FILED
August 24, 2020
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF RICHMOND, INDIANA, BY AND THROUGH ITS MUNICIPAL ELECTRIC UTILITY, RICHMOND POWER AND LIGHT, FOR APPROVAL OF A NEW SCHEDULE OF RATES AND CHARGES FOR ELECTRIC SERVICE	**)**	**CAUSE NO. 45361**

PRE-FILED VERIFIED SETTLEMENT TESTIMONY OF

JOSEPH A. MANCINELLI

AND ATTACHMENTS JAM-8 THROUGH JAM-11

ON BEHALF OF PETITIONER

RICHMOND POWER & LIGHT

AUGUST 24, 2020

PETITIONER'S EXHIBIT 7

Table of Contents

I. PURPOSE OF TESTIMONY 3
I. SETTLEMENT PROCESS 3
II. SYSTEM REVENUE REQUIREMENT 4
III. REVENUE REQUIREMENT BY CUSTOMER CLASS 11
IV. RATE DESIGN 14
V. SUMMARY AND RECOMMENDATIONS 15

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Joseph A. Mancinelli. I am the President and CEO of NewGen Strategies and Solutions, LLC ("NewGen"). My business address is 225 Union Blvd, Suite 305, Lakewood, Colorado 80228.

Q. ARE YOU THE SAME JOSEPH A. MANCINELLI WHO PREVIOUSLY FILED DIRECT TESTIMONY IN THIS PROCEEDING ON BEHALF OF THE CITY OF RICHMOND, INDIANA ("RICHMOND" OR THE "CITY") AND RICHMOND POWER & LIGHT ("RP&L" OR THE "UTILITY")?

A. Yes.

I. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR SETTLEMENT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to discuss certain elements of the Settlement Agreement as it relates to RP&L. It is my opinion that the settlement terms represent an equitable compromise between the parties in this proceeding. I will discuss the settlement process and key settlement terms pertaining to the total system revenue requirement, revenue requirement by class, and rate design.

I. SETTLEMENT PROCESS

Q. PLEASE DESCRIBE THE SETTLEMENT PROCESS.

A. The settlement process included extensive negotiations between RP&L and the Indiana Office of Utility Consumer Counselor ("OUCC") (together, "Settling Parties"). The Settling Parties exchanged several settlement proposals and responses, participated in

conference calls, and shared analyses. The Settling Parties recognized the uncertainty associated with litigation and understood that a well-reasoned compromise between the various positions would result in an acceptable outcome that avoided the uncertainty and expense of a fully litigated case. As a result, the Settling Parties successfully addressed and navigated difficult issues and varying opinions. To satisfy the Settling Parties, multiple revenue requirement, cost of service, and rate design scenarios were developed and reviewed, with a great deal of information exchanged. The Settling Parties agreed on a lower total revenue requirement than originally proposed by RP&L, an associated revenue requirement per class, rate design, and a phase-in of rate increases tailored to specific rate classes.

II. SYSTEM REVENUE REQUIREMENT

Q. PLEASE DESCRIBE THE SETTLEMENT REVENUE REQUIREMENT.

A. In RP&L's Direct Testimony, the Utility requested a $7,735,848 increase in operating revenues resulting in a 9.58% increase in base rates. Through negotiations, the total settlement system revenue requirement reflected an approximate $1.9 million reduction in the Utility's request. The Settling Parties agreed to a revenue requirement increase of exactly $5,833,797, or 7.23%. Therefore, the total revenue requirement agreed to, prior to the application of riders, is $87,582,427.

Q. WHAT WAS THE NATURE OF THE ADJUSTMENTS MADE TO THE REVENUE REQUIREMENT?

A. Specific revenue requirement adjustments are summarized in Table JAM-1 below.

Table JAM-1
Revenue Requirement Workpaper
Richmond Power and Light

(A)	(B)	(C)	(D)	(E)	(F)
Line No.		**Actual TY**	**RP&L As-Filed**	**Settlement**	**Difference (E) - (D)**
1	**Rate Base/Net Plant**				
2	Net Book Value (NBV) Excluding Whitewater Valley Station (WWVS)	$49,639,321	$49,776,593	$49,639,321	($137,273)
3	NBV WWVS	6,462,461	5,880,728	6,462,461	581,733
4	Working Capital, Prepayments, and Inventory[1]	11,923,551	12,027,914	0	(12,027,914)
5	Less Contribution in Aid of Construction	(1,970,710)	(1,970,710)	(1,970,710)	0
6	Rate Base/Net Plant	$66,054,623	$65,714,525	$54,131,071	($11,583,453)
7					
8	% Return on Net Plant	(1.48%)	6.59%	4.59%	(2.00%)
9					
10	Return on Net Plant[1]	($974,486)	$4,330,587	$2,484,616	($1,845,971)
11					
12					
13					
14	**Revenue Requirement**				
15	Purchased Power Expense	$63,409,146	$63,409,146	$63,409,146	$0
16	O&M Expense				
17	Labor Excl Parallax	5,396,198	$5,721,043	$5,558,084	($162,959)
18	Parallax Labor	94,245	23,561	0	(23,561)
19	Parallax Labor Reimbursement	(95,505)	(95,505)	0	95,505
20	Benefits	3,764,443	3,877,212	3,874,717	(2,495)
21	Non-Labor	3,020,664	3,053,509	3,053,548	39
22	Subtotal O&M	$12,180,046	$12,579,820	$12,486,349	($93,472)
23					
24	Depreciation Expense	$4,584,845	$4,055,996	$4,584,845	$528,849
25	Amortization/Env. Remediation Expense	$631,877	$2,680,000	$2,321,930	($358,070)
26					
27	Taxes Other Than Income Taxes				
28	PILT	$777,792	$777,792	$777,792	$0
29	Gross Receipts and Other Taxes	1,108,142	1,108,142	1,108,142	0
30	Payroll Taxes - FICA	448,690	502,078	462,150	(39,928)
31	Subtotal Taxes	$2,334,624	$2,388,013	$2,348,084	($39,928)
32					
33	Other Revenue/Expenses and Interest Income				

[1] In Columns (C) and (D), Rate Base includes Net Plant and Working Capital, Prepayments, and Inventory, less CIAC. In Column (E), Rate Base is equal to Net Plant less CIAC.

Table JAM-1
Revenue Requirement Workpaper
Richmond Power and Light

(A)	(B)	(C)	(D)	(E)	(F)
Line No.		**Actual TY**	**RP&L As-Filed**	**Settlement**	**Difference (E) - (D)**
34	Non-Operating Revenues	($156,713)	($105,957)	($156,268)	($50,311)
35	Interest Expense on Consumer Deposits	6,868	6,868	0	(6,868)
36	Subtotal Other Revenues/Expenses	($149,845)	($99,089)	($156,268)	($57,179)
37					
38	Return on Rate Base/Net Plant	($974,486)	$4,330,587	$2,484,616	($1,845,971)
39					
40	Revenue Requirement	$81,610,858	$89,344,474	$87,478,702	($1,865,771)
41					
42	Plus: URT Amt on Adjustments	$ -	$110,231	$81,673	($28,558)
43	Plus: Uncollectible Amt on Adjustments	$ -	$29,774	$22,052	($7,722)
44					
45	Total Revenue Requirement	$81,610,858	$89,484,478	$87,582,427	($1,902,051)
46					
47	Pro-forma Present Total Operating Revenues		$81,748,630	$81,748,630	$0
48					
49	Revenue Increase to Operating Revenues		$7,735,848	$5,833,797	($1,902,051)
50	% Increase to Total Operating Revenues		9.46%	7.14%	(2.33%)
51					
52	Pro-forma Present Rate Revenues		$80,717,356	$80,717,356	$0
53	% Increase to Present Rate Revenues		9.58%	7.23%	(2.36%)

As shown in the above table, adjustments pertain to rate base, return on net plant, operations and maintenance expense, depreciation, amortization expense, and other miscellaneous adjustments.

Q. PLEASE DESCRIBE THE ADJUSTMENTS TO NET PLANT AND RETURN.

A. Settlement net plant and return adjustments agreed to by the parties are as follows:

- Net plant will reflect the net book value (NBV) of RP&L electric system assets as of September 30, 2019 with no additional adjustments. RP&L originally proposed the use of a pro forma rate base. Further, additional rate base items related to working capital, prepayments, and inventory included by RP&L will be removed

per Indiana Code § 8-1.5-3-8(e). As a result, the agreed upon net book value is reduced by Contribution in Aid of Construction (CIAC) yielding a test year net plant value of approximately $54.1 million. These adjustments are related to lines 2 through 6 in Table JAM-1.

- Return shall equal 4.59% which is 200 basis points lower than RP&L's requested return (6.59% vs. 4.59% agreed to here in this Settlement). RP&L can agree to this reduced amount given the agreed upon depreciation adjustment described later in my testimony. Of primary importance is the adequacy of rates to generate sufficient cash to meet RP&L's capital and reserve requirements. The combined impact of return, depreciation, and amortization expense on RP&L's cash position is sufficient for RP&L to agree with this settlement position.

Q. PLEASEDESCRIBE THE ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES.

A. Settlement operation and maintenance expense adjustments agreed to by the parties are as follows:

- Labor expense and corresponding benefits and payroll taxes were adjusted to reflect a reduction in the increase of actual test year labor cost from 4.63% to 3.0%. RP&L believes that it can manage future labor costs to conform to this lower amount. Corresponding benefits, expenses, and payroll taxes were reduced based on this adjustment. These adjustments are related to lines 17, 20, and 30 in Table JAM-1 above, and reduce the revenue requirement by approximately $165,415.
- All Parallax labor costs, associated inter-utility reimbursements, and interest income were removed from the test year. RP&L agrees with these adjustments.

These adjustments are related to lines 17, 18, and 20 in Table JAM-1 above and reduce the revenue requirement by approximately $189,015.

Q. PLEASE DESCRIBE THE ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION EXPENSES.

A. Settlement depreciation and amortization expense adjustments agreed to by the parties are as follows:

- As previously mentioned in the net plant discussion, the parties agreed that RP&L plant in service for the test year should reflect actual net book value as of September 30, 2019. Therefore, to be consistent with this agreement, depreciation expense was adjusted to align with this date. This adjustment is related to line 24 Table JAM-1 above and increased the revenue requirement by approximately $529,000.
- The test year revenue requirement includes amortization expense associated with environmental remediation associated with the Combustion Residual pond at Whitewater Valley Station ("WWVS"). RP&L agrees with the OUCC proposal to include the $12,370,846 booked liability as of September 30, 2019 into rates to be amortized over a six-year period. This liability is escalated over the six-year period at a 2% inflation rate resulting in an annual amortization expense of $2,321,930. This adjustment is related to line 25 in Table JAM-1 above and decreases the revenue requirement by approximately $358,000.

Q. PLEASE DESCRIBE THE OTHER MISCELLANEOUS ADJUSTMENTS TO THE TEST YEAR REVENUE REQUIREMENT.

A. Settlement miscellaneous adjustments agreed to by the parties are as follows:

- A small reduction in the test year revenue requirement of approximately $7,000 was made to remove the cost associated with interest expense on customer deposits. RP&L agrees to this adjustment as the impact on the test year is de minimis. This adjustment is shown on line 35 in Table JAM-1 above.
- Expenses associated with the Utility Receipts Tax were adjusted to reflect a reduced revenue requirement. This adjustment is related to line 42 in Table JAM-1 above and decreased the revenue requirement by approximately $29,000.
- Expenses associated with the uncollectible accounts was adjusted to reflect a reduced revenue requirement. This adjustment is related to line 43 in Table JAM-1 above and decreased the revenue requirement by approximately $8,000.

Q. IS THE RESULTING SYSTEM REVENUE REQUIREMENT REASONABLE?

A. Yes. Although I did not provide direct testimony on revenue requirement issues, based on my review of filed testimony and understanding of the issues, I conclude that the settlement revenue requirement addresses many of the concerns of the OUCC, yet provides RP&L sufficient revenues to reliably operate the utility and generate sufficient cash to recapitalize the system and provide for necessary reserves.

Q. DO YOU HAVE ADDITIONAL TOPICS TO PRESENT HEREIN?

A. Yes. Another important aspect of the Settlement Agreement included an acceleration of the three-phase rate increase to commercial and industrial customers. This agreement was important in RP&L's ability to agree to the settlement, as the accelerated rate increases

created much needed cash during the phase-in period. The phase-in of rates by class are described later in my testimony. The accelerated rate changes are sufficient to mitigate the impacts of the reduced revenue requirement outlined above, producing total cash flow during the first three years of rate implementation that is sufficient to meet RP&L's cash needs as shown in Table JAM-2 below.

Table JAM-2
Sources and Uses of Cash

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line No.	**Item**	**Adjusted Test Year**	**Phase 1 2021**	**Phase 2 2022**	**Phase 3 2023**	**Total**
2			**RP&L As-Filed**			
3	Sources of Cash					
4	Return	$4,330,587	($941,702)	$1,724,695	$4,337,043	$5,120,036
5	Depreciation	4,055,996	4,055,996	4,055,996	4,055,996	12,167,989
6	Amortization	2,730,000	2,730,000	2,730,000	2,730,000	8,190,000
7	Total	$11,116,583	$5,844,294	$8,510,692	$11,123,039	$25,478,025
8						
9	Non-Restricted Uses of Cash	$5,457,119	$5,457,119	$5,457,119	$5,457,119	$16,371,358
10						
11	Balance to Reserves	$5,659,464	$387,175	$3,053,572	$5,665,920	$9,106,667
12						
13			**Settlement Agreement**			
14	Sources of Cash					
15	Return	$2,484,616	($41,724)	$1,644,723	$2,485,020	$4,088,019
16	Depreciation	4,584,845	4,584,845	4,584,845	4,584,845	13,754,535
17	Amortization	2,321,930	2,321,930	2,321,930	2,321,930	6,965,790
18	Total	$9,391,391	$6,865,051	$8,551,498	$9,391,795	$24,808,344
19						
20	Non-Restricted Uses of Cash	$5,118,396	$5,118,396	$5,118,396	$5,118,396	$15,355,189
21						
22	Balance to Reserves	$4,272,995	$1,746,654	$3,433,101	$4,273,399	$9,453,154
23						
24			**Difference**			
25	Balance to Reserves					
26	RP&L As-Filed	$5,659,464	$387,175	$3,053,572	$5,665,920	$9,106,667
27	Settlement	$4,272,995	$1,746,654	$3,433,101	$4,273,399	$9,453,154
28						
29	Difference (Line 27 - Line 26)	($1,386,469)	$1,359,480	$379,529	($1,392,521)	$346,488

The three-year difference as shown on Line 29 in Table JAM-2 above results in a net cash flow increase of $346,488 (($1,359,480 + $379,529 + ($1,392,521)) = $346,488). It is important to note, that RP&L has agreed to reduce its capital expenditures by approximately $339,000 associated with a reduction in capital associated with line extensions and new loads, system modifications and rebuilds, micro turbine/distributed generation, electric vehicle charging stations, and vehicle acquisition and replacement. Additionally, RP&L has agreed to set aside in a restricted fund $200,000 annually to fund miscellaneous substation modifications. Other restricted fund commitments are related to reserves associated with funding WWVS decommissioning and remediation expenditures.

Based on this settlement, going forward, the overall sources of cash is lower by approximately $223,000 annually, as compared to RP&L's As-Filed case. RP&L will manage to this amount by reducing the funding of reserves.

III. REVENUE REQUIREMENT BY CUSTOMER CLASS

Q. PLEASE DESCRIBE THE SETTLEMENT REVENUE REQUIREMENT TO EACH CUSTOMER CLASS.

A. Under the terms of the settlement and the accelerated phase-in plan, rate increases to all customer classes are lower than those proposed in RP&L Direct Testimony, except for Commercial Lighting and Industrial Service Coincident Peak – Primary, which each have slightly higher rate increases. This result is due to the allocation of revenue shortfall across the classes, and produces a total increase to the Commercial Lighting class (2.58%) and Industrial Service Coincident Peak – Primary (2.58%) that is equal to or lower than all other rate classes.

Q. DID THE SETTLEMENT AGREEMENT CHANGE RP&L'S THREE-YEAR RATE MITIGATION PROPOSAL?

A. Yes. As previously mentioned, a key component of the Settlement Agreement is the acceleration of rate increases to the commercial and industrial rate classes. Given this agreement with the OUCC, the proposed mitigation plan was updated given the lower revenue requirement, updated COSS, and accelerated phase-in plan. Table JAM-3 below provides a comparison between the settlement phase-in plan and the original plan proposed by RP&L.

Table JAM-3Rate Phase-In Plan Comparison

(A)	(B)	(C)	(D)	(E)	(F)
Line No.	**Class**	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
1	**Residential Electric Service**				
2	**Settlement Agreement(1)**	3.65%	3.90%	3.90%	11.89%
3	**RP&L Direct Testimony(2)**	5.00%	5.00%	5.00%	15.76%
4	Difference (%)	(1.35%)	(1.10%)	(1.10%)	(3.87%)
5	**Commercial Lighting Service**				
6	**Settlement Agreement(1)**	2.58%	0.00%	0.00%	2.58%
7	**RP&L Direct Testimony(2)**	0.81%	0.77%	0.73%	2.34%
8	Difference (%)	1.77%	(0.77%)	(0.73%)	0.25%
9	**General Power Service**				
10	**Settlement Agreement(1)**	3.48%	0.86%	0.00%	4.37%
11	**RP&L Direct Testimony(2)**	2.13%	2.10%	2.05%	6.42%
12	Difference (%)	1.35%	(1.24%)	(2.05%)	(2.05%)
13	**Large Power Service - Secondary**				
14	**Settlement Agreement(1)**	5.00%	3.86%	0.00%	9.05%
15	**RP&L Direct Testimony(2)**	3.63%	3.59%	3.54%	11.15%
16	Difference (%)	1.37%	0.27%	(3.54%)	(2.10%)
17	**Large Power Services - Coincident Peak - Primary**				
18	**Settlement Agreement(1)**	3.41%	0.78%	0.00%	4.21%
19	**RP&L Direct Testimony(2)**	1.91%	1.87%	1.83%	5.72%
20	Difference (%)	1.49%	(1.09%)	(1.83%)	(1.50%)
21	**Large Power Services - Coincident Peak - Secondary**				
22	**Settlement Agreement(1)**	5.00%	5.00%	1.08%	11.44%
23	**RP&L Direct Testimony(2)**	5.00%	5.00%	5.00%	15.76%
24	Difference (%)	0.00%	0.00%	(3.92%)	(4.33%)
25	**Industrial Service - Primary**				
26	**Settlement Agreement(1)**	3.38%	0.75%	0.00%	4.16%
27	**RP&L Direct Testimony(2)**	1.88%	1.84%	1.80%	5.62%
28	Difference (%)	1.50%	(1.08%)	(1.80%)	(1.46%)
29	**Industrial Service Coincident Peak - Primary**				

Table JAM-3Rate Phase-In Plan Comparison

(A)	(B)	(C)	(D)	(E)	(F)
Line No.	**Class**	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
30	**Settlement Agreement(1)**	2.58%	0.00%	0.00%	2.58%
31	**RP&L Direct Testimony(2)**	0.81%	0.77%	0.73%	2.34%
32	Difference (%)	1.77%	(0.77%)	(0.73%)	0.25%
33	**Electric Heating Schools**				
34	**Settlement Agreement(1)**	4.40%	4.40%	4.40%	13.79%
35	**RP&L Direct Testimony(2)**	5.00%	5.00%	5.00%	15.76%
36	Difference (%)	(0.60%)	(0.60%)	(0.60%)	(1.97%)
37	**General Electric Heating**				
38	**Settlement Agreement(1)**	5.00%	3.52%	0.00%	8.70%
39	**RP&L Direct Testimony(2)**	3.62%	3.58%	3.54%	11.13%
40	Difference (%)	1.38%	(0.06%)	(3.54%)	(2.43%)
41	**Outdoor Lighting Services**				
42	**Settlement Agreement(1)**	4.40%	4.40%	4.40%	13.79%
43	**RP&L Direct Testimony(2)**	5.00%	5.00%	5.00%	15.76%
44	Difference (%)	(0.60%)	(0.60%)	(0.60%)	(1.97%)
45	**Street Light Services**				
46	**Settlement Agreement(1)**	5.00%	3.37%	0.00%	8.54%
47	**RP&L Direct Testimony(2)**	3.59%	3.55%	3.51%	11.04%
48	Difference (%)	1.41%	(0.18%)	(3.51%)	(2.50%)

IV. RATE DESIGN

Q. PLEASE EXPLAIN THE RATE DESIGN REFLECTED IN THE SETTLEMENT AGREEMENT.

A. Given the terms of the Settlement Agreement as previously described in my testimony, after changes made to the revenue requirement and accelerated rate phase-in plan, rates for all classes except Residential were redesigned in a manner consistent with that employed by RP&L in the direct case. Commercial and industrial rate structures were largely

unchanged from the direct case, with charges being adjusted to meet the new class target revenues. The settled rate design and confidential cost of service study are shown respectively in Attachment JAM-8 and Confidential Attachment JAM-9.

Q. WHAT CHANGES WERE MADE TO THE RESIDENTIAL RATE DESIGN?

A. To achieve settlement, RP&L agreed to limit the annual increase in the Residential Facilities Charge to 75 cents, year-over-year, rather than one dollar. Although this settlement produces a monthly Facilities Charge less than originally proposed, RP&L supports this compromise.

Q. IS THE RESULTING RATE DESIGN REASONABLE?

A. Yes. The overall class rate increases combined with the settlement rate structures for all rate classes are reasonable. Further, the rate design successfully generates the targeted class-level revenues in each year of the accelerated phase-in period.

V. SUMMARY AND RECOMMENDATIONS

Q. IS THIS SETTLEMENT AGREEMENT FAIR, REASONABLE, AND IN THE PUBLIC INTEREST?

A. Yes. The terms agreed to in this settlement reflect a compromise that achieves a desirable and beneficial outcome for RP&L and its customers. The settlement terms allow RP&L to collect sufficient revenue to operate with adequate cash flow while balancing the rate increases for customers through a reasonable phase-in approach. Under this settlement, as shown in Table JAM-1 above, virtually all rate classes receive a lower increase than requested in RP&L's Direct Testimony. Residential customers realize a lower cumulative class rate increase of 11.89% compared to RP&L's original proposal of 15.76%.

Q. ARE THERE OTHER NOTABLE PROVISIONS OF THE SETTLEMENT AGREEMENT TO WHICH YOU WOULD LIKE TO CALL THE COMMISSION'S ATTENTION?

A. Ultimately, the Parties set aside their disagreements on cost of service, appropriate rate of return, and other issues to reach a compromise. No single term of the settlement stands alone, but rather should be seen as accepted by both sides in combination with other settlement terms that result in a settlement of all issues, such that resulting rates will generate sufficient cash to meet RP&L's ongoing financial requirements. Yes, there are several components of the settlement that should be highlighted to the Commission as working in concert with each other:

- The settlement return on net utility plant (4.59%) is acceptable in combination with other settlement terms. RP&L has agreed to make deposits over a three-year period into restricted accounts. Such deposits are made with the understanding that RP&L will have more cash available to fund the restricted account in later years of the phase-in period, and thus so the annual funding levels will not be the same each year.
- The settlement rate implementation phase-in strategy mitigates customer bill impacts by spreading necessary increases over one to three years, depending on the required increase for each class.
- The settlement rate implementation phase-in strategy aligns RP&L's retail rates with cost of service results and ensures adequate cash flow to support RP&L's business operations.

- The settlement Residential Facilities Charge that will be in place by Phase 3 moves the class closer to what RP&L considers to be cost of service and is thus acceptable to RP&L to facilitate this settlement.

Q. ARE YOU SPONSORING THE TARIFF AND REVENUE PROOF FOR WHICH COMMISSION APPROVAL IS SOUGHT?

A. Yes, included with my Settlement Testimony are Attachments JAM-10 and JAM-11, providing respectively the redlined[2] and clean versions of the tariff reflecting the Settlement Agreement. Additionally, I note that Attachment JAM-8 includes a "Proof of Revenue" tab.

Q. WHAT ARE YOUR RECOMMENDATIONS?

A. I recommend that the Settlement Agreement be accepted and approved by the Commission. The parties involved in the settlement process worked very hard to agree on an outcome that represented the best possible result for each customer class and RP&L.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

[2] Attachment JAM-10, the redlined tariff, will be submitted as a late-filed exhibit.

VERIFICATION

I affirm under the penalties of perjury that the foregoing Pre-filed Settlement Testimony is true to the best of my knowledge, information, and belief as of the date here filed.

Joseph A. Mancinelli

3916394_1