

Exhibit No.:

Issue(s):

Advertising;

Gas Safety Replacement AAO;

Computer System Replacement Costs

Witness/Type of Exhibit:

Bolin/Direct

Sponsoring Party:

Public Counsel

Case No.:

GR-98-374

## **DIRECT TESTIMONY**

**OF**

**KIMBERLY K. BOLIN**

Submitted on Behalf of  
the Office of the Public Counsel

**FILED**  
AUG 14 1998  
Missouri Public  
Service Commission

**LACLEDE GAS COMPANY**

**Case No. GR-98-374**

August 14, 1998

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

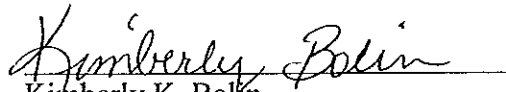
In the Matter of Laclede Gas Company's     )  
Tariff Sheets Designed to Increase Rates     )     Case No. GR-98-374  
for Gas Service Provided to Customers in     )  
the Missouri Service Area of the Company     )

**AFFIDAVIT OF KIMBERLY K. BOLIN**

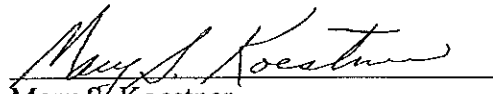
STATE OF MISSOURI     )  
   )     ss  
COUNTY OF COLE     )

Kimberly K. Bolin, of lawful age and being first duly sworn, deposes and states:

1. My name is Kimberly K. Bolin. I am a Public Utility Accountant for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony consisting of pages 1 through 12 and Schedules KKB-1 through KKB-4.2.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Kimberly K. Bolin

Subscribed and sworn to me this 14th day of August, 1998.

  
\_\_\_\_\_  
Mary S. Koestner  
Notary Public

My commission expires August 20, 2001

**DIRECT TESTIMONY**

**OF**

**KIMBERLY K. BOLIN**

**LACLEDE GAS COMPANY**

**CASE NO. GR-98-374**

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

2 A. Kimberly K. Bolin, P.O. Box 7800, Jefferson City, Missouri 65102.

3 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

4 A. I am employed by the Office of the Public Counsel of the State of Missouri (OPC or Public  
5 Counsel) as a Public Utility Accountant I.

6 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

7 A. I graduated from Central Missouri State University in Warrensburg, Missouri, with a Bachelor of  
8 Science in Business Administration, major in Accounting, in May 1993.

9 **Q. WHAT IS THE NATURE OF YOUR CURRENT DUTIES WITH THE OFFICE OF**  
10 **THE PUBLIC COUNSEL?**

11 A. Under the direction of the Chief Public Utility Accountant, I am responsible for performing audits  
12 and examinations of the books and records of public utilities operating within the state of Missouri.

13 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC**  
14 **SERVICE COMMISSION (COMMISSION)?**

15 A. Yes. Please refer to Schedule KKB-1, attached to this direct testimony, for a listing of cases in  
16 which I have previously submitted testimony.

1 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

2 A. The purpose of my direct testimony is to express the Public Counsel's recommendations regarding  
3 the appropriate regulatory treatment of Advertising, Gas Safety Replacement Accounting Authority  
4 Order (AAO) and Computer System Replacement Costs.

5  
6 ADVERTISING

7 A. PLEASE DESCRIBE THE RECENT HISTORY OF COMMISSION DECISIONS  
8 CONCERNING ADVERTISING EXPENSE.

9 A. Prior to 1986, the Commission used the "New York Rule" to determine the amount of advertising to  
10 be included in rates for gas and electric utilities operating in Missouri. "As applied by this  
11 Commission, the rule first excludes all political and promotional advertising and then allows all  
12 other advertising, including goodwill advertising, up to an amount equal to one-tenth of one percent  
13 of the utility's revenues." Re: Union Electric Company, 25 Mo. P.S.C. (N.S.) 194, 200 (1982).

14 However, in 1986, in Re: Kansas City Power and Light Company, 28 Mo. P.S.C. (N.S.) 228, 75  
15 PUR4th 1 (1986) (KCPL), the Commission adopted the Staff's recommendation to abandon the  
16 New York Rule and replace it with an analysis which separates advertisements into five categories  
17 and provide separate rate treatment for each category. The five categories of advertisements  
18 recognized by the Commission for purposes of this approach are;

19 1. General – advertising that is useful in the provision of adequate service;

- 2     Safety – advertising which conveys the ways to safely use the company's service and to avoid accidents;
- 3     3.     Promotional – advertising used to encourage or promote the use of the particular
- 4             commodity the utility is selling;
- 5     4.     Institutional – advertising used to improve the company's public image;
- 6     5.     Political – advertising which is associated with political issues

7     KCPL, pp. 269 - 271

8     The Commission adopted these categories of advertisements because it believed that a utility's  
9     revenue requirement should: (1) always include the costs of general and safety ads, provided such  
10    costs are reasonable, (2) never include the cost of institutional or political ads, and (3) include the  
11    cost of promotional ads only to the extent that the utility can provide cost-justification for the ads.  
12    (KCPL, pp. 269-271) The Commission also noted that it was abandoning the New York Rule  
13    because its use had not eliminated the need for an ad-by-ad review of each utility. (KCPL, p. 270)

14    **Q.    WHAT EXAMINATION AND ANALYSIS HAVE YOUR PERFORMED REGARDING**  
15        **LACLEDE GAS COMPANY'S (LACLEDE OR COMPANY) ADVERTISING**  
16        **EXPENDITURES?**

17    **A.**    I examined copies of each printed ad and copies of scripts for radio and television ads. After  
18            examining all of the advertisements I then categorized each ad into the five categories established  
19            by the Commission in the KCPL case as discussed above. (See Schedule KKB-2)

1 Q. HOW DID YOU DETERMINE EACH ADVERTISING CLASSIFICATION UNDER  
2 THE KCPL STANDARD?

3 A. Each advertisement was reviewed to determine which of the following "primary messages" the  
4 advertisement was designed to communicate:

- 5 1. The promotion of a product or service (promotional);
- 6 2. The dissemination of information necessary to obtain safe and adequate gas service (safety,  
7 general)
- 8 3. The promotion of the company image (institutional); or
- 9 4. The endorsement of a political candidate/message (political).

10 Q. HAVE YOU INCLUDED GENERAL ADVERTISING IN THE COST OF SERVICE?

11 A. Yes. General advertising is advertisements that detail the hours and days business offices will be  
12 open, locations of business offices, rates customers are charged, office telephone numbers, and bill  
13 payment procedures. This type of advertisement provides the customer with useful and needed  
14 information

15 Q. WHY DID YOU INCLUDE SAFETY ADVERTISING IN THE COST OF SERVICE?

16 A. Safety advertising conveys to the customer ways to safely use gas and to avoid accident, therefore I  
17 included safety advertising in the cost of service.

1 Q. HAVE YOU INCLUDED PROMOTIONAL ADVERTISING IN THE COST OF  
2 SERVICE?

3 A. No. As previously stated, promotional advertising encourages or promotes the use of gas or  
4 encourages new customers to use gas. As stated by the Commission in KCPL (pg. 269-271),  
5 promotional advertising should be included in the cost of service only if a company can reasonably  
6 demonstrate that the benefits received exceed the costs incurred. In Staff Data Request No. 106,  
7 Laclede provided an advertisement recognition survey developed for the Company by Marketeam  
8 Associates on or about June 1990. The survey contained no dollar cost benefit analysis, therefore,  
9 Laclede has not adequately justified the inclusion of promotional advertising expenditures in its  
10 cost of service.

11 Q. HAVE YOU INCLDUEED INSTITITIUTIONAL ADVERTISING IN THE COST OF  
12 SERIVCE?

13 A. No. Institutional advertising is used by a company to enhance its public image. Institutional  
14 advertising is not necessary for Laclede to provide safe and reasonable service to its customers,  
15 therefore it should not be included in the cost of service recovered from ratepayers.

16 Q. DID LACLEDE INCUR ANY POLITICAL ADVERTISING EXPENDITURES  
17 DURING THE TEST YEAR?

18 a. No.

19 Q. IN WHICH ACCOUNTS DOES LACLEDE BOOK ADVERTISING EXPENSE?

20 A. Laclede books advertising expense in accounts 416, 909, 912.10, 912.12 and 930.10.

1 Q. DO YOU RECOMMEND THE DISALLOWANCE OF ALL EXPENSES BOOKED IN  
2 ACCOUNT 930.10?

3 A. Yes, I recommend disallowing all expenses booked in account 930.10, which is titled  
4 Miscellaneous General Expenses – Corporate Communications. The description in Laclede’s chart  
5 of accounts, for account 930.10 is, “This account shall include the cost incurred by the Corporate  
6 Communications Department in connection with institutional or goodwill advertising.” As  
7 previously stated institutional advertising is not necessary for Laclede to provide safe and  
8 reasonable service to its customers, therefore it should not be included in the cost of service  
9 recovered from ratepayers.

10 Q. DID YOU EXAMINE A COPY OF EACH AD IN WHICH ALL OR PART OF THE  
11 EXPENSES INCURRED FOR THAT AD WAS RECORDED IN ACCOUNT 930.10?

12 A. Yes, I did. I found that all ads in which all or part of the expenses incurred for those ads was  
13 recorded in Account 930.10 were either promotional or institutional.

14 Q. WHAT EXPENSE ITEMS ARE RECORDED IN ACCOUNT 930.10?

15 A. The following expense items are recorded in account 930.10:

- 16 1. Expenses directly related to promotional and institutional ads.
- 17 2. Service fees charged by Carden & Cherry, Inc. for the “Ernest Contract Fee”.
- 18 3. Miscellaneous subjournal entries.
- 19 4. Expenses allocated from other departments such as payroll and transportation.



1 Q. WHAT IS THE TOTAL AMOUNT OF ADVERTISING EXPENSE YOU ARE  
2 PROPOSING TO DISALLOW?

3 A. \$901,850. See Schedule KKB-3 for more detail.  
4

5 GAS SAFETY REPLACEMENT AAO

6 Q. WAS LACLEDE GRANTED ACCOUNTING AUTHORIZATION TO DEFER AND  
7 BOOK LACLEDE'S GAS SAFETY EXPENDITURES IN IT'S LAST RATE  
8 CASE, GR-96-193?

9 A. Yes. As part of the Stipulation and Agreement in Case No. GR-96-193, Laclede was "granted  
10 accounting authorization to continue to defer and book to Account 182.3 costs incurred to comply  
11 with the Commission's gas safety requirements including costs: (1) to replace Company service and  
12 yard lines and to move and reset and/or replace meters; (2) to replace cast iron mains and transfer  
13 services from the old main to the new main; (3) to replace and/or cathodically protect unprotected  
14 steel mains and transfer services from the old main to the new main; and (4) to survey buried fuel  
15 lines for leaks as more particularly described in the Stipulation and Agreement." Report and Order,  
16 pg. 18-19.

17 Q. DOES PUBLIC COUNSEL BELIEVE LACELDE SHOULD BE GRANTED AN  
18 ACCOUNTING AUTHORITY ORDER FOR FUTURE GAS SAFETY  
19 EXPENDITURES?

20 A. No.

1    **Q.    PLEASE EXPLAIN.**

2    A.    Public Counsel opposes granting an AAO for future gas safety expenditures because Laclede's gas  
3    safety expenditures do not meet the criteria of an extraordinary event. Also Public Counsel believes  
4    Commission authorization to defer gas safety expenditures insulates the Laclede shareholders from  
5    some of the risks of regulatory lag that may occur if the gas safety projects are completed and  
6    placed in service before the operation law date of a general rate increase case.

7    **Q.    PLEASE PROVIDE THE UNIFORM SYSTEM OF ACCOUNTS (USOA)**  
8    **DEFINITION OF EXTRAORDINARY ITEMS.**

9    A.    The USOA defines extraordinary items as:

10            "Those items related to the effects of events and transactions which have occurred  
11            during the current period and which are not typical or customary business activities  
12            of the company shall be considered extraordinary items. Accordingly, they will be  
13            events and transaction of significant effect which would not be expected to recur  
14            frequently and which would not be considered as recurring factors in any  
15            evaluation of the ordinary operating processes of business.....To be considered  
16            as extraordinary under the above guidelines, an item should be more than  
17            approximately 5 percent of income, computed before extraordinary items."

18  
19    **Q.    DOES LACLEDE'S GAS SAFETY RELATED COSTS MEET THE DEFINITION**  
20    **ABOVE?**

21    A.    No. Total gas safety related costs Laclede has deferred to Account 186.24 as of April 30, 1998  
22    amounts to \$1,233,278. (See Schedule KKB-4) This amount is less than five percent of Laclede's  
23    filed booked net operating income (\$42,280,000).

1 Q. IS THE REPLACEMENT OF GAS LINES A TYPICAL BUSINESS ACTIVITY  
2 FOR A GAS UTILTIY?

3 A. Yes.

4 Q. ARE THE GAS SAETY-RELATED COSTS UNPREDICTABLE IN NATURE?

5 A. No. Laclede's gas safety replacement program is a continuing construction project that has existed  
6 for several years and to my understanding is approximately a year from completion. Due to the fact  
7 that this construction project has lasted many years, it would be unrealistic to believe that gas  
8 safety-related costs could not be predicted and planned for by management with little error in their  
9 results.

10 Q. PLEASE EXPLAIN THE CONCEPT OF REGUALTORY LAG?

11 A. This concept is based on a difference in timing of a decision by management, and the Commission's  
12 recognition of that decision, and its effect on the "rate base/rate of return relationship" in the  
13 determination of a company's revenue requirement. Prudent management decisions which reduce  
14 the cost of service without changing revenues result in a change in the rate base/rate of return  
15 relationship. This change increases the profitability of the firm in the short-run, and until such time  
16 as the Commission reestablishes rates which properly match the new level of service cost.  
17 Companies are allowed to retain cost savings, i.e., excess profits during the lag period between rate  
18 cases. When faced with escalating costs which will change the rate base/rate of return relationship  
19 adversely with respect to profits, regulatory lag places pressure on management to minimize the  
20 change in the relationship because costs cannot be recognized in a rate increase until the  
21 Commission approves such in a general rate proceeding.

1 Q. HAS THIS COMMISSION RULED THAT IT IS NOT REASONABLE TO  
2 PROTECT SHAREHOLDERS FROM ALL REGULATORY LAG?

3 A. Yes, it has. In Missouri Public Service Co., Case Nos. EO-91-358 and EO-91-360, the Commission  
4 stated:

5 "Lessening the effect of regulatory lag by deferring costs is beneficial to a  
6 company but not particularly beneficial to ratepayers. Companies do not propose  
7 to defer profits to subsequent rate cases to lessen the effects of regulatory lag, but  
8 insist it is a benefit to defer costs. Regulatory lag is a part of the regulatory process  
9 and can be a benefit as well as a detriment. Lessening regulatory lag by deferring  
10 costs is not a reasonable goal unless the costs are associated with an extraordinary  
11 event.

12 Maintaining the financial integrity of a utility is also a reasonable goal. The  
13 deferral of costs to maintain current financial integrity, though, is of questionable  
14 benefit. If a utility's financial integrity is threatened by high costs so that its ability  
15 to provide service is threatened, then it should seek interim rate relief. If  
16 maintaining financial integrity means sustaining a specific return on equity, this is  
17 not the purpose of regulation. It is not reasonable to defer costs to insulate  
18 shareholders from any risks." 1 Mo. P.S.C. 3d 200, 207 (1991).

19  
20 COMPUTER SYSTEM REPLACEMENT COSTS

21 Q. WHAT IS THE ISSUE?

22 A. Laclede is in the process of replacing their general ledger system, payroll system, network system  
23 and computer equipment. An added benefit of replacing the computer system is that these  
24 replacements will be Year 2000 compatible. Laclede has characterized these expenses as expenses  
25 incurred only for the sake of making their computer system Year 2000 compatible

1 Q. DOES PUBLIC COUNSEL BELIEVE AN AAO SHOULD BE GRANTED TO  
2 LACLEDE FOR THEIR COMPUTER SYSTEM REPLACEMENT COSTS?

3 A. Public Counsel believes an AAO should not be granted to Laclede for costs incurred to replace  
4 their computer system. This replacement of their computer systems is not just a replacement due  
5 the Year 2000, but it is a badly needed replacement of an aging computer system. Laclede  
6 purchased their general ledger and payroll systems in the 1960s. Laclede should have been  
7 continuously updating their computer systems. The replacement and/or modification of a computer  
8 system(s) should be an ongoing normal operation of any utility.

9 Q. HAS THIS COMMISSION PREVIOUSLY RULED THAT DEFERRALS SHOULD  
10 NOT BE GIVEN FOR NORMAL ONGOING OPERATIONS?

11 A. Yes, in Re: Missouri Public Service, 1 Mo. P.S.C. 3d 200 (1991), the Commission stated:

12 "The deferral of costs from one period to another period for the development of a  
13 revenue requirement violates the traditional method of setting rates. Rates are  
14 usually established based upon a historical test year which focuses on four factors:  
15 (1) the rate of return the utility has an opportunity to earn; (2) the rate base upon  
16 which a return may be earned; (3) the depreciation costs of plant and equipment;  
17 and (4) allowable operating expenses. State ex. Rel. Union Electric Company v.  
18 PSC, (UE), 765 S.W.2d 618, 622 (Mo. App. 1988).

19 Allowable operating expenses are those which recur in the normal operations of a  
20 company, and a company's rates are set for the future based upon its past  
21 experience for a test year with adjustments for annualizations, normalizations and  
22 known and measurable changes. Under historical test year ratemaking, costs are  
23 rarely considered from earlier than the test year to determine what is a reasonable  
24 revenue requirement for the future. Deferral of costs from one period to a  
25 subsequent rate case causes this consideration and should be allowed only on a  
26 limited basis."

1 Q. PLEASE SUMMARIZE PUBLIC COUNSEL'S POSITION REGARDING  
2 LACLEDE'S COMPUTER SYSTEM REPLACEMENT COSTS.

3 A. Public Counsel believes Laclede should continue booking their computer replacement costs to  
4 Account 107, Construction Work in Progress or the appropriate expense account and the associated  
5 payroll expenses to the appropriate expense accounts. As soon as the new systems are used and  
6 useful the Company should then close Account 107 to Account 391, Office Furniture and  
7 Equipment. Laclede should not be granted AAO treatment for upgrading or replacing their  
8 computer systems since the replacement or modification of Laclede computer systems is a normal  
9 ongoing operation of the Company.

10 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

11 A. Yes.

**CASE PARTICIPATION**  
**OF**  
**KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>
St. Louis County Water Company	WR-95-145
Missouri-American Water Company	WR-95-205
Steelville Telephone Company	TR-96-123
St. Louis Water Company	WR-96-263
Imperial Utility Corporation	SR-96-427
Missouri-American Water Company	WA-97-45
Associated Natural Gas Company	GR-97-272
St. Louis County Water Company	WR-97-382
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140

Direct Testimony of  
Kimberly K. Bolin  
Case No. GR-98-374

<u>Type</u>	<u>Description</u>	<u>Classification</u>
Print	Nighthawk Co Detector	Promotional
Print	Public Service (People)	Institutional
Print	Nighthawk Co Detector	Promotional
Print	Co Detector (1X3)	Promotional
Print	Gas Dryer Repair	Promotional
Print	Safety Tips	Safety
Print	Black History Month	Institutional
Print	Gas Light Repair	Promotional
Print	The Sign of an All-Gas Home	Promotional
Print	St. Louis Cooks with Natural Gas	Promotional
Print	St. Louis Cooks with Natural Gas	Promotional
Print	Job Safety (Ernest)	Safety
Print	Gas Lights/Gas Grill	Below the line
Print	Master of Mishaps	Safety
Print	Gas Furnace Check-up	Promotional
Print	Serving this Public	Institutional
Print	Hargrove Log Sale	Below the line
Print	Gas Grill Parts	Below the line
Print	Elderly & Handicapped	General
Print	Furnace Inspection (Ernest)	Promotional
Print	Budget Billing	General
Print	Follow Your Nose	Safety
Print	Dr. Martin Luther King Tribute	Institutional
Print	Natural Gas Worked For Us	Promotional
Print	New 1997 Log Sale	Below the line
Print	A.O. Smith Water Heater	Below the line
Print	Rudd Water Heater	Below the line
Print	Gas Grill Repair	Promotional
Print	Gas Range Repair	Promotional
Print	Testimonial-St. Louis Cooks with	Promotional
Print	Gas Water Heater Repair	Promotional
Radio	Ask The Expert 1	Promotional
Radio	Ask The Expert 2	Promotional
Radio	Manager	Promotional
Radio	Classroom	Promotional
Radio	Shoot	Promotional
Radio	Service (Football)	Promotional
Radio	Dream Team	Promotional
Radio	Game Plan	Promotional
Radio	All Purpose Tool	Promotional
TV	The Newshour "Our Daily Business"	Institutional
TV	The Newshour "Bringing you Energy"	Institutional
TV	Coach's Signals	Promotional
TV	Catcher Roll Back	Promotional
TV	Testimonial -Warm Throughout	Promotional
TV	Testimonial - Getting Comfortable	Promotional
TV	Testimonial- Control	Promotional
TV	Yo-Yo	General
TV	Standing on Head	General
TV	Testimonial - Hot Water	Promotional



Direct Testimony of  
Kimberly K. Bolin  
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<u>Account</u>	<u>Amount Disallowed</u>
Acct. 909	\$ 337,814.88
Acct. 912.10	\$ 3,000.00
Acct. 912.12	\$ 4,522.98
Acct. 930.10	\$ 556,511.78
Total	\$ 901,849.64

Account 930.10

Expense related to ads:	\$ 431,100.07
Other expense items:	\$ 125,411.71
Total	\$ 556,511.78

<u>Account</u>	<u>Source</u>	<u>Reference</u>	<u>Description</u>	<u>Date</u>	<u>Debits</u>	<u>Credits</u>	<u>Balance</u>
186.24	1		Balance Forward	Sep-96	\$ 203,239		\$ 203,239
186.24	70	1	Prov Depr Safety Defer	Mar-97	\$ 12,994		\$ 216,233
186.24	70	20	Def Prop Tax - Safety	Mar-97	\$ 7,300		\$ 223,533
186.24	75	106	Interest Safety Defer	Mar-97	\$ 17,846		\$ 241,379
186.24	70	1	Prov Depr Safety Defer	Apr-97	\$ 14,020		\$ 255,399
186.24	70	20	Def Prop Tax - Safety	Apr-97	\$ 7,300		\$ 262,699
186.24	75	106	Interest Safety Defer	Apr-97	\$ 10,994		\$ 273,693
186.24	31	503	Prof Svcs Rndr	May-97	\$ 46		\$ 273,739
186.24	70	1	Prov Depr Safety Defer	May-97	\$ 15,199		\$ 288,938
186.24	70	20	Def Prop Tax - Safety	May-97	\$ 7,300		\$ 296,238
186.24	75	106	Interest Safety Defer	May-97	\$ 28,687		\$ 324,925
186.24	70	1	Prov Depr Safety Defer	Jun-97	\$ 16,386		\$ 341,311
186.24	70	20	Def Prop Tax - Safety	Jun-97	\$ 7,300		\$ 348,611
186.24	75	106	Interest Safety Defer	Jun-97	\$ 22,532		\$ 371,144
186.24	31	1709	Prof Svcs Barnescare	Jul-97	\$ 46		\$ 371,190
186.24	70	1	Prov Depr Safety Defer	Jul-97	\$ 17,913		\$ 389,102
186.24	70	20	Def Prop Tax - Safety	Jul-97	\$ 7,300		\$ 396,402
186.24	75	106	Interest Safety Defer	Jul-97	\$ 24,434		\$ 420,836
186.24	70	1	Prov Depr Safety Defer	Aug-97	\$ 19,494		\$ 440,331
186.24	70	20	Def Prop Tax - Safety	Aug-97	\$ 7,300		\$ 447,631
186.24	75	106	Interest Safety Defer	Aug-97	\$ 26,467		\$ 474,097
186.24	70	1	Prov Depr Safety Defer	Sep-97	\$ 20,479		\$ 494,576
186.24	70	20	Reverse Def Prop Tax	Sep-97		\$ 16,600	\$ 477,976
186.24	75	106	Interest Safety Defer	Sep-97	\$ 28,137		\$ 506,113
186.24	70	1	Prov Depr Safety Defer	Oct-97	\$ 21,831		\$ 527,944
186.24	70	20	Def Prop Tax - Safety	Oct-97	\$ 4,600		\$ 532,544
186.24	75	106	Interest Safety Defer	Oct-97	\$ 29,797		\$ 562,341
186.24	31	309	Prof Svcs Barnescare	Nov-97	\$ 92		\$ 562,433
186.24	70	1	Prov Depr Safety Defer	Nov-97	\$ 22,498		\$ 584,931
186.24	70	20	Def Prop Tax - Safety	Nov-97	\$ 4,600		\$ 589,531
186.24	70	106	Interest Safety Defer	Nov-97	\$ 31,167		\$ 620,698
186.24	31	1000	Prof Svcs Rndr	Dec-97	\$ 184		\$ 620,882
186.24	70	1	Prov Depr Safety Defer	Dec-97	\$ 23,377		\$ 644,259

<u>Account</u>	<u>Source</u>	<u>Reference</u>	<u>Description</u>	<u>Date</u>	<u>Debits</u>	<u>Credits</u>	<u>Balance</u>
186.24	70	20	Def Prop Tax - Safety	Dec-97	\$ 4,700		\$ 648,959
186.24	75	106	Interest Safety Defer	Dec-97	\$ 32,121		\$ 681,080
186.24	31	1976	Prof Svcs Barnescare	Jan-98	\$ 138		\$ 681,218
186.24	70	1	Prov Depr Safety Defer	Jan-98	\$ 24,095		\$ 705,312
186.24	70	20	Def Prop Tax - Safety	Jan-98	\$ 14,800		\$ 720,112
186.24	75	106	Interest Safety Defer	Jan-98	\$ 33,201		\$ 753,313
186.24	31	809	Prof Svcs Barnescare	Feb-98	\$ 92		\$ 753,405
186.24	70	1	Prov Depr Safety Defer	Feb-98	\$ 27,028		\$ 780,433
186.24	70	20	Def Prop Tax - Safety	Feb-98	\$ 14,900		\$ 795,333
186.24	70	20	Def Prop Tax - Safety	Feb-98	\$ 46,071		\$ 841,404
186.24	75	106	Interest Safety Defer	Feb-98	\$ 38,201		\$ 879,605
186.24	70	1	Prov Depr Safety Defer	Mar-98	\$ 25,940		\$ 905,545
186.24	70	20	Def Prop Tax - Safety	Mar-98	\$ 17,800		\$ 923,345
186.24	75	106	Interest Safety Defer	Mar-98	\$ 35,665		\$ 959,010
186.24	31	2206	Services Rendered BJC 3	Apr-98	\$ 46		\$ 959,056
186.24	70	1	Prov Depr Safety Defer	Apr-98	\$ 27,372		\$ 986,428
186.24	70	20	Def Prop Tax - Safety	Apr-98	\$ 17,800		\$ 1,004,228
186.24	75	106	Interest Safety Defer	Apr-98	\$ 37,154		\$ 1,041,382
186.24	31	574	Prof Svcs-BJC	May-98	\$ 92		\$ 1,041,474
186.24	70	1	Prov Depr Safety Defer	May-98	\$ 29,024		\$ 1,070,498
186.24	70	20	Def Prop Tax - Safety	May-98	\$ 17,800		\$ 1,088,298
186.24	70	138	Adj Gas Safety Deferral	May-98	\$ 16,540		\$ 1,104,838
186.24	70	138	Adj Gas Safety Deferral	May-98		\$ 644	\$ 1,104,194
186.24	75	106	Interest Safety Defer	May-98	\$ 38,692		\$ 1,142,886
186.24	31	1536	Prof Svcs Rndr	Jun-98	\$ 757		\$ 1,143,643
186.24	70	1	Prov Depr Safety Defer	Jun-98	\$ 31,209		\$ 1,174,853
186.24	70	20	Def Prop Tax - Safety	Jun-98	\$ 17,800		\$ 1,192,653
186.24	75	106	Interest Safety Defer	Jun-98	\$ 40,625		\$ 1,233,278
						<b>Total</b>	<b>\$ 1,233,278</b>