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APPENDIX I
KIMBERLY H. DISMUKES
QUALIFICATIONS

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I graduated from Florida State University with a Bachelor of Science degree in Finance in March, 1979. I received an M.B.A. degree with a specialization in Finance from Florida State University in April, 1984.

Q. WOULD YOU PLEASE DESCRIBE YOUR EMPLOYMENT HISTORY IN THE FIELD OF PUBLIC UTILITY REGULATION?

A. In March of 1979 I joined Ben Johnson Associates, Inc., a consulting firm specializing in the field of public utility regulation. While at Ben Johnson Associates, I held the following positions: Research Analyst from March 1979 until May 1980; Senior Research Analyst from June 1980 until May 1981; Research Consultant from June 1981 until May 1983; Senior Research Consultant from June 1983 until May 1985; and Vice President from June 1985 until April 1992. In May 1992, I joined the Florida Public Counsel's Office, as a Legislative Analyst III. In July 1994 I was promoted to a Senior Legislative Analyst. In July 1995 I started my own consulting practice in the field of public utility regulation.

1 **Q. WOULD YOU PLEASE DESCRIBE THE TYPES OF WORK THAT YOU**
2 **HAVE PERFORMED IN THE FIELD OF PUBLIC UTILITY**
3 **REGULATION?**

4 A. Yes. My duties have ranged from analyzing specific issues in a rate
5 proceeding to managing the work effort of a large staff in rate proceedings.
6 I have prepared testimony, interrogatories and production of documents,
7 assisted with the preparation of cross-examination, and assisted counsel
8 with the preparation of briefs. Since 1979, I have been actively involved in
9 more than 170 regulatory proceedings throughout the United States.

10 I have analyzed cost of capital and rate of return issues, revenue
11 requirement issues, public policy issues, market restructuring issues, and
12 rate design issues, involving telephone, electric, gas, water and
13 wastewater, and railroad companies. I have also examined performance
14 measurements, performance incentive plans, and the prices for unbundled
15 network elements related to telecommunications companies.

16 **Q. WOULD YOU PLEASE DESCRIBE YOUR WORK INVOLVING**
17 **PERFORMANCE MEASUREMENTS AND PERFORMANCE INCENTIVE**
18 **PLANS?**

19 A. I have assisted the Staff of the Louisiana Public Service Commission in
20 establishing BellSouth's performance measurements and performance
21 incentive plan. My involvement in this area began in August 1988 and
22 continues through the present. In this capacity I assisted the Staff by

1 holding nine technical workshops consisting of 26 days of collaborative
2 efforts between BellSouth and the CLECs to craft a set of performance
3 metrics that could be used to evaluate BellSouth's performance to the
4 CLEC community. In addition, these efforts also resulted in a performance
5 incentive plan to be used to incent BellSouth to provide CLECs with parity
6 service.

7 I also assisted the Staff of the Public Service Commission of Nevada
8 in holding workshops to craft performance metrics for Nevada Bell, Sprint,
9 and GTE (now Verizon). My assistance with the Staff of the Public Service
10 Commission of Nevada began in April 1998 and concluded in April 2000.
11 The collaborative efforts of the CLECs, the ILECs, the Staff, and the BCP
12 resulted in a set of performance metrics for each ILEC in Nevada. I filed
13 testimony in Docket No. 97-9022 addressing a few issues that could not be
14 resolved through the collaborative efforts of the parties to that proceeding.

15 Through my work in Louisiana and Nevada I have become familiar
16 with various performance measurement plans and performance incentive
17 plans of other ILECs including Bell Atlantic-New York, Southwestern Bell
18 Texas, Missouri, Oklahoma, Kansas, and BellSouth Georgia and Florida.

19 **Q. WHAT IS YOUR EXPERIENCE CONCERNING COST OF CAPITAL?**

20 A. In the area of cost of capital, I have analyzed the following parent
21 companies: American Electric Power Company, American Telephone and
22 Telegraph Company, American Water Works, Inc., Ameritech, Inc., CMS

1 Energy, Inc., Columbia Gas System, Inc., Continental Telecom, Inc., GTE
2 Corporation, Northeast Utilities, Pacific Telecom, Inc., Southwestern Bell
3 Corporation, United Telecom, Inc., and U.S. West. I have also analyzed
4 individual companies like Connecticut Natural Gas Corporation, Duke
5 Power Company, Idaho Power Company, Kentucky Utilities Company,
6 Southern New England Telephone Company, and Washington Water
7 Power Company.

8 **Q. HAVE YOU PREVIOUSLY ASSISTED IN THE PREPARATION OF**
9 **TESTIMONY CONCERNING REVENUE REQUIREMENTS?**

10 A. Yes. I have assisted on numerous occasions in the preparation of
11 testimony on a wide range of subjects related to the determination of
12 utilities' revenue requirements and related issues.

13 I have assisted in the preparation of testimony and exhibits
14 concerning the following issues: abandoned project costs, accounting
15 adjustments, affiliate transactions, allowance for funds used during
16 construction, attrition, cash flow analysis, conservation expenses and cost-
17 effectiveness, construction monitoring, construction work in progress,
18 contingent capacity sales, cost allocations, decoupling revenues from
19 profits, cross-subsidization, demand-side management, depreciation
20 methods, divestiture, excess capacity, feasibility studies, financial integrity,
21 financial planning, gains on sales, incentive regulation, infiltration and
22 inflow, jurisdictional allocations, non-utility investments, fuel projections,

1 margin reserve, mergers and acquisitions, pro forma adjustments,
2 projected test years, prudence, tax effects of interest, working capital, off-
3 system sales, reserve margin, royalty fees, separations, settlements, used
4 and useful, weather normalization, and resource planning.

5 Companies that I have analyzed include: Alascom, Inc. (Alaska),
6 Arizona Public Service Company, Arvig Telephone Company, AT&T
7 Communications of the Southwest (Texas), Blue Earth Valley Telephone
8 Company (Minnesota), Bridgewater Telephone Company (Minnesota),
9 Carolina Power and Light Company, Central Maine Power Company,
10 Central Power and Light Company (Texas), Central Telephone Company
11 (Missouri and Nevada), Consumers Power Company (Michigan), C&P
12 Telephone Company of Virginia, Continental Telephone Company
13 (Nevada), C&P Telephone of West Virginia, Connecticut Light and Power
14 Company, Danube Telephone Company (Minnesota), Duke Power
15 Company, East Otter Tail Telephone Company (Minnesota), Easton
16 Telephone Company (Minnesota), Eckles Telephone Company
17 (Minnesota), El Paso Electric Company (Texas), Entergy Corporation,
18 Florida Cities Water Company (North Fort Myers, South Fort Myers and
19 Barefoot Bay Divisions), Florida Power and Light, General Telephone
20 Company (Florida, California, and Nevada), Georgia Power Company,
21 Jasmine Lakes Utilities, Inc. (Florida), Kentucky Power Company, Kentucky
22 Utilities Company, KMP Telephone Company (Minnesota), Idaho Power

1 Company, Louisiana Gas Service Company, Oklahoma Gas and Electric
2 Company (Arkansas), Kansas Gas & Electric Company (Missouri), Kansas
3 Power and Light Company (Missouri), Lehigh Utilities, Inc. (Florida), Mad
4 Hatter Utilities, Inc. (Florida), Mankato Citizens Telephone Company
5 (Minnesota), Michigan Bell Telephone Company, Mid-Communications
6 Telephone Company (Minnesota), Mid-State Telephone Company
7 (Minnesota), Mountain States Telephone and Telegraph Company (Arizona
8 and Utah), Nevada Bell Telephone Company, North Fort Myers Utilities,
9 Inc., Northwestern Bell Telephone Company (Minnesota), Potomac Electric
10 Power Company, Public Service Company of Colorado, Puget Sound
11 Power & Light Company (Washington), Sanlando Utilities Corporation
12 (Florida), Sierra Pacific Power Company (Nevada), South Central Bell
13 Telephone Company (Kentucky), Southern Union Gas Company (Texas),
14 Southern Bell Telephone & Telegraph Company (Florida, Georgia, and
15 North Carolina), Southern States Utilities, Inc. (Florida), Southern Union
16 Gas Company (Texas), Southwestern Bell Telephone Company
17 (Oklahoma, Missouri, and Texas), Sprint, St. George Island Utility, Ltd.,
18 Tampa Electric Company, Texas-New Mexico Power Company, Tucson
19 Electric Power Company, Twin Valley-Ulen Telephone Company
20 (Minnesota), United Telephone Company of Florida, Virginia Electric and
21 Power Company, Washington Water Power Company, and Wisconsin
22 Electric Power Company.

1 **Q. WHAT EXPERIENCE DO YOU HAVE IN RATE DESIGN ISSUES?**

2 A. My work in this area has primarily focused on issues related to costing. For
3 example, I have assisted in the preparation of class cost-of-service studies
4 concerning Arkansas Energy Resources, Cascade Natural Gas
5 Corporation, El Paso Electric Company, Potomac Electric Power Company,
6 Texas-New Mexico Power Company, and Southern Union Gas Company.
7 I have also examined the issue of avoided costs, both as it applies to
8 electric utilities and as it applies to telephone utilities. I have also evaluated
9 the issue of service availability fees, reuse rates, capacity charges, and
10 conservation rates as they apply to water and wastewater utilities.

11 **Q. HAVE YOU TESTIFIED BEFORE REGULATORY AGENCIES?**

12 A. Yes. I have testified before the Arizona Corporation Commission, the
13 Connecticut Department of Public Utility Control, the Florida Public Service
14 Commission, the Georgia Public Service Commission, Louisiana Public
15 Service Commission, the Missouri Public Service Commission, the Public
16 Utilities Commission of Nevada, the Public Utility Commission of Texas,
17 and the Washington Utilities and Transportation Commission. My testimony
18 dealt with revenue requirement, financial, policy, rate design, cost study
19 issues unbundled network pricing, and performance measures concerning
20 AT&T Communications of Southwest (Texas), Cascade Natural Gas
21 Corporation (Washington), Central Power and Light Company (Texas),
22 Connecticut Light and Power Company, El Paso Electric Company (Texas),

1 Florida Cities Water Company, Kansas Gas & Electric Company (Missouri),
2 Kansas Power and Light Company (Missouri), Houston Lighting & Power
3 Company (Texas), Lake Arrowhead Village, Inc. (Florida), Lehigh Utilities,
4 Inc. (Florida), Louisiana Gas Service Company, Jasmine Lakes Utilities
5 Corporation (Florida), Mad Hatter Utilities, Inc. (Florida), Marco Island
6 Utilities, Inc. (Florida), Mountain States Telephone and Telegraph Company
7 (Arizona), Nevada Bell Telephone Company, North Fort Myers Utilities, Inc.
8 (Florida), Southern Bell Telephone and Telegraph Company (Florida,
9 Louisiana and Georgia), Southern States Utilities, Inc. (Florida), Sprint of
10 Nevada, St. George Island Utilities Company, Ltd. (Florida), Puget Sound
11 Power & Light Company (Washington), and Texas Utilities Electric
12 Company.

13 I have also testified before the Public Utility Regulation Board of El
14 Paso, concerning the development of class cost-of-service studies and the
15 recovery and allocation of the corporate overhead costs of Southern Union
16 Gas Company and before the National Association of Securities Dealers
17 concerning the market value of utility bonds purchased in the wholesale
18 market.

19 **Q. HAVE YOU BEEN ACCEPTED AS AN EXPERT IN THESE**
20 **JURISDICTIONS?**

21 A. Yes.

22 **Q. HAVE YOU PUBLISHED ANY ARTICLES IN THE FIELD OF PUBLIC**
23 **UTILITY REGULATION?**

1 A. Yes, I have published two articles: "Affiliate Transactions: What the Rules
2 Don't Say", Public Utilities Fortnightly, August 1, 1994 and "Electric M&A: A
3 Regulator's Guide" Public Utilities Fortnightly, January 1, 1996.

4 **Q. DO YOU BELONG TO ANY PROFESSIONAL ORGANIZATIONS?**

5 A. Yes. I am a member of the Eastern Finance Association, the Financial
6 Management Association, the Southern Finance Association, the
7 Southwestern Finance Association, and the Florida and American Water
8 Association.