholders and reduced the  
11 potential liability of ratepayers being held responsible, through rates, for such  
12 mismanagement.

13 **Q. IS IT YOUR UNDERSTANDING THAT THE ACCEPTABLE ORDER**  
14 **CONDITIONS MUST ALL BE ACCEPTED BY THE BOARD WITHOUT**  
15 **MODIFICATION IN ORDER FOR AGLR TO GO FORWARD WITH THE**  
16 **PROPOSED ACQUISITION?**

17 A. The Petitioners have stated that the Merger Agreement provides “the opportunity  
18 for the transaction to be terminated if the Board decides to modify one or all of the  
19 Acceptable Order conditions.” However, they go on to note, “Factors considered  
20 in determining whether to waive any requirement of the Merger Agreement will be

1 at the sole discretion of AGLR Senior Management and the Board of Directors”  
2 (Response NJLEUC-AGLR/NUI-7).

3 Typically, it is the regulatory agency-not the acquiring company-that  
4 mandates certain conditions attendant with the merger acquisition. This is  
5 particularly true when the acquiring company does not make any commitments  
6 concerning on-going service levels, capital improvements, or potential cost  
7 savings.

8 **IV. ACCEPTABLE ORDER CONDITIONS**

9 **Q. AT THIS TIME, WOULD YOU PLEASE DISCUSS THE ACCEPTABLE**  
10 **ORDER CONDITIONS AND EXPLAIN THEIR SIGNIFICANCE TO THE**  
11 **BASIC EVALUATION PROVISIONS THAT ARE TO BE ADDRESSED BY**  
12 **THE BOARD?**

13 **A.** Within the Petitioners’ filing there are several enumerations of the conditions and  
14 various descriptions of them within the supporting testimonies. For the following  
15 discussion, the conditions will be discussed as they are described within the  
16 Petition.

1           - Three Year Base Rate Freeze

2   **Q.   DO YOU HAVE ANY COMMENTS CONCERNING THE CONDITION**  
3           **THAT “ETG WILL NOT BE REQUIRED TO OPERATE AT LESS THAN**  
4           **ITS CURRENT AUTHORIZED TARIFFS FOR AT LEAST THREE YEARS**  
5           **FROM THE DATE OF THE ACQUISITION CLOSING”?**

6   **A.**   A three year base rate freeze is not unreasonable given the circumstances of this  
7           acquisition. As the Company has pointed out, there are considerable uncertainties  
8           associated with both the financial and operational parameters of NUI. However,  
9           because of these uncertainties, it also is reasonable that there be a benchmark base  
10          rate case after AGLR has operated the Company for a defined period of time.  
11          While the Board can leave a just and reasonable rate evaluation in abeyance for a  
12          specified period of time, it has an oversight mandate that requires periodic review,  
13          at a minimum.

14                 It also should be noted that this condition is somewhat ambiguous  
15                 concerning what constitutes “current authorized tariffs.” Various non-base rate  
16                 charges such as the Societal Benefits Charge (“SBC”) and the Weather  
17                 Normalization Charge (“WNC”) are tariffed rates but should not be covered by the  
18                 three year reduction condition. Indeed, even the Basic Gas Service Supply  
19                 (“BGSS”) rate falls under the condition’s “current authorized tariff” language.

1 Accordingly, the condition should be circumscribed in order to allow possible  
2 reductions to tariffs that by their very nature will require periodic adjustment.

3 **Q. CAN YOU GIVE A SPECIFIC EXAMPLE OF WHY THIS CONDITION IS**  
4 **AMBIGUOUS?**

5 A. The WNC provides a good example of the problem. Probably because of a lack of  
6 understanding of the WNC methodology, AGLR has stated that the WNC cannot  
7 be changed during the initial three year period. Specifically, in Discovery  
8 Response RAR-13 it states, “. . . changes to the weather normalization clause are  
9 contrary to the Acceptable Orders provisions set forth in the Merger Agreement  
10 related to maintaining the Company’s current base rates for no less than three  
11 years following the acquisition.”

12 Obviously, the WNC is not a base rate, but it is contained within the tariffs.  
13 Thus, the ambiguous nature of the first condition has apparently confused even  
14 AGLR. Under the Company’s apparent interpretation, the Board could not  
15 provide a credit to ratepayers even if Elizabethtown experienced a year in which  
16 heating degree days were far in excess of the normalized standard. Such a  
17 restriction of the WNC would be illogical, unreasonable, and contrary to  
18 Elizabethtown’s existing tariffs. Obviously, the first condition is in need of  
19 modification, or it should be rejected based on the Company’s position concerning  
20 the WNC and possibly other tariff rates.

1 **Q. WITH RESPECT TO THE THREE YEAR PROVISION, DO YOU**  
2 **BELIEVE THAT IT SHOULD BE MODIFIED?**

3 A. Yes. Given the expectation that AGLR will make material changes to the  
4 operation, the potential need to reassess the basis for the current tariff design, and  
5 the regulatory requirement to ensure just and reasonable rates, there should be a  
6 requirement that Elizabethtown file for a base rate investigation so that new rates  
7 can go into effect at the end of the defined three year period.

8 This would be compatible with a statement made in the Discovery  
9 Response NJLEUC-AGLR/NU-41. In this response it states, “A requirement by  
10 the Board for a general rate case after the three year rate freeze would not violate  
11 the Acceptable Order conditions of the Merger Agreement.”

12 **- Capital Expenditure Rider**

13 **Q. WOULD YOU PLEASE DESCRIBE THE PETITIONERS’ SECOND**  
14 **CONDITION AND DISCUSS ITS REASONABLENESS?**

15 A. The second condition states “after the closing, ETG will be permitted to make a  
16 filing with the Board to recover, outside of a normal rate case, certain capital  
17 expenditures necessary to improve customer service and safety and distribution  
18 system reliability.” In the case of this condition, there is an implicit question as to  
19 whether the capital expenditures are necessary and will provide a direct benefit to

1 ratepayers. Capital that is expended to address deficiencies is clearly warranted,  
2 but the condition should clarify the “necessary to improve” requirement.

3 An example in this area may be instructive. Mr. Madden, at page 10 of his  
4 testimony, states that AGLR would like to immediately begin integrating ETG into  
5 AGLR’s established IT programs.” While systems integration may be a desirable  
6 objective for AGLR, the integration may or may not bring about improvements  
7 and benefits to Elizabethtown’s ratepayers. Assume, as an example, that  
8 Elizabethtown’s accounting systems, that were just re-engineered as part of the  
9 Liberty audit, are currently up-to-date, and totally serviceable. The integration of  
10 such systems into AGLR’s established IT programs would not appear to be  
11 necessary or cost justified. Under such an example, integration would appear to be  
12 more of an acquisition cost for the buyer rather than a necessary improvement that  
13 will benefit ratepayers.

14 **Q. DO YOU HAVE ANY OTHER COMMENTS CONCERNING THE**  
15 **SECOND CONDITION OF THE ACQUISITION?**

16 A. From the description of the condition in the Petition, it appears that AGLR will  
17 merely be “permitted” to make a request for the recovery of such capital  
18 expenditures. This would imply that any associated recovery would not be  
19 automatic, but rather would be subject to Board approval. However, in Mr.  
20 Madden’s testimony at page 10, the Georgia Pipeline Replacement Program’s

1 (“PRP”) rider is cited as being a similar recovery procedure to that which is being  
2 sought within the Merger Agreement. The PRP recovery mechanism, as utilized in  
3 Georgia, states, “the Company shall be entitled to the recovery of all net prudent  
4 costs of the performance of this Stipulation” (Georgia PSC Order, Docket No.  
5 8516-U, page 24). Accordingly, it would be appropriate that any capital  
6 expenditures to be considered for recovery under the second condition should be  
7 specified as to type, prudence, and benefit.

8 The Company has also not specified the time period during which any  
9 capital expenditure surcharge would be in effect. In a response to a discovery  
10 request, it appears that the envisioned time period is to be left to the Company’s  
11 discretion “[T]he period for which the Company will request incremental capital  
12 recovery will be preliminarily assessed after the Transition Team completes its  
13 review and definitively determined in the Company’s filing proposing to recover  
14 such expenditures” (Response NJLEUC-AGLR/NUI-11).

15 There would appear to be no reason why the condition should extend  
16 beyond a defined initial three year period. Certainly, it is reasonable to assume  
17 that AGLR will remedy any service or operational deficiencies within such a three  
18 year period. Moreover, any resultant recovery rider or surcharge should be rolled  
19 into base rates in the recommended rate proceeding discussed previously. Such a  
20 roll in would ensure that any qualified capital expenditures will be given full  
21 recovery at the then authorized fair rate of return for Elizabethtown.

1           **- Operational Changes and Savings Retention**

2   **Q.    WHAT IS THE THIRD CONDITION AND ARE THERE ANY ISSUES**  
3           **THAT YOU BELIEVE SHOULD BE DISCUSSED?**

4    A.    The third condition states, “AGLR’s ability to make reasonable changes to ETG,  
5           including changes to the existing workforce, will not be restricted, and AGLR will  
6           retain all benefits from such changes until the conclusion of ETG’s next base rate  
7           case.” Based on the condition’s language, there are two issues that the Board  
8           should evaluate. The first involves a situation where the Company makes cost  
9           reduction changes and the service levels deteriorate due to excessive workforce  
10          reductions. The second issue relates to how “all benefits from such changes” are  
11          defined.

12                 In many utility acquisitions, regulatory agencies require service measures in  
13                 order to track on-going performance. In such programs the utility’s past  
14                 performance on various service metrics form the benchmarks against which  
15                 subsequent performance is measured. Given that most acquiring companies state  
16                 that they will enhance service levels, the regulatory requirement is that acceptable  
17                 performance is required to be maintained and inferior service levels are required to  
18                 be brought up to acceptable levels. Absent such results, the acquiring company is  
19                 penalized and in some instances the penalty is set based on the savings that were  
20                 achieved from the workforce reductions. While the specifics of the service and,

1 usually, safety performance measures generally are developed through a  
2 collaborative process, it is important that the maintenance and/or improvement in  
3 performance is established as a prerequisite to the acquiring company's right to  
4 retain any costs savings.

5 **Q. WOULD YOU NOW DESCRIBE THE ISSUE INVOLVED WITH**  
6 **DEFINING "ALL BENEFITS FROM SUCH CHANGES"?**

7 A. Foremost, the issue involves what constitutes cost savings or benefits. Wage cost  
8 reductions associated with the shifting of functions from the utility to a service  
9 provider may or may not represent cost savings. Accordingly, it is necessary, if  
10 there is to be any cost savings incentive or benefit retention, that the measurement  
11 of cost savings and benefit be defined in detail. Additionally, the nature of cost  
12 savings and benefits needs to be established. By way of examples, cost reductions  
13 associated with reductions in benefits or pension coverage could be considered as  
14 savings. Similarly, reduced interest costs, either as a result of interest rate  
15 reductions or credit enhancement could be treated as cost savings that are subject  
16 to retention by the acquiring Company.

17 The need for a definition of cost savings is necessary in instances where  
18 contractual savings, capital costs, and liabilities are at issue. For example, AGLR  
19 has already stated that under a Sequent Energy Management L.P. ("Sequent") (and  
20 presumably under asset management by any other party post acquisition) "ETG

1 would not be required to pre-pay for gas supply as is currently required under the  
2 Cinergy agreement. Utilizing a typical lead lag study, 55 days of working capital  
3 deferred at the weighted average cost of capital or 8% would result in  
4 approximately a \$5 million annual benefit to ETG” (Response NJLEUC-  
5 AGLR/NUI-60). The question is, would such a cost savings be retained by AGLR  
6 under its third condition of the Merger Agreement?

7 For the most part, cost savings will be obtained by AGLR based on the  
8 condition that base rates not be reduced during the first three years after the  
9 effective date of the merger. This is true because such savings will flow through  
10 into the earnings of Elizabethtown. However, with respect to gas costs, it is not  
11 clear how any such savings are to be treated. Such savings could be flowed  
12 through the BGSS rate, or they could be retained by either Elizabethtown or  
13 AGLR.

14 **Q. BASED ON THESE ISSUES, WHAT ARE YOU RECOMMENDING BE**  
15 **DONE CONCERNING AGLR’S CONDITION TO RETAIN ALL**  
16 **BENEFITS FROM CHANGES IT IMPLEMENTS?**

17 A. In its response NJLEUC-AGLR/NUI-88, the Company acknowledged “With  
18 respect to the tracking of merger-related savings post acquisition, such tracking  
19 methodologies have not yet been specifically identified. However, the Company  
20 expects that it will compare and analyze NUI’s post acquisition operating results to

1 historical pre-acquisition operating results, and identify specific costs and savings  
2 resulting from the acquisition based on the Company’s known activities and efforts  
3 to integrate and transition NUI into the Company.” On this basis, the Board  
4 should not accept any such proposed condition in which the determination of  
5 merger-related savings has not been specified. It should also not accept the  
6 condition until any specified methodology can be fully evaluated for  
7 reasonableness. And finally, retention of merger savings should only be allowed if  
8 post acquisition customer service and safety performance have been acceptable.

9 **- Affiliate Asset Management Agreement**

10 **Q. WHAT IS THE NEXT ACCEPTABLE ORDER CONDITION THAT YOU**  
11 **WISH TO DISCUSS?**

12 A. The fourth condition states, “Utilities will be authorized to enter into a three year  
13 asset management agreement with a subsidiary of AGLR on terms similar to  
14 Utilities’ current gas procurement and asset management contract or, in the  
15 alternative, to enter into another asset management arrangement.” Such an  
16 arrangement appears to be anti-competitive on two levels. First, it prevents  
17 Elizabethtown’s ratepayers from benefitting from a highly competitive gas supply  
18 market in which increasing numbers of gas suppliers are proposing innovative gas  
19 supply management alternatives for regulated gas utilities. Second, it prevents gas

1 suppliers, including those based in New Jersey, from competing for the  
2 management of NUI's gas supply portfolio.

3 There is also a major concern that the fourth condition is in conflict with the  
4 Board's precedent concerning the requirements to conduct competitive bidding for  
5 asset management services. In the recent past, NUI itself sought to receive asset  
6 management services from a third party supplier. After contracting for such  
7 service, the Board in its Order in Docket No. GA03030213 stated that, "to ensure  
8 that gas supply arrangements remain as competitive as possible and to allow for  
9 transparency of the gas procurement process" NUI should effectively  
10 competitively bid its gas supply management services. On this basis, it would  
11 appear all the more compelling that competitive bidding be required in lieu of  
12 assignment of gas supply management to an affiliate. Such affiliate contracting,  
13 without competitive bidding, was one of the problems with Energy Brokers as  
14 noted in the Liberty Audit BPU Docket No. GM04070721.

15 **Q. THE FOURTH CONDITION ALSO CONTAINS PROVISIONS FOR THE**  
16 **TERMS OF ANY ASSET MANAGEMENT AGREEMENT. ARE SUCH**  
17 **TERMS REASONABLE?**

18 A. There are several aspects of the terms that are unclear in the fourth condition. For  
19 example, it appears that the affiliate supplier Sequent has the option of providing  
20 services on terms similar to those currently in force for Cinergy or, in the

1 alternative, some other asset management agreement. In Mr. Madden's testimony  
2 he expounds upon an alternative agreement by stating at page 12 that, "AGLR  
3 would be receptive to discussing with the Board the possibility of implementing an  
4 asset management arrangement with 50/50 revenue sharing."

5 An asset management agreement with 50%-50% sharing is unreasonable on  
6 its face. The asset manager bears no risk relative to the underlying capacity costs  
7 or for its own potential mismanagement of the capacity resources. In contrast,  
8 ratepayers pay for 100% of the underlying capacity costs and therefore bear all of  
9 the risk for poor asset manager performance. To suggest that capacity margins and  
10 credits be shared 50%-50% when the preponderance of the risk and all of the  
11 capacity costs are absorbed by ratepayers is to ignore the fundamental principle of  
12 commensurate risk and reward.

13 The proposed acquisition of NUI involves a change in ownership and  
14 control of utility operations. As such, it should not be used in order to obtain a  
15 sweetheart asset management contract for AGLR's unregulated subsidiary. If  
16 Sequent can make a competitive bid for the contract, it will then be entitled to  
17 perform the asset management tasks. It should not be able to obtain the contract  
18 through a back door provision of the merger agreement at terms that would not be  
19 fair or reasonable for ratepayers.

1 **Q. WITH RESPECT TO THE CINERGY TERMS, HOW WOULD THEY BE**  
2 **APPLIED TO A SEQUENT AGREEMENT?**

3 A. First, the Cinergy terms include a fixed payment to Elizabethtown which, when  
4 compared to the annual value of the ETC capacity resources, exceeds 50% sharing  
5 to ratepayers. Second, AGLR has stated a willingness to continue the existing  
6 asset management terms as “adjusted by the cost of NUI Utilities pre-paying for  
7 gas supplies under NUI Utilities current assignment agreement with Cinergy”  
8 (Response RAR-3). What such an adjustment would entail is not apparent from  
9 any of the material provided by the Petitioners.

10 **Q. WHAT ABOUT THE SPECIFIC TERMS OF MR. MADDEN’S**  
11 **REFERENCED 50/50 REVENUE SHARING?**

12 A. In its Response to RAR-23, AGLR states, “Under the terms of the asset  
13 management arrangements, Sequent shares the net margin with utilities’ customers  
14 on a roughly 50/50 basis . . .” This differs from the 50/50 revenue sharing  
15 referenced by Mr. Madden. Indeed, as acknowledged in Response RAR-23, “In  
16 2003, Sequent charged the affiliate utilities approximately \$700,000 of direct  
17 overhead costs associated with the natural gas procurement function and direct  
18 scheduling costs.” Such direct overhead costs were apparently charged despite the  
19 fact that Sequent was receiving approximately \$10 million under net margin  
20 sharing provisions.

1           Such sharing terms highlight the peril of assigning asset management to an  
2 affiliate. NUI has already established that it can obtain such services  
3 competitively from third party suppliers with far more than 50% sharing for  
4 ratepayers. Accordingly, the assignment of asset management to an affiliate  
5 without competitive bidding is not only anti-competitive, but it also adversely  
6 affects the resultant gas costs paid by ratepayers.

7           **- MGP Remediation Rate Treatment**

8   **Q.   DOES THE FIFTH ACCEPTABLE ORDER CONDITION, THAT**  
9   **INVOLVES THE RECOVERY PROCEDURE FOR MGP REMEDIATION**  
10 **COSTS, RAISE ANY REGULATORY ISSUES?**

11 A.   No, it does not. The condition states, “the Board will continue what we understand  
12 to be its current policy on rate treatment for costs incurred for the environmental  
13 remediation of manufactured gas plants that allows for recovery of prudently  
14 incurred costs, including carrying costs, in base rates and/or in the remediation  
15 adjustment clause.” The plain reading of the condition would indicate that AGLR  
16 is seeking to have the current MGP recovery methodology continue indefinitely.  
17 However, in Response RAR-11, AGLR states that it, “is not asking the Board to  
18 limit itself on future positions related to environmental remediation cost.  
19 However, the Company requests the Board to reaffirm its existing policy regarding

1 recovery of environmental remediation costs.” Based on this discovery response,  
2 there appears to be little need to include the fifth condition, since the Board’s  
3 current remediation recovery is set forth in several RAC related orders and  
4 stipulations.

5 However, if the fifth condition is to remain as an element of the Acceptable  
6 Order provisions, then its language should be modified in accordance with  
7 Response RAR-11. If necessary, the condition can cite to relevant Board orders  
8 and stipulations, but it should clarify that it does not circumscribe this or future  
9 Boards from changing the current recovery parameters in the future.

10 **- Restriction on Adverse Board Actions**

11 **Q. THE SIXTH CONDITION STATES THAT, “THE BOARD WILL NOT**  
12 **IMPOSE CONDITIONS THAT MAY HAVE THE EFFECT OF**  
13 **REQUIRING AGLR TO CONDUCT BUSINESS OR GOVERN THE**  
14 **AFFAIRS OF AGLR OR ANY OF ITS SUBSIDIARIES AFTER THE**  
15 **CLOSING IN A MANNER THAT IS ADVERSE TO AGLR OR ANY OF**  
16 **THESE SUBSIDIARIES.” IS THIS CONDITION ACCEPTABLE AS**  
17 **WRITTEN?**

18 **A.** No, it is not. As written, the condition appears to severely limit what actions the  
19 Board could take if the acquisition was completed. Were the Board to accept this

1 condition, and AGLR placed reliance on the condition in making the acquisition, it  
2 is unclear that this or future Boards could effectively fulfill their oversight  
3 responsibilities. Accordingly, the Board should not accept the proposed sixth  
4 condition unless the Petitioners can clarify and narrow its scope.

5 During discovery meetings there was some discussion that the sixth  
6 condition effectively sought to limit Board conditions to those that are applicable  
7 to all of New Jersey's gas utilities. Such a limitation would go a long way to  
8 making the current condition acceptable. However, in the future, there might be  
9 circumstances where the Board would be warranted in imposing conditions on  
10 Elizabethtown that would not be applicable to the other gas utilities. Thus, there  
11 should be an exception for any instances where Elizabethtown's actions since the  
12 acquisition would warrant potential adverse conditions to be ordered by the Board.

13 **- Post-Closing Liability Restriction**

14 **Q. WOULD YOU PLEASE DISCUSS THE SEVENTH AND LAST**  
15 **CONDITION THAT IS REFERENCED IN THE PETITION?**

16 A. The seventh condition states that, "the Board will absolve AGLR and its  
17 subsidiaries at and after the closing from any post-closing liability associated with  
18 the circumstances and transactions addressed by the Focused Audit Final Report  
19 issued in Docket No. GA03030213, and with the Stier Anderson Report." Again,

1 this condition is overly broad and raises questions concerning what AGLR's  
2 liability would be for on-going Energy Brokers commitments and costs associated  
3 with shareholder suits and other related exposures. Given that the acquisition is an  
4 equity rather than asset purchase, AGLR would be liable unless it could transfer  
5 such risks over to Elizabethtown's ratepayers.

6 In response to Discovery Request RAR-5, the scope of the seventh  
7 condition was narrowed considerably. The response states, "The request in NUI's  
8 and AGLR's joint petition is meant only to request that, effective with the closing  
9 of the acquisition, the NJBPU absolve AGLR from any future Board imposed  
10 liability associated with the transactions and occurrences that are addressed by the  
11 Liberty Audit Report, which we believe to be fully settled by the Settlement  
12 Agreement in the Board's Focused Audit proceeding in Docket No.  
13 GA03030213."

14 **Q. DOES THIS CLARIFICATION ADDRESS YOUR CONCERN WITH THE**  
15 **SEVENTH CONDITION AS WRITTEN?**

16 A. In large part, it does. However, this condition should not be applicable to  
17 derivative issues and their prospective treatment in the regulatory process. For  
18 example, if Elizabethtown were to seek recovery for on-going Energy Brokers  
19 commitments, the condition should not be interpreted to bar the Board from  
20 disallowing the costs from recovery in the regulatory process.

1           Based on these considerations, the seventh condition should be modified to  
2 reflect the statement made in Response RAR-5 and to clarify the nature of the  
3 limitations on the Board’s on-going regulatory authority over costs related to the  
4 Liberty Audit Report issues.

5 **V. OTHER MERGER RELATED ISSUES**

6 **Q. ARE THERE ANY OTHER ISSUES, OTHER THAN THE ACCEPTABLE**  
7 **ORDER CONDITIONS, THAT YOU WISH TO DISCUSS?**

8 A. There are several acquisition related issues that should be considered by the Board  
9 in its evaluation of the Petition. These include the acquisition’s impact on  
10 employees and matters that will have an impact on the reasonableness of customer  
11 rates.

12  
13 **- Affiliate Services Agreement**

14 **Q. IN THE PETITION AND SUPPORTING TESTIMONY IT IS STATED**  
15 **THAT ELIZABETHTOWN WILL CONTRACT WITH AGL SERVICES**  
16 **COMPANY (“AGLSC”) WHICH IS A SUBSIDIARY OF AGLR. WOULD**  
17 **YOU COMMENT ON THIS PROPOSED ARRANGEMENT?**

1 A. As in the case of its proposed asset management agreement with Sequent, the  
2 AGLSC agreement is to be awarded to an affiliate without the benefit of  
3 competitive bidding. Additionally, all charges for services will be based on a  
4 standard agreement that has been approved by the Securities and Exchange  
5 Commission (“SEC”). This standard agreement contains, among other things, the  
6 allocation methodology for the charging of expenses associated with the services  
7 provided.

8 As a general matter, the SEC approval and oversight of such agreements is  
9 not commensurate with the expense criteria associated with regulatory rate setting.  
10 Moreover, because the AGLSC agreement is subject to SEC authority, state  
11 agencies such as the Board are not able to challenge the recovery of associated  
12 expenses within the rate setting process unless the parties voluntarily agree to  
13 make the agreement and its charges subject to the Board’s authority. Were the  
14 services contracted from an alternative provider, such an SEC preemption would  
15 generally not be applicable.

16 Given this fact and the absence of competitive bidding in the selection of  
17 AGLSC, it is recommended that the Board seek the necessary waivers so that it  
18 can continue to have oversight and control over the costs of related services. Such  
19 waivers should not be limited to individual AGLSC charges such as for charitable  
20 contributions, rather, they should cover all services and costs.

1 **Q. ARE THERE ANY OTHER ISSUES ASSOCIATED WITH THE AGLSC**  
2 **AGREEMENT?**

3 A. Yes, under the scope of the AGLSC agreement, it appears that many of  
4 Elizabethtown's functions that are currently performed in New Jersey by  
5 Elizabethtown employees will be performed by AGLSC employees out of state.  
6 This means that there is a potential that customer service centers in  
7 Elizabethtown's service area may be closed and that many other functions such as  
8 procurement, call centers, and billing, among others, will no longer be staffed  
9 locally. While AGLR has yet to complete its transition plans, the Board should  
10 require detailed specifics on such operational changes, and it should evaluate the  
11 impact of them on the employees of Elizabethtown and on Elizabethtown's ability  
12 to continue to provide safe, adequate and proper service in New Jersey. The  
13 prospect of having numerous functions and decision making transferred out of  
14 state and controlled by non-Elizabethtown employees could have a decidedly  
15 negative impact on the utility operations.

16 If the Board is to determine the impact of the acquisition on  
17 Elizabethtown's employees and the quality of service to be provided, then the  
18 Board must have details concerning planned or potential changes to the  
19 Elizabethtown operations.

1           **- Impact on Employees**

2   **Q.    IN ADDITION TO POTENTIAL REDUCTIONS IN FORCE ASSOCIATED**  
3           **WITH THE AGLSC AGREEMENT, WHAT OTHER EMPLOYEE**  
4           **IMPACTS SHOULD THE BOARD CONSIDER WHEN EVALUATING**  
5           **THE PROPOSED ACQUISITION?**

6    A.    The Company has provided very few details concerning what the impact of the  
7           acquisition will be on employee benefits and pension rights. While it has been  
8           stated that AGLR will fulfill all existing provisions for its union contracts, there  
9           has been no comprehensive discussion concerning the status of non-union  
10          employees. As an example, in the Petition at page 10, it is stated that, “AGLR has  
11          agreed to provide NUI’s employees benefits that, taken as a whole, are  
12          substantially equivalent to the benefits that NUI currently provides to those  
13          employees.” However, such substantially equivalent benefits are to be provided  
14          “for at least one year following the closing of the transaction.” Simply stated, a  
15          one year commitment for benefits is not a meaningful assurance that employees  
16          will not be harmed by the acquisition.

17                 Additionally, it is unclear as to how pensions, pension funding, and pension  
18                 rights will be affected by the acquisition. Employees that may be terminated under  
19                 AGLR control, and even employees that will continue to work for Elizabethtown,  
20                 may be facing substantial reductions in the value of their benefit and pension

1 coverages and payments. Issues such as vesting and early retirement provisions as  
2 well as eligibility for certain levels of retirement benefits have not been adequately  
3 discussed within the filing.

4 **Q. BASED ON THE FACT THAT THE ACQUISITION'S IMPACT ON**  
5 **EMPLOYEES IS ONE OF THE BOARD'S EVALUATION CRITERIA,**  
6 **WHAT ARE YOU RECOMMENDING THAT THE BOARD SHOULD DO?**

7 A. While it is understood that AGLR's transition team has not completed its work, it  
8 is still necessary that the employees and the Board obtain detailed information  
9 concerning potential reductions in force and benefit and pension changes. It is  
10 therefore recommended that the Board require such information so that it and the  
11 Elizabethtown employees can assess any impacts associated with the acquisition.

12 **- Affirmative AGLR Commitments**

13 **Q. IN MERGER AND ACQUISITION SITUATIONS, WHAT KIND OF**  
14 **COMMITMENTS ARE GENERALLY GIVEN BY THE ACQUIRING**  
15 **ENTITY, AND WHAT COMMITMENTS HAVE BEEN MADE BY AGLR?**

16 A. Based on the Petition and its supporting testimony, AGLR has made very few  
17 commitments concerning rates, level of service, capital expenditures, employee  
18 retention or other related matters. With respect to certain issues, AGLR's future

1 actions are as yet unknown. For example, concerning improvements in the quality  
2 of service, Response NJLEUC-AGLR/NUI-95 states, “AGLR has made no  
3 specific commitment for improvements to the NUI distribution system.” Likewise,  
4 in response NJLEUC-AGLR/NUI-96, it is stated that, “While no specific  
5 commitments have been made, AGLR is confident that improvements can be made  
6 in customer service as well as the safety and reliability records at NUI.”

7 Such statements, along with the lack of clear commitments concerning  
8 employment levels and benefits, retention of utility functions and control in New  
9 Jersey, and the impact of the acquisition on utility costs and resultant rates, makes  
10 a full evaluation of the acquisition very difficult. Add to these factors the impact  
11 of the seven Acceptable Order conditions, and the Board and other parties are  
12 faced with too little information and too little time to analyze and evaluate an  
13 acquisition which will have major impact on a significant New Jersey utility.

14 **Q. BASED ON THESE CONSIDERATIONS, ARE THERE ANY ACTIONS**  
15 **THAT CAN BE TAKEN BY THE BOARD?**

16 A. Yes, there are two actions that would greatly aid in the evaluation of the  
17 acquisition. The first would be to extend the timetable for Board action on this  
18 matter. This would give the Board, its Staff, and other parties additional time to  
19 assess the transaction and its impact. Second, the Board should require that the  
20 Petitioners address and provide additional information on the issues raised

1 concerning the transaction and its impact on all stakeholders. With such additional  
2 time and information, it is quite possible that consensus positions on many of the  
3 issues could be developed so that the proposed acquisition can go forward with  
4 assurances that employees, ratepayers, and AGLR's interests will be fully  
5 evaluated and protected.

6 **- Rate Treatment of Acquisition Premium**

7 **Q. ARE THERE ANY COSTS ASSOCIATED WITH THE ACQUISITION**  
8 **THAT AGLR INTENDS TO RECOVER FROM RATEPAYERS, AND IF**  
9 **SO, WOULD SUCH A RECOVERY BE REASONABLE?**

10 **A.** The Company has stated its intention to recover any acquisition premium and  
11 certain acquisition related costs from Elizabethtown's ratepayers. In its response  
12 to RAR-30, it states that AGLR "intends to request that the acquisition premium be  
13 amortized for regulatory purposes over a period approximately equal to the  
14 remaining service life of the assets at the time of purchase." This envisioned  
15 recovery would not only include the amortization but also carrying costs on the  
16 unamortized balance at Elizabethtown's rate of return.

17 With respect to merger related costs, in response NJLEUC-AGLR/NUI-94,  
18 it states, "To the extent that the merger related costs gives rise to merger related

1 savings, ETG would seek to amortize such expenses for regulatory reporting and  
2 revenue requirements calculation purposes.”

3 **Q. ARE SUCH COSTS TYPICALLY RECOVERED THROUGH RATES**  
4 **AFTER AN ACQUISITION IS MADE?**

5 A. In most cases they are not. Certainly a return on any unamortized acquisition  
6 premium is not warranted since the underlying expenditures are not used and  
7 useful in providing utility service. As for the amortization of acquisition  
8 premiums, these are very seldom allowed and are not justified in this instance.  
9 With respect to merger related costs, again there needs to be better specification as  
10 to their composition. However, if these costs relate to acquisition related  
11 activities, rather than improvements, they should not be recovered from ratepayers.

12 While the recovery of such costs is not necessarily before the Board in this  
13 proceeding, regulatory commissions typically establish policy positions on such  
14 recovery at the time of the acquisition investigation. It is also relevant to note that  
15 the current acquisition premium is estimated to be about \$50 million. However, if  
16 AGLR subsequently incurs charges related to pre-acquisition liabilities, costs  
17 related to the settlement of any of Energy Brokers commitments, or other liabilities  
18 that it charges against retained earnings, the acquisition premium could increase  
19 dramatically. As noted in Response RAR-30, the book value at closing was  
20 estimated and was “subject to potential significant adjustments” which most likely

1 would reduce book value and increase the resultant acquisition premium.

2 Accordingly, it is appropriate for the Board to settle this issue now since it will  
3 have a material impact on Elizabethtown's future ratepayers.

4 The justification for the amortization of an acquisition premium in this case,  
5 and in almost all other utility acquisition cases, is lacking. The fact that AGLR is  
6 to pay \$50 million in excess of NUI's book value only highlights the fact that it  
7 will overpay for its acquisition. This conclusion is supported by the fact that NUI  
8 is a distressed company which will require additional investment in order to  
9 provide safe, adequate and proper service. However, in this case AGLR is seeking  
10 to recover its acquisition premium as well as its prospective investments to bring  
11 about operational improvements.

12 Placing the purchase amounts into perspective will show the relative  
13 magnitude of the acquisition premium. AGLR is to pay \$170 million for the NUI  
14 equity, while it would seek \$50 million from ratepayers. On this basis, ratepayers  
15 would be responsible for more than 22% of the acquisition price. In the event  
16 AGLR were to incur or reserve \$30 million for liabilities associated with NUI  
17 shareholder suits, the ratepayers' share of the purchase price would grow to more  
18 than 36% of the total.

19 It also must be remembered that AGLR has demanded its seven Acceptable  
20 Order conditions that will require additional costs for ratepayers and allow  
21 incremental profits for AGLR. In the end analysis, ratepayers should be required

1 to pay a return on AGLR's investment for utility assets that will provide them  
2 service, but they should not pay for an acquisition premium which AGLR  
3 shareholders determined was necessary to make the acquisition. In effect,  
4 payments by AGLR shareholders to the NUI shareholders should not be subsidized  
5 by ratepayers who had no say in the determination of the equity value, but rather  
6 were the party harmed by NUI's mismanagement.

7 **Q. MR. LELASH, DOES THAT COMPLETE YOUR TESTIMONY IN THIS**  
8 **MATTER?**

9 **A.** Yes, it does.

**VI. APPENDIX: PRIOR R.W. LELASH TESTIMONIES**

**R. W. LELASH'S REGULATORY TESTIMONIES**  
**(2000 to Present)**

223. Pennsylvania, PECO Energy Company (Docket No. R-00994787) Restructuring Testimony for the Pennsylvania Office of Consumer Advocate (January, 2000).
224. Pennsylvania, PECO Energy Company (Docket No. R-00994787) Restructuring Surrebuttal Testimony for the Pennsylvania Office of Consumer Advocate (February, 2000).
225. Rhode Island, Providence Gas Company and Southern Union (Docket No. D-00-3) Merger Policy Testimony for the Rhode Island Division of Public Utilities and Department of Attorney General (May, 2000).
226. Philadelphia Gas Commission, Philadelphia Gas Works (2001 GCR Proceeding) Gas Procurement and Policy Testimony for the Public Advocate (August, 2000).
227. Rhode Island, Providence Gas Company (Docket No. 1673) Price Stability Plan Testimony for the Rhode Island Division of Public Utilities (September, 2000).
228. Pennsylvania, Philadelphia Gas Works (Docket No. R-00005654) Interim Base Rate Testimony for the Pennsylvania Office of Consumer Advocate (September, 2000).
229. Pennsylvania, Philadelphia Gas Works (Docket No. R-00005619) Gas Procurement and Policy Testimony for the Pennsylvania Office of Consumer Advocate (September, 2000).
230. New Jersey, Public Service Electric & Gas Company (Docket No. GR00070491) Levelized Gas Adjustment Clause Testimony for the New Jersey Division of the Ratepayer Advocate (November, 2000).
231. New Jersey, Generic Provisional Rate Proceeding (Docket Nos. GR00070491, et al.) Provisional Rate, Flexible Pricing, and Price Hedging Testimony for the New Jersey Division of the Ratepayer Advocate (December, 2000).
232. Rhode Island, Providence and Valley Gas Companies (Docket Nos. 1673 and 1736) Gas Price Mitigation Testimony for the Rhode Island Division of Public Utilities (January, 2001).
233. Delaware, Delmarva Power & Light Company (Docket No. 00-463F) Gas Price Hedging Testimony for the Delaware Public Service Commission (February, 2001).
234. Pennsylvania, Philadelphia Gas Works (Docket No. R-00006042) Base Rate and Policy Testimony for the Pennsylvania Office of Consumer Advocate (April, 2001).
235. Pennsylvania, Philadelphia Gas Works (Docket No. R-00006042) Base Rate and Policy Surrebuttal Testimony for the Pennsylvania Office of Consumer Advocate (May, 2001).
236. New Jersey, Public Service Electric & Gas Company (Docket No. GM00080564) Capacity Contract Transfer Testimony for the New Jersey Division of the Ratepayer Advocate (June, 2001).
237. Vermont, Vermont Gas Systems (Docket No. 6495) Rate Stabilization Plan Testimony for the Vermont Department of Public Service (June, 2001).

238. Pennsylvania, Philadelphia Gas Works (Docket No. R-00016378) Gas Cost Rate Testimony for the Pennsylvania Office of Consumer Advocate (July, 2001).
239. Pennsylvania, PECO Energy Company (Docket No. R-00016366) Gas Cost Rate Testimony for the Pennsylvania Office of Consumer Advocate (July, 2001).
240. Pennsylvania, Philadelphia Gas Works (Docket No. R-00016378) Gas Cost Rate Surrebuttal Testimony for the Pennsylvania Office of Consumer Advocate (August, 2001).
241. Vermont, Vermont Gas Systems (Docket No. 6495) Rate Stabilization Plan Rebuttal Testimony for the Vermont Department of Public Service (August, 2001)
242. Georgia, Atlanta Gas Light Company (Docket No. 14060-U) Procurement and Capacity Plan Testimony for the Georgia Public Service Commission (August, 2001).
243. Rhode Island, New England Gas Company (Docket No. 3401) Earnings Sharing and Gas Policy Testimony for the Rhode Island Division of Public Utilities (March, 2002).
244. Pennsylvania, Philadelphia Gas Works (Docket No. R00017034F002) Extraordinary Rate Relief Testimony for the Pennsylvania Office of Consumer Advocate (March, 2002).
245. New Jersey, Public Service Electric & Gas Company (Docket No. GR01110773) Remediation Adjustment Clause Testimony for the New Jersey Division of the Ratepayer Advocate (April, 2002).
246. Rhode Island, New England Gas Company (Docket No. 3401) Earnings Sharing and Gas Policy Surrebuttal Testimony for the Rhode Island Division of Public Utilities (April, 2002).
247. Pennsylvania, Philadelphia Gas Works (Docket No. R-00027133) Gas Cost Rate Testimony for the Pennsylvania Office of Consumer Advocate (April, 2002).
248. Pennsylvania, Philadelphia Gas Works (Docket No. R-00017034) Base Rate Testimony for the Pennsylvania Office of Consumer Advocate (May, 2002).
249. Georgia, Atlanta Gas Light Company (Docket No. 15527-U) Lost and Unaccounted For Gas Testimony for the Georgia Public Service Commission (July, 2002).
250. Pennsylvania, PECO Energy Company (Docket No. R-00027391) Gas Procurement and Policy Testimony for the Pennsylvania Office of Consumer Advocate (July, 2002).
251. Georgia, Atlanta Gas Light Company (Docket No. 15527-U) Lost and Unaccounted For Gas Rebuttal Testimony for the Georgia Public Service Commission (August, 2002).
252. Pennsylvania, Philadelphia Gas Works (Docket No. M-00021612) Gas Restructuring Testimony for the Pennsylvania Office of Consumer Advocate (September, 2002).
253. Georgia, EDC Generic Rulemaking (Docket No. 15295-U) Service Quality Standards Testimony for the Georgia Public Service Commission (October, 2002).
254. Georgia, Marketer Generic Rulemaking (Docket No. 15296-U) Service Quality Standards Testimony for the Georgia Public Service Commission (October, 2002).

255. Pennsylvania, Philadelphia Gas Works (Docket No. M-00021612) Gas Restructuring Rebuttal Testimony for the Pennsylvania Office of Consumer Advocate (October, 2002).
256. Pennsylvania, Philadelphia Gas Works (Docket No. M-00021612) Gas Restructuring Surrebuttal Testimony for the Pennsylvania Office of Consumer Advocate (November, 2002).
257. Georgia, EDC Generic Rulemaking (Docket No. 15295-U) Service Quality Standards Rebuttal Testimony for the Georgia Public Service Commission (November, 2002).
258. Georgia, Marketer Generic Rulemaking (Docket No. 15296-U) Service Quality Standards Rebuttal Testimony for the Georgia Public Service Commission (November, 2002).
259. Rhode Island, New England Gas Company (Docket No. 3476) Service Quality Testimony for the Division of Public Utilities (November, 2002).
260. New Jersey, Jersey Central Power and Light Company (Docket No. ER02030173) Recovery of Deferred Remediation Cost Testimony for the New Jersey Division of the Ratepayer Advocate (December, 2002).
261. Rhode Island, New England Gas Company (Docket No. 3476) Service Quality Surrebuttal Testimony for the Division of Public Utilities (February, 2003).
262. Pennsylvania, Philadelphia Gas Works (Docket No. R-00038173) Gas Procurement and Policy Testimony for the Pennsylvania Office of Consumer Advocate (April, 2003).
263. New Jersey, Elizabethtown Gas Company (Docket No. GA02020099) Comments Concerning Affiliate Audit for the New Jersey Division of the Ratepayer Advocate (June, 2003).
264. Maine, Northern Utilities (Docket No. 2002-140) Management Audit and Service Quality Report for the Maine Public Utilities Commission (June, 2003).
265. New Jersey, Public Service Electric & Gas Company (Docket No. GR03050400) Pipeline Refund Allocation Testimony for the New Jersey Division of the Ratepayer Advocate (August, 2003).
266. Ohio, Vectren Energy Delivery of Ohio (Case No. 02-220-GA-GCR) Gas Procurement and Policy Testimony for the Ohio Consumers' Counsel (November, 2003).
267. Delaware, Delmarva Power & Light Company (Docket No. 03-378F) Evaluation of Gas Procurement and Price Hedging Testimony for the Delaware Public Service Commission (February, 2004).
268. Delaware, Chesapeake Utilities Corporation (Docket No. 02-287F) Gas Supply Plan Review for Chesapeake Utilities and the Delaware Public Service Commission (July, 2004).
269. Georgia, Atmos Energy Corporation (Docket No. 18509-U) Procurement and Capacity Plan Testimony for the Georgia Public Service Commission (August, 2004).
270. Georgia, Atlanta Gas Light Company (Docket Nos. 18437-U and 8516-U) Procurement and Capacity Plan Testimony for the Georgia Public Service Commission (August, 2004).