BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Kansas City Power & Light Company for Approval to Make Certain Changes in its Charges for Electric Service to Implement its Regulatory Plan	))))	**Case No. ER-2007-0291**

REPLY BRIEF OF THE OFFICE OF THE PUBLIC COUNSEL

INTRODUCTION

This reply brief will address arguments raised in the initial briefs of DOE/NNSA, KCPL, and the Staff of the Commission concerning the issues of return on equity and inter-class revenue shifts.

RETURN ON EQUITY

This section of Public Counsel's reply brief will respond to arguments raised in KCPL's initial brief. Although several parties discussed return on equity (ROE) in their initial briefs, only KCPL focused on Public Counsel witness Gorman to such an extent as to warrant a reply.

Perhaps the most unfair of KCPL's criticisms of Mr. Gorman is the accusation that Mr. Gorman's mathematical roundings are always to the detriment of KCPL, and so "raise substantial concerns about his forthrightness with the Commission." (KCPL initial brief, page 17). First, KCPL points to a passage in his testimony where Mr. Gorman combined a 5.2 figure with a 5.4 figure and came up with 10.5 instead of 10.6. (KCPL initial brief, page 17). But Mr. Gorman testified that there was rounding that went into the determination of the 5.2 and 5.4 figures. So for example if the 5.2 was actually 5.16,

one would properly round it to 5.2. And if the 5.4 was actually 5.36, one would properly round it to 5.4. Adding the original non-rounded figures (5.16 plus 5.36) would yield 10.52, which one would properly round to 10.5, not 10.6. There is nothing sneaky or biased about this, it is simply rounding.

KCPL also expresses concern that Mr. Gorman did "mathematical exercises that were not apparent from the face of his testimony." (KCPL initial brief, page 17). This is apparently with reference to pages 29-30 of Mr. Gorman's Direct Testimony (Exhibit 201). Mr Gorman's prefiled testimony, though terse with respect to this point, accurately described the process he went through and is entirely consistent with the more detailed explanation he gave during cross-examination. Certainly KCPL had the right to explore in more detail how Mr. Gorman took into account the results of his models when he made his ultimate recommendation, and when asked, Mr. Gorman clearly and fully explained the process. But KCPL has no right – and no basis – to impugn the witness' credibility because he didn't give excruciating detail about the process in prefiled testimony.

Finally, with respect to KCPL's accusation that Mr. Gorman's rounding always goes against the company, it is simply wrong. In developing his recommended range at page 30 of his direct testimony (Exhibit 201), Mr. Gorman recommended that KCPL's return on equity be set in the range of 9.5% to 10.5%. The low end of his recommended range was 9.5%, even though the low end of his two-stage DCF estimate was 9.3%. As outlined during my cross at the hearing, 9.5% was generally consistent with his judgment in developing a low-end return on equity range appropriate for KCPL. Hence, developing a low end of his range which is higher than his two-stage DCF estimate contradicts the Company's claim that Mr. Gorman consistently rounded down his ROE

estimates. In fact, the low-end of his recommended range was rounded up – not down.

Construction Risk – ROE Adder

At pages 6-9 of its initial brief, the Company argues that the Regulatory Plan does not justify a reduction to the authorized return on equity awarded in its last rate case. At pages 9-10, KCPL argues that a 50 basis point adder to the authorized return on equity should be made to reflect KCPL's construction risk. The Company's arguments in these two regards are contradictory and demonstrate the flaws in the Company's return on equity proposal.

First, the Company argues that the additional amortization allowed in the Regulatory Plan only increases short-term cash flow to help the Company maintain cash-flow coverages consistent with Standard & Poor's investment grade credit metrics. The result of this, as the Company concludes at the bottom of page 7 and the top of page 8, is that Standard & Poor's has not raised KCPL's bond rating but simply has been successful at maintaining its current investment grade credit rating. This is a critical acknowledgement. The Regulatory Plan's objective was to maintain KCPL's investment grade bond rating during construction, not raise the bond rating.

Because the Regulatory Plan has successfully preserved KCPL's investment grade bond rating, it has mitigated KCPL's construction risk. Absent the Regulatory Plan, KCPL's credit metrics would have been eroded to below those consistent with investment grade credit metrics, and KCPL's bond rating may have been downgraded to below investment grade. As a result, the Regulatory Plan has mitigated KCPL's construction risk.

Second, no ROE adder for construction risk is justified. Maintenance of an

investment grade bond rating does impact the Company's return on equity. Indeed, at page 4 of Dr. Hadaway's direct testimony, he identified companies with comparable investment grade bond ratings (at least "BBB", line 3) to KCPL to estimate its return on equity. Based on a comparable risk proxy group with KCPL's bond rating, Dr. Hadaway estimated KCPL's return on equity to be 10.75%. Dr. Hadaway's proposal to add a 50 basis point return on equity adder to his proxy group return will provide KCPL an ROE higher than other utilities with the same bond rating. He has not justified this ROE adder.

The Company simply cannot have it both ways. Dr. Hadaway cannot estimate a return on equity which is appropriate for a utility with a "BBB" rated investment grade bond rating, the same as KCPL's bond rating, and then argue that KCPL should have a higher ROE – particularly since KCPL's bond rating has been preserved due to the enhanced cash flow generated by the Regulatory Plan. As such, the 50 basis points construction risk adder ignores the Regulatory Plan and mitigation of KCPL's construction risk.

At page 8-9 of the brief, KCPL cites Dr. Hadaway's on-the-stand testimony of why the Regulatory Plan only mitigates bondholder risk and not shareholder risk. He concluded that the Regulatory Plan only enhances cash flow not earnings so the plan benefits bondholders not equity shareholders. However, his explanation is incomplete and erroneous. Under traditional ratemaking, common shareholders' equity return requirements are met through accruing AFUDC returns on construction work in progress. The AFUDC accrued earnings actually enhance the utility's earned return on equity and growth in book value and earnings.

The limitation on traditional utility practices is that the accrued AFUDC earnings

are non-cash earnings. As such, the risk of traditional utility practices during a construction program is the maintenance of the utility's cash flow during construction, because traditional ratemaking practices already maintain the utility's earnings during construction. However, KCPL is not constrained to traditional utility practices; it has a Regulatory Plan. The combination of: (1) traditional utility practices of accrual of AFUDC on construction projects; and (2) KCPL's Regulatory Plan create enhancements to both earnings and cash flow and therefore benefit both shareholders and bondholders.

Furthermore, KCPL ignores the benefits to shareholders of having the "decisional prudence" of KCPL's infrastructure investment decisions immune (under normal circumstances) from challenge by the signatories to the Regulatory Plan. This immunity provides a huge reduction in risk to shareholders. (Tr. 329-332)

II. DCF Risk Premium

The Company's brief attempts to support Dr. Hadaway's DCF and risk premium analysis that yielded a 10.75% return on equity.

Dr. Hadaway's DCF estimate is overstated because it relied on a GDP growth rate of 6.6% as a long-term sustainable growth rate. However, that GDP growth forecast is significantly higher than the published consensus of economists' GDP growth outlook, and so Dr. Hadaway's forecast does not reflect the market's assessment of future GDP growth.

The Company makes various arguments in support of an excessive growth rate for use in its DCF model. Those arguments are: that Public Counsel witness Gorman rejects the consensus analysts' three- to five-year earnings growth rate projections; that the 5.1% GDP growth rate Mr. Gorman used was much lower than all other witness growth rates in

the case; and that Dr. Hadaway, at the last minute, identified an inflation figure apparently found in a book by former Federal Reserve Chairman Alan Greenspan that suggested higher inflation is ahead. All of these arguments are false.

First, Mr. Gorman did not, as KCPL falsely asserts, reject the three- to five-year growth rate estimates used in his DCF model. In fact, Mr. Gorman used those growth rates as the initial stage growth of his two-stage DCF model, and used the long-term GDP growth as a second-stage sustainable growth rate. As such, Mr. Gorman's use of analysts' growth rates is comparable to Dr. Hadaway and to Staff witness Barnes. In fact, the Company was critical of Staff for not using a two-stage DCF model, at 12. The only significant difference between Dr. Hadaway's use of growth rates and Public Counsel witness Gorman's is Mr. Gorman's use of consensus analysts' projected GDP growth rates, and Dr. Hadaway's derivation of his own forecast of GDP growth. Importantly, Dr. Hadaway's forecast is not available to investors in any form other than his rate of return testimony. This is significant because the DCF models should capture information likely used by the market to make investment decisions. Dr. Hadaway's forecast of sky-high GDP growth is not reflective of what the independent market analysts are publishing, nor can it be used to make investment decisions.

In support of Dr. Hadaway's inflated GDP growth forecast, the Company contends that inflation will be much higher going forward than that reflected by the consensus of economists in their published inflation and GDP forecasts. In other words, the Company asserts that Dr. Hadaway's GDP growth methodology (offered only in his rate of return testimony) is better than published forecasts. In support, KCPL cites a quote offered by Dr. Hadaway on the stand, but not identified in his testimony or

discovery, where inflation may increase to 4%, which supports his 6.6% GDP forecast. The Company's arguments here are simply not credible. Dr. Hadaway's reliance on a quote from Dr. Alan Greenspan, the former chairman of the Federal Reserve, has not been and cannot be corroborated because it is not in the record. Dr. Hadaway was apparently simply desperate to offer some support for his inflated inflation and GDP growth outlook. The context in which a 4% inflation outlook was mentioned by Dr. Greenspan is not known in the record, and cannot be validated in support of Dr. Hadaway's proposed GDP forecast in this proceeding.

INTERCLASS REVENUE SHIFTS

Both DOE/NNSA and the Staff argue that costs should be shifted to the residential class regardless of any increase in revenues granted to KCPL. Staff proposes that the revenue requirement responsibility of the Residential class be increased by approximately 1.8% and the revenue requirement responsibility of the Medium General Service class be reduced by approximately 5 percent. It is not clear from DOE/NNSA's brief exactly what it is proposing; the discussion beginning at the bottom of page 44 appears to indicate that DOE/NNSA wants to increase the revenue requirement responsibility of the Residential class by as much as 3.76 percent or as little as 2 percent. The Staff's brief, although Public Counsel disagrees with much of its argument on this issue, sticks to the record in this case. The same cannot be said for the DOE/NNSA brief. The Commission – fortunately – has rarely been subjected to such a collection of exaggerations and mis-characterizations as are contained in the DOE/NNSA brief.

Public Counsel (along with KCPL) argues that no interclass shifts be made. No other party briefed this issue.

One of the main arguments made by both Staff and DOE/NNSA is that the class cost of service studies (CCOS studies) in KCPL's last rate case showed that the Residential class was contributing less than it should have been to the company's revenue requirement. Staff and DOE/NNSA downplay the importance of one of those studies. There was only one CCOS study done that used the time-of use (TOU) method; that was one of the studies done by Public Counsel witness Barbara Meisenheimer. It was the single most reliable CCOS study done in that case, and it indicated a shift to Residential customers of only 2.41 percent was needed. Because the parties agreed on a 2 percent shift to Residential in that case, there is no need for any further shifts in this case.[1]

The Staff has used TOU to allocate costs for electric utilities for many years. In Case No. EO-2002-384, Staff witness Watkins described the benefits of this method at length. (Case No. EO-2002-384, Tr. 322-338). And likewise for many years, the Commission has found time-of-use CCOS studies to be the most accurate way to determine the revenue requirement responsibilities of the classes. In the Report and Order issued in consolidated Case Nos. EO-85-17 and ER-85-160[2], the Commission stated:

> Staff's cost of service study is based upon these variations of plant mix and customer usage throughout the year. It asserts the theoretically most correct approach to designing rates is based on this condition and is a method that determines the production costs of [*245] meeting system demand in each hour of the year. Thus the method should create 8,760

[1] Although one could argue that an additional 0.41 percent shift is indicated, CCOS studies are not that accurate and the passage of time and intervening events (particularly the rate increase and regulatory plan amortizations authorized in that case) have rendered the 0.41 percent remainder moot.

[2] In the matter of Union Electric Company of St. Louis, Missouri, for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the company. Case Nos. EO-85-17 and ER-85-160, 1985 Mo. PSC LEXIS 54; 27 Mo. P.S.C. (N.S.) 183; 66 P.U.R.4th 202, March 29, 1985.

> power pools to be allocated to customer classes based upon their use of the system during the hourly pools. This method is described as a time-of-use (TOU) method. Staff states, though, that there is insufficient load data to determine hourly demand for the UE system. Staff has thus proposed a TOU/average-and-peak (AP) method which it considers most closely approximates the preferable hourly TOU method.
>
> …
>
> The main concern of the Commission is to determine which theory most reasonably reflects the causation of production costs on the UE system. As stated earlier, the Commission has accepted in prior decisions, and again accepts, the TOU method as the most reasonable method for allocating the [**282] production costs of serving the various classes. The Commission thinks that Staff's position concerning causation is the most accurate and reasonable concerning the UE system. The Commission finds the evidence in this case supports the adoption of the TOU method.
>
> In the matter of the determination of in-service criteria for the Union Electric Company's Callaway Nuclear Plant and Callaway rate base and related issues.
>
> …
>
> The Commission has indicated in recent cases that it believes the TOU cost of service study most closely reflects cost causation of a utility's production and transmission facilities. Staff presented the same method to the Commission in Case No. ER-81-364 [*267] n1 involving Arkansas Power & Light Company (AP&L), issued April 20, 1982. In that case the Commission was presented with the same question of which theory properly reflected cost causation, TOU or CP. The Commission adopted the TOU/AP method. The Commission also adopted the TOU over the CP method of allocating the costs in Case No. EO-78-161 n2, which involved Kansas City Power & Light Company.
> *Ibid*.

One would be hard-pressed to find a case in the last twenty years in which the Commission did not choose the TOU method as the most accurate and most reliable when it was one of the methods presented. Indeed, neither DOE/NNSA nor the Staff raise any criticism of Ms. Meisenheimer's TOU study.

The following passage is typical of Commission decisions in which it found in favor of the TOU method:

> based on the evidence presented in this case, the Commission finds the time-of-use method to be the most theoretically appropriate approach for allocating generation costs

…

> In its prepared rebuttal testimony and in its initial brief submitted herein, the Staff takes the position that the "additional cost method" (also, referred to as the "time-of-use method") is the most theoretically correct procedure for allocating fixed generation, bulk transmission and energy costs to the customer classes. The additional cost method entails estimation of class contribution to system demand during each of the 8,760 hours of the year, identification of the generating plants operating during each hour and the capacity and energy costs associated with these plants, and the assignment of fixed generation, bulk transmission and energy costs to the customer classes based upon a matching of class demand contribution levels with the cost characteristics of the generating plants operating throughout the year.
> In the Matter of the Rate Design of Kansas City Power & Light Company, Case No. EO-78-161; 1983 Mo. PSC LEXIS 66; 25 Mo. P.S.C. (N.S.) 605; 53 P.U.R.4th 315, February 28, 1983

See also: In the matter of Arkansas Power & Light Company of Little Rock, Arkansas, for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the Company, Case No. ER-81-364, 1982 Mo. PSC LEXIS 40; 25 Mo. P.S.C. (N.S.) 101, April 20, 1982; In the matter of Arkansas Power and Light Company of Little Rock, Arkansas, for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the Company, Case No. ER-85-265, 1986 Mo. PSC LEXIS 30, 51-53 (Mo. PSC 1986) 28 Mo. P.S.C. (N.S.) 435, May 4, 1986.

And the Commission's adoption of the TOU method has found favor with the courts. See State ex rel. A.P. Green Refractories, Inc. v. Public Service Com., 752 S.W.2d 835, 838-839 (Mo. Ct. App. 1988):

> Here, the Commission adopted the theory presented by Staff that costs should be allocated on the TOU/AP method. The Commission undertook the task of choosing the theory to apply in fashioning a rate structure with the objective to determine which theory most reasonably reflects the causation of production costs. The Commission found that costs are caused by utilization of the system each hour, so the proper method of allocating costs is on an hourly basis.

> …
> The Commission also made the following findings: Industrials attack Staff's use of the 12-month costing period as not "real-world". The Commission finds that the 12-month costing period is a reasonable approach to allocating costs to the utilization of the UE system during the entire year. Staff's method looks to what types and how much generation capacity would be purchased to meet demands in every hour of the year if it is assumed no production plant exists at the beginning of the year. The use of the monthly costing data by Staff to determine the use of the UE system over a year is reasonable and the Commission finds this method most accurately reflects how the UE system is used. The Commission again finds that the 2CP method is not the appropriate method for allocating those costs. Here, the Commission was confronted with a choice of one of two theories for allocation of costs. The Commission made the basic finding that Callaway was built to meet both base load and peak demand. With this rejection of the Industrials' premise that the UE system was built to accommodate peak demand, the conclusion that costs should be allocated on the TOU/AP method follows. This was the essential finding to support the Commission order. The other findings flow from this basic fact. Such findings are sufficient for this court to review the decision to ascertain if those facts afford a reasonable basis for the order, without resorting to the evidence. This court finds that the facts found by the Commission provide a reasonable basis for the order.
> *Ibid*., at 838-839.

Furthermore, in addition to its strong and long-standing support of TOU studies, Staff specifically criticizes the DOE/NNSA study presented in this case. At page 43 of its initial brief, Staff states that it "certainly does not endorse" that study.

In addition to ignoring the importance of the only TOU study presented to the Commission, Staff and DOE/NNSA also minimize the importance of the language in the Stipulation and Agreement in Case No. EO-2005-0329 that precludes parties from performing new CCOS studies in Cases 2 and 3 of the Regulatory Plan. That preclusion must have had some purpose, and that purpose was probably not to force the parties – and the Commission – to make inter-class shifts based on old and obsolete data. As bad as the situation is in this case, it will be even worse in the next case. By then, the CCOS

studies will be quite old, and there will have been two intervening rate increases. It is irresponsible for parties to argue that Residential customers ought to bear increased revenue responsibility under such circumstances.

At page 42 of its initial brief, Staff alleges that KCPL witness testified (at Tr. 710) that residential rates will increase when Iatan 2 comes into service. But Mr. Rush did not testify that residential would increase in a greater proportion than overall rates. At page 42 if its initial brief, Staff cites to page 713 of the Transcript for the proposition that: "Staff's proposed interclass shifts of revenue responsibility are necessary due to inequalities and imbalances identified over two years ago, and which have not been sufficiently mitigates since then." There seems to be no support for that statement on that page of the transcript, nor does it appear consistent with the testimony that Mr. Rush gave at the hearing.

DOE/NNSA barely begins its discussion of interclass shifts before it makes its first mischaracterization. In the subheading to this issue, DOE/NNSA asserts that "all of the parties except OPC agree that rates no not reflect cost of service." In fact, most of the parties do not agree with this point at all. Most of them took no position on this issue. DOE/NNSA may agree, but that certainly is not "all of the parties except OPC." Almost immediately DOE/NNSA makes another mischaracterization: it asserts that all of the "credible" 2006 CCOS studies demonstrate that KCPL rates "markedly" fail to reflect cost of serving customers. This is demonstrably false. Public Counsel's TOU study, the most credible of the 2006 studies, showed that residential rates were only very slightly below cost, and almost all of that slight decrement was resolved by the shifts in the last case. And KCPL witness Tim Rush testified that the return that residential customers

provide is not significantly lower than that provided by the large user class. (Tr. 721).

At page 32 of its brief, DOE/NNSA scatters references opening statements among references to actual cross-examination without pointing out that some of its cites (to Tr. 683) are not to actual evidence in the case. And even when it actually cites to evidence, DOE/NNSA badly distorts it. For example, DOE/NNSA cites to page 699 for the proposition that "The Company agrees that these misalignments continue to exist." But Company witness Rush never agreed that there were "misalignments."

At page 33 of its initial brief, DOE/NNSA again asserts that "no party" questions whether rates should be based on cost. Aside from the fact that DOE/NNSA only cites to testimony from two parties (a far cry from all parties), neither of those two parties agreed that this concept was the "most basic of utility ratemaking principles" as DOE/NNSA asserts. And in fact, both of those parties qualified their agreement by saying (in Mr. Rush's case) "Generally, yes" and (in Ms. Meisenheimer's case) "yes, generally."

DOE/NNSA, despite trying for most of a day of the hearing, was unable to get **any** party to agree that one class subsidizes another. Yet at page 34 of its initial brief, DOE/NNSA asserts that "interclass subsidies are very real." Not surprisingly, DOE/NNSA provides no citation to record evidence for this assertion.

A complete fabrication in DOE/NNSA's brief (at page 35) is its assertion that Public Counsel "greatly overstated the size and proportion of the 2006 increase" and that "Staff Witness [Pyatte] demonstrated persuasively that OPC had exaggerated the 2006 increase. (Pyatte Surrebuttal, p. 7)" In fact, during cross-examination, Ms. Pyatte conceded that Public Counsel's description of the size and proportion of the 2006 increase was mathematically accurate. (Tr. 1011-1012). While there may be some other

way in which Ms. Pyatte believes the size and proportion of the 2006 increase could have been represented, it is simply false to state that either that Public Counsel "greatly overstated" or that Ms. Pyatte "demonstrated persuasively" that Public Counsel exaggerated those figures.

At page 35 of its initial brief, citing to Public Counsel witness Meisenheimer's rebuttal testimony, page 4, DOE/NNSA falsely claims that "OPC asserts that no such increase, however measured or gradual, can be tolerated, because the residentials received a rate increase in 2006. This is yet another mischaracterization. Ms, Meisenheimer does not say that at page 4 of her rebuttal testimony or at any other point in the record in this case.

At pages 37-38 of its initial brief, DOE/NNSA makes yet another unsupported assertion when it begins a section of its brief with the heading: "The Company does not seriously oppose further revenue reallocation." DOE/NNSA goes on to assert:

> [The Company] does not, however, seriously suggest that so small a reallocation is sufficient reason to refrain from some gradual further interclass revenue reallocation in this proceeding. In sum, KCPL states no serious opposition to further interclass revenue reallocation.

There are no cites in this section of the brief to any record evidence as to KCPL's lack of seriousness, and all the testimony and all the pleadings indicate that KCPL does indeed oppose further interclass revenue reallocation in this case. Seriously!

At page 41 of its initial brief, DOE/NNSA states that "The Company does not dispute the existence of the subsidies or contend that they are not harmful or that they need not be addressed." Not surprisingly, **there is no support cited for any of this.** In fact, KCPL witness Rush spent a significant portion of his cross examination by DOE/NNSA disputing that subsidies exist. (See, e.g. Tr. 699, 701). Also at page 41,

DOE/NNSA asserts that interclass revenue reallocation "would be a nuisance" to administer. Again, there is no cite, and there appears to be no record evidence concerning this "nuisance."

At page 42, DOE/NNSA refers to a "spurious assertion" that there is an "appreciable possibility" that Iatan 2 will never be placed in service. Iatan 2 is not now in service, and indeed is only in the early years of construction. There is certainly some chance that it will never be placed in service. How does DOE/NNSA consider this to be a spurious[3] assertion? Indeed, most of DOE/NNSA's argument on this issue is premised on the spurious assertion that the record supports a finding that the addition of Iatan 2 will have a disproportionately large effect on the residential class. Even Staff witness Watkins testified that:

> Well, you know, I've thought about that a lot, and -- and I really don't know what to anticipate the results of the studies -- the way in which the results of the cost -- class cost of service studies might change as a result of adding that big chunk of coal plant. I mean, **I really don't know how that will affect each class. I mean, there was a point in time when I thought I knew what was likely to happen, but I've since analyzed that more, and I don't. I just don't have any clue.** (Tr. 973; emphasis added).

There is no credible evidence that Iatan 2 will have a greater impact on the Residential class than any other class. Without that, DOE/NNSA's fervent appeal to saddle the residential class in this case with a greater-than-average increase loses much of its force.

CONCLUSION

The Commission should adopt the capital structure proposed by Public Counsel witness Gorman (45.24% debt, 1.33% preferred stock, and 53.43% common equity) and Mr. Gorman's proposed return on equity of 10.1%. The Commission should reject the

[3] Spurious means "lacking authenticity or validity; false." It is more than a little ironic that DOE/NNSA accuses Public Counsel of making false assertions.

proposals of Staff and DOE/NNSA to increase Residential rates by a greater percentage than the average and to increase other classes' rates by a lesser percentage.

Respectfully submitted,

OFFICE OF THE Public Counsel

By:_____

Lewis R. Mills, Jr. (#35275)
Public Counsel
P O Box 2230
Jefferson City, MO 65102
(573) 751-1304
(573) 751-5562 FAX
lewis.mills@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties this 16th day of November 2007.

By:_____