BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF	)	
OKLAHOMA GAS AND ELECTRIC COMPANY	)	
FOR APPROVAL OF A GENERAL CHANGE IN	)	DOCKET NO. 16-052-U
RATES, CHARGES AND TARIFFS	)	

Direct Testimony

of

Bryan J. Scott

on behalf of

Oklahoma Gas and Electric Company

QUALIFICATIONS, EXPERIENCE AND PURPOSE

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

A. My name is Bryan J. Scott. My business address is 321 N. Harvey Ave., Oklahoma City, Oklahoma 73102.

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

A. I am employed by Oklahoma Gas and Electric Company ("OG&E" or "Company") as the Director of Pricing and Load Analysis.

Q. **Please summarize your educational qualifications and professional experience.**

A. I graduated from the University of Tulsa with a Bachelor of Science degree in Economics. I began working at Public Service Company of Oklahoma ("PSO") in 1979 where I held various positions in its Rates Department. In 1994, I joined the Central and South West ("CSW") Rates Department as Manager of Pricing and Costing. (CSW was the holding company over PSO.) In 1995, I became responsible for new pricing programs as Senior Project Manager for Pricing Development for CSW. In 2000, I became the Manager of Texas Retail Pricing for American Electric Power ("AEP") in preparation for the deregulated market in Texas (AEP assumed control of CSW in 2000). In 2002, I left AEP to become a consultant with B&B Consulting International and then with UtiliPoint International. I subsequently joined OG&E in March, 2008. I have been involved with electricity pricing, costing, rate administration and regulatory issues for over 36 years.

Q. **Have you previously filed testimony before the Arkansas Public Service Commission (the "APSC" or "Commission")?**

A. Yes. I have previously filed testimony on behalf of OG&E in Docket Nos. 10-067-U, 08-103-U, and 10-109-U. I have also submitted testimony in various proceedings before the Oklahoma Corporation Commission, the Louisiana Public Service Commission, the Public Utility Commission of Texas, and the Federal Energy Regulatory Commission.

Q. What is the purpose of your testimony?

A. In the first part of my testimony, I will address the goals of OG&E's pricing approach and the process the Company used to develop pricing. Next, I describe the Company's Flex Price proposal. Finally, I describe the revenue allocation proposed by OG&E.

I. OG&E PRICING APPROACH

Q. Generally describe OG&E's approach to providing options to customers?

A. OG&E's pricing approach or the goal for its pricing options is to offer meaningful choices to customers while also collecting enough revenue to cover the cost of providing electric service to the customers. Meaningful choices are plan options that offer distinct differences for customers,[1] such as plans with prices that vary by time of day as compared with plans that offers customers an energy price that does not vary by season or usage amount.

Q. How are the Company's costs to provide electric service incorporated in price plans?

A. The price development process or rate design, described by OG&E witness William Wai, begins with the adjusted revenue requirement from the revenue allocation process, described later in my testimony. The rate design process then adjusts individual prices within the plan to collect the revenue requirement. The pricing plan terms and the pricing plan structures[2] provide the differentiation that allows customers to select a plan that works best for them.

Q. What is the basis for OG&E's understanding of customers' preferences for pricing plans?

A. The Company recognizes that many of its customers want choices. The challenge in rate design is that different customers want different features. OG&E researched customer

[1] Offering price plans requires the utility to incur costs to support and maintain them. There is rarely a purpose to offering similar price plans to customers that offer no real distinction from each other. Inevitably, the majority of customers will subscribe to one plan over another; the utility must then decide if it makes business sense to continue offering the under-subscribed plans or if that plan should be withdrawn.

[2] For example, a time of use price plan or a three-part price plan that incorporates demand, energy, and customer charges.

preferences and found that most customers surveyed prefer an alternative to the standard pricing plan. Some customers are more interested in the lowest price available, while others are more interested in convenience or certainty that the monthly bill will not change. OG&E currently offers alternative pricing plans that provide customers with more choices than just a traditional plan.

Q. **What specific pricing plans does OG&E's anticipate offering its customers?**

A. Ideally, OG&E would offer customers a choice from at least three plans: (i) a standard or default price plan, (ii) a price response plan, and (iii) a price security plan. In addition to offering this basic set of plan choices to customers, OG&E would ideally offer additional variations in plans to customers and keep those alternatives in the plan portfolio for as long as warranted by customer response to those offers.

Q. **Please describe the standard or default price plan.**

A. The standard price plan will reflect OG&E's allocated embedded costs by cost classification. The standard price plan becomes the foundation for other price offerings. As such, it is important that it establish accurate prices for each component of costs.

1. The energy or kWh charges should recover electricity supply costs such as fuel costs and recovery for production costs of electricity[3].
2. The monthly fee often referred to as a customer charge, should recover metering costs, local distribution facilities, and customer billing and care costs.
3. The demand or kW charges should recover "wires" charges, i.e. transmission and distribution system fixed costs.

The result is a three-part price plan that accurately recovers the utility's costs to provide electric service.

[3] Some would recover the costs for production of electricity through the demand charge. OG&E uses this approach in its PL-1 tariff.

Q. **Is this the first time the Company has requested a three-part price plan?**

A. No. OG&E has offered these type of price plans to its commercial and industrial customers for many years. However, this is the first time the Company has requested this type of plan for residential customers.

Q. **Please explain the need for a three-part price plan.**

A. OG&E believes that prices should accurately reflect costs and as such, are inherently fair. OG&E's proposal to establish three part pricing is a move to increase the fairness of its pricing. The addition of a demand charge along with an increased customer charge more accurately reflects the cost of providing service to customers. OG&E's proposal is a positive step in that direction.

Q. **Please describe the price response plans.**

A. Price response plans, such as the Company's TOU plans, recognize the differences in electricity supply costs by time period. Price response plans offer customers the opportunity to maximize the value they receive from electric service by either reducing their usage during higher cost periods or by shifting usage to lower cost periods. These plans offer the most value to customers who wish to adjust their use of electricity to obtain the lowest bill possible.

Q. **Please describe the price security plans.**

A. Price security plans offer subscribers increased convenience or increased price and/or bill certainty and recognize the increased risks to the Company of doing so. Some customers place more value on price/bill certainty than on achieving the lowest bill possible. OG&E currently does not offer a price security plan to its customers in Arkansas.

Q. **In this Cause, did OG&E incorporate a three part structure for all of its offerings to residential and small commercial customers?**

A. No. Each price plan has a specific focus. The primary focus of the R-1 standard tariff, is establishing prices that recover embedded costs for each aspect of electric service – supply, delivery, and customer care; thereby necessitating the three part pricing structure.

The primary focus of the TOU and VPP tariffs is to encourage subscribers to reduce usage at peak times to delay the need to add production resources – a benefit to all customers. Therefore, OG&E chose not to incorporate demand charges in its TOU and VPP rates for standard residential and small commercial customers.

Q. **Do you believe that the Company's proposed rate design will negatively impact its energy efficiency efforts?**

A. No, I do not. While it is true that two-part tariff energy prices are higher than those in equivalent three-part tariffs, it is not surprising, nor is it a sign that three part pricing is inefficient. The opposite is true. Three-part non time-differentiated tariffs are inherently more efficient than equivalent two-part non time-differentiated tariffs. Overpricing a product to achieve conservation is as inefficient as underpricing the same product. Economically, efficient pricing reflects the cost of making that product. Conservation of resources, simply for the purpose of conservation, without regard of the cost of the resource has no inherent economic merit.

Q. **How does a demand charge increase the accuracy of pricing?**

A. The demand charge properly assigns costs to customers, including to those who have higher demands with corresponding lower usage. This ratio of energy to demand is known as load factor.[4] Lower load factor customers typically impose higher costs on the utility; a demand rate properly assesses higher bills to these customers relative to customers with the same kWh usage but with a lower demand.

Q. **Will customers's receive benefit for their energy efficiency actions under the new three-part rate?**

A. Yes. Other than using existing household appliances less, energy efficiency savings are derived from a reduction in the demand used by an appliance. For example, replacing a 100 watt incandescent light with a 15 watt LED light provides kWh savings by reducing kW over time. Energy or kWh is simply kW or power as it is applied over time, hence kilowatt-<u>hours</u>. Therefore, 1 kW consumed over the period of one hour is 1 kWh. Other

[4] [kWh/(max kW x hours)] x100% = LF%

than using existing appliances less, kWh savings from energy efficiency measures generally include a corresponding reduction in demand.

Customers who have chosen the standard residential rate still have option to manage their load by not starting appliances at the same time. By simple actions like waiting to start their electric clothes dryer until the dishwasher has finished its cycle, customers can manage their kW. OG&E plans to communicate to customers who choose to remain on the standard residential tariff a list of actions that can be taken to manage their demand, very similar to the current energy efficiency tips provided to customers. As customers become more accustomed to the concept of managing their demands, they will become more successful.

Q. **With demand billings, is there a reason for concern that residential customers will establish an abnormally high demand after service restoration from a distribution system outage?**

A. No, I don't believe so. OG&E conducted a study of customer demands for a large, total electric apartment complex. The apartment complex had an outage for a few hours on June 18, 2015 and this affected 164 customers. The demands for each of those customers were examined and compared to demands established at other times during the month. No customer set a high demand for the month in the intervals that immediately followed service restoration. If these customers had been billed pursuant to a tariff with a demand charge, such as the one OG&E proposes, none of these customers would have established a new high demand as a result of their equipment restarting after the service outage.

PRICING PLAN RESEARCH

Q. **Please discuss the pricing plan research conducted for OG&E.**

A. OG&E retained Dr. Ken Deal of the firm *market POWER research, inc.* to conduct a study of customers' preferences for pricing plans. The survey method employed was Menu-Based Conjoint ("MBC") analysis.[5] Simply put, conjoint analysis is a research technique through which each respondent is presented with several sets of product

[5] MBC is a new advance in discrete choice conjoint experiments. MBC was developed so that respondents can make more than one choice on each choice screen, similar to ordering off a restaurant menu.

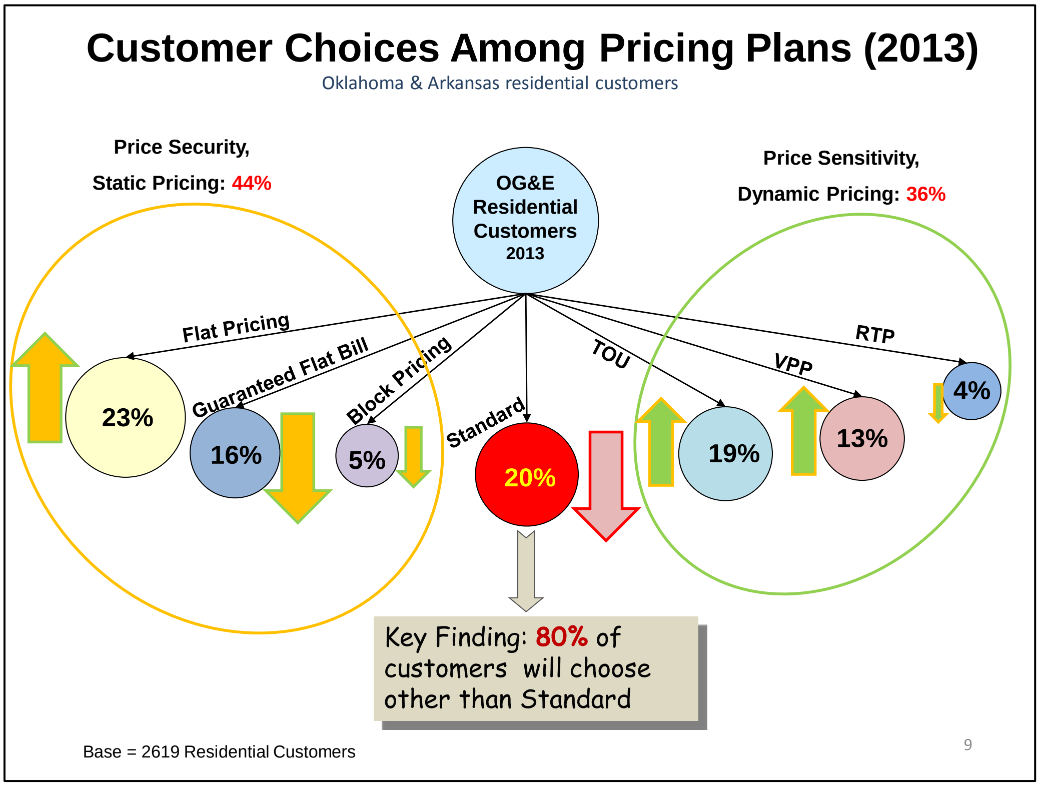
alternatives (in this case, pricing plans with corresponding price levels) and asked to choose the one from each set that best suits their needs. The technique can be used to determine how customers value different features that compose an individual pricing plan. Statistical analysis of customer responses provides estimates of customers' shares of preferences for a wide variety of tested pricing plans and pricing plan features. Since OG&E desired to investigate the relationships among pricing plans and optional rates (riders), MBC is the best design and analysis method.

Q. **How did OG&E analyze customer preferences?**

A. In May 2013, OG&E received the results from its survey of over 2,600 residential customers in Oklahoma and Arkansas[6]. That research showed that about 4 out of every 5 OG&E residential customers would prefer a pricing plan other than the traditional standard rate. As demonstrated in Chart 1, below, the residential customer preferences can be grouped into three broad categories. 44% of those surveyed prefer the increased price security provided by a fixed price or fixed bill approach. 36% of them prefer a price response plan such as Time of Use or Variable Peak Pricing. Finally, only 20% of those surveyed prefer the traditional standard plan.

[6] 561 Arkansas residential customers and 2,058 Oklahoma residential customers completed the survey.

Chart 1



The 2013 conjoint research is the second such research conducted by OG&E. OG&E conducted a similar study in 2010 surveying approximately 1,400 residential customers[7]. The results from both studies are consistent.

Q. **Does the Company expect customers will automatically participate at the levels shown in the conjoint studies?**

A. No. History shows us that OG&E's customers will not automatically gravitate to these pricing plans. Customer education is the key to future success. Customer education enables customers to select the plan that is right for them, and then, maximize their value from that choice.

[7] This survey was presented in Docket No. 10-067-U; see the Direct Testimony of Bryan Scott.

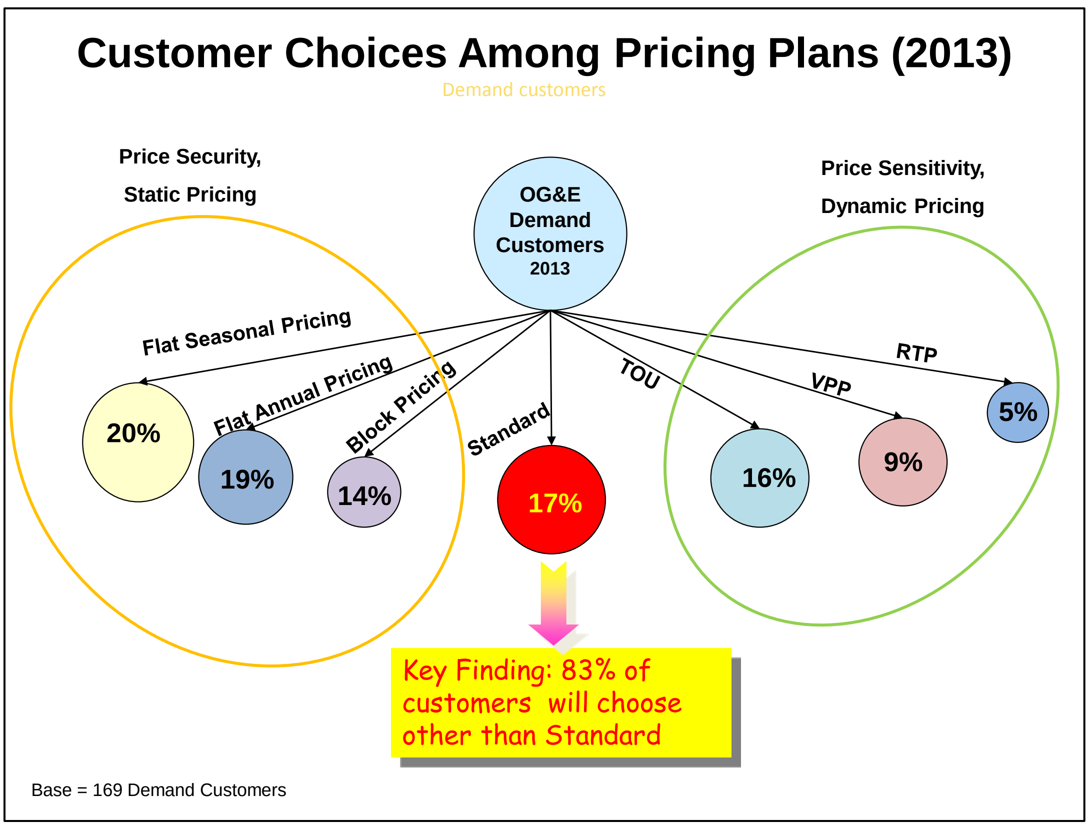
Q. **Did OG&E conduct a conjoint analysis survey for its Commercial and Industrial ("C&I") customers?**

A. Yes. The research focused on the larger C&I customers; the pool of customers who receive service under a tariff that currently incorporates a demand charge: the Power and Light ("PL", "PL-TOU") tariffs.

Q. **Based on these survey results, are Commercial and Industrial customers' desires for various pricing plans similar to that of Residential customers?**

A. Yes, although there are some differences in the price plans offered to them. As illustrated in Chart 2, OG&E received survey responses from 169 Commercial and Industrial customers[8]. In the survey, 83% of these customers prefer other plans to their standard plan.

Chart 2

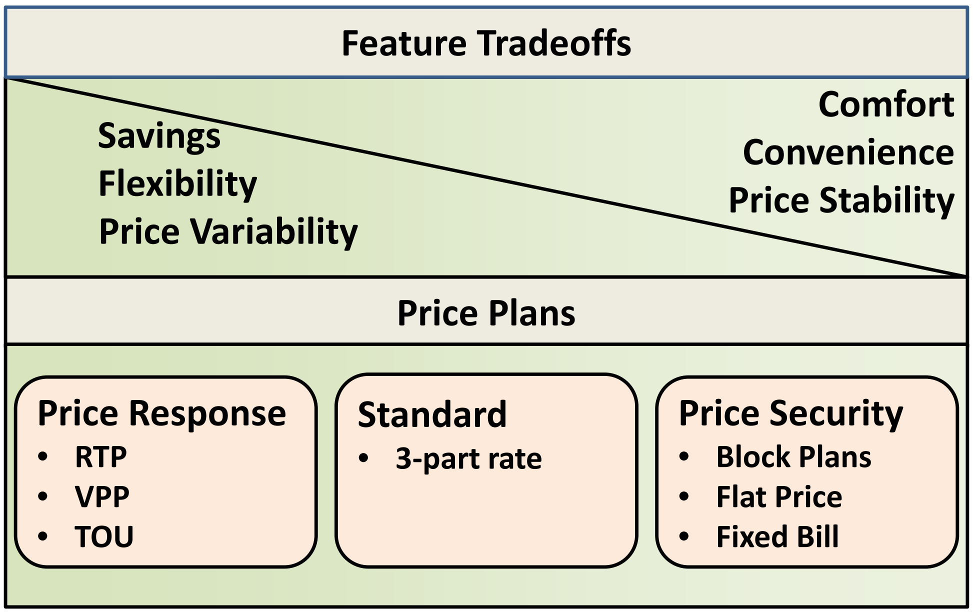


[8] For the larger demand class, 12 Arkansas customers and 157 Oklahoma customers completed the survey.

Q. How does OG&E apply the research results to its pricing approach?

A. OG&E attempts to provide customers with meaningful choices. However, no one pricing plan can meet all customers' needs. OG&E's strategy is to offer a portfolio of plans that address the spectrum of customers' preferences for electricity pricing features. The pricing plan map shown in Chart 3 demonstrates how a few basic pricing plans can incorporate the trade-off of features preferred by customers.

Chart 3



Q. Please explain how Chart 3 illustrates the trade-offs between plan features.

A. The top rows of the chart shows the benefits for each pair of customer preferences. The bottom row includes possible rate options designed to address the various combinations of customer preferences. For example, the top row illustrates the trade-off between price variability, on the left end of the row, and price stability on the right end. If savings is the most important criteria to a customer, the bottom row would indicate that perhaps a Real Time Pricing option would be best suited for that customer. If a customer wanted a balance of savings and comfort, Chart 3 indicates that a standard rate design is the appropriate rate for that combination.

Q. How could other options be incorporated into OG&E's portfolio of pricing plans to enhance customer value?

A. Pricing plan options can be created or modified to achieve specific objectives that respond to customer needs. For example, some customers want renewable power and have a desire to express their environmental concerns beyond what other customers may prefer. OG&E responded by offering the sale of renewable energy certificates ("RECs") to these customers[9].

Through the use of these options, customers can tailor their service to maximize the value of the pricing plan they select. Of course, OG&E's Smart Grid platform is the enabling technology that allows OG&E's customers to take advantage of these options as well as future options.

<u>PRICING PLANS</u>

Q. Given the variety of customer needs and wants, how does OG&E prioritize the development of its pricing plans?

A. The current focus is pricing plans that support price response. The Company began with these price plans because they support the 2020 Goal of not adding new incremental fossil-fueled capacity, can be immediately beneficial to the participating customer, and result in lower cost to all customers in the long-term. These price plans include the VPP, TOU, DAP and Load Reduction tariffs.

Over time, OG&E will propose additional plans for customers. However, the Company wants to ensure a quality presentation of plans to customers and does not want to offer more plans than it can readily support, market, and implement. Charts 4 through 6 show the current pricing plans offered to each customer group.

[9] For the test year ended June 2016, 162 OG&E customers in Arkansas purchased RECs.

Chart 4

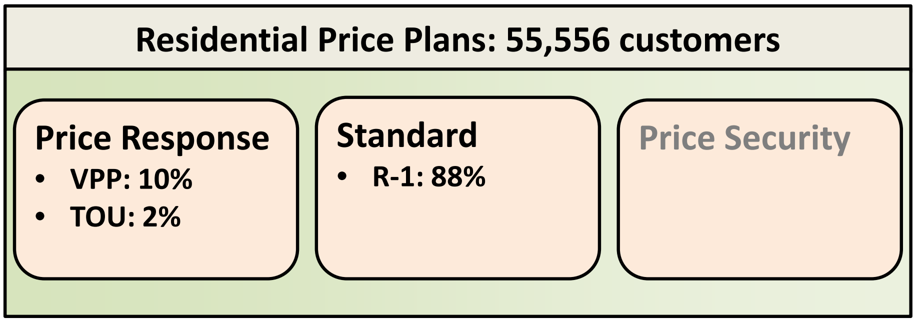


Chart 5

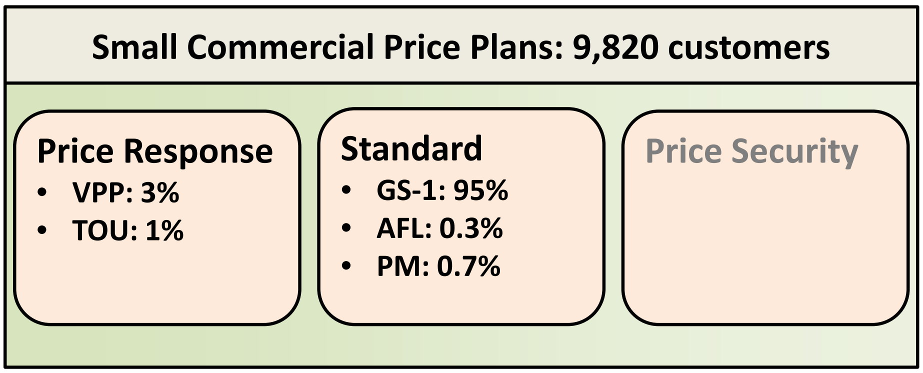
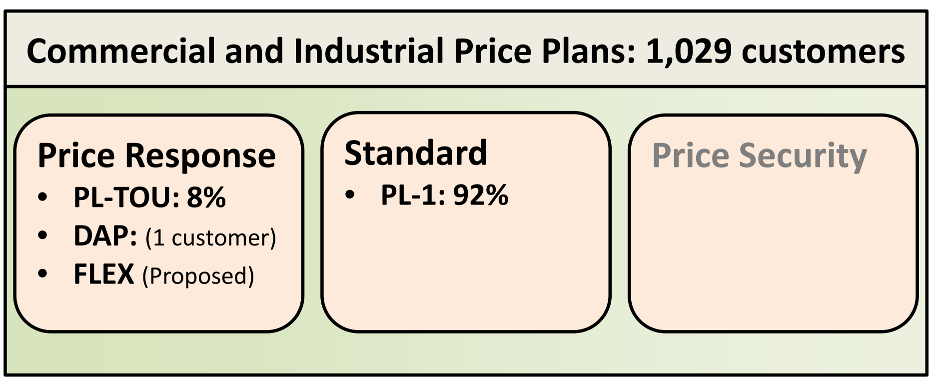


Chart 6



<u>Proposed Additions and Terminations</u>

Q. **Are any additional customer choices being proposed at this time?**

A. Yes, in this Cause, OG&E is offering three new plans: LED Lighting, PayGo and Flex Price. LED Lighting and PayGo are discussed by OG&E Witness Cash, I discuss the Flex Price program below.

Q. Why is OG&E proposing Flex Price?

A. The Company is proposing Flex Price to encourage its larger customers to participate in a dynamic pricing program. With Smart Grid technology, Flex Price will expose a much larger portion of OG&E's customer base to the opportunities which accompany dynamic pricing programs.

Q. Who will be allowed to participate?

A. Flex Price targets customers currently taking service under the PL and PL-TOU programs.

Q. Please describe the Flex Price.

A. Flex Price is a simplified form of our existing Day Ahead Pricing ("DAP") program. While DAP is an hourly program, Flex Price will be priced in six 4-hour time periods beginning at 3 a.m. each day. Similar to DAP, a Customer Base Line ("CBL") will be determined using historical data. The Flex Price CBL will be a seasonal CBL ("SCBL") which will convert the seasonal hourly load profile for each customer to an average weekday and weekend daily load profile for each month. The SCBL will be averaged over the same four hour time periods as the pricing. The prices for each period will be posted and communicated to participants on a day-ahead basis. Flex Price will also be seasonal. In other words, customers will have the choice of participating during the summer season, winter season or year-round. The summer season includes the 5 revenue months of June through October and the winter season includes the 7 revenue months of November through May. Billing and regulatory treatment for the program would be the same as the DAP program.

Q. Why is Flex Price a seasonal program?

A. Seasonality of the rate provides flexibility to customer participation to target differences in the seasonal attributes of the customer's energy requirements. OG&E envisions Flex Price as a transitional program between TOU and DAP to provide the best opportunities to participate in dynamic pricing programs. Customers that participate in the Flex Price pilot may choose Flex Price on a seasonal basis. For example, a school currently on PL can elect to participate in Flex Price for the summer season and then switch back to the PL rate for the winter season.

Q. **What is the function of the SCBL in Flex Price?**

A. The SCBL serves the same purpose as the CBL in the DAP program. It establishes revenue neutrality for customers choosing to participate in the program – in other words, if the customer's consumption remains the same there is no difference in the billing charges to the customer. Revenue neutrality will mitigate the risks associated with the dynamic prices to the participant and will ensure that other customers are not adversely impacted by the program. Participants will be required to have a SCBL which will convert the seasonal monthly hourly loads to an average weekday and weekend daily load broken in to six four hour time-of-use periods, one SCBL profile for the weekdays and one SCBL profile for the weekend days. Each month of the season will have its unique set of SCBL profiles. Unlike the CBL for DAP, the SCBL provides the customer with an average load profile to allow a simpler planning and decision making process to benefit from participation in the Flex Price program.

Q. **How will the prices for Flex Price be developed?**

A. The prices for Flex Price will be developed by averaging the hourly prices and the underlying price components under the standard DAP program over the six four-hour time-of-use periods. This smoothing of the DAP hourly prices will also make it easier for customers to respond to the dynamic pricing signal.

Q. **How will the customer's bill under Flex Price be calculated?**

A. The Flex Price monthly bill will be calculated in the same manner as the DAP bill. It will consist of the bill for the SCBL load priced under the customer's standard tariff, plus the bill for the difference between the SCBL and actual load priced at the Flex Price time-of-use period price.

Q. **Will Flex Price customers be allowed to participate in the Load Reduction (LR) program?**

A. No, not at this time.

Q. **Why has the Company included a best bill provision in the Flex Price?**

A. The best bill provision will allow customers the freedom to experience the opportunities available under a dynamic pricing program without the risk of paying more than they otherwise would under their previous rates. Flex Price participants will have the Best Bill Provision for both seasons of the initial 12 month subscription. The participant's Flex Price billing will be compared to their otherwise applicable tariff at the end of each season using their actual usage. If the Flex Price billing is higher, then the customer will be credited the difference. After the initial 12-month period, the Best Bill provision will no longer apply for that customer.

Q. **Is OG&E proposing to merge any existing plans?**

A. Yes. OG&E proposes to integrate the Power and Light-TOU-D ("PL-TOU-D") and the Power and Light ("PL-TOU-E') rate. In Docket No. 10-067-U, the PL-TOU tariff was divided into two separate tariffs: PL-TOU-D and PL-TOU-E. OG&E proposes to simplify its PL-TOU tariff offerings by integrating these tariffs. OG&E witness Wai will describe the impacts to customers resulting from this change in his direct testimony.

II. REVENUE ALLOCATION

Q. **How are the Cost of Service Study results used in the rate design process?**

A. The COSS establishes the amount of revenues that should be collected from each customer group or class if each class were to pay its cost for receiving electric service. When the class revenue requirement matches the cost of service, the class' revenue requirement is considered to be at 100% relative rate of return ("RROR") or equalized rate of return ("ROR").

Q. **Has the Company prepared a COSS for this Cause?**

A. Yes. Chart 7 shows the results of the COSS which depicts the revenue requirements, revenue deficiencies and percent increases which would provide a 100% RROR for each customer group or class.

The first column is the customer group. The second column is the current revenue from each customer group and is from Schedule H-2, discussed by OG&E witness Wai. These revenues include fuel revenue and continuing rider revenues. The third column is the total proposed revenue including fuel revenue and rider revenues. The fourth column shows the net proposed increase and includes the results from offsets to changes in fuel cost or rider amounts and the effects from elimination of riders. The last column is the net proposed percent change from Arkansas retail customers and represents the net impact to customers' bills.

Chart 7. COSS Results

Revenue Allocation - COSS Results				
(1) Customer Group	(2) Total Current Revenue	(3) Total Proposed Revenue	(4) Proposed Increase	(5) Proposed Percent Change
RS	$ 55,968,794	$ 67,795,087	$ 11,826,293	21.1%
GS	$ 16,515,750	$ 19,215,657	$ 2,699,906	16.3%
PL	$ 49,613,313	$ 52,314,325	$ 2,701,012	5.4%
PL TOU	$ 41,487,718	$ 40,778,571	$ (709,147)	(1.7%)
AFL	$ 88,742	$ 146,542	$ 57,799	65.1%
MP	$ 99,057	$ 134,182	$ 35,125	35.5%
ML	$ 1,367,162	$ 1,290,869	$ (76,293)	(5.6%)
OSL	$ 2,580,151	$ 2,543,355	$ (36,797)	(1.4%)
Total Retail	$ 167,720,688	$ 184,218,586	**$ 16,497,898**	**9.8%**

Q. **Are these the revenue requirements OG&E will utilize for its rate design proposal?**

A. Not in all cases. At times, a particular class' allocated revenues may be set at an amount slightly higher or lower than is allocated in the COSS. The process of adjusting the

COSS results to determine the target revenue requirement for each class is the revenue allocation process.

Q. **What are the primary considerations in the revenue allocation process?**

A. A primary concern in the revenue allocation, from OG&E's perspective, is to set each class' revenue requirement as close as possible to a target RROR of 100%. In other words, each customer group should pay the full cost for its electric service. However, external or unusual circumstances may also be considered in the allocation of revenues to each class. Consequently, when moving classes toward their allocated cost of service, the Company must also incorporate allowances for these circumstances in its pricing proposals.

Q. **Did the final revenue allocation achieve the goal of each customer group paying the full cost of their electric service?**

A. No. Chart 8 shows the results of the revenue allocation process and includes the RROR for each rate class as well as the percent of the total cost of service included in the final revenue requirement. To mitigate the impact of the cost of service increases, OG&E proposes that no class receive a rate decrease. Those decrease dollars were instead used to reduce the increases to other classes. The results in Chart 8 are the target increases for each customer class. Note that the proposed prices produce slightly different amounts than the target revenues. The results are shown in Schedule H, supported in the direct testimony of OG&E witness Wai. Other differences are due to rounding and are within the design limits for price changes.

Chart 8. Proposed Revenue Allocation

Revenue Allocation		*Proposed Allocation for Rate Design*					
(1) Customer Group	(2) Total Current Revenue	(3) Total Proposed Revenue	(4) Revenue Change	(5) Total Proposed % Change	(6) Proposed Rate of Return	(7) Proposed RRoR	(8) Percent of Total Cost of Service
RS	$ 55,968,794	$ 66,394,877	$ 10,426,083	18.6%	5.6%	93%	96.9%
GS	$ 16,515,750	$ 19,114,377	$ 2,598,627	15.7%	5.9%	98%	99.2%
PL	$ 49,613,313	$ 52,434,869	$ 2,821,556	5.7%	6.1%	101%	100.4%
PL TOU	$ 41,487,718	$ 42,101,463	$ 613,745	1.5%	6.8%	114%	107.2%
AFL	$ 88,742	$ 106,742	$ 18,000	20.3%	2.3%	37%	65.6%
MP	$ 99,057	$ 119,057	$ 20,000	20.2%	4.1%	69%	84.4%
ML	$ 1,367,162	$ 1,367,162	$ -	0.0%	6.9%	114%	107.5%
OSL	$ 2,580,151	$ 2,580,151	$ -	0.0%	6.2%	104%	101.9%
Total Retail	$ 167,720,688	$ 184,218,699	$ 16,498,011	9.8%	6.0%	100%	100.0%

Q. **How are the allocated revenues utilized to establish the prices in the proposed tariffs?**

A. The results from the final revenue allocation establish the target revenues for rate design as reflected in Schedule H-2 of the Application package and sponsored by witness Wai.

Q. **Does OG&E's proposal move customers closer to the COSS, as shown in Chart 8?**

A. Yes. Although OG&E has proposed the above alternative to the full COSS, OG&E still supports the goal of moving each class to its full cost of service as shown in Chart 8. Moving to each class paying their full cost of service is important because it allows customers to make better decisions. Without cost based prices, customers will be led to make poor choices regarding long term investments. OG&E's proposal is a step in the correct direction but does not yet eliminate all cross class subsidies.

Q. **What are your recommendations?**

A. I recommend the Commission adopt the Company's proposal for revenue allocation, Flex Price, and to integrate the PL-TOU D and E rates.

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

A. Yes.