

D'ONOFRIO & ASSOCIATES, LLC
9344 Roseto Villa Drive
Dublin, Ohio 43016
614-634-0220

October 30, 2017

Dear Mr. Frey, Ms. Verzwynell and Ms. Trosclair:

This letter and attachments is in response to the Louisiana Public Service Commission's ("LPSC") letter dated October 24, 2017 seeking bids in re: Reviewing Claiborne Electric Cooperative, Inc's ("Claiborne") Fiber-to-the-Home Project.

As you will note from reviewing my qualifications, my 45 plus year career has been devoted to working in the electric utility industry and as a consultant to state consumer counselors. Rather than rehash what is covered in my qualifications and prior testimony before state and federal regulatory commissions, I would like to concentrate on why I am uniquely qualified to help the commission staff with reviewing Claiborne's filings.

I have been a trustee of Union Rural Electric Cooperative, Inc. ("URE") and its treasurer since 2007. I am both a Credentialed Cooperative Director and have earned a Board Leadership Certificate from NRECA. URE operates in Union County and Delaware County, Ohio. It serves approximately 9,000 residential electric customers and the largest Honda automobile manufacturing plant in the Midwest. URE also serves approximately 1,500 gas customers and was previously in the internet and home security businesses. I am intimately familiar with the cooperative business model and the types of issues an investment in an adjunct business such as fiber need to be addressed for an electric cooperative.

Given the size of Claiborne's potential investment it raises a threshold question as to how current electric members of Claiborne will be insulated from any potential regulatory harm? Some key considerations will be how the project will be financed without using any accumulated electric member's patronage capital, potential cross subsidization issues as between the electric business and the proposed fiber business, and other issues that are unique to cooperatives vis-à-vis investor owned utilities.

If after having an opportunity to review my bid, credentials, etc. staff has any questions I would be happy to have a telephone conference wo add clarity.

Sincerely,

William N. D'Onofrio, CPA

Principal Consultant

Bid

Consultation rate for William N. D'Onofrio - \$200 per hour

Expenses – Travel expenses billed at the rate allowed by Commission/state policy

While the breath of service required is somewhat sketchy from the information provided, I estimate that the work will require approximately 120 hours at a rate of \$200 per hour or \$24,000. If travel to Louisiana is required I would estimate expenses not to exceed \$2,000. This bid assumes that no written testimony will be required on my part.

Partial Client List

State of Arkansas – Office of the Attorney General

Georgia Office of Consumer Counsel

Maryland Office of Utility Consumer Counsel

Indiana Office of Consumer Counsel

Ohio Office of Utility Consumer Counsel

Wyoming Office of Utility Consumer Counsel

Pennsylvania Office of Consumer Counsel

**Qualifications and Prior Testimony of
William N. D’Onofrio**

Work Experience:

D’Onofrio & Associates, LLC

Founder and Principal Consultant

10/2005 - Present

A rate regulatory consulting firm specializing in electric utility rate case and energy cost adjustment issues.

American Electric Power Service Corporation (Services company subsidiary of American Electric Power (“AEP”) Co., Inc.)

Vice President – Utility Business Services

2004 – 9/2005

Responsible for strategy, planning, budgeting, cost control, associated business development and other revenue collection for an 11 state utility holding company system.

Vice President – Strategy (Shared Services)

2000 – 2003

Responsible for the development and functioning of a Shared Services organization including IT, HR, General Services, Supply Chain, and Telecommunication. Developed service level agreements, product catalogues and a billing system to promote efficiency, transparency and appropriate distribution of costs.

Vice President – Regulatory Services/Policy

1998 – 1999

Responsible for rate regulatory matters for a seven-state electric utility holding company system. Company’s chief spokesman on industry restructuring matters.

Director – Distribution Regions

1996 – 1997

Responsible for the operation and maintenance of six electric Distribution regions serving more than 1 million customers over a four-state service area.

Indiana Michigan Power Company (Operating company subsidiary of AEP)

Vice President and Director – Administration/Operations 1984 – 1995

(Member of IMPCO’s Board of Directors)

Officer in charge of rate regulatory, accounting, budgeting and major customer relationships for an operating utility company with operations in two states and FERC over an approximate 10 year period. Lead policy witness in numerous base rate cases before state commissions and the FERC. Also responsible for annual and or quarterly energy cost filings.

Responsible for transmission and distribution and division operating And customer service matters for an approximate two year period.

American Electric Power Service Corporation

Assistant Treasurer & Director Treasury of the Staff 1977 - 1983

Leadership of a staff of in-house CPAs responsible for determining appropriate accounting policies and procedures for a seven state registered holding company system. Accounting liaison with the regulatory function. Testified in numerous base rate cases on accounting and tax issues.

Assistant to SVP Regulation 1975 – 1977

Staff member of the corporate regulatory department, responsible for providing strategy, accounting and tax support for several electric utility operating company rate departments.

Assistant to EVP & Chief Accounting Officer 1972 – 1975

Responsible for researching and recommending regulatory accounting policies and procedures; reporting on monthly earnings trends; interface with corporate and operating company rate functions.

Price Waterhouse & Co.

Audit Staff 1969 – 1972

Franklin University

Adjunct Professor of Accounting 2003 – 2008

Capital University

Adjunct Professor of Accounting 2003

Union Rural Electric Cooperative
Trustee

2007 - Present

Education:

Darden Graduate School of Business - The Executive Program 1987

St. John's University - M.B.A., Controllershship 1973

St. John's University - B.S., Accounting 1969

I have also completed numerous continuing professional education (CPE) courses as a requirement of maintaining my CPA certification.

Certification / Affiliations:

Certified Public Accountant – New York (1973); Indiana (1985); Ohio (2005)

American Institute of Certified Public Accountants 1973 – Present

Credentialed Cooperative Director – National Rural Electric Cooperative Association 2008

Board Leadership Certificate - National Rural Electric Cooperative Association 2011

**Testimony Presented by William N. D'Onofrio, CPA
Beginning in 1975 to the Present
In Chronological Order**

Case No.	Regulatory Body	Subject of Testimony
U-5281	Michigan Public Service Commission (MPSC)	Deferred federal income tax theory; alternative methods of financing new plant investments.
8907	West Virginia Public Service Commission (WVPSC)	Alternative methods of financing new plant investments.
35251	Indiana Utility Regulatory Commission (IURC)	Federal income tax accounting; deferred Federal income tax theory; appropriate use of effective tax rates.
9091	WVPSC	Consolidated federal income tax savings.
7164	Kentucky Public Service Commission (KPSC)	Alternative methods of financing new plant investments.
6595	Tennessee Public Service Commission (TPSC)	Deferred federal income tax theory; consolidated federal income tax savings.
78-676-EL-AIR	Public Utilities Commission of Ohio (PUCO)	Deferred federal income tax theory; Federal income tax accounting.
ER-78-3792 et al.	FERC	Deferred federal income tax theory.
U-6148	MPSC	Deferred federal income tax theory; FIT accounting; regulatory treatment of test facilities; earnings erosion allowance; alternative methods of financing new plant investments.
7489	KPSC	Interest synchronization; accounting for new office building.
34588 (R)	IURC	Federal income tax accounting.

Case No.	Regulatory Body	Subject of Testimony
36150	IURC	Federal income tax accounting; deferred Federal income tax theory.
7900	KPSC	Federal income tax accounting; interest synchronization.
I&MECO v. Pounds	Indiana	Condemnation of property for construction of utility plant.
8058; 8058 (R)	KPSC	Recovery of deferred fuel expenses.
80-367-EL-AIR	PUCO	Federal income tax accounting; tax loss carry-forwards.
ER-79-332 et al.	FERC	Deferred federal income tax theory.
U-6927	MPSC	Economic Recovery Tax Act of 1981
81-1058-EL-AIR	PUCO	Federal income tax accounting; deferred Federal income tax theory.
81-782-EL-AIR	PUCO	Federal income tax accounting; deferred Federal income tax theory.
8429	KPSC	Economic Recovery Tax Act of 1981; Federal income tax accounting.
34588 (R)	IURC	Federal income tax accounting.
35251 (R)	IURC	Federal income tax accounting.
U-7117	MPSC	Economic Recovery Tax Act of 1981; Federal income tax accounting.
36760	IURC	Economic Recovery Tax Act of 1981.
U-7112	MPSC	Economic Recovery Tax Act of 1981.
U-82-7116	TPSC	Economic Recovery Tax Act of 1981; Federal income tax accounting.

Case No.	Regulatory Body	Subject of Testimony
82-162-E-42T	WVPSC	Economic Recovery Tax Act of 1981; Federal income tax accounting.
82-334-E-42T	WVPSC	Economic Recovery Tax Act of 1981; Federal income tax accounting.
8734	KPSC	Federal income tax accounting; alternative methods of financing new plant investments.
83-314_EL-AIR	PUCO	Federal income tax accounting.
U-7791	MPSC	Lead policy witness re: increase in electric rates for new base load generation and other cost increases.
37251	IURC	Lead policy witness re: increase in electric rates for new base load generation and other cost increases.
37457	IURC	Lead policy witness re: increase in electric rates.
ER-84-587 et al.	FERC	Lead policy witness re: increase in electric rates for new base load generation and other cost increases.
U-8041	MPSC	Request to normalize fuel expenses for fossil fired generation plant.
37470	IURC	Request to normalize fuel expenses for fossil fired generation plant.
38063 38063-S1	IURC	Lead policy witness; FASB requirements re: phase-in plan for new utility plant; Tax Reform Act of 1986
U-8685	MPSC	Tax Reform Act of 1986
ER-88-30 et al.	FERC	Lead policy witness re: increase in electric rates for new base load generation and other cost increases..
U-9656	MPSC	Lead policy witness re: increase in electric rates for new base load generation and other cost increases..
38728	IURC	Lead policy witness re: increase in electric rates for new base load generation and other cost increases..

ER-90-269 et al. 39314	FERC IURC	Lead policy witness re: general increase in electric rates. Lead policy witness re: general increase in electric rates.
98-0452-E-GI 28840	WVPSC PUCT	Open access to the electric supply markets and development of a plan to deregulate electricity. Regulatory treatment of affiliated costs of IT, HR, Supply Chain and General Services.
05-116-U 06-055-U	Arkansas Public Service Commission	Fuel and purchased power costs; coal inventory policies; rail contract issue re: prudence review of energy cost recovery rate filing.
9073	Maryland Public Service Commission	Sale of nuclear assets to a foreign entity.
43114 IGCC 4 S1	IURC	Alleged ex parte communications by Duke Power Company
Senate Bill 3	Ohio Senate & House Sub-committees	Electric utility industry restructuring.

**Professional References
For William N. D'Onofrio**

M. Shawn McMurray, Esq.
Senior Assistant Attorney General
Consumer Utilities Rate Advocacy Division
of the Office of the Attorney General of Arkansas
Telephone Number: 501.682.1053

Robert B. Nelson, Esq.
Regulatory attorney in private practice and former Commissioner, Michigan Public Service
Commission
Telephone Number: 517.482.5800

Mr. Andrew P. Varley
Senior Vice President – Regulation (Ret.) of American Electric Power Service Corporation;
former Chairman of the Iowa Public Service Commission; former Speaker of the Iowa House of
Representatives
Telephone Number: 515.833.2637

Mr. John Abramson
Regulatory Consultant (representing investor owned and municipal utilities) and former Director
– Electric Division, Michigan Public Service Commission
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