

**BEFORE THE STATE OF NEW JERSEY
OFFICE OF ADMINISTRATIVE LAW
BOARD OF PUBLIC UTILITIES**

**I/M/O THE MOTION OF PUBLIC SERVICE)
ELECTRIC AND GAS COMPANY FOR)
APPROVAL OF CHANGES IN ITS ELECTRIC)
AND GAS SOCIETAL BENEFITS CHARGE)
RATES; FOR A CHANGE IN ITS ELECTRIC)
NON-UTILITY GENERATION TRANSITION) OAL DKT. NO. PUC 5342-06
CHARGE RATES, AND FOR CHANGES IN THE)
TARIFF FOR ELECTRIC SERVICE B.P.U.N.J.) BPU DKT. NO. GR05080686
NO. 14 ELECTRIC AND CHANGES IN THE)
TARIFF FOR GAS SERVICE B.P.U.N.J. NO. 13)
GAS PURSUANT TO N.J.S.A. 48:2-21, N.J.S.A.)
48:2-21.1 AND N.J.S.A. 48:3-60)**

**TESTIMONY OF ANDREA CRANE
ON BEHALF OF THE DEPARTMENT OF THE PUBLIC ADVOCATE
DIVISION OF RATE COUNSEL**

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1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Andrea C. Crane and my business address is One North Main Street,
4 PO Box 810, Georgetown, Connecticut 06829.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am Vice President of The Columbia Group, Inc., a financial consulting firm that
8 specializes in utility regulation. In this capacity, I analyze rate filings, prepare
9 expert testimony, and undertake various studies relating to utility rates and
10 regulatory policy. I have held several positions of increasing responsibility since
11 I joined The Columbia Group, Inc. in January 1989.

12
13 **Q. Please summarize your professional experience in the utility industry.**

14 A. Prior to my association with The Columbia Group, Inc., I held the position of
15 Economic Policy and Analysis Staff Manager for GTE Service Corporation, from
16 December 1987 to January 1989. From June 1982 to September 1987, I was
17 employed by various Bell Atlantic (now Verizon) subsidiaries. While at Bell
18 Atlantic, I held assignments in the Product Management, Treasury, and
19 Regulatory Departments.

20
21 **Q. Have you previously testified in regulatory proceedings?**

22 A. Yes, since joining The Columbia Group, Inc., I have testified in over 230
23 regulatory proceedings in the states of Arizona, Arkansas, Connecticut, Delaware,

1 Hawaii, Kansas, Kentucky, Maryland, New Jersey, New Mexico, New York,
2 Oklahoma, Pennsylvania, Rhode Island, South Carolina, Vermont, West Virginia
3 and the District of Columbia. These proceedings involved water, wastewater, gas,
4 electric, telephone, solid waste, cable television, and navigation utilities. A list of
5 dockets in which I have filed testimony is included in Appendix A.

6
7 **Q. What is your educational background?**

8 A. I received a Masters degree in Business Administration, with a concentration in
9 Finance, from Temple University in Philadelphia, Pennsylvania. My
10 undergraduate degree is a B.A. in Chemistry from Temple University.

11
12 **II. PURPOSE OF TESTIMONY**

13 **Q. What is the purpose of your testimony?**

14 A. On or about August 12, 2005, Public Service Electric and Gas Company
15 (“PSE&G” or “Company”) filed a Motion with the New Jersey Board of Public
16 Utilities (“BPU” or “Board”) requesting approval of changes to its Societal
17 Benefits Charges (“SBC”) for electric and gas services. The Company’s filing
18 was subsequently updated on October 31, 2005, May 5, 2006, and August 7,
19 2006.

20 The Columbia Group, Inc. was engaged by The State of New Jersey,
21 Department of the Public Advocate, Division of Rate Counsel (“Rate Counsel”) to
22 review the Company’s filing and to provide recommendations to the BPU with
23 regard to the proposed rates.

1 **III. SUMMARY OF CONCLUSIONS**

2 **Q. Please summarize your conclusions and recommendations.**

3 A. Based on my analysis of the Company's filing and other documentation in this
4 case, my conclusions are as follows:

- 5 1. The Company's request to reset its electric decommissioning rate,
6 consumer education rate, market transition charge ("MTC"), and
7 Universal Service Fund ("USF") - Interim rate to zero is appropriate.
- 8 2. The Company's request to reset its electric Non-Utility Generation
9 Transition Charge ("NTC") from 0.3001 cents per kwh to 0.1554 cents per
10 kwh should be denied. The NTC should be renamed as the Non-Utility
11 Generation Charge or "NGC" to reflect the Board's policy to use a
12 common name for this adjustment clause for all four electric utilities.
- 13 3. The BPU should require the Company to transfer the projected December
14 31, 2006 MTC balance to the NTC, and to return this balance to ratepayers
15 over one year. The MTC deferred balance should be adjusted to reflect
16 the Board's forthcoming decision in the currently pending MTC over-
17 recovery review proceeding, i.e., the Phase II audit of PSE&G's deferred
18 balances in BPU Docket Nos. EX02060363 and EA02060366. The
19 Company's deferred balances should be calculated according to the
20 Board's decision in that proceeding. This recommendation would be
21 effective only if the Board reaches a decision in that proceeding while this
22 instant case is still ongoing.
- 23 4. The BPU should approve a carrying cost for the unsecuritized BGS

- 1 balance from August 1, 2003 through May 1, 2004 based on the one-year
2 Treasury rate, plus 50 basis points.
- 3 5. Rate Counsel's recommendations result in an NTC rate of 0.0712 cents
4 per kwh, as shown on Schedule ACC-1.
- 5 6. The Company's request to reset its electric Social Program (uncollectible)
6 cost rate from 0.0311 cents per kwh to 0.0669 cents per kwh is reasonable.
- 7 7. The Company's request to reset its electric Energy Efficiency and
8 Renewable Energy ("EE&RE") cost rate from 0.3063 cents per kwh to
9 0.2689 cents per kwh is reasonable.
- 10 8. The Company's request to reset its gas USF - Interim rate to zero is
11 appropriate.
- 12 9. The Company's request to reset its gas EE&RE rate from 1.2824 cents per
13 therm to 1.8643 cents per therm is reasonable.
- 14 10. The BPU should continue to ensure that the Company does not recover
15 lost revenues associated with Standard Offer or EE&RE programs in
16 violation of the BPU directives.
- 17 11. The estimates for June - December, 2006 reflected in the Company's most
18 recent update should be subject to true-up in PSE&G's next SBC filing.

1 **IV. DISCUSSION OF THE ISSUES**

2 **Q. Please provide an overview of the Company's SBC filing.**

3 A. On August 12, 2005, PSE&G filed a Motion requesting the following changes in
4 the components of its electric SBC rates:

5

	Current Rate (Cents per kwh)	Proposed Rate (Cents per kwh)	Rate Impact (\$ Millions)
NTC-NUG	0.3001	0.1036	(\$92,902)
Social	0.0311	0.0266	(\$2,128)
Decommissioning	(0.0182)	0.0000	\$8,605
EE&RE	0.3063	0.3005	(\$2,755)
Consumer Ed	0.0166	0.0000	(\$7,848)
MTC	(0.2337)	0.0000	\$110,489
USF-Interim	0.0016	0.0000	(\$757)
Total Impact			\$12,704

6

7 The Company's initial filing would have resulted in a total electric
8 increase of \$12.7 million or 0.24% on a class average residential electric
9 customer.

10 With regard to its gas SBC, the Company requested authorization to revise
11 its USF-Interim rate from 0.2091 to 0.000 cents per therm. In addition, it
12 proposed to reset its EE&RE rate from 1.2824 to 1.7919 cents per therm. The
13 Company's initial gas SBC filing resulted in a net gas increase of \$95 million or
14 approximately 0.28% on a class average residential gas customer.

1 It should be noted that the Company's filing did not include any claims
2 relating to the Remediation Adjustment Clause ("RAC"). In a footnote to its
3 original Petition on page 5, the Company indicated that "The SBC components
4 addressed in the Petition exclude RAC and the permanent USF, since the Board
5 addresses those clauses in separate proceedings."

6

7 **Q. Did the Company seek any provisional rates in its filing?**

8 A. Yes, it did. As shown above, there were several components of the Company's
9 electric and gas SBC that it proposed to reset to zero. For example, the MTC was
10 designed to return \$245.6 million from ratepayers over a 29-month period,
11 terminating at December 31, 2005. In its original filing, the Company proposed
12 to end this rate element effective January 1, 2006, at which point the Company
13 would actually have given back too much leaving a projected (over-refunded,
14 under-recovered) balance of \$13.4 million. PSE&G proposed to transfer this
15 balance to the NTC. Since the MTC rate was not changed January 1, 2006, there
16 is now a projected over-refunded, under-recovered balance at December 31, 2006
17 of \$128.8 million that is proposed to be recovered through the NTC.

18 The Decommissioning rate was similarly set to return a balance of \$20.4
19 million to ratepayers over a 29-month period. Since that refund did not end at
20 December 31, 2005, the Company will have over-refunded \$8.5 million to
21 ratepayers by December 31, 2006.

22 With regard to Consumer Education costs, the Company anticipated that
23 that there would be a small over-recovered balance at December 31, 2005, and

1 that minimal costs would be incurred in 2006. Thus, the Company proposed to
2 transfer this over-collection to the Social Programs rate element. With regard to
3 USF-Interim costs, the Company again anticipated that there would be a small
4 over-recovered balance at December 31, 2005 and that no costs would be incurred
5 in 2006.

6 These amortizations and/or refunds were designed to be fully collected or
7 refunded by December 31, 2005. Therefore, PSE&G proposed that all of these
8 rates be reset to zero as of January 1, 2006. The Company requested the approval
9 of provisional, revenue-neutral changes to the components of the electric and gas
10 SBCs effective January 1, 2006, “to properly account for the expiring refunds and
11 amortizations, and rate components, while not changing the overall tariff rates
12 charged to customers.”¹ Thus, the Company proposed to reset each of these rate
13 elements to zero and to transfer any remaining balances to other rate elements of
14 the SBC.

15
16 **Q. Did any provisional rate changes take place on January 1, 2006?**

17 A. No, they did not. Since provisional rates were not approved, the amortizations
18 and/or refunds reflected in these four rate elements are now either over-collected
19 or over-refunded. In each case, there are additional amounts in each rate element
20 that now must be collected from, or returned to, ratepayers.

21
22 **Q. What are the Company’s currently projected balances at December 31, 2006**
23 **for each of these elements?**

¹ August 12, 2005 Motion, paragraph 19.

1 A. The Company is currently projecting that its electric decommissioning fund will
2 be over-refunded by the amount of \$8.4 million. Thus, customers will owe
3 PSE&G \$8.4 million, since they received refunds that were greater than
4 anticipated. With regard to the electric Consumer Education costs, ratepayers will
5 have overpaid by \$8.4 million at December 31, 2006. Finally, with regard to
6 USF-Interim costs, ratepayers will have overpaid by \$1.2 million at December 31,
7 2006. Thus, these three rate electric rate components result in a net over-
8 collection of \$1.2 million at December 31, 2006. The Company is proposing that
9 this over-collection at December 31, 2006 be transferred to the Social Programs
10 rate element.

11

12 **Q. What is the projected balance in the Social Programs rate element at**
13 **December 31, 2006?**

14 A. The Company is projecting an under-recovery of \$10.4 million. In addition, the
15 Company is projecting 2007 uncollectible costs of \$23.0 million. Therefore,
16 PSE&G is proposing to set its uncollectible rate to recover a total of \$32.2 million
17 (\$10.4 million + \$23.0 million - \$1.2 million).

18

19 **Q. What is the status of the Company's MTC?**

20 A. The MTC is projected to be over-refunded by \$128.8 million at December 31,
21 2006. PSE&G is proposing to transfer this over-refunded balance, which is
22 essentially the same as an under-recovery, to the NTC. The NTC is projected to
23 be over-recovered by \$208.4 million at December 31, 2006. PSE&G is proposing

1 to offset this \$208.4 million over-recovery with the \$128.8 million MTC under-
 2 recovery, for a net balance of \$79.6 million. PSE&G is proposing to amortize this
 3 net over-recovery over two years, or return to ratepayers \$39.8 million per year.
 4 In addition, the Company is estimating that it will incur \$114.5 million of NTC
 5 costs in 2007. Therefore, the net impact to ratepayers would be a charge of \$74.7
 6 million.

7
 8 **Q. What are the electric rate changes that are now being proposed by the**
 9 **Company, based on the August 7, 2006 update?**

10 A. Based on the August 7, 2006 update, which reflects actual results through May
 11 2006 and projections through December 31, 2006, the Company is requesting the
 12 following rate changes to its electric SBC:

	Current Rate (Cents per kwh)	Revised Rate (Cents per kwh)	Rate Impact (\$ Millions)
NTC-NUG	0.3001	0.1554	(\$69,606)
Social	0.0311	.0669	\$17,221
Decommissioning	(0.0182)	0.0000	\$8,755
EE&RE	0.3063	0.2689	(\$18,073)
Consumer Ed	0.0166	0.0000	(\$7,985)
MTC	(0.2337)	0.0000	\$112,418
USF-Interim	0.0016	0.0000	(\$770)
NTC - BGS Year 4			(\$9,807)
Total Impact			\$32,153

13

1 In addition to the changes in its SBC elements, the Company has also reflected
2 the impact of terminating the NTC-BGS Year 4 charge. As discussed in the
3 response to RAR-78, this adjustment reflects the difference between the BGS
4 Year 4 charge put into effect on August 1, 2003 to recover the then \$241.5 million
5 deferred balance and the actual securitization charges effective September 30,
6 2005. The elimination of this charge is included in the \$32.2 million increase
7 shown above. The proposed \$32.2 million increase will result in an average
8 residential increase of 0.53%.

9

10 **Q. What are the gas rate changes that are now being proposed by the Company,**
11 **based on the August 7, 2006 update?**

12 A. PSE&G is now proposing a revised EE&RE rate of 1.8643 cents per therm, which
13 reflects an increase from the 1.7919 originally filed. The new EE&RE rate will
14 increase overall gas rates by \$18.7 million. This increase will be partially offset
15 by a \$6.7 million reduction resulting from termination of the USF-Interim gas
16 charge, for a net increase of \$12.0 million or 0.27%.

17

18 **Q. Are you recommending any modifications to the Company's filing?**

19 A. Yes, I am recommending three adjustments, relating to the refund period for the
20 NTC over-collection the calculation of interest, and the MTC deferred balance
21 amount.

22

1 **Q. What is your first adjustment?**

2 A. As stated previously, the Company is proposing to offset the projected NTC over-
3 collection of \$208.4 million at December 31, 2006 with the projected MTC under-
4 recovery of \$128.8 million, and to return the resulting net over-collection to
5 ratepayers over a two-year period. I am recommending a one-year refund period.
6

7 **Q. What is the impact of your recommendation on the Company's electric SBC**
8 **rate?**

9 A. As shown on Schedule ACC-1, Column (2), my recommendation will result in
10 total NTC charges of \$34.9 million instead of the \$74.7 million included in the
11 Company's SBC. The net impact of my recommendation will therefore be a
12 reduction of \$39.8 million to the Company's total SBC. Thus, my
13 recommendation will result in an overall net electric SBC reduction of
14 approximately \$7.6 million instead of the \$32.2 million increase proposed by
15 PSE&G. Based on the Company's projected 2007 sales, my recommendation
16 results in an NTC rate of \$0.0726 cents per kwh. On a class average residential
17 customer, my recommendation will amount to a reduction of approximately
18 0.13%.
19

20 **Q. Why are you recommending that these amounts be refunded over a one-year**
21 **period?**

22 A. The components of the SBC are supposed to be reset annually. Thus, returning
23 this over-collection to ratepayers over a one-year period is consistent with the

1 intent of resetting the SBC on an annual basis. Assuming that all SBC
2 components are reset annually, there is no rationale for making ratepayers wait an
3 extra year for this refund.

4

5 **Q. Won't ratepayers experience rate shock next year if this over-collection is**
6 **returned over one year instead of two years?**

7 A. No. The amount of the over-collection being reflected in the SBC is \$79.6
8 million. Therefore, if all other costs remain the same, ratepayers could expect to
9 experience an increase of \$79.6 million next year. However, this increase would
10 increase the overall bill of a class average residential customer by only 1.31%.
11 Therefore, rate shock is unlikely to result from my proposal. I recognize that
12 there could be other changes next year that will increase or decrease the SBC rate.
13 However, there should be no additional costs incurred for decommissioning, the
14 MTC, Customer Education, or the USF-Interim. Thus, the electric SBC will, in
15 the future, be designed to recover only NTC charges and EE&RE costs. The
16 inclusion of only two major rate elements in the SBC may help to mitigate
17 volatility from year-to-year and should serve to stabilize the SBC.

18

19 **Q. What is your second adjustment?**

20 A. My second adjustment relates to the interest rate that should be used for the
21 Company's deferred BGS balance prior to the securitization that occurred in July,
22 2005. I understand that this issue was addressed by the parties in the Company's

1 Bondable Stranded Cost case but that the Board deferred resolution of this issue
2 until the Company's next NTC filing.

3 Pursuant to a June 6, 2003 Settlement Agreement in the Company's 2002
4 base rate case and 2002 SBC filing, the parties agreed that, in the event that the
5 Board approved a securitization of the Year Four BGS deferral under-recovery by
6 May 1, 2004, then,

7 The recovery of the BGS under-recovery during the interim period will be
8 accounted for by first assessing on a monthly basis a carrying cost to the
9 net of tax BGS under-recovered balance equal to a monthly rate based on
10 the one-year constant maturity treasuries as shown in the Federal Reserve
11 Statistical Release on or closest to August 1, 2003 plus 50 basis points.²
12

13 The Settlement Agreement went on to state that,

14 In the event that the Board has approved a securitization of the year four
15 BGS under recovery and the securitization transaction has not occurred by
16 May 1, 2004...The recovery of the BGS under-recovery will be accounted
17 for by first assessing on a monthly basis a carrying cost the net of tax BGS
18 under-recovered balance equal to a monthly rate based on the two-year
19 constant maturity treasuries as shown in the Federal Reserve Statistical
20 Release on or closest to August 1, 2003 plus 60 basis points.
21

22 The Board did not approve the securitization by May 1, 2004 and the
23 securitization did not take place by May 1, 2004. All parties agree that the two-
24 year constant maturity Treasury rate should be applied from May 1, 2004 to the
25 date of securitization. However, the Company contends that the two-year
26 Treasury rate should be applied from August 1, 2003 through May 1, 2004, while
27 Rate Counsel contends that the one-year Treasury rate should be used during this
28 interim period.
29

² Settlement Agreement, BPU Docket Nos. ER02050303 and ER02080604, June 6, 2003, paragraph 12(a).

1 **Q. What is the impact of using a one-year interest rate vs. a two-year interest**
2 **rate?**

3 A. As stated in Mr. Schirra's Original Testimony at page 14, the difference between
4 using a one-year Treasury rate plus 50 basis points and a two-year Treasury rate
5 plus 60 basis points is \$645,581. Therefore, at Schedule ACC-1, I have made an
6 adjustment to the MTC balance, which PSE&G proposes to transfer to the NTC,
7 to credit ratepayers with an additional \$645,581.

8
9 **Q. What impact will your interest rate recommendation have on Rate Counsel's**
10 **proposed NTC charge?**

11 A. As shown in Schedule ACC-1, Column (3), the use of a one-year Treasury rate
12 plus 50 basis points will further reduce the pro forma NTC rate from \$0.0726 to
13 \$0.0712.³

³ A minor matter that should be clarified is that the Board has decided that all four electric utilities should use a common name for the adjustment clause related to their costs for non-utility generation. The Board has stated that the name it wants the utilities to use is the Non-utility Generation Charge or "NGC". Jersey Central Power and Light Company and Atlantic City Electric Company have already made this name change. I recommend that PSE&G modify its current NTC tariff to reflect this name change. See I/M/O the Verified Petition of Rockland Electric Company for the Recovery of Its Deferred Balances and the Establishment of Non-Delivery Rates Effective August 1, 2003, BPU Docket No. ER02080614, Final Decision and Order, dated April 20, 2004, page 56 ("Finally, when the ECA is next revised pursuant to a further Order of the Board, it shall be re-named the NGC ("non-utility generation charge"), a change we will also require of the other electric utilities to standardize the unbundled rate component that recovers above-market NUG purchased power costs."); I/M/O the Verified Petition of Jersey Central Power & Light Company for Review and Approval of Its Deferred Balances Relating to the Market Transition Charge and Societal Benefits Charge, BPU Docket No. ER02080507, Final Order, dated May 17, 2004, pp. 134 (footnote 106), 136 ("Accordingly, we believe it appropriate to discontinue the MTC, and replace it with a nonutility generation charge ("NGC") for the continued recovery of above-market NUG costs, net of the revenue received from the sale of the energy and capacity of the NUGs, . . .") and 137 ("Effective on the date the Company's non-distribution unbundled rates are next changed, the MTC shall be discontinued and renamed the NGC, which charge shall continue to recover the above-market component of payments made under PPAs with non-utility generators (the PPA payments less the revenue received from the sale of the NUG energy and capacity), . . ."). See also JCP&L Tariff Part III, 6th Revised Sheet No. 39. I/M/O Atlantic City Electric Company d/b/a Conectiv Power Delivery for Approval of Amendments to its Tariff to Provide for an Increase in Rates for Electric Service, BPU Docket No. ER02080510, Final Decision and Order, July 8, 2004, page 131, para. 5. ("Effective on the date the Company's non-distribution unbundled

1 **Q. What is your third adjustment?**

2 A. My third adjustment relates to the appropriate balance for the MTC. Currently
3 pending before the Board is the Phase II audit of the Company's deferred
4 balances including the MTC. This proceeding is taking place in the combined
5 docket numbers EX02060363 and EA02060366. In that proceeding, the Board is
6 considering whether PSE&G has calculated the MTC deferred balance correctly
7 or whether ratepayers are due an additional refund because PSE&G has
8 incorrectly calculated the MTC over-recovery. The Company and Rate Counsel
9 have filed written comments to the Board in that proceeding setting out their
10 respective positions. PSE&G asserts that its calculation is correct. Rate Counsel
11 asserts that ratepayers are due an additional \$114 million in MTC refunds plus
12 accrued interest. The disparity arises from a dispute about various components of
13 the Company's methods in calculating the MTC over-recovery. Since the parties
14 have provided their detailed comments to the Board on that issue already, it is not
15 necessary to relitigate that issue in this instant docket. However, if the Board
16 should reach a decision on the MTC amount and the correct deferred balance
17 calculation methods in that proceeding while this instant docket is still ongoing,
18 then I recommend that the MTC deferred balance in this docket be adjusted, as
19 necessary, to reflect that decision. That adjusted MTC balance should then be
20 used to calculate the prospective rates that will be set in this instant proceeding.

rates are next changed, the NNC [Net Non-Utility Generation Charge] and MTC shall be replaced by the NGC ("non-utility generation charge"), which charge shall continue to recover the above-market component of payments made under PPAs with non-utility generators (the PPA payments less the revenue received from the sale of the NUG energy and capacity), . . ."). See also ACE Tariff Section IV, Second Revised Sheet No. 55 and Third Revised Sheet No. 57.

1 All the deferred balances in this proceeding should reflect the Board's decision on
2 the correct calculation methods currently under consideration.

3

4 **Q. Do the rates recommended by Rate Counsel include estimated costs and
5 recoveries?**

6 A. Yes, they do. In its most recent update, the Company provided actual results
7 through May 31, 2006 and projections for the remaining seven months of the
8 year. In addition, PSE&G's update included projected costs and recoveries for
9 2007. All estimates included in this filing should be subject to true-up in the
10 Company's next SBC filing.

11

12 **Q. Do you have any additional comments about the Company's SBC filings?**

13 A. Yes, the Company has stated that its SBC filings comply with Board orders
14 regarding recovery of lost revenues for Standard Offer and EE&RE programs.
15 With regard to lost revenues for electric Standard Offer services, the Company's
16 claim includes a lost revenue credit (negative expense) of \$1.48 million since
17 August 2003. With regard to lost revenues, the Company stated that,

18

19 As of August 1, 2003, when new electric base rates went into effect, the
20 Company no longer records electric lost revenues for the Standard Offer
21 program savings produced after July 2003, since they are now
22 incorporated in the new base rates. The lost revenue activity shown...is 1)
23 lost revenue recorded for energy savings invoiced in the current month
24 when the actual savings occurred prior to August 2003; 2) the reversal of
25 estimated accrued lost revenue that occurred prior to August 2003; and, 3)
26 the true-up of lost revenues previously recorded.⁴

27

4 Original Testimony of Mr. Schirra, pages 23-24.

1 With regard to lost revenue associated with EE&RE Programs, no amounts have been
2 booked since June 2004. The Company claimed in response to RAR-67 that,

3 For the electric standard offers, all energy savings measures were
4 installed prior to the test year for the electric base rate case that
5 resulted in new electric base rates effective August 1, 2003. Further,
6 there are no claims for lost revenues for energy savings that occurred
7 after August 1, 2003 from these projects. Lost revenue that is
8 reported after August 1, 2003 all relate to energy savings and lost
9 revenue that occurred before August 1, 2003. This lag in booking lost
10 revenues occurs because incentive payments are not made, or any
11 associated lost revenue booked, until energy savings are invoiced by the
12 project sponsor. This can be months, or sometimes years, after the actual
13 energy was saved.

14 Although the cumulative lost revenue amount included for Standard Offer
15 programs is actually a credit to expense, positive amounts continued to be booked
16 through May 2006.

17 With regard to gas programs, the Company has included \$417,710 in lost
18 revenues up through March of 2006. The Company claims that,

19 New gas base rates were last put into effect on January 9, 2002. The activity
20 shown...is the lost revenue recorded for gas energy savings projects that were
21 completed during (partial reflection in base rates) or subsequent to the Gas Base
22 Case test year and the true-up of lost revenue previously recorded (February
23 2004).⁵

24
25
26 With regard to Clean Energy Programs, no lost revenues have been
27 claimed since August 2004.

28

29 **Q. Does the Company's filing comply with BPU policy regarding lost revenues?**

30 A. Based on the Original Testimony filed by Mr. Schirra, it does appear that the

31 Company's filing complies with Board policy. With regard to Standard Offer

5 Id., page 24.

1 Programs, the Company states that its lost electric revenues all relate to measures
2 installed, and savings realized, prior to the last case, although some of these
3 amounts are just now being booked. With regard to gas programs, the Company
4 contends that these savings relate to projects completed since the last base rate
5 case, or a true-up of amounts recorded prior to the last case. With regard to EE &
6 RE lost revenues, it appears that the Company has stopped booking these lost
7 revenues, and that all amounts booked since the last base rate cases relate to true-
8 ups. However, there does appear to be a significant delay in the recording of
9 certain lost revenues, or in the recording of credits associated with lost revenues.
10 Therefore, the Board should continue to carefully monitor any claims for lost
11 revenues to ensure that the Company is continuing to comply with BPU policy.

12

13 **Q. Does this conclude your testimony?**

14 A. Yes, it does.

APPENDIX A

List of Prior Testimonies

The Columbia Group, Inc., Testimonies of Andrea C. Crane

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
New Jersey American Water Co. Elizabethtown Water Company Mount Holly Water Company	W	New Jersey	WR06030257	9/06	Regulatory Policy Taxes Cash Working Capital	Division of Rate Counsel
Tidewater Utilities, Inc.	W	Delaware	06-145	9/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Artesian Water Company	W	Delaware	06-158	9/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	06-KCPE-828-RTS	8/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Midwest Energy, Inc.	G	Kansas	06-MDWG-1027-RTS	7/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Cablevision Systems Corporation	C	New Jersey	CR05110924, et al.	5/06	Cable Rates - Forms 1205 and 1240	Division of the Ratepayer Advocate
Montague Sewer Company	WW	New Jersey	WR05121056	5/06	Revenue Requirements	Division of the Ratepayer Advocate
Comcast of South Jersey	C	New Jersey	CR05119035, et al.	5/06	Cable Rates - Form 1240	Division of the Ratepayer Advocate
Comcast of New Jersey	C	New Jersey	CR05090826-827	4/06	Cable Rates - Form 1240	Division of the Ratepayer Advocate
Parkway Water Company	W	New Jersey	WR05070634	3/06	Revenue Requirements Cost of Capital	Division of the Ratepayer Advocate
Aqua Pennsylvania, Inc.	W	Pennsylvania	R-00051030	2/06	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	G	Delaware	05-312F	2/06	Gas Cost Rates	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	05-304	12/05	Revenue Requirements Cost of Capital	Division of the Public Advocate
Utility Systems, Inc.	WW	Delaware	335-05	9/05	Regulatory Policy	Division of the Ratepayer Advocate
Westar Energy, Inc.	E	Kansas	05-WSEE-981-RTS	9/05	Revenue Requirements	Citizens' Utility Ratepayer Board
Empire Electric District Company	E	Kansas	05-EPDE-980-RTS	8/05	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Comcast Cable	C	New Jersey	CR05030186	8/05	Form 1205	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	3674	7/05	Revenue Requirements	Division of Public Utilities and Carriers
Delmarva Power and Light Company	E	Delaware	04-391	7/05	Standard Offer Service	Division of the Public Advocate
Patriot Media & Communications CNJ, LLC	C	New Jersey	CR04111453-455	6/05	Cable Rates	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR04111379, et al.	6/05	Cable Rates	Division of the Ratepayer Advocate
Comcast of Mercer County, LLC	C	New Jersey	CR04111458	6/05	Cable Rates	Division of the Ratepayer Advocate

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Comcast of South Jersey, LLC, et al.	C	New Jersey	CR04101356, et al.	5/05	Cable Rates	Division of the Ratepayer Advocate
Comcast of Central New Jersey LLC, et al.	C	New Jersey	CR04101077, et al.	4/05	Cable Rates	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	3660	4/05	Revenue Requirements	Division of Public Utilities and Carriers
Aquila, Inc.	G	Kansas	05-AQLG-367-RTS	3/05	Revenue Requirements Cost of Capital Tariff Issues	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	04-334-F	3/05	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	04-301F	3/05	Gas Cost Rates	Division of the Public Advocate
Delaware Electric Cooperative, Inc.	E	Delaware	04-288	12/04	Revenue Requirements Cost of Capital	Division of the Public Advocate
Public Service Company of New Mexico	E	New Mexico	04-00311-UT	11/04	Renewable Energy Plans	Office of the New Mexico Attorney General
Woonsocket Water Division	W	Rhode Island	3626	10/04	Revenue Requirements	Division of Public Utilities and Carriers
Aquila, Inc.	E	Kansas	04-AQLE-1065-RTS	10/04	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	04-121	8/04	Conservation Rates (Affidavit)	Division of the Public Advocate
Atlantic City Electric Company	E	New Jersey	ER03020110 PUC 06061-2003S	8/04	Deferred Balance Phase II	Division of the Ratepayer Advocate
Kentucky American Water Company	W	Kentucky	2004-00103	8/04	Revenue Requirements	Office of Rate Intervention of the Attorney General
Shorelands Water Company	W	New Jersey	WR04040295	8/04	Revenue Requirements Cost of Capital	Division of the Ratepayer Advocate
Artesian Water Company	W	Delaware	04-42	8/04	Revenue Requirements Cost of Capital	Division of the Public Advocate
Long Neck Water Company	W	Delaware	04-31	7/04	Cost of Equity	Division of the Public Advocate
Tidewater Utilities, Inc.	W	Delaware	04-152	7/04	Cost of Capital	Division of the Public Advocate
Cablevision	C	New Jersey	CR03100850, et al.	6/04	Cable Rates	Division of the Ratepayer Advocate
Montague Water and Sewer Companies W/WW	New Jersey		WR03121034 (W) WR03121035 (S)	5/04	Revenue Requirements	Division of the Ratepayer Advocate
Comcast of South Jersey, Inc.	C	New Jersey	CR03100876,77,79,80	5/04	Form 1240 Cable Rates	Division of the Ratepayer Advocate
Comcast of Central New Jersey, et al.	C	New Jersey	CR03100749-750 CR03100759-762	4/04	Cable Rates	Division of the Ratepayer Advocate
Time Warner	C	New Jersey	CR03100763-764	4/04	Cable Rates	Division of the Ratepayer Advocate

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Interstate Navigation Company	N	Rhode Island	3573	3/04	Revenue Requirements	Division of Public Utilities and Carriers
Aqua Pennsylvania, Inc.	W	Pennsylvania	R-00038805	2/04	Revenue Requirements	Pennsylvania Office of Consumer Advocate
Comcast of Jersey City, et al.	C	New Jersey	CR03080598-601	2/04	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company	G	Delaware	03-378F	2/04	Fuel Clause	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	03-ATMG-1036-RTS	11/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Aquila, Inc. (UCU)	G	Kansas	02-UTCG-701-GIG	10/03	Using utility assets as collateral	Citizens' Utility Ratepayer Board
CenturyTel of Northwest Arkansas, LLC	T	Arkansas	03-041-U	10/03	Affiliated Interests	The Arkansas Public Service Commission General Staff
Borough of Butler Electric Utility	E	New Jersey	CR03010049/63	9/03	Revenue Requirements	Division of the Ratepayer Advocate
Comcast Cablevision of Avalon Comcast Cable Communications	C	New Jersey	CR03020131-132	9/03	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	E	Delaware	03-127	8/03	Revenue Requirements	Division of the Public Advocate
Kansas Gas Service	G	Kansas	03-KGSG-602-RTS	7/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Washington Gas Light Company	G	Maryland	8959	6/03	Cost of Capital Incentive Rate Plan	U.S. DOD/FEA
Pawtucket Water Supply Board	W	Rhode Island	3497	6/03	Revenue Requirements	Division of Public Utilities and Carriers
Atlantic City Electric Company	E	New Jersey	EO03020091	5/03	Stranded Costs	Division of the Ratepayer Advocate
Public Service Company of New Mexico	G	New Mexico	03-000-17 UT	5/03	Cost of Capital Cost Allocations	Office of the New Mexico Attorney General
Comcast - Hopewell, et al.	C	New Jersey	CR02110818 CR02110823-825	5/03	Cable Rates	Division of the Ratepayer Advocate
Cablevision Systems Corporation	C	New Jersey	CR02110838, 43-50	4/03	Cable Rates	Division of the Ratepayer Advocate
Comcast-Garden State / Northwest	C	New Jersey	CR02100715 CR02100719	4/03	Cable Rates	Division of the Ratepayer Advocate
Midwest Energy, Inc. and Westar Energy, Inc.	E	Kansas	03-MDWE-421-ACQ	4/03	Acquisition	Citizens' Utility Ratepayer Board
Time Warner Cable	C	New Jersey	CR02100722 CR02100723	4/03	Cable Rates	Division of the Ratepayer Advocate
Westar Energy, Inc.	E	Kansas	01-WSRE-949-GIE	3/03	Restructuring Plan	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	ER02080604 PUC 7983-02	1/03	Deferred Balance	Division of the Ratepayer Advocate

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Atlantic City Electric Company d/b/a Conectiv Power Delivery	E	New Jersey	ER02080510 PUC 6917-02S	1/03	Deferred Balance	Division of the Ratepayer Advocate
Wallkill Sewer Company	WW	New Jersey	WR02030193 WR02030194	12/02	Revenue Requirements Purchased Sewage Treatment Adj. (PSTAC)	Division of the Ratepayer Advocate
Midwest Energy, Inc.	E	Kansas	03-MDWE-001-RTS	12/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast-LBI Crestwood	C	New Jersey	CR02050272 CR02050270	11/02	Cable Rates	Division of the Ratepayer Advocate
Reliant Energy Arkla	G	Oklahoma	PUD200200166	10/02	Affiliated Interest Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Midwest Energy, Inc.	G	Kansas	02-MDWG-922-RTS	10/02	Gas Rates	Citizens' Utility Ratepayer Board
Comcast Cablevision of Avalon	C	New Jersey	CR02030134 CR02030137	7/02	Cable Rates	Division of the Ratepayer Advocate
RCN Telecom Services, Inc., and Home Link Communications	C	New Jersey	CR02010044, CR02010047	7/02	Cable Rates	Division of the Ratepayer Advocate
Washington Gas Light Company	G	Maryland	8920	7/02	Rate of Return Rate Design (Rebuttal)	General Services Administration (GSA)
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase II	7/02	Rate Design Tariff Issues	Division of the Public Advocate
Washington Gas Light Company	G	Maryland	8920	6/02	Rate of Return Rate Design	General Services Administration (GSA)
Tidewater Utilities, Inc.	W	Delaware	02-28	6/02	Revenue Requirements	Division of the Public Advocate
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	5/02	Financial Plan	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	02-EPDE-488-RTS	5/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Southwestern Public Service Company	E	New Mexico	3709	4/02	Fuel Costs	Office of the New Mexico Attorney General
Cablevision Systems	C	New Jersey	CR01110706, et al	4/02	Cable Rates	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	District of Columbia	945, Phase II	4/02	Divestiture Procedures	General Services Administration (GSA)
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	3/02	Sale of VY to Entergy Corp. (Supplemental)	Department of Public Service
Delmarva Power and Light Company	G	Delaware	01-348F	1/02	Gas Cost Adjustment	Division of the Public Advocate
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	1/02	Sale of VY to Entergy Corp.	Department of Public Service
Pawtucket Water Supply Company	W	Rhode Island	3378	12/01	Revenue Requirements	Division of Public Utilities and Carriers

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Chesapeake Utilities Corporation	G	Delaware	01-307, Phase I	12/01	Revenue Requirements	Division of the Public Advocate
Potomac Electric Power Company	E	Maryland	8796	12/01	Divestiture Procedures	General Services Administration (GSA)
Kansas Electric Power Cooperative	E	Kansas	01-KEPE-1106-RTS	11/01	Depreciation Methodology (Cross Answering)	Citizens' Utility Ratepayer Board
Wellsboro Electric Company	E	Pennsylvania	R-00016356	11/01	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	3311	10/01	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Pepco and New RC, Inc.	E	District of Columbia	1002	10/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Potomac Electric Power Co. & Delmarva Power	E	Delaware	01-194	10/01	Merger Issues and Performance Standards	Division of the Public Advocate
Yankee Gas Company	G	Connecticut	01-05-19PH01	9/01	Affiliated Transactions	Office of Consumer Counsel
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	9/01	Revenue Requirements (Rebuttal)	The Consumer Advocate Division of the PSC
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	9/01	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Potomac Electric Power Co. & Delmarva Power	E	Maryland	8890	9/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Comcast Cablevision of Long Beach Island, et al	C	New Jersey	CR01030149-50 CR01050285	9/01	Cable Rates	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	3311	8/01	Revenue Requirements	Division of Public Utilities and Carriers
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	8/01	Revenue Requirements	Office of Consumer Advocate
Roxiticus Water Company	W	New Jersey	WR01030194	8/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	8/01	Revenue Requirements	Consumer Advocate Division of the PSC
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity (Rebuttal)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity	Citizens' Utility Ratepayer Board
Cablevision of Allamuchy, et al	C	New Jersey	CR00100824, etc.	4/01	Cable Rates	Division of the Ratepayer Advocate
Public Service Company of New Mexico	E	New Mexico	3137, Holding Co.	4/01	Holding Company	Office of the Attorney General
Keauhou Community Services, Inc.	W	Hawaii	00-0094	4/01	Rate Design	Division of Consumer Advocacy

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Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests (Motion for Suppl. Changes)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	3137, Part III	4/01	Standard Offer Service (Additional Direct)	Office of the Attorney General
Chem-Nuclear Systems, LLC	SW	South Carolina	2000-366-A	3/01	Allowable Costs	Department of Consumer Affairs
Southern Connecticut Gas Company	G	Connecticut	00-12-08	3/01	Affiliated Interest Transactions	Office of Consumer Counsel
Atlantic City Sewerage Corporation	WW	New Jersey	WR00080575	3/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	G	Delaware	00-314	3/01	Margin Sharing	Division of the Public Advocate
Senate Bill 190 Re: Performance Based Ratemaking	G	Kansas	Senate Bill 190	2/01	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	00-463-F	2/01	Gas Cost Rates	Division of the Public Advocate
Waitsfield Fayston Telephone Company	T	Vermont	6417	12/00	Revenue Requirements	Department of Public Service
Delaware Electric Cooperative	E	Delaware	00-365	11/00	Code of Conduct Cost Allocation Manual	Division of the Public Advocate
Commission Inquiry into Performance-Based Ratemaking	G	Kansas	00-GIMG-425-GIG	10/00	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Pawtucket Water Supply Board	W	Rhode Island	3164 Separation Plan	10/00	Revenue Requirements	Division of Public Utilities and Carriers
Comcast Cablevision of Philadelphia, L.P.	C	Pennsylvania	3756	10/00	Late Payment Fees (Affidavit)	Kaufman, Lankelis, et al.
Public Service Company of New Mexico	E	New Mexico	3137, Part III	9/00	Standard Offer Service	Office of the Attorney General
Laie Water Company	W	Hawaii	00-0017 Separation Plan	8/00	Rate Design	Division of Consumer Advocacy
El Paso Electric Company	E	New Mexico	3170, Part II, Ph. 1	7/00	Electric Restructuring	Office of the Attorney General
Public Service Company of New Mexico	E	New Mexico	3137 - Part II Separation Plan	7/00	Electric Restructuring	Office of the Attorney General
PG Energy	G	Pennsylvania	R-00005119	6/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	4/00	Merger Issues (Additional Supplemental)	Office of Consumer Counsel
Sussex Shores Water Company	W	Delaware	99-576	4/00	Revenue Requirements	Division of the Public Advocate
Utilicorp United, Inc.	G	Kansas	00-UTCG-336-RTS	4/00	Revenue Requirements	Citizens' Utility Ratepayer Board

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TCI Cablevision	C	Missouri	9972-9146	4/00	Late Fees (Affidavit)	Honora Eppert, et al
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	3/00	Pro Forma Revenue Affiliated Transactions (Rebuttal)	Oklahoma Corporation Commission, Public Utility Division Staff
Tidewater Utilities, Inc. Public Water Supply Co.	W	Delaware	99-466	3/00	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	G/E	Delaware	99-582	3/00	Cost Accounting Manual Code of Conduct	Division of the Public Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	3/00	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	2/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	2/00	Merger Issues	Office of Consumer Counsel
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	1/00	Pro Forma Revenue Affiliated Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Connecticut Natural Gas Company	G	Connecticut	99-09-03	1/00	Affiliated Transactions	Office of Consumer Counsel
Time Warner Entertainment Company, L.P.	C	Indiana	48D06-9803-CP-423	1999	Late Fees (Affidavit)	Kelly J. Whiteman, et al
TCI Communications, Inc., et al	C	Indiana	55D01-9709-CP-00415	1999	Late Fees (Affidavit)	Franklin E. Littell, et al
Southwestern Public Service Company	E	New Mexico	3116	12/99	Merger Approval	Office of the Attorney General
New England Electric System Eastern Utility Associates	E	Rhode Island	2930	11/99	Merger Policy	Department of Attorney General
Delaware Electric Cooperative	E	Delaware	99-457	11/99	Electric Restructuring	Division of the Public Advocate
Jones Intercable, Inc.	C	Maryland	CAL98-00283	10/99	Cable Rates (Affidavit)	Cynthia Maisonette and Ola Renee Chatman, et al
Texas-New Mexico Power Company	E	New Mexico	3103	10/99	Acquisition Issues	Office of Attorney General
Southern Connecticut Gas Company	G	Connecticut	99-04-18	9/99	Affiliated Interest	Office of Consumer Counsel
TCI Cable Company	C	New Jersey	CR99020079 et al	9/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
All Regulated Companies	E/G/W	Delaware	Reg. No. 4	8/99	Filing Requirements (Position Statement)	Division of the Public Advocate
Mile High Cable Partners	C	Colorado	95-CV-5195	7/99	Cable Rates (Affidavit)	Brett Marshall, an individual, et al

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Electric Restructuring Comments	E	Delaware	Reg. 49	7/99	Regulatory Policy (Supplemental)	Division of the Public Advocate
Long Neck Water Company	W	Delaware	99-31	6/99	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	99-163	6/99	Electric Restructuring	Division of the Public Advocate
Potomac Electric Power Company	E	District of Columbia	945	6/99	Divestiture of Generation Assets	U.S. GSA - Public Utilities
Comcast	C	Indiana	49C01-9802-CP-000386	6/99	Late Fees (Affidavit)	Ken Hecht, et al
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	6/99	Economic Subsidy Issues (Surrebuttal)	Division of the Ratepayer Advocate
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162 PUCRS 11514-98N	5/99	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Cablevision of Bergen, Bayonne, Newark	C	New Jersey	CR98111197-199 CR98111190	5/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
Cablevision of Bergen, Hudson, Monmouth	C	New Jersey	CR97090624-626 CTV 1697-98N	5/99	Cable Rates - Form 1235 (Rebuttal)	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2860	4/99	Revenue Requirements	Division of Public Utilities & Carriers
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162	4/99	Revenue Requirements Rate Design	Division of the Ratepayer Advocate
PEPCO	E	District of Columbia	945	4/99	Divestiture of Assets	U.S. GSA - Public Utilities
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	4/99	Merger Approval (Surrebuttal)	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	98-479F	3/99	Fuel Costs	Division of the Public Advocate
Lenfest Atlantic d/b/a Suburban Cable	C	New Jersey	CR97070479 et al	3/99	Cable Rates	Division of the Ratepayer Advocate
Electric Restructuring Comments	E	District of Columbia	945	3/99	Regulatory Policy	U.S. GSA - Public Utilities
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	3/99	Tariff Revision Payphone Subsidies FCC Services Test (Rebuttal)	Division of the Ratepayer Advocate
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	3/99	Merger Approval (Answering)	Citizens' Utility Ratepayer Board
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	2/99	Merger Approval	Citizens' Utility Ratepayer Board
Adelphia Cable Communications	C	Vermont	6117-6119	1/99	Late Fees (Additional Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees (Direct Supplemental)	Department of Public Service

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Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees	Department of Public Service
Orange and Rockland/ Consolidated Edison	E	New Jersey	EM98070433	11/98	Merger Approval	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR97090624 CR97090625 CR97090626	11/98	Cable Rates - Form 1235	Division of the Ratepayer Advocate
Petitions of BA-NJ and NJPA re: Payphone Ops.	T	New Jersey	TO97100792 PUCOT 11269-97N	10/98	Payphone Subsidies FCC New Services Test	Division of the Ratepayer Advocate
United Water Delaware	W	Delaware	98-98	8/98	Revenue Requirements	Division of the Public Advocate
Cablevision	C	New Jersey	CR97100719, 726 730, 732	8/98	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	Maryland	Case No. 8791	8/98	Revenue Requirements Rate Design	U.S. GSA - Public Utilities
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	8/98	Anti-Competitive Practices (Rebuttal)	Division of the Ratepayer Advocate
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	7/98	Anti-Competitive Practices	Division of the Ratepayer Advocate
TCI Cable Company/ Cablevision	C	New Jersey	CTV 03264-03268 and CTV 05061	7/98	Cable Rates	Division of the Ratepayer Advocate
Mount Holly Water Company	W	New Jersey	WR98020058 PUC 03131-98N	7/98	Revenue Requirements	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	2674	5/98	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
Pawtucket Water Supply Board	W	Rhode Island	2674	4/98	Revenue Requirements	Division of Public Utilities and Carriers
Energy Master Plan Phase II Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	4/98	Electric Restructuring Issues (Supplemental Surrebuttal)	Division of the Ratepayer Advocate
Energy Master Plan Phase I Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	3/98	Electric Restructuring Issues	Division of the Ratepayer Advocate
Shorelands Water Company	W	New Jersey	WR97110835 PUC 11324-97	2/98	Revenue Requirements	Division of the Ratepayer Advocate
TCI Communications, Inc.	C	New Jersey	CR97030141 and others	11/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Citizens Telephone Co. of Kecksburg	T	Pennsylvania	R-00971229	11/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	10/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Universal Service Funding	T	New Jersey	TX95120631	10/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	9/97	Low Income Fund High Cost Fund	Division of the Ratepayer Advocate

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<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	9/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	G/E	Delaware	97-65	9/97	Cost Accounting Manual Code of Conduct	Office of the Public Advocate
Western Resources, Oneok, and WAI	G	Kansas	WSRG-486-MER	9/97	Transfer of Gas Assets	Citizens' Utility Ratepayer Board
Universal Service Funding	T	New Jersey	TX95120631	9/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	8/97	Schools and Libraries Funding	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	8/97	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Ironton Telephone Company	T	Pennsylvania	R-00971182	8/97	Alternative Regulation Network Modernization (Surrebuttal)	Office of Consumer Advocate
Ironton Telephone Company	T	Pennsylvania	R-00971182	7/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Comcast Cablevision	C	New Jersey	Various	7/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR97010052 PUCRA 3154-97N	7/97	Revenue Requirements	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	6/97	Revenue Requirements	Division of Public Utilities and Carriers
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	6/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	5/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	E	Delaware	97-58	5/97	Merger Policy	Office of the Public Advocate
Middlesex Water Company	W	New Jersey	WR96110818 PUCRL 11663-96N	4/97	Revenue Requirements	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR96080628 PUCRA 09374-96N	3/97	Purchased Sewerage Adjustment	Division of the Ratepayer Advocate
Interstate Navigation Company	N	Rhode Island	2484	3/97	Revenue Requirements Cost of Capital (Surrebuttal)	Division of Public Utilities & Carriers
Interstate Navigation Company	N	Rhode Island	2484	2/97	Revenue Requirements Cost of Capital	Division of Public Utilities & Carriers
Electric Restructuring Comments	E	District of Columbia	945	1/97	Regulatory Policy	U.S. GSA - Public Utilities
United Water Delaware	W	Delaware	96-194	1/97	Revenue Requirements	Office of the Public Advocate
PEPCO/ BGE/ Merger Application	E/G	District of Columbia	951	10/96	Regulatory Policy Cost of Capital (Rebuttal)	GSA

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<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	10/96	Revenue Requirements Cost of Capital (Supplemental)	Citizens' Utility Ratepayer Board
PEPCO and BGE Merger Application	E/G	District of Columbia	951	9/96	Regulatory Policy, Cost of Capital	U.S. GSA - Public Utilities
Utilicorp United, Inc.	G	Kansas	193,787-U	8/96	Revenue Requirements	Citizens' Utility Ratepayer Board
TKR Cable Company of Gloucester	C	New Jersey	CTV07030-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
TKR Cable Company of Warwick	C	New Jersey	CTV057537-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	95-196F	5/96	Fuel Cost Recovery	Office of the Public Advocate
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	5/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Princeville Utilities Company, Inc.	W/WW	Hawaii	95-0172 95-0168	1/96	Revenue Requirements Rate Design	Princeville at Hanalei Community Association
Western Resources, Inc.	G	Kansas	193,305-U	1/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements	Division of the Ratepayer Advocate
Lanai Water Company	W	Hawaii	94-0366	10/95	Revenue Requirements Rate Design	Division of Consumer Advocacy
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01382-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01381-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Chesapeake Utilities Corporation	G	Delaware	95-73	7/95	Revenue Requirements	Office of the Public Advocate
East Honolulu Community Services, Inc.	WW	Hawaii	7718	6/95	Revenue Requirements	Division of Consumer Advocacy
Wilmington Suburban Water Corporation	W	Delaware	94-149	3/95	Revenue Requirements	Office of the Public Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	1/95	Revenue Requirements (Supplemental)	Division of the Ratepayer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	1/95	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	12/94	Revenue Requirements	Office of Consumer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	12/94	Revenue Requirements	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	94-84	11/94	Revenue Requirements	Office of the Public Advocate

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<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Delmarva Power and Light Company	G	Delaware	94-22	8/94	Revenue Requirements	Office of the Public Advocate
Empire District Electric Company	E	Kansas	190,360-U	8/94	Revenue Requirements	Citizens' Utility Ratepayer Board
Morris County Municipal Utility Authority	SW	New Jersey	MM10930027 ESW 1426-94	6/94	Revenue Requirements	Rate Counsel
US West Communications	T	Arizona	E-1051-93-183	5/94	Revenue Requirements (Surrebuttal)	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	5/94	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
US West Communications	T	Arizona	E-1051-93-183	3/94	Revenue Requirements	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	3/94	Revenue Requirements	Division of Public Utilities & Carriers
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J	2/94	Revenue Requirements (Supplemental)	Rate Counsel
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements (Supplemental)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	2098	8/93	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Wilmington Suburban Water Company	W	Delaware	93-28	7/93	Revenue Requirements	Office of Public Advocate
Kent County Water Authority	W	Rhode Island	2098	7/93	Revenue Requirements	Division of Public Utilities & Carriers
Camden County Energy Recovery Associates, Inc.	SW	New Jersey	SR91111718J ESW1263-92	4/93	Revenue Requirements	Rate Counsel
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J ESW 1263-92	4/93	Revenue Requirements	Rate Counsel
Jamaica Water Supply Company	W	New York	92-W-0583	3/93	Revenue Requirements	County of Nassau Town of Hempstead
New Jersey-American Water Company	W/WW	New Jersey	WR92090908J PUC 7266-92S	2/93	Revenue Requirements	Rate Counsel
Passaic County Utilities Authority	SW	New Jersey	SR91121816J ESW0671-92N	9/92	Revenue Requirements	Rate Counsel
East Honolulu Community Services, Inc.	WW	Hawaii	7064	8/92	Revenue Requirements	Division of Consumer Advocacy
The Jersey Central Power and Light Company	E	New Jersey	PUC00661-92 ER91121820J	7/92	Revenue Requirements	Rate Counsel
Mercer County Improvement Authority	SW	New Jersey	EWS11261-91S SR91111682J	5/92	Revenue Requirements	Rate Counsel
Garden State Water Company	W	New Jersey	WR9109-1483 PUC 09118-91S	2/92	Revenue Requirements	Rate Counsel
Elizabethtown Water Company	W	New Jersey	WR9108-1293J PUC 08057-91N	1/92	Revenue Requirements	Rate Counsel
New-Jersey American Water Company	W/WW	New Jersey	WR9108-1399J PUC 8246-91	12/91	Revenue Requirements	Rate Counsel
Pennsylvania-American	W	Pennsylvania	R-911909	10/91	Revenue Requirements	Office of Consumer

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<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Water Company						Advocate
Mercer County Improvement Authority	SW	New Jersey	SR9004-0264J PUC 3389-90	10/90	Revenue Requirements	Rate Counsel
Kent County Water Authority	W	Rhode Island	1952	8/90	Revenue Requirements Regulatory Policy (Surrebuttal)	Division of Public Utilities & Carriers
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests (Supplemental)	NY State Consumer Protection Board
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests	NY State Consumer Protection Board
Kent County Water Authority	W	Rhode Island	1952	6/90	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Ellesor Transfer Station	SW	New Jersey	SO8712-1407 PUC 1768-88	11/89	Regulatory Policy	Rate Counsel
Interstate Navigation Co.	N	Rhode Island	D-89-7	8/89	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Automated Modular Systems, Inc.	SW	New Jersey	PUC1769-88	5/89	Revenue Requirements Schedules	Rate Counsel
SNET Cellular, Inc.	T	Connecticut	-	2/89	Regulatory Policy	First Selectman Town of Redding

APPENDIX B

Supporting Schedule

PUBLIC SERVICE ELECTRIC AND GAS COMPANY**SOCIETAL BENEFITS CHARGE - ELECTRIC NTC-NUG****RATE EFFECTIVE JANUARY 1, 2007**

	Per			
	Per Company	Per Rate Counsel	Rate Counsel w/ Int. Adj.	
	(1)	(2)	(3)	
1. Projected Balance @ 12/31/06	(\$208,449)	(\$208,449)	(\$208,449)	(A)
2. Transfer from MTC	128,815	128,815	128,815	(A)
3. BGS Interest			(646)	(B)
4. Net Projected Balance	(\$79,634)	(\$79,634)	(\$80,280)	
5. Amortization Period (Yrs.)	2	1	1	
6. Annual Amortization	(\$39,817)	(\$79,634)	(\$80,280)	
7. 2007 Estimated Expenses	114,549	114,549	114,549	(A)
8. Total Annual Costs	\$74,732	\$34,915	\$34,269	
9. Kwh Output	48,103,761	48,103,761	48,103,761	(A)
10. Proposed Rate (Cents/kwh)	<u>0.1554</u>	<u>0.0726</u>	<u>0.0712</u>	
11. Current Rate	0.3001	0.3001	0.3001	(A)
12. Revenue Under Current Rates	\$144,359	\$144,359	\$144,359	(C)
13. Proposed Revenue Change	(\$69,627)	(\$109,444)	(\$110,090)	(D)
14. Rate Counsel Reduction		(\$39,817)	(\$40,463)	

Sources:

(A) Company Update, August 7, 2006, Schedule GWS-2-A, page 1.

(B) Original Testimony of Mr. Schirra, page 12.

(C) Line 9 X Line 12 / 100.

(D) Line 8 - Line 12.

(E) Rate Counsel Proposed Revenue Change Less Company's Proposed Revenue Change.