

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Stingray Pipeline Company, L.L.C.	§	Docket No. RP08-____-000
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	§	

**PREPARED DIRECT TESTIMONY OF
GEORGE R. GANZ
ON BEHALF OF
STINGRAY PIPELINE COMPANY, L.L.C.**

JUNE 30, 2008

Stingray Pipeline Company, L.L.C.

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Docket No. RP08-____-000

In addition to his testimony, Mr. Ganz sponsors Exhibit Nos. SPC-36 through SPC-38.

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1 **Q.1 Please state your name and business address.**

2 A. My name is George R. Ganz. My business address is 3366 Revere Avenue,
3 Oakland, California, 94605.

4 **Q.2 Please briefly summarize your educational and professional background.**

5 A. I hold a B.S. degree in Business Administration from the University of California
6 at Berkeley, with concentrations in Accounting and Finance. I have 25 years of
7 experience with providing consulting services to companies regulated by the
8 Federal Energy Regulatory Commission (“FERC” or “Commission”). Most of
9 my client engagements throughout my career have involved regulatory accounting
10 and ratemaking matters concerning common carrier oil pipelines. I also have
11 presented testimony in a number of proceedings before the Commission and state
12 regulatory agencies. I have attached my resume as Exhibit No. SPC-36.

13 **Q.3 On whose behalf are you testifying in this proceeding?**

14 A. I am testifying on behalf of Stingray Pipeline Company, L.L.C. (“Stingray”).

1 **Q.4 What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to explain (i) the Commission's current income
3 tax allowance policy; and (ii) how I calculated Stingray's federal and state income
4 tax rates in accordance with the Commission's current income tax allowance
5 policy. Mr. Robert W. Neustaedter uses the federal and state income tax rates I
6 calculated to develop Stingray's income tax allowance on Statement H-3, attached
7 to his Prepared Direct Testimony at Exhibit No. SPC-4, Tab H.

8 **Q.5 Have you testified previously before the Commission regarding application**
9 **of its current income tax allowance policy?**

10 A. Yes.

11 **Q.6 Please identify those proceedings.**

12 A. Since the issuance of the Commission's *Policy Statement on Income Tax*
13 *Allowances*, 111 FERC ¶ 61,139 (2005) ("*Policy Statement*"), I have testified
14 regarding its application in *SFPP, L.P.*, Docket No. IS05-230, *SFPP, L.P.*, Docket
15 No. IS06-283, *Chevron Products Co., BP West Coast Products LLC, ExxonMobil*
16 *Oil Corporation, and ConocoPhillips Co. v. SFPP, L.P.*, Docket Nos. OR03-5-
17 000, *et al., Mid-America Pipeline Company, LLC*, Docket Nos. IS05-216-003,
18 IS05-260-003, and IS06-283-000, and *Calnev Pipe Line, L.L.C.*, Docket No.
19 IS06-296-002. I also filed affidavits to support the income tax allowance
20 calculations in compliance filings implementing three orders in which the
21 Commission's current income tax allowance policy was applied, which I discuss
22 further below.

1 **Q.7 What exhibits are you sponsoring in conjunction with your testimony?**

2 A. I am sponsoring Exhibit Nos. SPC-36 through SPC-38.

3 **Q.8 Were these exhibits prepared by you or under your direction or supervision?**

4 A. Yes.

5 **I. CURRENT POLICY REGARDING INCOME TAX ALLOWANCES**

6 **Q.9 What is your understanding of the Commission's current income tax**
7 **allowance policy?**

8 A. I understand that the Commission's current income tax allowance policy is set
9 forth in the *Policy Statement*. The *Policy Statement* addressed the issue of
10 whether it is appropriate to provide an income tax allowance for a regulated
11 company that is organized as a tax pass-through entity, such as a master limited
12 partnership like MarkWest Energy Partners, L.P. or a Limited Liability Company
13 ("LLC") like Stingray.

14 **Q.10 What is your understanding of the determinations made in the *Policy***
15 ***Statement*?**

16 A. Generally, I understand the Commission concluded that a regulated pass-through
17 entity is permitted to include an income tax allowance in its cost of service
18 provided that its owners have an actual or potential income tax liability on the
19 entity's regulated income. If any owner does not have such an actual or potential
20 income tax liability, the income tax allowance is to be reduced to reflect the
21 weighted income tax liability of the entity's owners. *Policy Statement* at P 32.
22 While the determinations of whether, and to what extent, an entity's owners have

1 an actual or potential income tax liability were left to be resolved in individual
2 rate proceedings, *Policy Statement* at P 42, these matters have been clarified in
3 proceedings involving SFPP, L.P. (“SFPP”), an oil pipeline organized as a master
4 limited partnership.

5 **Q.11 How have matters been clarified in the SFPP proceedings?**

6 A. Several rulings have been made regarding application of the standards contained
7 in the *Policy Statement* to SFPP in three Commission orders issued in December
8 2005, *SFPP, L.P.*, 113 FERC ¶ 61,277 (2005) (“December 2005 Order”),
9 December 2006, *SFPP, L.P.*, 117 FERC ¶ 61,285 (2006) (“December 2006
10 Order”), and December 2007, *SFPP, L.P., et al.*, 121 FERC ¶ 61,240 (2007)
11 (“December 2007 Order”).

12 **Q.12 What is your understanding of the rulings made in the December 2005**
13 **Order?**

14 A. I understand the Commission determined that if an entity’s owner is required to
15 file a Form 1040 individual tax return or a Form 1120 corporate tax return that
16 includes income or loss of the entity, such owner has an actual or potential
17 income tax liability for the entity’s income. December 2005 Order at P 28. The
18 Commission adopted, as rebuttable presumptions, marginal income tax rates of 28
19 percent for individuals, 28 percent for Unrelated Business Taxable Income
20 (“UBTI”) entities, unless otherwise prescribed by the Internal Revenue Code, and
21 0 percent for tax-exempt entities. December 2005 Order at P 30 and 32. Though
22 the December 2005 Order also adopted, as a rebuttable presumption, a marginal
23 income tax rate of 35 percent for corporations, the Commission later changed the

1 corporate rate to 34 percent in its December 2006 Order. The Commission also
2 directed in its December 2005 Order that the weighted tax allowance be
3 calculated using the percentage of taxable income allocated to the owners,
4 December 2005 Order at P 46, using six categories specified as:

5 (1) Subchapter C corporations, (2) individuals, (3) mutual funds,
6 (4) other unitholders such as pension funds, IRAs, Keogh Plans,
7 and other entities that are not normally tax paying entities, but
8 would be expected to have taxpaying beneficiaries or owners, (5)
9 those entities listed in (4) that may be taxpaying entities because
10 income from SFPP or KMEP would be deemed unrelated business
11 income, and (6) those institutions and exempt entities, if any,
12 which have no obligation to pay out income or to declare it, such
13 as municipalities.

14 December 2005 Order at P 45.

15 **Q.13 What is your understanding of the rulings made in the December 2006**
16 **Order?**

17 A. I understand that the Commission modified the presumptive marginal income tax
18 rate for corporations to 34 percent, unless it can be established that a corporate
19 owner is subject to the 35 percent marginal rate. December 2006 Order at P 60.
20 The Commission also clarified that the 28 percent marginal income tax rate for
21 individuals was extended to entities whose beneficiaries could not be identified
22 but were likely to be individuals, December 2006 Order at P 63, which are
23 categories (3) and (4) specified above.

24 **Q.14 What is your understanding of the rulings made in the December 2007**
25 **Order?**

26 A. In addition to affirming its prior rulings, I understand the Commission determined
27 that if an entity establishes that it should receive a federal income tax allowance,

1 it is also entitled to a state income tax allowance. December 2007 Order at P 59.

2 The Commission also concluded that the state tax rate should reflect the weighted

3 marginal rate of the owners, which would reflect the tax rates of the owners’

4 states of residence or the tax rates of the states in which the entity operates.

5 December 2007 Order at P 61.

6 **Q.15 Based upon the foregoing, does Stingray generate an actual or potential**
7 **federal and state income tax liability?**

8 A. Yes. An actual or potential income tax liability is generated with respect to

9 Stingray’s taxable income. As discussed in the Prepared Direct Testimonies of

10 Mr. Ken C. Lanik, Exhibit No. SPC-39, and Mr. Andrew L. Schroeder, Exhibit

11 No. SPC-46, Stingray is wholly-owned by Starfish Pipeline Company, LLC

12 (“Starfish”), and Enbridge Offshore (Gas Transmission) L.L.C. (“Enbridge

13 Offshore”) and MarkWest Energy Partners, L.P. (“MarkWest Energy”) each owns

14 a 50 percent interest in Starfish. Both Stingray and Starfish are tax pass-through

15 entities. Accordingly, Enbridge Offshore and MarkWest Energy each receives 50

16 percent of Stingray’s taxable income, which passes through Starfish.

17 On the Enbridge side, because Enbridge Offshore is a disregarded entity

18 for income tax purposes, all of Enbridge Offshore’s income is reported to its

19 ultimate parent, Enbridge Holdings (Offshore) L.L.C. (“Enbridge Holdings”). As

20 explained by Mr. Lanik in his Prepared Direct Testimony, Exhibit No. SPC-39, all

21 of Enbridge Holdings’ income is reported on the consolidated tax return of

22 Enbridge (US) Inc. (“EUS”), which is a Subchapter C corporation. Consequently,

1 an actual or potential income tax liability is generated with respect to the portion
2 of Stingray's taxable income that is allocated to Enbridge Offshore.

3 As explained by Mr. Schroeder in his Prepared Direct Testimony, Exhibit
4 No. SPC-46, the portion of Stingray's taxable income that is allocated to
5 MarkWest Energy is reported on MarkWest Energy's tax return, but since
6 MarkWest Energy itself is a tax pass-through entity, its taxable income is
7 allocated to its partners and reported on their respective Schedule K-1s. Based on
8 the unitholder analyses conducted by Mr. Schroeder, Exhibit Nos.
9 SPC-53 and SPC-54, each of the MarkWest Energy unitholders falls into a
10 category that, based on the determinations made by the Commission in its
11 December 2005 Order, is deemed to pay income taxes. Consequently, an actual
12 or potential income tax liability is generated with respect to the portion of
13 Stingray's taxable income that is allocated to MarkWest.

14 **II. DEVELOPMENT OF STINGRAY'S INCOME TAX RATE**

15 **Q.16 What do Exhibit Nos. SPC-37 and SPC-38 show?**

16 A. Exhibit Nos. SPC-37 and SPC-38 show my development of Stingray's federal and
17 state income tax rates for the base year and for the test period, respectively. The
18 calculations in these two exhibits are similar, so I will explain the base year
19 calculations contained in Exhibit No. SPC-37, and then I will explain the
20 difference in the calculations for the test period in Exhibit No. SPC-38.

1 **Q.17 Did you receive information or data from other witnesses in order to prepare**
2 **your calculation?**

3 A. Yes. Mr. Lanik and Mr. Schroeder provided me with various data, which I will
4 identify in my explanation of the calculations.

5 **Q.18 Please explain the calculations on page 1 of Exhibit No. SPC-37.**

6 A. Page 1 presents my calculation of Stingray's weighted federal and state income
7 tax rates for the 2007 base period. Line 1 shows the marginal federal income tax
8 rates specified in the December 2005 Order and the December 2006 Order. I
9 have used a 35 percent federal income tax rate for Enbridge Holdings and
10 MarkWest Hydrocarbon, Inc., in columns (d) and (e), because, as explained by
11 Mr. Lanik and Mr. Schroeder in their Prepared Direct Testimonies, Exhibit Nos.
12 SPC-39 and SPC-46, respectively, those entities met the threshold of income for
13 the 35 percent level. For the remainder of the Subchapter C corporations, in
14 column (f), I have used a rate of 34 percent as directed by the Commission
15 because Stingray does not have the income tax information necessary to
16 determine with certainty that these entities meet the 35 percent threshold. In
17 addition, I have used a 34 percent rate for the entities receiving UBTI, in column
18 (j), based upon Internal Revenue Code Section 511(a)(1), which states that UBTI
19 is taxed at the corporate rate. For Individuals, Mutual Funds, and Pensions, IRAs
20 and Keoghs, in columns (g) through (i), respectively, I have used a 28 percent
21 marginal income tax rate as directed by the Commission. Line 2 reflects the
22 percentage of Stingray's taxable income allocated to the various categories of
23 partners identified in the December 2005 Order, from page 2, which I discuss

1 further below. I used the percentages on line 2 to weight the federal income tax
2 rates on line 1 to develop the weighted federal income tax rate for Stingray on line
3 3. Column (l) shows the weighted federal income tax rate of 33.31 percent that I
4 calculated for the base period.

5 Line 4 shows the state income tax rates for each category of owner. The
6 state income tax rate for Enbridge Offshore, in column (d), was developed by Mr.
7 Lanik in Exhibit No. SPC-43. The state income tax rates for columns (e) through
8 (j) are from pages 3 through 6, which I discuss further below. Line 5 shows the
9 federal tax-effected state income tax rate, which reflects the deductibility of state
10 income taxes for federal income tax purposes. Line 6 reflects the percentage of
11 Stingray's taxable income allocated to the various categories of partners from
12 page 2, and line 7 shows Stingray's weighted state income tax rate, which, for the
13 base period, is 2.13 percent.

14 **Q.19 Please explain the calculations on page 2 of Exhibit No. SPC-37.**

15 A. Page 2 shows my development of the income allocation percentages for Stingray.
16 Line 1 shows Stingray's taxable income for the 2007 base period. Lines 2 and 3
17 show the allocation of 100 percent of Stingray's taxable income to Starfish. Lines
18 4 and 5 show the allocation of 50 percent of Stingray's taxable income to
19 Enbridge Offshore, after it passes through Starfish. Lines 6 and 7 show the
20 allocation of the other 50 percent of Stingray's taxable income to MarkWest
21 Energy. Lines 8 and 9 show the subsequent allocation of Stingray's taxable
22 income, after it passes through MarkWest Energy, to the various categories of

1 partners identified in the December 2005 Order. Line 8 reflects the base period
2 MarkWest Energy taxable income allocation percentages developed by Mr.
3 Schroeder in Exhibit No. SPC-53. Line 10 summarizes the amount of Stingray's
4 taxable income allocated to the various categories of owners, and Line 11 shows
5 the percentage of the total Stingray taxable income reflected on Line 10. This
6 result is used on page 1, lines 2 and 6.

7 **Q.20 Please explain the calculations on page 3 of Exhibit No. SPC-37.**

8 A. Page 3 presents my calculation of the weighted state income tax rate for the
9 MarkWest Energy unitholders that are Corporations. Column (c) shows
10 MarkWest Energy's state apportionment factors, and column (d) shows the
11 marginal income tax rate for Corporations, by state, both of which come from
12 page 61. The apportionment factors are multiplied by the income tax rates to
13 develop the weighted state income tax rates in column (e), the sum of which is the
14 total weighted state income tax rate for Corporations, on line 53. This result is
15 used on page 1, line 4, columns (e), (f), and (j).

16 **Q.21 Please explain the calculations on page 4 of Exhibit No. SPC-37.**

17 A. Page 4 presents my calculation of the weighted state income tax rate for the
18 MarkWest Energy unitholders who are Individuals. Column (c) shows the
19 percentage of units owned by state for MarkWest Energy unitholders who are
20 Individuals, which comes from page 60, and column (d) shows the effective state
21 income tax rates that result from the calculations on pages 7 through 57. I discuss
22 the information on pages 7 through 60 further below. The percentage of units

owned by state is multiplied by the corresponding state income tax rates to develop the weighted state income tax rates in column (e), the sum of which is the total weighted state income tax rate for Individuals, on line 53. This result is used on page 1, line 4, column (g).

Q.22 Please explain the calculations on page 5 of Exhibit No. SPC-37.

A. Page 5 presents my calculation of the weighted state income tax rate for the MarkWest Energy unitholders that are Mutual Funds. The calculations on page 5 are the same as the calculations on page 4, except that column (c) on page 5 reflects the percentage of units owned by state for the MarkWest Energy unitholders that are Mutual Funds, which comes from page 60. This result is used on page 1, line 4, column (h).

Q.23 Please explain the calculations on page 6 of Exhibit No. SPC-37.

A. Page 6 presents my calculation of the weighted state income tax rate for the MarkWest Energy unitholders that are Pensions, IRAs, and Keoghs. The calculations on page 6 are the same as the calculations on page 4, except that column (c) on page 6 reflects the percentage of units owned by state for the MarkWest Energy unitholders that are Pensions, IRAs, and Keoghs, which comes from page 60. This result is used on page 1, line 4, column (i).

Q.24 Please explain the calculations on page 7 of Exhibit No. SPC-37.

A. Page 7 presents my calculation of the effective state income tax rate for a MarkWest Energy unitholder who is an Individual and who receives a Schedule K-1 in the state of Alabama. Column (c) shows the MarkWest Energy state

1 apportionment factors, column (d) shows the marginal income tax rate for
2 Corporations, by state, and column (e) shows the marginal income tax rate for
3 Individuals, by state, all of which come from page 61, which I discuss further
4 below. Column (f) shows the lower of the state income tax rates for Individuals
5 or Corporations, which I use for the remainder of the calculations. Column (g)
6 shows the income weight, which reflects the apportionment factors in column (c),
7 except for the state of Alabama on line 1. The state of Alabama on line 1 reflects
8 100 percent minus the apportionment factors for all of the other states in order to
9 account for 100 percent of the income from MarkWest Energy for a unitholder
10 who receives a Schedule K-1 in Alabama. Column (h) shows the applicable
11 marginal income tax rate. The marginal income tax rate reflects the greater of the
12 income tax rate for Alabama versus each individual state because income taxes
13 paid to another state at a marginal rate lower than Alabama's would offset a
14 portion of the state income taxes due to Alabama, whereas income taxes paid to
15 another state at a marginal rate higher than Alabama's would not. The income
16 weights are multiplied by the applicable marginal income tax rates to develop the
17 effective state income tax rates in column (i), the sum of which is the total
18 effective state income tax rate for a MarkWest Energy unitholder who is an
19 Individual and who receives a Schedule K-1 in the state of Alabama, on line 53.

20 **Q.25 Did you prepare similar calculations for other states?**

21 A. Yes. Pages 8 through 57 present my calculations of the effective state income tax
22 rate for a MarkWest Energy unitholder who is an Individual and who receives a

Schedule K-1 in each of the other states. The calculations on pages 8 through 57 are the same as the calculations on page 7, except the income weights in column (g) and the applicable marginal state income tax rates in column (h) have been adjusted to correspond to each state.

Q.26 Please explain the information on pages 58 through 60 of Exhibit No. SPC-37.

A. Pages 58 through 60 present a summary of MarkWest Energy unit ownership using the Commission-specified categories, a breakdown of the units by state, and the percentages by state, which I developed using information I received from Mr. Schroeder.

Q.27 Please explain the information on page 61 of Exhibit No. SPC-37.

A. Page 61 presents a summary, by state, of MarkWest Energy apportionment factors, marginal income tax rates for Corporations, and marginal income tax rates for Individuals. I received the MarkWest Energy apportionment factors from Mr. Schroeder, as shown in Exhibit No. SPC-60. To determine the marginal income tax rate for Individuals, by state, I compared the 2007 federal income tax rate schedules to the 2007 state income tax rate schedules to determine the state marginal income tax rate corresponding to the level of taxable income necessary to reach the 28 percent marginal federal income tax rate for Individuals.

Q.28 How do your test period calculations in Exhibit No. SPC-38 differ?

A. I calculated Stingray's weighted federal and state income tax rate for the test period using the same approach I applied for the base year, except that for the test

1 period the MarkWest Energy taxable income allocation percentages on page 2,
2 line 8 come from Mr. Schroeder's Exhibit No. SPC-54. As Mr. Schroeder
3 explains in his Prepared Direct Testimony, Exhibit No. SPC-46, for the test period
4 this information has been adjusted to reflect a reorganization that occurred in
5 February 2008, which has changed the MarkWest Energy unitholder percentages
6 and taxable income allocations prospectively. In addition, I updated the Michigan
7 state marginal income tax rate for individuals, on page 61 of Exhibit No. SPC-38,
8 to reflect 4.35 percent, which became effective on October 1, 2007, before the end
9 of the test period.

10 **Q.29 What are the test period weighted federal and state income tax rates that you**
11 **calculated for Stingray?**

12 A. As set forth on page 1, lines 3 and 7, column (I), of Exhibit No. SPC-38,
13 Stingray's weighted federal income tax rate for the test period is 33.15 percent,
14 and Stingray's weighted state income tax rate for the test period is 2.17 percent.
15 The test period weighted federal and state income tax rates are used by Mr.
16 Neustaedter to calculate Stingray's income tax allowance on Statement H-3.

17 **Q.30 Does this conclude your prepared direct testimony?**

18 A. Yes, it does.

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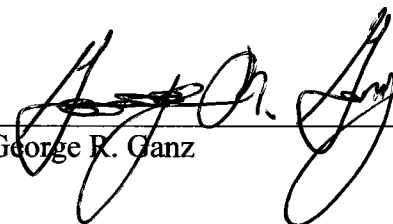
Stingray Pipeline Company, L.L.C.

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Docket No. RP08-____-000

AFFIDAVIT OF GEORGE R. GANZ

George R. Ganz, being first duly sworn according to law, on oath deposes and says that he is the witness whose Prepared Direct Testimony is filed herein; that if asked the questions which appear in the text of the aforesaid Prepared Direct Testimony, affiant would give the answers that are therein set forth; and that affiant adopts the aforesaid Prepared Direct Testimony as his sworn testimony in this proceeding.



George R. Ganz

SUBSCRIBED AND SWORN TO BEFORE ME this ____ day of June, 2008.

See Junnt

Notary Public

3-18-2009

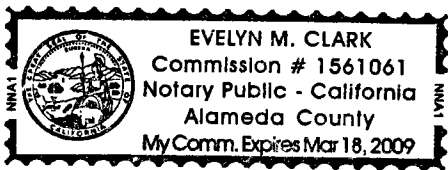
My Commission Expires:

JURAT

State of California

County of ALAMEDA } SS.

Subscribed and sworn to (or affirmed) before me on this 19 day of June, 2008, by
George R. GANZ, proved to me on the basis of satisfactory evidence
to be the person(s) who appeared before me.



Evelyn M. Clark
NOTARY'S SIGNATURE

PLACE NOTARY SEAL IN ABOVE SPACE

OPTIONAL INFORMATION

The information below is optional. However, it may prove valuable and could prevent fraudulent attachment of this form to an unauthorized document.

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GEORGE R. GANZ

EMPLOYMENT
HISTORY

Ganz Consulting (2007 – Present)
Oakland, California

Regulatory Economics Group, LLC (1998 – 2006)
San Francisco, California
Founding Principal, Consulting Director

Ernst & Young LLP (1983 – 1998)
San Francisco, California
Management Consulting Senior Manager
(Most Recent Position Held)

EXPERIENCE WITH THE ENERGY INDUSTRY

- Testified and submitted written testimony to assist clients with accounting, ratemaking, and regulatory issues in tariff proceedings before the Federal Energy Regulatory Commission ("FERC"), the Washington Utilities and Transportation Commission ("WUTC"), and the California Public Utilities Commission ("CPUC").

SFPP, L.P. (FERC Docket Nos. OR92-8-000, *et al.*, OR98-11-000, *et al.*, OR96-2-000, *et al.*, IS98-1-000, IS05-230-000, IS06-283-000, and OR03-5-000, *et al.*)

BP Transportation (Alaska) Inc. (FERC Docket Nos. IS01-504-001 and IS03-74-000)

Colonial Pipeline Company (FERC Docket No. OR99-16-000)

Gaviota Terminal Company (FERC Docket Nos. IS93-23-000 and OR94-5-000)

Phillips Pipe Line Company (FERC Docket Nos. IS94-1-000 and OR94-1-000, *et al.*)

Koch Pipelines, Inc. (FERC Docket No. IS93-32-000)

Express Pipeline LLC and Platte Pipe Line Company (FERC Docket Nos. IS02-384-000, *et al.*)

Anadarko Petroleum Co. v. TAPS Carriers (FERC Docket Nos. OR05-03-001, *et al.*)

Mid-America Pipeline Company, LLC (FERC Docket Nos. IS05-216-003, IS05-260-003, and IS06-238-000)

Williams Energy Services, LLC and Williams Power Company Inc. v. Mid-America Pipeline Company, LLC and Seminole Pipeline Company (FERC Docket No. OR06-5-000)

Calnev Pipe Line L.L.C. (FERC Docket No. IS06-296-002)

Olympic Pipe Line Company (WUTC Docket No. TO-011472)

Pacific Pipeline Systems, Inc. (CPUC Case No. A.91-10-013)

- Directed and participated on project teams to prepare expert testimony and exhibits filed by colleagues and client personnel in several additional rate proceedings.

Trans Alaska Pipeline System (FERC Docket Nos. OR78-1-000, *et al.*, RCA Docket No. P-97-4)

Southern Pacific Pipe Lines, Inc. (FERC Docket No. IS85-15-000)

Kuparuk Transportation Company (FERC Docket Nos. IS85-9-000 and OR85-1-000)

Buckeye Pipe Line Company, L.P. (FERC Docket Nos. IS87-14-000, *et al.*)

Amoco Pipeline Company (FERC Docket Nos. IS90-30-000, *et al.*, and FERC Docket No. IS94-39-000)

Williams Pipe Line Company (Phases I and II in FERC Docket Nos. IS90-21-000, *et al.*)

Unocal California Pipeline Company (FERC Docket No. IS92-18-000)

Lakehead Pipe Line Company, Limited Partnership (FERC Docket No. IS92-27-000)

Unocal California Pipeline Company (CPUC Case No. 91-12-028)

Amoco Pipeline Company (Wyoming PSC Docket No. 50001-PT-92-1)

- Directed and assisted in the preparation of cost of service filing material to support projected revenue levels for over seventy tariff filings before state and federal regulatory authorities. These engagements included advising clients regarding rate design and jurisdictional matters.
- Conducted studies to compare and contrast allowed revenue levels using various rate making methodologies utilized by the Federal Energy Regulatory Commission, the Interstate Commerce Commission, and various state regulatory agencies. Analyses included development of cash flows and other financial measures.
- Developed computer models for evaluating cost of service for interstate common carrier oil pipelines using the principles promulgated in FERC Opinion No. 154-B, as modified and clarified by subsequent rulings.

- Assisted energy clients with strategy development and implementation for conversion of operations from proprietary basis to common carrier basis. This included analyzing and evaluating rate design options, and identifying jurisdictional boundaries. Similar engagements have included evaluating the effects of line reversals, and conversions from oil pipeline service to gas pipeline service, and vice-versa.
- Assisted various clients with evaluation of litigation issues to prepare for filing briefs, to formulate strategy in settlement negotiations, and to develop motions for rehearing of Federal Energy Regulatory Commission rulings.
- Performed several seminars for energy transportation clients, and for oil pipeline industry forums, on topics including the history of oil pipeline regulation, development of cost of service, rate design principles, the tariff filing process, and accounting requirements. Tasks included the development of detailed case studies for seminar participants, and preparation of other presentation materials.
- Performed and assisted with due diligence investigations to assist both buyers and sellers in determining reasonable values for asset dispositions. Tasks included evaluating the reasonableness of projected revenue levels and identifying potential future liabilities.
- Assisted several energy clients with analysis and improvement recommendations for fixed asset and property records systems. Advised clients regarding information requirements mandated by the Uniform Systems of Accounts Prescribed for Oil Pipeline Companies Subject to the Provisions of the Interstate Commerce Act.
- Evaluated cost-based tariff proposal for the conversion of the Russian oil pipeline system to become more responsive to market-based forces. Developed recommendations for enhancements to the existing proposal as well as suggestions for general rate making policy considerations.

EDUCATION

B.S., Accounting and Finance, University of California at Berkeley
