Attachment G

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

LSPG-NY GRID NEW YORK CORPORATION I	**)**	**Docket No. ER20-___-000**

DIRECT TESTIMONY

OF

DANE A. WATSON, PE, CDP

ON BEHALF OF

LS POWER GRID NEW YORK CORPORATION I

November 14, 2019

INDEX TO THE DIRECT TESTIMONY OF

DANE A. WATSON, WITNESS FOR

LS POWER GRID NEW YORK CORPORATION I

LIST OF EXHIBITS

EXECUTIVE SUMMARY OF DANE A. WATSON

I have conducted a depreciation study for transmission assets of LS Power Grid New York Corporation I ("LSPG-NY" or "The Company"). This project is not yet in service, but depreciation rates will be needed once the transmission assets are energized. This project includes building approximately 100 miles of double-circuit 345 kV transmission lines in existing rights-of-way, one new 345 kV switching station and one new 345 kV substations in upstate New York. Portions of the Project will be owned by NYPA and portions will be owned by LSPG-NY, and my study applies to the LSPG-NY portions of the Project. Since this study is for assets that are not yet in service and no historical transactional data is available, a traditional depreciation study approach for life and net salvage which analyzes historical life and net salvage characteristics was not possible. LSPG-NY is seeking approval to adopt the life, net salvage percentages, and resulting depreciation rates of its Texas affiliate, Cross Texas Transmission, LLC ("Cross Texas" or "CTT") approved by the Public Utility Commission of Texas ("PUCT") in Docket No. 43950 and accepted by FERC for other affiliates.[1] Cross Texas is a transmission service provider that has developed and placed in service over 320 miles of mostly double-circuit 345 kV transmission lines and several substations in northeast Texas. The above ground transmission assets and resulting life characteristics for the two affiliates are similar. Exhibit DAW-2 includes the depreciation study completed for Cross Texas, related exhibits, and filed testimony approved in Docket 43950.

[1] The life parameters and rates approved in PUCT Docket 43950 were also accepted in FERC Docket ER16-453-000.

CTT has no underground transmission assets, but LSPG-NY may have underground transmission facilities in the event it is required to place facilities underground in its permitting process. Therefore, LSPG-NY is requesting approval of depreciation rates for Account 357 – Underground Conduit and Account 358 – Underground Conductor and Devices. Exhibit DAW-3 shows the calculations for my recommended rates for these accounts. Additionally, LSPG-NY intends to compute a weighted average life for any contribution in aid of construction ("CIAC") received based on the life parameters of the underlying assets and related plant accounts.

DIRECT TESTIMONY OF DANE A. WATSON

I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.

A. My name is Dane A. Watson. My business address is 101 E. Park Blvd, Suite 220, Plano, Texas 75074. I am a Partner in Alliance Consulting Group ("Alliance"). Alliance provides consulting and expert services to the utility industry.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am filing testimony on behalf of LS Power Grid New York, LLC ("LSPG-NY" or the "Company").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND?

A. I hold a Bachelor of Science degree in Electrical Engineering from the University of Arkansas at Fayetteville and a Master's Degree in Business Administration from Amberton University.

Q. DO YOU HOLD ANY SPECIAL CERTIFICATION AS A DEPRECIATION EXPERT?

A. Yes. The Society of Depreciation Professionals ("the Society") has established national standards for depreciation professionals. The Society administers an examination and has certain required qualifications to become certified in this field. I have met all requirements and am a Certified Depreciation Professional.

Q. PLEASE OUTLINE YOUR EXPERIENCE IN THE FIELD OF DEPRECIATION.

A. Since graduating from college in 1985, I have worked in the area of depreciation and valuation. I founded Alliance Consulting Group in 2004 and am responsible for conducting depreciation, valuation, and certain other accounting-related

studies for utilities in various regulated industries. My duties related to depreciation studies include the assembly and analysis of historical and simulated data, conducting field reviews, determining service life and net salvage estimates, calculating annual depreciation, presenting recommended depreciation rates to utility management for consideration, and supporting such rates before regulatory bodies.

My prior employment from 1985 to 2004 was with Texas Utilities ("TXU"). During my tenure with TXU, I was responsible for, among other things, conducting valuation and depreciation studies for the domestic TXU companies. During that time, I also served as Manager of Property Accounting Services and Records Management in addition to my depreciation responsibilities.

Q. PLEASE DESCRIBE YOUR INVOLVEMENT WITH ANY PROFESSIONAL SOCIETIES OR COMMITTEES.

A. I have twice been Chair of the Edison Electric Institute ("EEI") Property Accounting and Valuation Committee and have been Chairman of EEI's Depreciation and Economic Issues Subcommittee. I was the Industry Project Manager for the EEI/AGA effort around the electric and gas industry adoption of Federal Accounting Standard ("FAS") 143 and testified before the Federal Energy Regulatory Commission ("FERC") in the hearings leading up to the release of FERC Order 631. I am a Registered Professional Engineer ("PE") in the State of Texas and a Certified Depreciation Professional. I am a Senior Member of the Institute of Electrical and Electronics Engineers ("IEEE") and have held numerous office on the Executive Board of the Dallas Section of IEEE as well as national and world-wide IEEE offices. I have served twice as Past President of

the Society of Depreciation Professionals. I teach depreciation in many industry venues: The Society of Depreciation Professionals, Michigan State University, and AGA/EEI, among others.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY COMMISSIONS?

A. Yes. In my 34-year career, I have testified in more than 190 proceedings before more than 35 regulatory commissions across the United States. A listing of the various proceedings in which I have appeared is provided in Exhibit DAW-1. I have performed nearly 20 depreciation studies that have been presented to the Federal Energy Regulatory Commission ("FERC"). I also appeared in FERC Docket No. RM02-7-000 as an industry panelist on asset retirement obligations.

II. PURPOSE AND SUMMARY OF DIRECT TESTIMONY

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

A. In this case, LSPG-NY is requesting that the depreciation rates approved for Cross Texas by the Public Utility Commission of Texas ("PUCT") in Docket No. 43950 be applied to new transmission assets being constructed by the Company. In addition, LSPG-NY is requesting approval of depreciation rates for Account 357 – Underground Conduit and Account 358 – Underground Conductor and Devices for which depreciation rates were not determined in Docket No. 43950.

Q. DO YOU SPONSOR ANY EXHIBITS IN CONNECTION WITH YOUR TESTIMONY?

A. Yes. I sponsor the exhibits listed in the Table of Contents.

Q. WERE THESE EXHIBITS PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes.

Q. PLEASE DESCRIBE THE LIFE, NET SALVAGE PERCENTAGES, AND DEPRECIATION RATES THAT LSPG-NY IS REQUESTING IN THIS CASE.

A. The following table summarizes life and net salvage parameters and resulting depreciation rates approved by the PUCT in Docket No. 43950 that LSPG-NY is requesting:

Table 1

Approved Depreciation Rates and Parameters

PUCT Docket No. 43950

Account	Description	Average Life	Net Salvage %	Proposed Accrual Rate
301	Organization	54.15	0%	1.85%
302	Franchises and Consents	54.15	0%	1.85%
303	Computer Software	15.00	0%	6.67%
350.1	Fee Land	NA		
350.2	Land Rights	70.00	0%	1.43%
352	Structures and Improvements	37.64	-6%	2.82%
353	Station Equipment	40.51	-9%	2.69%
354	Towers and Fixtures	70.00	-17%	1.67%
355	Poles and Fixtures	60.00	-37%	2.28%
356	OH Conductors and Devices	49.06	-28%	2.61%
359	Roads and Trails	70.00	0%	1.43%
382	Computer Hardware	8.00	0%	12.50%
383	Computer Software	10.00	0%	10.00%
384	Communication Equipment	4.00	0%	25.00%
391	Office Furniture and Equipment	8.00	0%	12.50%
391.1	Computer Hardware	8.00	0%	12.50%
392	Transportation Equipment	8.00	20%	10.00%
393	Stores Equipment	8.00	0%	12.50%
397	Communication Equipment	0.00	0%	25.00%

Q. ARE THE CROSS TEXAS DEPRECIATION RATES REASONABLE AND APPROPRIATE FOR LSPG-NY?

A. Yes. The Cross Texas facilities that were the subject of the Texas depreciation study are a reasonable proxy for the transmission facilities that LSPG-NY is constructing in the Project. The high-voltage transmission line facilities in both cases are predominantly double-circuit 345 kV overhead transmission lines. The terminal facilities in both cases are 345 kV switching stations and substations. The employees of LS Power Development, LLC ("LSP Development") who assisted Cross Texas in the development of the Texas project also assist LSPG-NY with the Project. These employees are familiar with the construction practices, operation and maintenance practices, and accounting practices of Cross Texas and believe that these factors will be reasonably parallel between the two projects. For these reasons, the Cross Texas depreciation parameters (life and net salvage) and resulting depreciation rates approved by the PUCT provide a reasonable proxy for the LSPG-NY depreciation rates associated with the facilities that LSPG-NY is constructing.

Q. ARE YOU FAMILIAR WITH THE DEPRECIATION STUDY PERFORMED FOR CROSS TEXAS?

A. Yes. I performed the depreciation studies for Cross Texas, and I reviewed that referenced study in advance of filing this testimony. The study is attached to my testimony as Exhibit DAW-2.

Q. ARE THERE ADDITIONAL LIFE PARAMETERS AND DEPRECIATION RATES BEING REQUESTED BY LSPG-NY IN THIS CASE?

A. Yes. LSPG-NY is requesting average service lives, net salvage percentages, and depreciation rates for Account 357 – Underground Conduit and Account 358 –

Underground Conductor and Devices. Additionally, LSPG-NY intends to depreciate any contribution in aid of construction (CIAC) received using a weighted average based on the life parameters for the underlying assets and related plant accounts. Since CTT does not have underground assets, Docket No. 43950 did not include these accounts. LSPG-NY's original plans do not include any underground facilities, but LSPG-NY may be required to install some facilities underground in its permitting. Below is a table of the life and net salvage parameters and resulting depreciation rates being requested for these additional accounts. A detailed calculation of the average life, net salvage and annual depreciation rate for Accounts 357 and 358 is shown in Exhibit DAW-3.

Table 2

Proposed Depreciation Rates and Parameters Account 357 and 358

Account	Description	Average Life	Net Salvage %	Proposed Accrual Rate
357	Underground Conduit	54	-7%	1.98%
358	Underground Conductor and Devices	47	-8%	2.30%

Q. WHAT IS THE BASIS FOR LSPG-NY'S DEPRECIATION RATES APPLICABLE TO ACCOUNT 357 AND ACCOUNT 358?

A. As discussed above, since Cross Texas did not have underground assets, none of the approved Cross Texas depreciation rates would specifically apply to the underground asset categories that are being constructed by LSPG-NY. In the absence of approved underground asset depreciation rates of an affiliated company from which LSPG-NY can use as a proxy, I recommend that the Company use representative depreciation rates for Account 357 and Account 358 developed from industry averages until such

time as LSPG-NY's own historical data is sufficient to analyze their characteristics. To develop these rates, I tabulated from FERC Form No. 1 filings for year 2018, page 336, the 49 companies for Account 357 and the 57 companies for Account 358 that list depreciation parameters for these accounts. With respect to the average service life of assets booked to Account 357, I calculated the industry average life is approximately 54 years. The net salvage percentage for Account 357 for the industry group was approximately negative 7%. These two figures allowed me to calculate a representative depreciation rate for Account 357 of 1.98%. The same analysis was used for Account 358, resulting in an average service life of 47 years and net salvage percentage of negative 8%. These two figures allowed me to calculate a representative depreciation rate for Account 358 of 2.30%. Exhibit DAW-3 is attached to my testimony and lists the details related to these calculations.

III. CONCLUSION

Q. MR. WATSON, DO YOU HAVE ANY CONCLUDING REMARKS?

A. Yes. The deprecation rates that I recommend for LS Power Grid New York, Corporation I, fully support setting depreciation rates at the levels I have indicated in my testimony. The Company's depreciation rates should be set at my recommended levels in order to recover the Company's total investment in property over the estimated service lives of the assets.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Texas, New Mexico	Federal Energy Regulatory Commission	ER20-277-000	Southwestern Public Service Company	2019	Electric Production and General Plant Depreciation Study
Alaska	Regulatory Commission of Alaska	U-19-086	Alaska Electric Light and Power	2019	Electric Depreciation Study
Various	Federal Energy Regulatory Commission	ER20-5-000	ITC Midwest LLC	2019	Electric Transmission Depreciation Study
Various	Federal Energy Regulatory Commission	ER20-4-000	*International Transmission Co.*	2019	Electric Transmission Depreciation Study
Various	Federal Energy Regulatory Commission	ER20-3-000	ITC Michigan Electric Transmission Co	2019	Electric Transmission Depreciation Study
Delaware	Delaware Public Service Commission	19-0615	Suez Water Delaware	2019	Water Depreciation Study
Texas	Public Utility Commission of Texas	49831	Southwestern Public Service Company	2019	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	19-00170-UT	Southwestern Public Service Company	2019	Electric Depreciation Study
Georgia	Georgia Public Service Commission	42516	Georgia Power Company	2019	Electric Depreciation Study
Georgia	Georgia Public Service Commission	42315	Atlanta Gas Light	2019	Gas Depreciation Study
Arizona	Arizona Corporation Commission	G-01551A-19-0055	Southwest Gas Corporation	2019	Gas Removal Cost Study
New Hampshire	New Hampshire Public Service Commission	DE 19-064	Liberty Utilities	2019	Electric Distribution and General

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
New Jersey	New Jersey Board of Public Utilities	GR19040486	Elizabethtown Natural Gas	2019	Gas Depreciation Study
Texas	Public Utility Commission of Texas	49421	CenterPoint Houston Electric LLC	2019	Electric Depreciation Study
North Carolina	North Carolina Utilities Commission	Docket No. G-9, Sub 743	Piedmont Natural Gas	2019	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-18-121	Municipal Power and Light City of Anchorage	2018	Electric Depreciation Study
Various	FERC	RP19-352-000	Sea Robin	2018	Gas Depreciation Study
Texas New Mexico	Federal Energy Regulatory Commission	ER19-404-000	Southwestern Public Service Company	2018	Electric Transmission Depreciation Study
California	Federal Energy Regulatory Commission	ER19-221-000	San Diego Gas and Electric	2018	Electric Transmission Depreciation Study
Kentucky	Kentucky Public Service Commission	2018-00281	Atmos Kentucky	2018	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-18-054	Matanuska Electric Coop	2018	Electric Generation Depreciation Study
California	California Public Utilities Commission	A17-10-007	San Diego Gas and Electric	2018	Electric and Gas Depreciation Study
Texas	Public Utility Commission of Texas	48401	Texas New Mexico Power	2018	Electric Depreciation Study
Nevada	Public Utility Commission of Nevada	18-05031	Southwest Gas	2018	Gas Depreciation Study
Texas	Public Utility Commission of Texas	48231	Oncor Electric Delivery	2018	Depreciation Rates

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Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Texas	Public Utility Commission of Texas	48371	Entergy Texas	2018	Electric Depreciation Study
Kansas	Kansas Corporation Commission	18-KCPE-480-RTS	Kansas City Power and Light	2018	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	18-027-U	Liberty Pine Bluff Water	2018	Water Depreciation Study
Kentucky	Kentucky Public Service Commission	2017-00349	Atmos KY	2018	Gas Depreciation Rates
Tennessee	Tennessee Public Utility Commission	18-00017	Chattanooga Gas	2018	Gas Depreciation Study
Texas	Railroad Commission of Texas	10679	Si Energy	2018	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-17-104	Anchorage Water and Wastewater	2017	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-18488	Michigan Gas Utilities Corporation	2017	Gas Depreciation Study
Texas	Railroad Commission of Texas	10669	CenterPoint South Texas	2017	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	17-061-U	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Kansas	Kansas Corporation Commission	18-EPDE-184-PRE	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Oklahoma	Oklahoma Corporation Commission	PUD 201700471	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Missouri	Missouri Public Service Commission	EO-2018-0092	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation

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Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Michigan	Michigan Public Service Commission	U-18457	Upper Peninsula Power Company	2017	Electric Depreciation Study
Florida	Florida Public Service Commission	20170179-GU	Florida City Gas	2017	Gas Depreciation Study
Michigan	FERC	ER18-56-000	Consumers Energy	2017	Electric Depreciation Study
Missouri	Missouri Public Service Commission	GR-2018-0013	Liberty Utilities	2017	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-18452	SEMCO	2017	Gas Depreciation Study
Texas	Public Utility Commission of Texas	47527	Southwestern Public Service Company	2017	Electric Production Depreciation Study
MultiState	FERC	ER17-1664	American Transmission Company	2017	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-17-008	Municipal Power and Light City of Anchorage	2017	Generating Unit Depreciation Study
Mississippi	Mississippi Public Service Commission	2017-UN-041	Atmos Energy	2017	Gas Depreciation Study
Texas	Public Utility Commission of Texas	46957	Oncor Electric Delivery	2017	Electric Depreciation Study
Oklahoma	Oklahoma Corporation Commission	PUD 201700078	CenterPoint Oklahoma	2017	Gas Depreciation Study
New York	FERC	ER17-1010-000	New York Power Authority	2017	Electric Depreciation Study
Texas	Railroad Commission of Texas	GUD 10580	Atmos Pipeline Texas	2017	Gas Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Texas	Railroad Commission of Texas	GUD 10567	CenterPoint Texas	2016	Gas Depreciation Study
MultiState	FERC	ER17-191-000	American Transmission Company	2016	Electric Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR16090826	Elizabethtown Natural Gas	2016	Gas Depreciation Study
North Carolina	North Carolina Utilities Commission	Docket G-9 Sub 77H	Piedmont Natural Gas	2016	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-18195	Consumers Energy/DTE Electric	2016	Ludington Pumped Storage Depreciation Study
Alabama	FERC	ER16-2313-000	SEGCO	2016	Electric Depreciation Study
Alabama	FERC	ER16-2312-000	Alabama Power Company	2016	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-18127	Consumers Energy	2016	Natural Gas Depreciation Study
Mississippi	Mississippi Public Service Commission	2016 UN 267	Willmut Natural Gas	2016	Natural Gas Depreciation Study
Iowa	Iowa Utilities Board	RPU-2016-0003	Liberty-Iowa	2016	Natural Gas Depreciation Study
Illinois	Illinois Commerce Commission	GRM #16-208	Liberty-Illinois	2016	Natural Gas Depreciation Study
Kentucky	FERC	RP16-097-000	KOT	2016	Natural Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-16-067	Alaska Electric Light and Power	2016	Generating Unit Depreciation Study
Florida	Florida Public Service Commission	160170-EI	Gulf Power	2016	Electric Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
California	California Public Utilities Commission	A 16-07-002	California American Water	2016	Water and Waste Water Depreciation Study
Arizona	Arizona Corporation Commission	G-01551A-16-0107	Southwest Gas	2016	Gas Depreciation Study
Texas	Public Utility Commission of Texas	45414	Sharyland	2016	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	16A-0231E	Public Service Company of Colorado	2016	Electric Depreciation Study
Multi-State NE US	FERC	16-453-000	Northeast Transmission Development, LLC	2015	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	15-098-U	CenterPoint Arkansas	2015	Gas Depreciation Study and Cost of Removal Study
New Mexico	New Mexico Public Regulation Commission	15-00296-UT	Southwestern Public Service Company	2015	Electric Depreciation Study
Atmos Energy Corporation	Tennessee Regulatory Authority	14-00146	Atmos Tennessee	2015	Natural Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00261-UT	Public Service Company of New Mexico	2015	Electric Depreciation Study
Hawaii	NA	NA	Hawaii American Water	2015	Water/Wastewater Depreciation Study
Kansas	Kansas Corporation Commission	16-ATMG-079-RTS	Atmos Kansas	2015	Gas Depreciation Study
Texas	Public Utility Commission of Texas	44704	Entergy Texas	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-15-089	Fairbanks Water and Wastewater	2015	Water and Waste Water Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Arkansas	Arkansas Public Service Commission	15-031-U	Source Gas Arkansas	2015	Underground Storage Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00139-UT	Southwestern Public Service Company	2015	Electric Depreciation Study
Texas	Public Utility Commission of Texas	44746	Wind Energy Transmission Texas	2015	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	15-AL-0299G	Atmos Colorado	2015	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	15-011-U	Source Gas Arkansas	2015	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10432	CenterPoint- Texas Coast Division	2015	Gas Depreciation Study
Kansas	Kansas Corporation Commission	15-KCPE-116-RTS	Kansas City Power and Light	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-120	Alaska Electric Light and Power	2014-2015	Electric Depreciation Study
Texas	Public Utility Commission of Texas	43950	Cross Texas Transmission	2014	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	14-00332-UT	Public Service of New Mexico	2014	Electric Depreciation Study
Texas	Public Utility Commission of Texas	43695	Xcel Energy	2014	Electric Depreciation Study
Multi State – SE US	FERC	RP15-101	Florida Gas Transmission	2014	Gas Transmission Depreciation Study
California	California Public Utilities Commission	A.14-07-006	Golden State Water	2014	Water and Waste Water Depreciation Study

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Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Michigan	Michigan Public Service Commission	U-17653	Consumers Energy Company	2014	Electric and Common Depreciation Study
Colorado	Public Utilities Commission of Colorado	14AL-0660E	Public Service of Colorado	2014	Electric Depreciation Study
Wisconsin	Wisconsin	05-DU-102	WE Energies	2014	Electric, Gas, Steam and Common Depreciation Studies
Texas	Public Utility Commission of Texas	42469	Lone Star Transmission	2014	Electric Depreciation Study
Nebraska	Nebraska Public Service Commission	NG-0079	Source Gas Nebraska	2014	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-055	TDX North Slope Generating	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-054	Sand Point Generating LLC	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-045	Matanuska Electric Coop	2014	Electric Generation Depreciation Study
Texas, New Mexico	Public Utility Commission of Texas	42004	Southwestern Public Service Company	2013-2014	Electric Production, Transmission, Distribution and General Plant Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR13111137	South Jersey Gas	2013	Gas Depreciation Study
Various	FERC	RP14-247-000	Sea Robin	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-078-U	Arkansas Oklahoma Gas	2013	Gas Depreciation Study

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Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Arkansas	Arkansas Public Service Commission	13-079-U	Source Gas Arkansas	2013	Gas Depreciation Study
California	California Public Utilities Commission	Proceeding No.: A.13-11-003	Southern California Edison	2013	Electric Depreciation Study
North Carolina/South Carolina	FERC	ER13-1313	Progress Energy Carolina	2013	Electric Depreciation Study
Wisconsin	Public Service Commission of Wisconsin	4220-DU-108	Northern States Power Company - Wisconsin	2013	Electric, Gas and Common Transmission, Distribution and General
Texas	Public Utility Commission of Texas	41474	Sharyland	2013	Electric Depreciation Study
Kentucky	Kentucky Public Service Commission	2013-00148	Atmos Energy Corporation	2013	Gas Depreciation Study
Minnesota	Minnesota Public Utilities Commission	13-252	Allete Minnesota Power	2013	Electric Depreciation Study
New Hampshire	New Hampshire Public Service Commission	DE 13-063	Liberty Utilities	2013	Electric Distribution and General
Texas	Railroad Commission of Texas	10235	West Texas Gas	2013	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-154	Alaska Telephone Company	2012	Telecommunications Utility
New Mexico	New Mexico Public Regulation Commission	12-00350-UT	Southwestern Public Service Company	2012	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1269ST	Public Service Company of Colorado	2012	Gas and Steam Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1268G	Public Service Company of Colorado	2012	Gas and Steam Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-149	Municipal Power and Light City of Anchorage	2012	Electric Depreciation Study

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Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Texas	Texas Public Utility Commission	40824	Xcel Energy	2012	Electric Depreciation Study
South Carolina	Public Service Commission of South Carolina	Docket 2012-384-E	Progress Energy Carolina	2012	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-141	Interior Telephone Company	2012	Telecommunications Utility
Michigan	Michigan Public Service Commission	U-17104	Michigan Gas Utilities Corporation	2012	Gas Depreciation Study
North Carolina	North Carolina Utilities Commission	E-2 Sub 1025	Progress Energy Carolina	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40606	Wind Energy Transmission Texas	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40604	Cross Texas Transmission	2012	Electric Depreciation Study
Minnesota	Minnesota Public Utilities Commission	12-858	Northern States Power Company - Minnesota	2012	Electric, Gas and Common Transmission, Distribution and General
Texas	Railroad Commission of Texas	10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10174	Atmos West Texas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10182	CenterPoint Beaumont/ East Texas	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-KCPE-764-RTS	Kansas City Power and Light	2012	Electric Depreciation Study
Nevada	Public Utility Commission of Nevada	12-04005	Southwest Gas	2012	Gas Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Texas	Railroad Commission of Texas	10147, 10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-ATMG-564-RTS	Atmos Kansas	2012	Gas Depreciation Study
Texas	Texas Public Utility Commission	40020	Lone Star Transmission	2012	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-16938	Consumers Energy Company	2011	Gas Depreciation Study
Colorado	Public Utilities Commission of Colorado	11AL-947E	Public Service of Colorado	2011	Electric Depreciation Study
Texas	Texas Public Utility Commission	39896	Entergy Texas	2011	Electric Depreciation Study
MultiState	FERC	ER12-212	American Transmission Company	2011	Electric Depreciation Study
California	California Public Utilities Commission	A1011015	Southern California Edison	2011	Electric Depreciation Study
Mississippi	Mississippi Public Service Commission	2011-UN-184	Atmos Energy	2011	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-16536	Consumers Energy Company	2011	Wind Depreciation Rate Study
Texas	Public Utility Commission of Texas	38929	Oncor	2011	Electric Depreciation Study
Texas	Railroad Commission of Texas	10038	CenterPoint South TX	2010	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-070	Inside Passage Electric Cooperative	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	36633	City Public Service of San Antonio	2010	Electric Depreciation Study
Texas	Texas Railroad Commission	10000	Atmos Pipeline Texas	2010	Gas Depreciation Study
Multi State – SE US	FERC	RP10-21-000	Florida Gas Transmission	2010	Gas Depreciation Study
Maine/ New Hampshire	FERC	10-896	Granite State Gas Transmission	2010	Gas Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Texas	Public Utility Commission of Texas	38480	Texas New Mexico Power	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	38339	CenterPoint Electric	2010	Electric Depreciation Study
Texas	Texas Railroad Commission	10041	Atmos Amarillo	2010	Gas Depreciation Study
Georgia	Georgia Public Service Commission	31647	Atlanta Gas Light	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38147	Southwestern Public Service	2010	Electric Technical Update
Alaska	Regulatory Commission of Alaska	U-09-015	Alaska Electric Light and Power	2009-2010	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-043	Utility Services of Alaska	2009-2010	Water Depreciation Study
Michigan	Michigan Public Service Commission	U-16055	Consumers Energy/DTE Energy	2009-2010	Ludington Pumped Storage Depreciation Study
Michigan	Michigan Public Service Commission	U-16054	Consumers Energy	2009-2010	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15963	Michigan Gas Utilities Corporation	2009	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-15989	Upper Peninsula Power Company	2009	Electric Depreciation Study
Texas	Railroad Commission of Texas	9869	Atmos Energy	2009	Shared Services Depreciation Study
Mississippi	Mississippi Public Service Commission	09-UN-334	CenterPoint Energy Mississippi	2009	Gas Depreciation Study
Texas	Railroad Commission of Texas	9902	CenterPoint Energy Houston	2009	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	09AL-299E	Public Service Company of Colorado	2009	Electric Depreciation Study
Tennessee	Tennessee Regulatory Authority	11-00144	Piedmont Natural Gas	2009	Gas Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Louisiana	Louisiana Public Service Commission	U-30689	Cleco	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35763	Southwestern Public Service Company	2008	Electric Production, Transmission, Distribution and General Plant Depreciation Study
Wisconsin	Wisconsin	05-DU-101	WE Energies	2008	Electric, Gas, Steam and Common Depreciation Studies
North Dakota	North Dakota Public Service Commission	PU-07-776	Northern States Power Company - Minnesota	2008	Net Salvage
New Mexico	New Mexico Public Regulation Commission	07-00319-UT	Southwestern Public Service Company	2008	Testimony – Depreciation
Multiple States	Railroad Commission of Texas	9762	Atmos Energy	2007-2008	Shared Services Depreciation Study
Minnesota	Minnesota Public Utilities Commission	E015/D-08-422	Minnesota Power	2007-2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35717	Oncor	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	34040	Oncor	2007	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15629	Consumers Energy	2006-2009	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	06-234-EG	Public Service Company of Colorado	2006	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	06-161-U	CenterPoint Energy – Arkla Gas	2006	Gas Distribution Depreciation Study and Removal Cost Study
Texas, New Mexico	Public Utility Commission of Texas	32766	Southwestern Public Service Company	2005-2006	Electric Production, Transmission, Distribution and General Plant Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable	Company	Year	Description
Texas	Railroad Commission of Texas	9670/9676	Atmos Energy Corp	2005-2006	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9400	TXU Gas	2003-2004	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9313	TXU Gas	2002	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9225	TXU Gas	2002	Gas Distribution Depreciation Study
Texas	Public Utility Commission of Texas	24060	TXU	2001	Line Losses
Texas	Public Utility Commission of Texas	23640	TXU	2001	Line Losses
Texas	Railroad Commission of Texas	9145-9148	TXU Gas	2000-2001	Gas Distribution Depreciation Study
Texas	Public Utility Commission of Texas	22350	TXU	2000-2001	Electric Depreciation Study, Unbundling
Texas	Railroad Commission of Texas	8976	TXU Pipeline	1999	Pipeline Depreciation Study
Texas	Public Utility Commission of Texas	20285	TXU	1999	Fuel Company Depreciation Study
Texas	Public Utility Commission of Texas	18490	TXU	1998	Transition to Competition
Texas	Public Utility Commission of Texas	16650	TXU	1997	Customer Complaint
Texas	Public Utility Commission of Texas	15195	TXU	1996	Mining Company Depreciation Study
Texas	Public Utility Commission of Texas	12160	TXU	1993	Fuel Company Depreciation Study
Texas	Public Utility Commission of Texas	11735	TXU	1993	Electric Depreciation Study

CROSS TEXAS TRANSMISSION, LLC

UTILITY PLANT

DEPRECIATION STUDY

http://www.utilityalliance.com

CROSS TEXAS TRANSMISSION, LLC
ELECTRIC PLANT
DEPRECIATION STUDY
EXECUTIVE SUMMARY

Cross Texas Transmission, LLC ("Cross Texas" or "Company") engaged Alliance Consulting Group to conduct a depreciation study of the Company's utility plant depreciable assets. The scope of the analysis included establishing depreciation rates that form the basis for a request for initial rates. Cross Texas is a new entrant in the Texas electric market and is constructing approximately 235 miles of transmission lines and two substations to support the Competitive Renewable Energy Zone ("CREZ") initiative.

I conducted this study using a traditional depreciation study approach for life and net salvage adjusted to take into account the newness of Cross Texas' investment (since its investment is at the beginning of its life). I used the broad group, average life, remaining life depreciation system. This methodology has been adopted by numerous state commissions, including the Public Utility Commission of Texas ("PUCT") and the Federal Energy Regulatory Commission ("FERC"). Cross Texas has no existing depreciation rates; therefore, no comparison between existing and proposed depreciation rates is available. Appendix A to this study shows the computation of the requested depreciation rates.

CROSS TEXAS TRANSMISSION, LLC

UTILITY PLANT

DEPRECIATION STUDY

AT IN-SERVICE DATE OF TRANSMISSION PLANT

Table of Contents

ATTACHMENTS

PURPOSE

The purpose of this study is to develop depreciation and amortization rates for the projected depreciable and amortizable property for Cross Texas' assets when the facilities are placed in service. The account-based depreciation rates were designed to recover the total undepreciated investment, adjusted for net salvage, over the remaining life of the Company's property on a straight-line basis. Non-depreciable property was excluded from this study.

The PUCT awarded to Cross Texas the right to construct CREZ transmission lines in Docket No. 35665 and Cross Texas then certificated those lines in Docket Nos. 37956, 38435, and 38650. Consistent with the orders in those dockets, Cross Texas is constructing approximately 235 miles of 345-kV transmission line with more than 140 lattice steel towers, and more than 1100 weathering steel poles, and various other transmission line and substation equipment.

STUDY RESULTS Page 5 of 37

Depreciation rates for the Company's depreciable and amortizable property are shown in Appendix A. Appendices B-1 and B-2 present the calculation of average life by account. Appendix C shows net salvage parameters for utilities with rates set by the PUCT and whose depreciation parameters are available in the public domain. Because Cross Texas is constructing new transmission facilities and substations and has no historical information on which to establish net salvage parameters, the study calculated net salvage parameters by averaging the net salvage for similar types of assets approved by the PUCT for other Texas utilities with transmission. The resulting averages were applied to the Company's assets.

Definition

The term "depreciation" as used in this study is considered in the accounting sense, that is, a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not valuation. This expense is systematically allocated to accounting periods over the life of the properties. The amount allocated to any one accounting period does not necessarily represent the loss or decrease in value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement, the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

Basis of Depreciation Estimates

Annual and accrued depreciation were calculated in this study by the straight-line, remaining-life depreciation system. In this system, the annual depreciation accrual for each group (*i.e.*, account) is computed by dividing the original cost of the group less depreciation reserve by the group's respective average service life. In this study, because Cross Texas is constructing new transmission facilities, there is no current depreciation reserve. The respective service life for each group is determined by estimating the average service life for each type of asset within the group, and then dollar-weighting the individual lives to determine a group service life. The resulting annual accrual amounts of all depreciable property within each group was divided by the original cost of all depreciable property within the group to determine the depreciation rate for each group. The calculation of the depreciation expense, average service lives, and depreciation rates are shown in Appendices A and B.

Actuarial Analysis

Actuarial analysis (retirement rate method) was not available to be used due to the newness of Cross Texas' assets and, consequently, the lack of historical retirements. Average service lives for each type of asset were based both on Alliance's experience with similar assets and the experience of personnel overseeing the design and construction of the Company's assets, as well as their expectations regarding those assets in the future.

Net Salvage Analysis

Since the assets being analyzed are at the beginning of their lives, no traditional net salvage analysis was possible. Instead, the average of the net salvage rates approved by the PUCT for the same accounts of other Texas utilities was applied to Cross Texas' assets. Appendix C shows net salvage parameters by account used by utilities in Texas. These percentages by account were averaged to estimate the Company's net salvage.

Depreciation Calculation Process

Annual depreciation expense amounts for each account were calculated by the straight-line, remaining-life procedure. Because Cross Texas is constructing new transmission facilities, the remaining life analysis is equivalent to the whole life of plant assets in this circumstance. In this calculation, the annual accrual rate is computed by the following equation:

$$AnnualAccrualRate = \frac{(100\% - NetSalvagePercent)}{AverageServiceLife}$$

Depreciation Study Process

During the initial data collection process, historical data is normally compiled from continuing property records and general ledger systems. However, since Cross Texas' assets are new with no history available, we conducted interviews with project management staff who are overseeing the engineering and construction of the assets. I assigned lives to each asset type within each account based on the results of these interviews in conjunction with my own knowledge and experience gained from performing depreciation studies for transmission assets in Texas and throughout the nation. I then used these lives to derive a composite average service life. One of the most important elements of performing a proper depreciation study is to understand how the Company utilizes assets and the environment of those assets. Interviews with engineering and operations personnel and/or project management staff who oversee these functions are important methods that allow the analyst to obtain beneficial information when evaluating the output from the life and net salvage programs in relation to the Company's actual asset utilization and environment. Information that was gleaned in these discussions is found both in the Detailed Discussion of this study and also in my workpapers.

Since no operating history for Cross Texas is available, net salvage is assigned based on the experience of other Texas utilities as approved by the PUCT in each respective utility's last base rate case. The listing of utilities used and the calculation of the average net salvage percentage are found in Appendix C.

After assigning lives and net salvage, I calculated the accrual rates for each plant category. This final report documents my conclusions in recommending these accrual rates. The calculation of depreciation accruals and depreciation rates is found in Appendix A. Recommendations for the various accounts are contained within the Detailed Discussion of this study.

Depreciation Rate Calculation **Page 9 of 37**

Annual depreciation expense amounts for the depreciable accounts of Cross Texas were calculated by the straight-line method, average life group ("ALG") procedure, and remaining-life technique. With this approach, remaining lives were calculated according to standard ALG expectancy techniques. For each plant account, the surviving investment, adjusted for estimated net salvage, is divided by the average life to yield the annual depreciation expense. Since these assets are new and have not incurred any depreciation expense, the book reserve is zero and remaining life is equal to average service life. These calculations are shown in Appendix A.

Remaining Life Calculation

At the age of zero, Remaining Life is equal to Average Service Life. The average life of each asset group was calculated based on the expected life for each asset type included in the group and dollar-weighted to determine the average life of the group.

INTANGIBLE PLANT

FERC Account 301 Organization (54.46 years)

This account consists of intangible organization costs. The estimated balance in this account is approximately $146,000 when the entire transmission facility is placed into service. The recommended life for this account of 54.46 years is based on the average life of all tangible assets. The calculation of the average life of all tangible assets used for this account is shown in Appendix B-2.

FERC Account 302 Franchises and Consents (54.46 years)

This account consists of costs related to applications for Certificates of Convenience and Necessity. The estimated balance in this account is approximately $7.0 million when the entire transmission facility is placed into service. The recommended life for this account is 54.46 years based on the average life of all tangible assets. The calculation of the average life of all tangible assets used for this account is shown in Appendix B-2.

FERC Account 350.2 Land Rights (70 years)

This account consists of land rights used for transmission line assets. The projected balance in this account is approximately $36.0 million when the entire transmission line goes into service. This study recommends a 70-year life based on the life of the longest-lived assets (transmission towers) occupying the land rights.

FERC Account 352.0 Structures and Improvements (28.96 years)

This account consists of structures and improvements associated with control houses and other miscellaneous structures in transmission substations. The projected balance once all transmission facilities are placed in service is $6.8 million. The control building is estimated to have a 40-year life with other assets having a shorter life. The composite life is a 28.96-year life, which is recommended for this account. The calculation is shown in Appendix B-1.

FERC Account 353.0 Station Equipment (40.93 years) **Page 12 of 37**

This account consists of capacitors, shunt reactors, supply breakers, busses, protective relay panels and switches found in transmission substations. The projected balance in this account is approximately $52.3 million once the entire transmission facility is placed into service. The lives of the assets in this account vary from 15 years (remote terminal units or "RTUs" and surge arresters) to 50 years (*e.g.*, conduit and steel structures) with the predominant life for equipment being 40 years for assets such as capacitors, reactors, and breakers. Due to the nature of these substations, they do not include transformers. Based on the dollar-weighted lives of the individual assets, this study recommends a life of 40.93 years as shown in Appendix B-1.

FERC Account 354.0 Towers and Fixtures (70 years)

This account consists of steel transmission towers, including foundations and grounding. The projected balance in this account is approximately $66.6 million once the entire transmission facility is placed into service. The lives of the assets in this account are all estimated at 70 years. This study recommends a life of 70 years as shown in Appendix B-1.

FERC Account 355.0 Poles and Fixtures (57.30 years)

This account includes steel poles, pole arms, anchors, anchor rods, and other related equipment. The projected balance in this account is approximately $127.0 million. The lives of the steel pole assets in this account are all estimated at 60 years with pole arms reflecting a shorter life. Based on the dollar-weighted lives of the individual assets as shown in Appendix B-1, this study recommends a life of 57.30 years.

FERC Account 356.0 OH Conductors and Devices (47.87 years) Page 13 of 37

This account includes overhead conductors, insulators, and devices for transmission plant. The projected balance in this account is approximately $156.9 million. The lives of the assets in this account vary from 30 years (*e.g.*, dampers, spacers, and insulators) to 50 years (*e.g.*, conductor and fiber optic cable) with the predominant life for all assets being 50 years. Based on the dollar-weighted lives of the individual assets as shown in Appendix B-1, this study recommends a life of 47.87 years.

FERC Account 359.0 Roads and Trails (70 years)

This account includes roads and trails for transmission plant. The projected balance in this account is approximately $3.9 million. The lives of the assets in this account are based on the longest lives found for other assets (70 years for transmission towers). As shown in Appendix B-1, this study recommends a life of 70 years.

FERC Account 383.0 Computer Software (10 years)

This account includes all computer software associated with primary and backup Energy Management Systems or EMS at regional transmission centers. The current account balance is approximately $38,000 for this account when the entire transmission facility goes into service. Although upgrades to the software are expected every few years, the Company anticipates that future upgrades will be expensed. Therefore, a 10-year life is recommended for the software.

FERC Account 384.0 Communication Equipment (4 years)

This account includes all communication equipment associated with regional transmission and operations plant. There will be approximately $1.5 million in this account when the entire facility goes into service. Based on the dollar-weighted lives of the individual assets as shown in Appendix B-1, this study recommends a life of 4 years.

FERC Account 391.0 Office Furniture and Fixtures (8 years)

This account includes office furniture and equipment used for general utility operations. The projected balance in this account is $150,000. Assets in this account are estimated to have a life of 8 years, which is recommended for this account. This is shown in Appendix B-1.

FERC Account 392.0 Transportation Equipment (8 years)

This account includes autos, trucks, and trailers used for general utility operations. The projected balance in this account is approximately $449,000. Assets in this account are estimated to have a life of 8 years, which is recommended for this account. This is shown in Appendix B-1.

FERC Account 393.0 Stores Equipment (8 years)

This account includes stores equipment used for general utility operations. The projected balance in this account is $75,000. Assets in this account are estimated to have a life of 8 years which is recommended for this account. This is shown in Appendix B-1.

FERC Account 397.0 Communication Equipment (4 years)

This account includes communication equipment used for general utility operations. The projected balance in this account is approximately $23,000. Assets in this account are estimated to have a life of 4 years, which is recommended for this account. This is shown in Appendix B-1.

SALVAGE ESTIMATION

When a capital asset is retired, that is, physically removed from service and finally disposed of, terminal retirement is said to have occurred. The residual value of a terminal retirement is called gross salvage. Net salvage is the difference between the gross salvage amount (what the asset can be sold for) and the removal cost (the cost to remove and dispose of the asset). Salvage and removal cost percentages are calculated by dividing the current cost of salvage or removal by the original installed cost of the asset. Some plant assets can experience significant negative removal cost percentages due to the timing of the original addition versus the retirement.

At the beginning of the life of the assets for Cross Texas, there is no historical net salvage information that can be used to model net salvage rates. The general expectation (both in Texas and across the industry) is that most asset accounts within the transmission function will exhibit negative net salvage, with regional operations and general plant having a zero percent net salvage. In other words, for the negative net salvage, the cost to remove the assets from service (*i.e.*, removal cost) will exceed any proceeds received from the scrap materials (*i.e.*, gross salvage), if any, once the asset is removed from service.

Because the Cross Texas transmission facilities have no historical net salvage information, the study looked to similarly situated utilities as a model for the expected net salvage associated with the Cross Texas assets. The study considered the net salvage characteristics most recently approved by the PUCT for the nine largest Texas utilities with publicly available information and then performed a simple average. Some Cross Texas asset accounts may have a higher level of effort required to remove the assets than many other utilities (*e.g.*, Account 355 – Poles and Fixtures, because there are more steel poles in the account (100%) as compared to other utilities), and some of the net salvage rates included in the calculation may understate removal cost given the age of the respective studies. However, given the lack of historical experience, the average net salvage is a reasonable basis on which to model net salvage for Cross Texas assets.

INTANGIBLE PLANT

FERC Account 301 Organization (0% Net Salvage)

This account consists of any gross salvage and removal cost associated with intangible organization costs. It is not expected that the assets in this account will have any removal cost or salvage at the end of its life. This study recommends a 0 percent net salvage.

FERC Account 302 Franchises and Consents (0% Net Salvage)

This account consists of any gross salvage and removal cost associated related to costs for the application for Certificates of Convenience and Necessity. It is not expected that the assets in this account will have any removal cost or salvage at the end of its life. This study recommends a 0 percent net salvage.

Transmission, FERC Accounts 350.1-359.0

The net salvage percentage applied to Cross Texas' transmission assets is calculated using the average of the nine Texas utilities shown in Appendix C. A brief discussion of study recommendations for each account follows below.

TRANSMISSION PLANT

FERC Account 350.2 Land Rights (0% Net Salvage)

This account includes any salvage and removal cost of land rights used for transmission function assets. Land rights are not expected to have any salvage or removal cost. This study recommends a 0 percent net salvage.

FERC Account 352.0 Structures and Improvements (-6% Net Salvage)

This account includes any salvage and removal cost of structures and improvements in connection with control houses and other miscellaneous structures associated with transmission substations. As shown in Appendix C, the range of net salvage percentages from other Texas utilities is from negative 33 percent to a positive 5 percent (for Entergy from a study in the 1990s). The average of the eight Texas utilities (with one not reporting a net salvage percentage for this account) is negative 6 percent. This study recommends the average negative 6 percent net salvage for this account.

FERC Account 353.0 Station Equipment (-9% Net Salvage)

This account includes any salvage and removal cost of capacitors, shunt reactors, supply breakers, steel structures, protective relay panels, and switches for transmission plant. As shown in Appendix C, the range of net salvage percentages from other Texas utilities is from negative 25 percent (AEP North) to a positive 2 percent (AEP Central). The average of the nine Texas utilities is negative 9 percent. This study recommends the average negative 9 percent net salvage for this account.

FERC Account 354.0 Towers and Fixtures (-17% Net Salvage)

This account includes any salvage and removal cost of steel transmission towers and fixtures. As shown in Appendix C, the range of net salvage percentages is from negative 34 percent to 0 percent (for Southwest Public Service, which has few assets in this category, with all except Southwest Public Service being negative). The average of the nine Texas utilities is negative 17 percent. This study recommends the average negative 17 percent net salvage for this account.

FERC Account 355.0 Poles and Fixtures (-37% Net Salvage)

This account includes any salvage and removal cost of steel poles, anchors, anchor rods, other related equipment, and foundations for transmission plant. As shown in Appendix C, the range of net salvage percentages is from negative 100 percent to a positive 25 percent (for Entergy from a study in the 1990s, with all except Entergy being negative). The average of the nine Texas utilities is negative 37 percent. This study recommends the average negative 37 percent net salvage for this account.

FERC Account 356.0 OH Conductors and Devices (-28% Net Salvage)

This account includes any salvage and removal cost of overhead conductors, insulators, and devices for transmission plant. As shown in Appendix C, the range of net salvage percentages from other Texas utilities is from negative 74 percent to a positive 20 percent (for Entergy from a study in the 1990s, with all except Entergy being negative or zero). The average of the nine Texas utilities is negative 28 percent. This study recommends the average negative 31 percent net salvage for this account.

FERC Account 359.0 Roads and Trails (0% Net Salvage)

This account includes any salvage and removal cost of roads and trails for transmission plant. Many utilities do not have any investment in this account. It is not expected that the assets in this account will have any removal cost or salvage at the end of its life. This study recommends a 0 percent net salvage.

FERC Account 383.0 Computer Software (0% Net Salvage)

This account includes any salvage and removal cost for computer software associated with primary and backup Energy Management Systems or EMS at regional transmission centers. It is not expected that the assets in this account will have any removal cost or salvage at the end of its life. This study recommends a 0 percent net salvage.

FERC Account 384.0 Communication Equipment (0% Net Salvage)

This account includes any salvage and removal cost associated with communication equipment associated with regional transmission and operations plant. It is not expected that the assets in this account will have any removal cost or salvage at the end of its life. This study recommends a 0 percent net salvage.

GENERAL PLANT

FERC Account 391.0 Office Furniture and Fixtures (0% Net Salvage)

This account includes any salvage or removal cost for office furniture and fixtures used for general utility operations. It is not expected that the assets in this account will have any removal cost or salvage at the end of its life. This study recommends a 0 percent net salvage.

FERC Account 392.0 Transportation Equipment (20% Net Salvage)

This account includes any salvage or cost of removal for transportation equipment. Cross Texas will have investment in pickup trucks, trailers, and ATVs that are estimated to have a residual value. Based on judgment, this study recommends a 20 percent net salvage for this account.

FERC Account 393.0 Stores Equipment (0% Net Salvage)

This account includes any gross salvage or removal cost for stores equipment. It is not expected that the assets in this account will have any removal cost or salvage at the end of its life. This study recommends a 0 percent net salvage.

FERC Account 397.0 Communication Equipment (0% Net Salvage)

This account includes any gross salvage or cost of removal for communication equipment used for general utility operations. It is not expected that the assets in this account will have any removal cost or salvage at the end of its life. This study recommends a 0 percent net salvage.

APPENDIX A

Accrual Rate

Cross Texas Transmission, LLC
Computation of Proposed Depreciation Accrual Rate

Appendix A

Acct	FINAL	Total Project Cost	Accumulated Depreciation	Average Life	Net Salvage %	Proposed Annual Accrual	Proposed Accrual Rate
301	Organization	146,217.98	0.00	54.46	0%	2,690.41	1.84%
302	Franchises and Consents	6,978,888.01	0.00	54.46	0%	128,411.54	1.84%
350.1	Fee Land	1,051,073.28	0.00	NA		NA	NA
350.2	Land Rights	36,432,797.92	0.00	70.00	0%	520,989.01	1.43%
352	Structures and Improvements	6,781,132.22	0.00	28.96	-6%	248,189.44	3.66%
353	Station Equipment	52,326,049.85	0.00	40.93	-9%	1,391,872.93	2.66%
354	Towers and Fixtures	66,635,208.42	0.00	70.00	-17%	1,112,807.98	1.67%
355	Poles and Fixtures	127,039,956.32	0.00	57.30	-37%	3,036,254.96	2.39%
356	OH Conductors and Devices	156,856,179.46	0.00	47.87	-28%	4,188,059.99	2.67%
359	Roads and Trails	3,912,148.76	0.00	70.00	0%	55,943.73	1.43%
	Composite Transmission *	451,034,546.23				10,554,118.03	2.35%
383	Computer Software	37,793.01	0.00	10.00	0%	3,779.30	10.00%
384	Communication Equipment	1,507,541.31	0.00	4.00	0%	376,885.33	25.00%
	Composite Network Equipment	1,545,334.32				380,664.63	24.63%
391	Office Furniture and Equipment	150,000.00	0.00	8.00	0%	18,750.00	12.50%
392	Transportation Equipment	448,505.31	0.00	8.00	20%	44,850.53	10.00%
393	Stores Equipment	75,000.00	0.00	8.00	0%	9,375.00	12.50%
397	Communication Equipment	23,340.00	0.00	4.00	0%	5,835.00	25.00%
	Composite General Plant	696,845.31				78,810.53	11.31%
Total *		460,401,831.85					

* Composite rate calculation excludes Fee Land.

APPENDIX B-1

Calculation of Average Life by Account

Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	S x Useful Life	Average Service Life
Gray Substation	350.1	Land					NA	NA	
			350.1 Fee-Owned Land	Acre	160	$ 530,439			
Cross Substation	350.1	Land					NA	NA	
			350.1 Fee-Owned Land	Acre	113	$ 225,284			
Amarillo Storeroom	350.1	Land					NA	NA	
			Fee-Owned Land	Acre	20	$ 295,350			
	350.1 Total					$ 1,051,073		0	0.00
Tline- Gray to Tesla	350.2	ROW							
			350.2 Easemented ROW	Acre	2132.21	$ 14,266,915	70	998,684,015	
Tline- Gray to White Deer	350.2	ROW							
			350.2 Easemented ROW	Acre	826.13	$ 4,975,124	70	348,258,713	
Tline- Silverton to Tesla	350.2	ROW							
			350.2 Easemented ROW	Acre	1727.12	$ 17,190,759	70	1,203,353,126	
	350.2 Total					$ 36,432,798		2,550,295,854	70.00
Gray Substation	352	Supply Control House - Gray							
			352.1 Control House	Each	1	$ 1,784,302	40	71,372,094	
Cross Substation	352	Supply Control House - Cross							
			352.1 Control House	Each	1	$ 607,435	40	24,297,419	
Tline- Gray to Tesla	352	OPGW Repeater House							
			Repeater House	Each	1	$ 49,225	40	1,969,001	
Amarillo - Storeroom	352	Structures and Improvements							
			Building	Each	1	$ 393,800	7	2,756,602	
			Improvements	Each	1	$ 147,675	7	1,033,726	
Tline- Gray to Tesla	352	Improvements (Fencing, Gates, Cattle Guards, Culverts)							
			352.1 Gates	Each	200	$ 600,187	25	15,004,683	
Tline- Gray to White Deer	352	Improvements (Fencing, Gates, Cattle Guards, Culverts)	352.2 Cattle Guards	Each	40	$ 684,151	25	17,103,784	
			352.1 Gates	Each	120.00	$ 386,290	25	9,657,241	
Tline- Silverton to Tesla	352	Improvements (Fencing, Gates, Cattle Guards, Culverts)	352.2 Cattle Guards	Each	40.00	$ 732,618	25	18,315,458	
			352.1 Gates	Each	200.00	$ 652,110	25	16,302,744	
			352.2 Cattle Guards	Each	40.00	$ 749,338	25	18,583,439	
	352 Total					$ 6,783,132		196,396,191	28.96
Gray Substation	353	Aluminum Bus & Fittings							
			B353.1 6" IPS, SCH 80 6063-T6	Foot	5700	$ 724,840	50	36,122,021	
			B353.2 3" IPS, SCH 80 6063-T6	Foot	120	$ 10,085	50	504,241	
Gray Substation	353	Steel Structures							
			S353.1 A-FRAME, 345KV, 60' ATTACHMENT HEIGHT	Each	3	$ 1,262,370	50	62,118,522	
			S353.2 A-FRAME, 345KV, 88.5' ATTACHMENT HEIGHT	Each	1	$ 505,013	50	25,250,639	
			S353.3 A-FRAME, 345KV, 88.5' ATTACHMENT HEIGHT (2 A-FRAMES W/	Each	1	$ 895,825	50	44,841,271	
			S353.4 TURNING STRUCTURE	Each	1	$ 85,761	50	4,288,036	
			S353.5 SUPPORT, 3Ø SWITCH LOW	Each	22	$ 247,775	50	12,388,752	
			S353.6 SUPPORT, 3Ø SWITCH LOW W/ MTG BKT FOR BUS SPRT	Each	2	$ 22,525	50	1,126,250	
			S353.7 SUPPORT, 3Ø GROUND SWITCH STRUCTURE	Each	2	$ 36,050	50	1,802,524	
			S353.8 SUPPORT, 3Ø PANTOGRAPH SWITCH STRUCTURE (3 STRUCTUR	Each	2	$ 15,407	50	770,329	
			S353.9 SUPPORT, 1Ø BUS LOW	Each	19	$ 35,958	50	1,797,916	
			S353.10 SUPPORT, 1Ø BUS HIGH	Each	78	$ 418,294	50	20,914,689	
			S353.11 SUPPORT, 1Ø BUS BI LEVEL	Each	36	$ 110,455	50	5,522,759	
			S353.12 SUPPORT, 1Ø SA	Each	12	$ 19,753	50	987,671	
			S353.13 SUPPORT, 1Ø CVT	Each	18	$ 31,178	50	1,558,921	
			S353.14 SUPPORT, 1Ø PVT	Each	3	$ 8,558	50	427,901	
			S353.15 MAST, LIGHTING 80'	Each	6	$ 225,407	50	11,270,369	
Gray Substation	353	Foundations	S353.16 SUPPORT, REACTOR SWITCHER 3Ø (BASE)	Each	4	$ 55,026	50	2,751,293	
			F353.1 Foundations, DEADEND A-FRAME 65'-0"	Each	12	$ 167,383	50	8,369,148	
			F353.2 Foundations, DEADEND A-FRAME 80'-0"	Each	10	$ 249,912	50	12,495,603	
			F353.3 Foundations, LIGHTING MAST 95'-0"	Each	5	$ 88,922	50	4,446,110	
			F353.4 Foundations, TRANSMISSION POLE	Each	1	$ 30,212	50	1,511,096	
			F353.5 Foundations, THREE PHASE LOW BUS V-SWITCH STRUCTURE	Each	48	$ 228,757	50	11,437,836	
			F353.6 Foundations, THREE PHASE GROUND SWITCH STRUCTURE	Each	8	$ 33,477	50	1,673,830	
			F353.7 Foundations, SINGLE PHASE LOW BUS SUPPORT	Each	19	$ 82,820	50	4,140,985	

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Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
			F353.8 Foundations, SINGLE PHASE BI-LEVEL BUS SUPPORT	Each	36	$ 192,490	50	9,624,520	
			F353.9 Foundations, SINGLE PHASE SINGLE INSULATOR HIGH BUS SUPI	Each	66	$ 357,899	50	17,644,954	
			F353.10 Foundations, SINGLE PHASE DOUBLE INSULATOR HIGH BUS SUI	Each	12	$ 64,163	50	3,208,173	
			F353.11 Foundations, SINGLE PHASE CVT XFMR STAND	Each	18	$ 64,861	50	3,243,045	
			F353.12 Foundations, SINGLE PHASE PT STAND	Each	3	$ 12,554	50	627,686	
			F353.13 Foundations, SINGLE PHASE SURGE ARRESTER STAND	Each	12	$ 43,241	50	2,162,030	
			F353.14 Foundations, PANTOGRAPH DISCONNECT SWITCH	Each	6	$ 32,082	50	1,604,087	
			F353.15 Foundations, SHUNT REACTOR	Each	4	$ 83,673	50	4,183,652	
			F353.16 Foundations, REACTOR SWITCH	Each	24	$ 106,432	50	5,321,605	
			F353.17 Foundations, 5000A BREAKER	Each	7	$ 130,587	50	6,509,937	
			F353.18 Foundations, 3000A BREAKER	Each	2	$ 24,503	50	1,225,150	
			F353.19 Foundations, CONTROL BUILDING	Each	24	$ 80,344	50	4,017,191	
Gray Substation	353	Bare Conductor							
			C353.1 1590 KCMIL AAC, COREOPSIS	Pound	12000	$ 50,494	50	2,524,693	
			C353.2 1590 KCMIL ACSS, FALCON	Pound	9200	$ 36,787	50	1,839,353	
			C353.3 1590 KCMIL ACSR, FALCON	Pound	10700	$ 66,177	50	3,308,871	
			C353.4 7#8 Shield Wire	Pound	150	$ 2,793	50	139,650	
			C353.5 4/0 Copper	Foot	57300	$ 2,077,292	50	103,864,613	
Gray Substation	353	Capacitors							
			Type		0	$ -	40	0	
Gray Substation	353	CCVTs							
			VT353.1 PVT, 345KV, 50KVA	Each	3	$ 777,716	40	31,108,622	
			VT353.2 CVT, 345KV, 2 WINDING .3XYZ,ZZ	Each	18	$ 506,659	40	20,266,377	
Gray Substation	353	Control Cable							
			CC353.1 1/C #2	Foot	30000	$ 161,804	20	3,236,071	
			CC353.2 4/C #10	Foot	55000	$ 354,178	20	7,083,554	
			CC353.3 8/C #10	Foot	50000	$ 504,474	20	10,089,473	
			CC353.4 1/C #6	Foot	23100	$ 77,415	20	1,548,292	
			CC353.5 600#ACM	Foot	2750	$ 76,142	20	1,522,836	
			CC353.6 FIBER, CORNING 04SPUE-T4122D20	Foot	2300	$ 16,738	20	334,766	
			CC353.7 FIBER, OCC DX012DWLSSKR	Foot	15000	$ 80,204	20	1,604,087	
Gray Substation	353	Current Transformers System							
			Type				40	0	
Gray Substation	353	Fiber Optics - Electronics							
			FO353.1 SIGNAL DISTRIBUTION UNIT (SDU)	Each	1	$ 12,564	20	251,274	
			FO353.2 GPS CLOCK, SEL-2407	Each	1	$ 15,553	20	311,053	
			FO353.3 FIBER-OPTIC ZIPCORD CABLE C808, 2M	Each	18	$ 10,288	20	205,714	
			FO353.4 FIBER-OPTIC ZIPCORD CABLE WEATHERED (LC-ST) C808, 2M	Each	18	$ 13,265	20	265,302	
			FO353.5 FIBER-OPTIC ZIPCORD CABLE WEATHERED (LC-LC) C808, 2M	Each	36	$ 26,698	20	533,952	
			FO353.6 OPGW, SPLICE BOX	Each	2	$ 4,626	20	92,526	
			FO353.7 OPGW, SPLICE BOX CONNECTOR KIT OPGW	Each	2	$ 2,582	20	$ 1,645	
			FO353.8 OPGW, SPLICE BOX CONNECTOR KIT ADSS	Each	2	$ 2,567	20	$ 1,331	
			FO353.9 OPGW, SPLICE TRAY	Each	2	$ 2,451	20	49,026	
			FO353.10 OPGW, EXTERNAL COIL BRACKET	Each	2	$ 3,445	20	68,906	
			FO353.11 GE JUNIGEMUX SYSTEM	Each	1	$ 190,019	20	3,800,384	
			FO353.12 RUGGEDCOM RXS800	Each	4	$ 13,949	20	278,972	
			FO353.13 RUGGEDCOM RX1100	Each	1	$ 3,487	20	69,743	
Gray Substation	353	Switches							
			SW353.1 FUSIBLE DISCONNECT, 3-POLE, 4-WIRE, 240 VAC, NEMA 4/4X, 4	Each	1	$ 25,015	40	1,000,607	
			SW353.2 SWITCH 3Ø, VEE, 345KV/5000A W/ MOTOR OPERATOR	Each	20	$ 1,714,345	40	68,573,804	
			SW353.3 SWITCH 3Ø, VEE, 345KV/3000A W/ MOTOR OPERATOR	Each	4	$ 134,537	40	5,385,487	
			SW353.4 SWITCH, GROUND 3Ø W/ INTERRUPTOR, 345KV	Each	4	$ 646,021	40	25,840,830	
			SW353.5 SWITCH 3Ø, PANTOGRAPH 345KV/500A W/ MOTOR OPERATOI	Each	2	$ 134,806	40	5,392,238	
Gray Substation	353	Insulators							
			I353.1 INSULATOR, POST, 1300KV BIL, T.R.368, 7" B.C. TOP, 7" B.C. BO	Each	240	$ 525,225	50	26,161,270	
			I353.2 INSULATOR, POLYMER, 30K ULT	Each	36	$ 15,124	50	756,194	
			I353.3 INSULATOR, POST, POLYMER, 50K ULT	Each	3	$ 2,878	50	143,894	
Gray Substation	353	Control and Protection System							
			CP353.1 AC PANELBOARD	Each	2	$ 6,974	20	139,486	
			CP353.2 DC PANELBOARD	Each	2	$ 13,949	20	278,972	
			CP353.3 125VDC BATTERY, 400AH	Each	2	$ 88,341	20	1,766,820	
			CP353.4 BATTERY CHARGER	Each	2	$ 32,547	20	650,934	

Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
			CP353.5 SECURITY CAMERAS	Each	6	$ 21,796	20	435,929	
			CP353.6 MICROWAVE SENSOR	Each	1	$ 10,380	20	207,605	
			CP353.7 SEL-3354 STATION COMPUTER	Each	2	$ 38,591	20	771,821	
			CP353.8 SEL-2440 AUTOMATION CONTROLLER	Each	1	$ 6,881	20	137,626	
			CP353.9 SEL-2411	Each	17	$ 116,587	20	2,331,738	
			CP353.10 SEL-421	Each	2	$ 72,230	20	1,444,608	
			CP353.11 SEL-3111	Each	2	$ 67,139	20	1,342,783	
			CP353.12 SEL-4111	Each	2	$ 91,991	20	1,839,818	
			CP353.13 SEL-3515	Each	11	$ 253,934	20	5,078,678	
			CP353.14 SEL-487B	Each	2	$ 74,346	20	1,486,919	
			CP353.15 SEL-487E	Each	4	$ 136,092	20	2,721,833	
			CP353.16 GE-L90	Each	2	$ 73,300	20	1,465,996	
			CP353.17 GE-B90	Each	2	$ 71,905	20	1,438,099	
Gray Substation	353	Reactors	CP353.18 GE-T60	Each	4	$ 105,573	20	2,111,465	
Gray Substation	353	Switches-Reactors	R353.1 REACTOR 3Ø, 50MVAR, OIL INSULATED, w/ SA's	Each	4	$ 4,569,820	40	182,792,805	
Gray Substation	353	Fencing, Lighting	SR356.1 REACTOR SWITCHER, 345KV	Each	4	$ 1,682,509	25	42,062,737	
			FL353.1 Security Fencing	Linear Foot	1700	$ 93,902	25	2,347,546	
Gray Substation	353	Surge Arrestors	FL353.2 Security Light	Each	19	$ 23,456	25	586,408	
Gray Substation	353	Breakers	SA353.1 SURGE ARRESTOR, MCOV 201KV	Each	12	$ 88,928	15	1,333,925	
			BR353.1 BREAKER, 3-POLE, 4-WIRE, 240VAC, 400A, WITH COPPER LUGS	Each	1	$ 16,469	40	658,774	
			BR353.2 BREAKER, 345KV/50KAIC/5000A	Each	7	$ 3,887,756	40	155,510,223	
			BR353.3 BREAKER, 345KV/50KAIC/3000A	Each	2	$ 1,025,589	40	41,023,575	
Gray Substation	353	Yard Conduit	YC353.1 TRENCH 20" WIDE 2' DEEP	Foot	30	$ 27,897	50	1,394,858	
			YC353.2 TRENCH 30" WIDE 2' DEEP	Foot	1250	$ 1,127,510	50	56,375,511	
			YC353.3 TRENCH 40" WIDE 2' DEEP	Foot	375	$ 430,087	50	21,504,351	
			YC353.4 CONDUIT, 4"	Foot	7000	$ 151,017	50	7,550,831	
			YC353.5 CONDUIT, 2"	Foot	2000	$ 37,196	50	1,859,811	
			YC353.6 CONDUIT DUCT BANK 30" 4-4"SCH 40 PVC	Foot	50	$ 9,299	50	464,953	
			YC353.7 CONDUIT DUCT BANK 18" 2-4"SCH 40 PVC	Foot	450	$ 34,868	50	1,743,398	
Cross Substation	353	Aluminum Bus & Fittings	B353.1 6" IPS, SCH 80 6063-T6	Foot	5420	$ 580,613	50	29,030,655	
			B353.2 3" IPS, SCH 80, 6063-T6	Foot	1200	$ 85,002	50	4,250,089	
Cross Substation	353	Steel Structures	S353.1 A-FRAME, 345KV, 60' ATTACHMENT HEIGHT	Each	4	$ 1,396,206	50	69,810,311	
			S353.2 SUPPORT, 3Ø VEE SWITCH LOW	Each	6	$ 56,957	50	2,847,842	
			S353.3 SUPPORT, 3Ø VEE SWITCH HIGH	Each	6	$ 16,340	50	816,975	
			S353.4 SUPPORT, 1Ø BUS LOW	Each	20	$ 31,903	50	1,595,165	
			S353.5 SUPPORT, 1Ø BUS HIGH	Each	36	$ 162,723	50	8,136,152	
			S353.6 SUPPORT, 1Ø BUS BI LEVEL	Each	12	$ 31,033	50	1,551,653	
			S353.7 SUPPORT, 1Ø SA	Each	12	$ 16,650	50	832,477	
			S353.8 SUPPORT, 1Ø CVT	Each	4	$ 5,840	50	291,992	
			S353.9 SUPPORT, 1Ø SSVT	Each	2	$ 4,809	50	240,443	
Cross Substation	353	Foundations	S353.10 MAST, LIGHTING 105' TOTAL HEIGHT	Each	4	$ 126,659	50	6,332,958	
			F353.1 Foundations, DEADEND A-FRAME 65'-0"	Each	8	$ 94,055	50	4,702,726	
			F353.2 Foundations, LIGHTING MAST 95'-0"	Each	4	$ 59,960	50	2,997,985	
			F353.3 Foundations, THREE PHASE LOW BUS V-SWITCH STRUCTURE	Each	12	$ 48,203	50	2,410,147	
			F353.4 Foundations, SINGLE PHASE HIGH BUS V-SWITCH STRUCTURE	Each	6	$ 21,162	50	1,058,113	
			F353.5 Foundations, SINGLE PHASE LOW BUS SUPPORT	Each	20	$ 73,480	50	3,674,005	
			F353.6 Foundations, SINGLE PHASE BI-LEVEL BUS SUPPORT	Each	12	$ 54,081	50	2,704,068	
			F353.7 Foundations, SINGLE PHASE SINGLE INSULATOR HIGH BUS SUPI	Each	36	$ 162,244	50	8,112,203	
			F353.8 Foundations, SINGLE PHASE CVT XFMR STAND	Each	4	$ 12,149	50	607,435	
			F353.9 Foundations, SINGLE PHASE PT STAND	Each	2	$ 7,054	50	352,704	
			F353.10 Foundations, SINGLE PHASE SURGE ARRESTER STAND	Each	12	$ 36,446	50	1,822,306	
			F353.11 Foundations, SERIES CAPACITOR PLATFORM	Each	54	$ 243,366	50	12,168,304	
			F353.12 Foundations, CONTROL HOUSE	Each	12	$ 33,860	50	1,692,981	

Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	City	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
Cross Substation	353	Bare Conductor							
			C353.1 1590KCMIL AAC, COREOPSIS	Foot	3000	$ 17,723	50	886,650	
			C353.2 1590KCMIL ACSS, FALCON	Foot	1200	$ 6,067	50	303,326	
			C353.3 7-#8 SHIELD WIRE	Foot	450	$ 2,354	50	117,715	
Cross Substation	353	Series Capacitors	C353.4 4/0 COPPER	Foot	29000	$ 761,254	50	38,062,691	
			SC353.1 BYPASS CIRCUIT BREAKER	Each	2	$ 1,567,575	40	62,703,028	
			SC353.2 CURRENT LIMITING REACTOR	Each	2	$ 431,083	40	17,243,330	
			SC353.3 MOV	Each	66	$ 1,551,900	40	62,075,987	
			SC353.4 MISC. PARTS	Each	2	$ 2,155,416	40	86,216,649	
			SC353.5 STRUCTURES AND STANDS	Each	2	$ 2,351,363	40	94,054,526	
Cross Substation	353	CCVTs	SC353.6 CAPACITOR CANS	Each	2970	$ 6,401,586	40	256,063,448	
			VT353.1 SSVT, 345KV, 50KVA	Each	2	$ 452,272	40	18,090,885	
Cross Substation	353	Control Cable	VT353.2 CVT, 345KV, 2 WINDING .3XYZ.ZZ	Each	4	$ 97,243	40	3,889,716	
			CC353.1 4/C #10	Foot	10000	$ 45,460	20	909,198	
			CC353.2 8/C #10	Foot	20000	$ 170,082	20	3,401,639	
			CC353.3 1/C #6	Foot	10000	$ 29,000	20	580,003	
			CC353.4 600MCM	Foot	2000	$ 46,675	20	933,491	
Cross Substation	353	Fiber Optics - Electronics	CC353.5 FIBER, CORNING 048PUE-T4122D20	Foot	2000	$ 14,108	20	282,164	
			FO353.1 GPS CLOCK, SEL-2407	Each	1	$ 13,109	20	262,177	
			FO353.2 GE JUNGLEMUX SYSTEM	Each	1	$ 179,291	20	3,585,829	
Cross Substation	353	Switches	FO353.3 RUGGEDCOM RX1500	Each	2	$ 39,777	20	795,545	
			SW353.1 FUSIBLE DISCONNECT, 3-POLE, 4-WIRE, 230 VAC, NEMA 4/4X, 4	Each	1	$ 21,084	40	843,380	
			SW353.2 SWITCH 1Ø, VEE, 345KV/5000A W/ MOTOR OPERATOR	Each	6	$ 266,422	40	10,656,890	
Cross Substation	353	Insulators	SW353.3 SWITCH 2Ø, VEE, 345KV/4000A W/ MOTOR OPERATOR	Each	6	$ 466,288	40	18,651,525	
Cross Substation	353	Control and Protection System	I353.1 INSULATOR, POST, 1300KV BIL, T.R.368, 7" B.C. TOP, 7" B.C. BO	Each	116	$ 213,970	50	10,698,483	
			CP353.1 SEL-3354 STATION COMPUTER	Each	1	$ 58,784	20	1,175,682	
			CP353.2 SEL-2411 AUTOMATION CONTROLLER	Each	2	$ 13,716	20	274,326	
			CP353.3 AC PANELBOARD	Each	2	$ 9,797	20	195,947	
			CP353.4 DC PANELBOARD	Each	2	$ 15,676	20	313,515	
			CP353.5 125VDC BATTERY, 400AH	Each	2	$ 72,500	20	1,450,007	
			CP353.6 BATTERY CHARGER	Each	2	$ 27,433	20	548,651	
			CP353.7 SECURITY CAMERAS	Each	4	$ 12,248	20	244,954	
			CP353.8 MICROWAVE SENSOR	Each	1	$ 8,749	20	174,984	
Cross Substation	353	Fencing, Lighting	CP353.9 AWAITING LIST OF EQUIPMENT FROM GE	Each	1	$ -	20	0	
			FI353.1 Security Fence	Linear Foot	3415	$ 649,253	25	16,231,323	
Cross Substation	353	Surge Arrestors	FI353.2 Security Light	Each	8	$ 8,324	25	208,111	
Cross Substation	353	Breakers	SA353.1 SURGE ARRESTOR, MCOV 209KV	Each	12	$ 74,955	15	1,124,323	
Cross Substation	353	Yard Conduit	BR353.1 BREAKER, 3-POLE, 4-WIRE, 240VAC, 400A, WITH COPPER LUGS	Each	1	$ 13,881	40	555,260	
			YC353.1 TRENCH 30" WIDE 2' DEEP	Foot	675	$ 361,130	50	18,056,510	
			YC353.2 CONDUIT, 4"	Foot	4200	$ 76,372	50	3,818,614	
			YC353.3 CONDUIT, 2"	Foot	975	$ 15,284	50	764,193	
			YC353.4 CONDUIT DUCT BANK 18" 2-6"SCH 40 PVC	Foot	503	$ 32,655	50	1,632,728	
Capital Spares	353	Breakers-Capital Spares		Lot	1	$ 541,475	40	21,659,015	
Capital Spares	353	Switches-Capital Spares		Lot	1	$ 137,830	40	5,513,204	
	353 Total					$ 52,326,050		2,141,855,702	40.93
Capital Spares- T Line	354	Towers and fixtures		Lot	1	$ 344,575	70	24,120,267	
Hine- Gray to Tesla	354	Concrete Foundations	F354.1 Concrete Pier Foundation 3' Diameter	Each	0	$ -	70	638,436,957	

Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
			F354.2 Concrete Pier Foundation 3.5' Diameter	Each	44	$ 1,143,180	70		
			F354.3 Concrete Pier Foundation 4' Diameter	Each	80	$ 2,875,682	70		
			F354.4 Concrete Pier Foundation 4.5' Diameter	Each	52	$ 2,562,941	70		
			F354.5 Concrete Pier Foundation 5' Diameter	Each	36	$ 1,852,498	70		
			F354.6 Concrete Pier Foundation 5.5' Diameter	Each	4	$ 173,816	70		
			F354.7 Concrete Pier Foundation 6' Diameter	Each	4	$ 234,815	70		
			F354.8 Concrete Pier Foundation 6.5' Diameter	Each	4	$ 277,596	70		
Tline - Gray to Tesla	354	Steel Towers	F354.9 Concrete Pier Foundation 7' Diameter	Each	0	$ -	70		
			T354.1 TT-1	Each	2	$ 379,503	70	1,168,769,363	
			T354.2 TT-5	Each	4	$ 868,913	70		
			T354.3 TT-30	Each	21	$ 4,309,792	70		
			T354.4 TT-45	Each	12	$ 4,329,471	70		
Tline - Gray to White Deer	354	Concrete Foundations	T354.5 TT-90/100	Each	20	$ 6,809,026	70		
			F354.1 Concrete Pier Foundation 3' Diameter	Each	0	$ -	70	255,472,261	
			F354.2 Concrete Pier Foundation 3.5' Diameter	Each	68	$ 1,403,774	70		
			F354.3 Concrete Pier Foundation 4' Diameter	Each	28	$ 507,534	70		
			F354.4 Concrete Pier Foundation 4.5' Diameter	Each	24	$ 1,085,742	70		
			F354.5 Concrete Pier Foundation 5' Diameter	Each	12	$ 652,554	70		
			F354.6 Concrete Pier Foundation 5.5' Diameter	Each	0	$ -	70		
			F354.7 Concrete Pier Foundation 6' Diameter	Each	0	$ -	70		
			F354.8 Concrete Pier Foundation 6.5' Diameter	Each	0	$ -	70		
Tline - Gray to White Deer	354	Steel Towers	F354.9 Concrete Pier Foundation 7' Diameter	Each	0	$ -	70		
			T354.1 TT-1	Each	1	$ 203,187	70	667,150,580	
			T354.2 TT-5	Each	9	$ 2,093,476	70		
			T354.3 TT-30	Each	9	$ 1,977,830	70		
			T354.4 TT-45	Each	7	$ 2,704,238	70		
Tline - Silverton to Tesla	354	Concrete Foundations	T354.5 TT-90/100	Each	7	$ 2,551,892	70		
			F354.1 Concrete Pier Foundation 3' Diameter	Each	0	$ -	70	731,349,709	
			F354.2 Concrete Pier Foundation 3.5' Diameter	Each	52	$ 1,467,913	70		
			F354.3 Concrete Pier Foundation 4' Diameter	Each	88	$ 3,436,912	70		
			F354.4 Concrete Pier Foundation 4.5' Diameter	Each	52	$ 2,784,670	70		
			F354.5 Concrete Pier Foundation 5' Diameter	Each	36	$ 2,012,764	70		
			F354.6 Concrete Pier Foundation 5.5' Diameter	Each	4	$ 188,853	70		
			F354.7 Concrete Pier Foundation 6' Diameter	Each	4	$ 255,129	70		
			F354.8 Concrete Pier Foundation 6.5' Diameter	Each	4	$ 301,612	70		
Tline - Silverton to Tesla	354	Steel Towers	F354.9 Concrete Pier Foundation 7' Diameter	Each	0	$ -	70		
			T354.1 TT-1	Each	1	$ 214,641	70	1,179,165,451	
			T354.2 TT-5	Each	10	$ 1,950,600	70		
			T354.3 TT-30	Each	18	$ 4,222,869	70		
			T354.4 TT-45	Each	8	$ 2,446,925	70		
			T354.5 TT-90/100	Each	23	$ 8,010,385	70		
	354 Total					$ 66,635,208		4,664,464,589	70.00
Capital Spares - T Line	355	Poles and fixtures		Each	40	$ 1,969,001	60	118,140,064	
Tline - Gray to Tesla	355	Pole Arms	A355.1 Light Tan Top Arm	Each	429	$ 1,829,896	50	91,494,776	
			A355.2 Light Tan Bottom Arm	Each	440	$ 3,753,632	50	187,681,592	
			A355.3 Heavy Tan Top Arm	Each	613	$ 3,045,091	50	152,254,550	
			A355.4 Heavy Tan Bottom Arm	Each	638	$ 6,338,558	50	316,927,906	
			A355.5 Light Tan OPGW Arm	Each	11	$ 77,850	50	3,892,486	
Tline - Gray to Tesla	355	Concrete Foundations	A355.6 Heavy Tan OPGW Arm	Each	25	$ 180,630	50	9,031,514	
			F355.1 Concrete Pier Foundation 6' Diameter	Each	0	$ -	60	0	
			F355.2 Concrete Pier Foundation 6.5' Diameter	Each	0	$ -	60	0	
			F355.3 Concrete Pier Foundation 7' Diameter	Each	0	$ -	60	0	
			F355.4 Concrete Pier Foundation 7.5' Diameter	Each	0	$ -	60	0	
			F355.5 Concrete Pier Foundation 8' Diameter	Each	0	$ -	60	0	

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Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
			P355.6 Concrete Pier Foundation 9' Diameter	Each	0	$ -	60	0	
			P355.7 Concrete Pier Foundation 10' Diameter	Each	8	$ 1,437,353	60	86,241,208	
			P355.8 Concrete Pier Foundation 11' Diameter	Each	2	$ 318,532	60	19,111,898	
			P355.9 Concrete Pier Foundation 12' Diameter	Each	0	$ -	60	0	
Tline - Gray to Texas	355	Steel Poles							
			P355.1 TP-1L 80-85 2-Piece	Each	46	$ 2,438,046	60	146,282,782	
			P355.2 TP-1L 90-125 3-Piece	Each	174	$ 10,667,137	60	640,028,243	
			P355.3 TP-1L 130-140 4-Piece	Each	0	$ -	60	0	
			P355.4 TP-1M 80-130 3-Piece	Each	140	$ 15,452,142	60	927,128,549	
			P355.5 TP-1M 135-160 4-Piece	Each	38	$ 3,448,695	60	206,918,111	
			P355.6 TP-1H 100-125 3-Piece	Each	16	$ 1,142,243	60	68,534,609	
			P355.7 TP-1H 130-160 4-Piece	Each	11	$ 1,077,486	60	64,649,134	
			P355.8 TP-S 90-115 3-Piece	Each	8	$ 553,931	60	33,235,855	
			P355.9 TP-S 120-160 4-Piece	Each	6	$ 549,408	60	32,964,457	
			P355.10 TP-1S 80-100 2-Piece	Each	0	$ -	60	0	
			P355.11 TP-1S 105-140 3-Piece	Each	0	$ -	60	0	
			P355.12 TP-3S 80-100 2-Piece	Each	0	$ -	60	0	
			P355.13 TP-3S 105-140 3-Piece	Each	0	$ -	60	0	
			P355.14 TP-4S 80-105 2-Piece	Each	1	$ 179,896	60	10,793,774	
			P355.15 TP-4S 110-140 3-Piece	Each	1	$ 228,796	60	13,727,739	
			P355.16 TP-5S 80-105 2-Piece	Each	0	$ -	60	0	
			P355.17 TP-5S 110-115 3-Piece	Each	0	$ -	60	0	
			P355.18 TP-7S 80-105 2-Piece	Each	0	$ -	60	0	
			P355.19 TP-7S 110-115 3-Piece	Each	0	$ -	60	0	
			P355.20 TP-8S 80-100 2-Piece	Each	0	$ -	60	0	
			P355.21 TP-8S 105-115 3-Piece	Each	1	$ 285,056	60	17,103,339	
			P355.22 TP-10S 80-100 2-Piece	Each	2	$ 381,544	60	22,892,612	
			P355.23 TP-10S 105-115 3-Piece	Each	0	$ -	60	0	
Tline - Gray to White Deer	355	Concrete Foundations	P355.24 TP-FOE	Each	2	$ 421,620	60	25,297,186	
			F355.1 Concrete Pier Foundation 6' Diameter	Each	0	$ -	60	0	
			F355.2 Concrete Pier Foundation 6.5' Diameter	Each	0	$ -	60	0	
			F355.3 Concrete Pier Foundation 7' Diameter	Each	0	$ -	60	0	
			F355.4 Concrete Pier Foundation 7.5' Diameter	Each	0	$ -	60	0	
			F355.5 Concrete Pier Foundation 8' Diameter	Each	0	$ -	60	0	
			F355.6 Concrete Pier Foundation 9' Diameter	Each	5	$ 611,619	60	36,697,145	
			F355.7 Concrete Pier Foundation 10' Diameter	Each	9	$ 1,409,669	60	84,580,159	
			F355.8 Concrete Pier Foundation 11' Diameter	Each	4	$ 1,013,528	60	60,811,709	
Tline - Gray to White Deer	355	Pole Arms	F355.9 Concrete Pier Foundation 12' Diameter	Each	0	$ -	60	0	
			A355.1 Light Tan Top Arm	Each	27	$ 125,143	50	6,257,157	
			A355.2 Light Tan Bottom Arm	Each	28	$ 259,556	50	12,977,806	
			A355.3 Heavy Tan Top Arm	Each	286	$ 1,655,241	50	82,762,163	
			A355.4 Heavy Tan Bottom Arm	Each	232	$ 3,379,937	50	168,996,863	
			A355.5 Light Tan OPGW Arm	Each	1	$ 7,558	50	377,893	
Tline - Gray to White Deer	355	Steel Poles	A355.6 Heavy Tan OPGW Arm	Each	6	$ 46,295	50	2,314,759	
			P355.1 TP-1L 80-85 2-Piece	Each	1	$ 56,712	60	3,402,725	
			P355.2 TP-1L 90-125 3-Piece	Each	13	$ 851,091	60	51,065,465	
			P355.3 TP-1L 130-140 4-Piece	Each	0	$ -	60	0	
			P355.4 TP-1M 80-130 3-Piece	Each	75	$ 5,156,711	60	309,402,646	
			P355.5 TP-1M 135-160 4-Piece	Each	10	$ 969,165	60	58,149,898	
			P355.6 TP-1H 100-125 3-Piece	Each	21	$ 1,601,003	60	96,060,158	
			P355.7 TP-1H 130-160 4-Piece	Each	37	$ 3,870,388	60	232,223,301	
			P355.8 TP-S 90-115 3-Piece	Each	1	$ 73,943	60	4,436,607	
			P355.9 TP-S 120-160 4-Piece	Each	2	$ 195,572	60	11,734,341	
			P355.10 TP-1S 80-100 2-Piece	Each	1	$ 111,455	60	6,687,284	
			P355.11 TP-1S 105-140 3-Piece	Each	3	$ 343,318	60	20,599,067	
			P355.12 TP-3S 80-100 2-Piece	Each	0	$ -	60	0	
			P355.13 TP-3S 105-140 3-Piece	Each	2	$ 367,368	60	22,042,056	
			P355.14 TP-4S 80-105 2-Piece	Each	1	$ 192,113	60	11,526,763	
			P355.15 TP-4S 110-140 3-Piece	Each	1	$ 244,333	60	14,659,969	

Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
			P355.16 TP-SS 80-105 2-Piece	Each	0	$ -	60	0	
			P355.17 TP-SS 110-115 3-Piece	Each	0	$ -	60	0	
			P355.18 TP-7Q 80-105 2-Piece	Each	0	$ -	60	0	
			P355.19 TP-70 110-115 3-Piece	Each	0	$ -	60	0	
			P355.20 TP-85 80-100 2-Piece	Each	0	$ -	60	0	
			P355.21 TP-85 105-115 3-Piece	Each	0	$ -	60	0	
			P355.22 TP-100 80-100 2-Piece	Each	1	$ 203,727	60	12,223,608	
			P355.23 TP-100 105-115 3-Piece	Each	2	$ 383,765	60	23,025,912	
			P355.24 TP-FDE	Each	2	$ 450,250	60	27,015,025	
Tline- Silverton to Tesla	355	Concrete Foundations							
			F355.1 Concrete Pier Foundation 6' Diameter	Each	0	$ -	60	0	
			F355.2 Concrete Pier Foundation 6.5' Diameter	Each	0	$ -	60	0	
			F355.3 Concrete Pier Foundation 7' Diameter	Each	0	$ -	60	0	
			F355.4 Concrete Pier Foundation 7.5' Diameter	Each	0	$ -	60	0	
			F355.5 Concrete Pier Foundation 8' Diameter	Each	0	$ -	60	0	
			F355.6 Concrete Pier Foundation 9' Diameter	Each	0	$ -	60	0	
			F355.7 Concrete Pier Foundation 10' Diameter	Each	8	$ 1,512,762	60	90,765,707	
			F355.8 Concrete Pier Foundation 11' Diameter	Each	2	$ 335,243	60	20,114,571	
			F355.9 Concrete Pier Foundation 12' Diameter	Each	0	$ -	60	0	
Tline - Silverton to Tesla	355	Pole Arms							
			A355.1 Light Tan Top Arm	Each	267	$ 1,333,733	50	66,686,666	
			A355.2 Light Tan Bottom Arm	Each	278	$ 2,777,362	50	138,868,114	
			A355.3 Heavy Tan Top Arm	Each	513	$ 2,969,915	50	148,495,773	
			A355.4 Heavy Tan Bottom Arm	Each	538	$ 6,229,296	50	311,464,818	
			A355.5 Light Tan OPGW Arm	Each	11	$ 82,258	50	4,112,885	
			A355.6 Heavy Tan OPGW Arm	Each	25	$ 190,842	50	9,542,124	
Tline- Silverton to Tesla	355	Steel Poles							
			P355.1 TP-1L 80-85 2-Piece	Each	13	$ 794,538	60	47,672,269	
			P355.2 TP-1L 90-125 3-Piece	Each	125	$ 8,832,242	60	529,934,509	
			P355.3 TP-1L 130-140 4-Piece	Each	1	$ 84,313	60	5,058,805	
			P355.4 TP-1M 80-130 3-Piece	Each	188	$ 13,953,734	60	837,224,044	
			P355.5 TP-1M 135-160 4-Piece	Each	13	$ 1,360,787	60	81,647,238	
			P355.6 TP-1H 100-125 3-Piece	Each	32	$ 2,634,654	60	158,079,820	
			P355.7 TP-1H 130-160 4-Piece	Each	22	$ 2,486,244	60	149,174,624	
			P355.8 TP-5 90-115 3-Piece	Each	3	$ 239,538	60	14,372,189	
			P355.9 TP-5 120-160 4-Piece	Each	11	$ 1,161,896	60	69,708,381	
			P355.10 TP-15 80-100 2-Piece	Each	0	$ -	60	0	
			P355.11 TP-15 105-140 3-Piece	Each	2	$ 225,568	60	13,534,094	
			P355.12 TP-30 80-100 2-Piece	Each	0	$ -	60	0	
			P355.13 TP-30 105-140 3-Piece	Each	0	$ -	60	0	
			P355.14 TP-40 80-105 2-Piece	Each	0	$ -	60	0	
			P355.15 TP-40 110-140 3-Piece	Each	0	$ -	60	0	
			P355.16 TP-55 80-105 2-Piece	Each	0	$ -	60	0	
			P355.17 TP-55 110-115 3-Piece	Each	0	$ -	60	0	
			P355.18 TP-70 80-105 2-Piece	Each	0	$ -	60	0	
			P355.19 TP-70 110-115 3-Piece	Each	0	$ -	60	0	
			P355.20 TP-85 80-100 2-Piece	Each	0	$ -	60	0	
			P355.21 TP-85 105-115 3-Piece	Each	0	$ -	60	0	
			P355.22 TP-100 80-100 2-Piece	Each	0	$ -	60	0	
			P355.23 TP-100 105-115 3-Piece	Each	0	$ -	60	0	
			P355.24 TP-FDE	Each	2	$ 479,165	60	28,749,887	
			P355.25 TP-CRDE	Each	0	$ -	60	0	
	355 Total					$ 127,039,956		7,279,569,410	57.30
Capital Spares- T Line	356	Capital Spares (Cond.,Ins.,OPGW)		Lot	1	$ 1,722,876	50	86,143,811	
Tline- Gray to Tesla	356	Hardware: dampers, spacers, marker balls, bird diverters and etc.							
			H356.1 Conductor Damper	Each	7,104	$ 513,362	30	15,400,870	
			H356.2 Conductor Spacer	Each	14,544	$ 997,390	30	29,921,698	
			H356.3 Aerial Marker Ball	Each	0	$ -	30	0	
			H356.4 Anti-Galloping Device	Each	320	$ 3,376	30	101,271	
Tline- Gray to Tesla	356	Fiber Splice Kit							
			FS356.1 Fiber Optic Splice Box	Each	39	$ 83,197	40	3,327,873	

Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
Tline- Gray to Tesla	356	Insulators							
			I356.1 Polymer Insulator	Each	7,100	$ 3,216,818	30	96,504,545	
Tline- Gray to Tesla	356	Pole grounding and ground rods							
			G356.1 Ground Rod	Each	606	$ 275,240	50	13,762,001	
Tline- Gray to Tesla	356	Supply Conductor							
			C356.1 1590 54/19 ACSS	Linear Foot	6006240	$ 58,364,591	50	2,918,229,546	
Tline- Gray to Tesla	356	Shield Wire	C356.2 ACCR	Linear Foot	57024	$ 2,816,900	50	140,844,995	
			SW356.1 7#8 Alumoweld	Linear Foot	575520	$ 1,303,010	40	52,120,416	
Tline- Gray to White Deer	356	Hardware: dampers, spacers, marker balls, bird diverters and etc.	SW356.2 OPGW, AFL CC-75/528	Linear Foot	575520	$ 3,763,477	40	150,539,062	
			H356.1 Conductor Damper	Each	2700	$ 220,321	30	6,609,618	
			H356.2 Conductor Spacer	Each	5500	$ 425,906	30	12,777,190	
			H356.3 Aerial Marker Ball	Each	0	$ -	30	0	
			H356.4 Anti-Galloping Device	Each	320	$ 3,812	30	114,356	
Tline- Gray to White Deer	356	Fiber Splice Kit							
			FS356.1 Fiber Optic Splice Box	Each	15	$ 36,133	40	1,445,319	
Tline- Gray to White Deer	356	Insulators							
			I356.1 Polymer Insulator	Each	2560	$ 1,299,488	30	38,984,632	
Tline- Gray to White Deer	356	Pole grounding and ground rods							
			G356.1 Ground Rod	Each	250	$ 182,786	50	9,139,315	
Tline- Gray to White Deer	356	Supply Conductor							
			C356.1 1590 54/19 ACSS	Linear Foot	2597760	$ 22,603,329	50	1,130,166,448	
Tline- Gray to White Deer	356	Shield Wire							
			SW356.1 7#8 Alumoweld	Linear Foot	216480	$ 561,225	40	22,448,999	
Tline- Silverton to Tesla	356	Hardware: dampers, spacers, marker balls, bird diverters and etc.	SW356.2 OPGW, AFL CC-75/528	Linear Foot	216480	$ 1,604,724	40	64,188,960	
			H356.1 Conductor Damper	Each	5670	$ 448,486	30	13,454,565	
			H356.2 Conductor Spacer	Each	11610	$ 871,480	30	26,144,413	
			H356.3 Aerial Marker Ball	Each	0	$ -	30	0	
			H356.4 Anti-Galloping Device	Each	320	$ 3,695	30	110,849	
Tline- Silverton to Tesla	356	Fiber Splice Kit							
			FS356.1 Fiber Optic Splice Box	Each	15	$ 58,375	40	2,334,998	
Tline- Silverton to Tesla	356	Insulators							
			I356.1 Polymer Insulator	Each	5537	$ 2,795,597	30	83,865,197	
Tline- Silverton to Tesla	356	Pole grounding and ground rods							
			G356.1 Ground Rod	Each	470	$ 189,717	50	9,485,852	
Tline- Silverton to Tesla	356	Supply Conductor							
			C356.1 1590 54/19 ACSS	Linear Foot	5512320	$ 48,053,444	50	2,402,672,190	
Tline- Silverton to Tesla	356	Shield Wire							
			SW356.1 7#8 Alumoweld	Linear Foot	459360	$ 1,144,344	40	45,773,746	
			SW356.2 OPGW, AFL CC-75/528	Linear Foot	459360	$ 3,293,172	40	131,726,863	
	356 Total					$ 156,856,179		7,508,339,608	47.87
Tline- Gray to Tesla	359	Roads and Trails							
			359.1 Gravel Drive	Linear Foot		$ 1,520,682	70	106,447,730	
Tline- Gray to White Deer	359	Roads and Trails							
			359.1 Gravel Drive	Linear Foot		$ 915,773	70	64,104,102	
Tline- Silverton to Tesla	359	Roads and Trails							
			359.1 Gravel Drive	Linear Foot		$ 1,475,634	70	103,298,581	
	359 Total					$ 3,912,189		273,850,413	70.00
	383	Computer Software				$ 37,793	10	377,930	
	383 Total					$ 37,793		377,930	10.00
	384	Communications Equipment				$ 1,507,541	4	6,030,165	
	384 Total					$ 1,507,541		6,030,165	4.00
Field Office Amarillo	391	Office Furniture & Equipment							
			Need List	Each	20	$ 150,000	8	1,200,000	
	392 Total					$ 150,000		1,200,000	8.00
Field Office Amarillo	392	Transportation Equipment							
			2010 Chevy Avalanche 3GNVKFE01AG299403	Each	1	$ 42,392	8	339,135	

Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description	Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
			2011 Chevy Silverado 3GCPKSE37BG250695	Each	1	$ 38,592	8	308,739	
			2011 Chevy Silverado 3GCPKSE33BG250693	Each	1	$ 38,592	8	308,739	
			2011 Chevy Silverado 3GCPKREA9BG298268	Each	1	$ 31,596	8	252,766	
			2011 Chevy Silverado 1GCRKREA7BZ154152	Each	1	$ 28,581	8	228,647	
			2011 Chevy Silverado 1GRKREA9BZ127079	Each	1	$ 28,581	8	228,647	
			2011 Chevy Silverado 1GCRKREA7BZ370755	Each	1	$ 28,182	8	225,459	
			2011 Chevy Silverado 1GCRKREAXBZ281986	Each	1	$ 28,182	8	225,459	
			2011 Chevy Silverado 1GCRKREA5BZ185457	Each	1	$ 28,182	8	225,459	
			2011 Chevy Silverado 1GCRKKREA2BZ200352	Each	1	$ 29,174	8	233,394	
			2011 Chevy Silverado 3GCPKREAXBG396242	Each	1	$ 31,588	8	252,702	
			2011 Chevy Silverado 3GCRXREA3BZ244432	Each	1	$ 29,174	8	233,394	
			2011 Chevy Silverado 1GCRKREA9BZ393759	Each	1	$ 29,174	8	233,394	
			2010 Kawasaki Mule 4010 JK1AFDG15BB503873	Each	1	$ 15,370	8	122,962	
			2011 Kawasaki Mule 4010JK1AFDH12ABS00345	Each	1	$ 15,370	8	122,962	
			2011 Texas Bragg 7x16 Utility Trailor 1TXFP1622A1001468	Each	1	$ 2,887	8	23,093	
	392 Total		2011 Texas Bragg 7x16 Utility Trailor 1TXFP1620A1001468	Each	1	$ 2,887	8	23,093	
Amarillo - Storeroom	393	Stores equipment				$ 448,505		3,588,042	8.00
			Need List		1	$ 75,000	8	600,000	
	393 Total					$ 75,000		600,000	8.00
Field Office Amarillo	397	Phone Equipment							
			Camera - Kodak KCGLV12202101	Each	1	$ 99	4	396	
			Camera - Sony S41536	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV12202102	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV12203015	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV13008157	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV12203014	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV12203019	Each	1	$ 99	4	396	
			Camera - Kodak 30041141	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV13007962	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV13204115	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV34105880	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV13202998	Each	1	$ 99	4	396	
			Camera - Kodak KCGLW13008107	Each	1	$ 89	4	356	
			Camera - Kodak KCGLV13612405	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV13612407	Each	1	$ 99	4	396	
			Camera - Kodak KCGLV12304002	Each	1	$ 99	4	396	
			GPS - Garmin Nuvi 1ZW007793	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1NP925833	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1ZW007870	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1ZW024450	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 224843195	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 224843198	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1NP923552	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1ZW037700	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1ZW044951	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 23F849394	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1ZW038125	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1ZW038128	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi 1ZW037721	Each	1	$ 139	4	556	
			GPS - Garmin Nuvi CSX 234848557	Each	1	$ 139	4	556	
			GPS - Garmin 76 CSX 83338123726	Each	1	$ 189	4	756	
			GPS - Garmin 76 CSX 1QF083549	Each	1	$ 189	4	756	
			GPS - Garmin 76 CSX 1QF083563	Each	1	$ 189	4	756	
			Mass Storage Device - Seagate NA0DWVK1	Each	1	$ 129	4	516	
			Mass Storage Device - Seagate WX21A8LJ2085	Each	1	$ 119	4	476	
			Mass Storage Device - Seagate NA0313TB	Each	1	$ 129	4	516	
			Mass Storage Device - Seagate NA0F0KRN	Each	1	$ 129	4	516	
			Mass Storage Device - Seagate WXR1A8LV4241	Each	1	$ 119	4	476	
			Dymo Label Maker FCO210096600C	Each	1	$ 89	4	356	
			Dymo Label Maker FC1260102797C	Each	1	$ 89	4	356	
			Cannon IP 750 Wide Format Printer 2983B01644	Each	1	$ 8,979	4	35,917	

Cross Texas Transmission, LLC
Calculation of Average Life by Account

Facility	Acct	Description		Unit Description	Unit	Qty	Adjusted Plant Total	Useful Life	$ x Useful Life	Average Service Life
				HP M2727NF CB532A	Each	1	$ 750	4	3,000	
				HP Laser Jet 3800DN CNUCH13732	Each	1	$ 699	4	2,796	
				HP 4 in 1 Office Pro Laser Printer CNH8C70Q42	Each	1	$ 475	4	1,900	
				Dual Band Cell Signal Booster 803201G4011696203	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011698477	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011714305	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011754514	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011733443	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011724574	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011720281	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011718166	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011712603	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011720573	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011795784	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011693436	Each	1	$ 268	4	1,072	
				Dual Band Cell Signal Booster 803201G4011698369	Each	1	$ 268	4	1,072	
				Future Theodilite & Tripod 119747	Each	1	$ 1,763	4	7,051	
				Digital Print Scale Roller CR2032	Each	1	$ 100	4	400	
				Digital Print Scale Roller CR2032	Each	1	$ 100	4	400	
				Verizon MI-FI 990000923345100	Each	1	$ 200	4	800	
				Verizon MI-FI 990000923374419	Each	1	$ 200	4	800	
				Verizon MI-FI 990000923385589	Each	1	$ 200	4	800	
				Verizon MI-FI 990000923384046	Each	1	$ 200	4	800	
				Verizon MI-FI 990000923383394	Each	1	$ 200	4	800	
				Verizon MI-FI 990000923393824	Each	1	$ 200	4	800	
				Stihl Chain Saw 11230210800121105	Each	1	$ 450	4	1,800	
				Stihl Chain Saw 11230210800121105	Each	1	$ 450	4	1,800	
	397 Total						$ 23,340		93,360	4.00
							$ 453,276,726			
	301	Organization								
		Gray-Tesla								
		Gray Units								
		Gray-White Deer								
		Silverton-Tesla								
		Cross								
	301 Total						$ 146,218			
	302	Franchises and Consents								
		Gray-Tesla								
		Gray Units								
		Gray-White Deer								
		Silverton-Tesla								
		Cross								
	302 Total						$ 6,978,658			
	Total	Final					$ 460,401,632			
			Check Total							
		Difference								

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APPENDIX B-2

Calculation of Average Life of Tangible Assets

Appendix B-2

Cross Texas Transmission, LLC
Calculation of Average Life of Tangible Assets
For Use in Amortization of Accounts 301 and 302

Acct	Description	Total Project Cost	Average life	$ x Avg Life	Average Life
350.2 Total	Land Rights	36,432,798	70.00	2,550,295,854	
352 Total	Structures and Improvements	6,781,132	28.96	196,381,589	
353 Total	Station Equipment	52,326,050	40.93	2,141,705,220	
354 Total	Towers and Fixtures	66,635,208	70.00	4,664,464,589	
355 Total	Poles and Fixtures	127,039,956	57.30	7,279,389,497	
356 Total	OH Conductors and Devices	156,856,179	47.87	7,508,705,311	
359 Total	Roads and Trails	3,912,149	70.00	273,850,413	
383 Total	Computer Software	37,793	10.00	377,930	
384 Total	Communication Equipment	1,507,541	4.00	6,030,165	
391 Total	Office Furniture and Equipment	150,000	8.00	1,200,000	
392 Total	Transportation Equipment	448,505	8.00	3,588,042	
393 Total	Stores Equipment	75,000	8.00	600,000	
397 Total	Communication Equipment	23,340	4.00	93,360	
Total*		452,225,653		24,626,681,972	54.46

* Excludes Intangibles and Land

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APPENDIX C

Calculation of Net Salvage Percentages

Cross Texas Transmission, LLC
Calculation of Net Salvage Percentages

Appendix C

Acct	Description	Oncor		CenterPoint		TNMP			Entergy			SWEPCO		EI PASO		SW Public Service		AEP Central		AEP North		Sum of All	
		Life	NS	Life	NS	Life		NS	Life		NS	Life	NS	Life	NS	Life	NS	Life	NS	Life	NS	NS	Average
350	Land and Land Rights	100 R3	0%	65 R1	0%	65	SQ	0%	65	R3	0%	70 R5	0%	70 R4	0%	70 R4	0%	75 R5.0	0%	75 R3.0	0%	0%	0%
352	Structures and Improvements	48 S6	-33%	60 R4	0%				45	R3	5%	60 S5	0%	55 S3	0%	55 R5	-20%	55 L1.0	0%	50 L4.0	0%	-48%	-6%
353	Station Equipment	48 L0.5	-15%	47 R1	-5%	45	R2.5	-5%	45	S1	-5%	60 R2.5	-17%	45 R3	-5%	55 R3	-5%	62 L0.5	2%	54 R0.5	-25%	-80%	-9%
354	Towers and Fixtures	60 R3	-34%	60 R4	-15%	45	R4	-30%	45	S2	-5%	55 R4	-30%	65 R4	-25%	75 R3	0%	81 S3	-2%	85 R3	-10%	-151%	-17%
355	Poles and Fixtures	50 R2	-100%	40 R0.5	-35%	40	R3	-30%	50	R2	25%	50 S1	-87%	40 S4	-20%	38 R4	-20%	70 R1.0	-27%	46 R4.5	-57%	-331%	-37%
356	OH Conductors and Devices	50 R2	-65%	50 R2	-74%	50	R3	-30%	60	R3	20%	60 S1.5	-52%	60 R5	0%	44 R2.5	-10%	75 R3.0	-10%	50 S6	-28%	-249%	-28%
	Docket	38929		38339		38480			37744			37364		37690		38147		33309		33310			
									Entergy parameters in settlement agreement kept rates from old study in 1990s														

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	Factors Used in Estimating Depreciation Charges for Account 357	
Company*	**Average Service Life**	**Net Salvage Percentage**
AEP Oklahoma Transmission Company, Inc.	45	
Alaska Electric Light and Power Company	50	-5.00%
American Transmission Company LLC	60	-20.00%
American Transmission Systems, Incorporated	60	-20.00%
Arizona Public Service Company	60	
Atlantic City Electric Company	50	
Avista Corporation	60	
Black Hills/Colorado Electric Utility Company, LP	45	
Central Hudson Gas & Electric Corporation	40	
Chugach Electric Association, Inc.	37.5	
Cleveland Electric Illuminating Company, The	60	-20.00%
Consolidated Edison Company of New York, Inc.	70	-15.00%
Delmarva Power & Light Company	40	
Emera Maine	70.95	1.00%
Florida Power & Light Company	65	
Georgia Power Company	80	
International Transmission Company	60	
ITC Great Plains, LLC	55	-5.00%
ITC Midwest LLC	60	
Jersey Central Power & Light Company	60	
Kansas Gas and Electric Company	65	
Massachusetts Electric Company	49.55	0.16%
MDU Resources Group, Inc.	50	
Michigan Electric Transmission Company LLC (10/06)	60	
Mississippi Power Company	45.4	28.10%
Nevada Power Company, d/b/a NV Energy	55	
New England Electric Transmission Corporation	20	
New England Power Company	60	0.42%
Ohio Edison Company	60	
Oncor Electric Delivery Company LLC	50	-10.00%
Orange and Rockland Utilities, Inc	35	
Pacific Gas and Electric Company	65	
PECO Energy Company	65	
Pennsylvania Power Company	45	
The Potomac Edison Company	51	-7.50%
PPL Electric Utilities Corporation	55	
Public Service Company of New Mexico	45	-5.00%
Rockland Electric Company	60	
Sierra Pacific Power Company d/b/a NV Energy	60	
Southern California Edison Company	55	
Southern Indiana Gas and Electric Company	50	
Southwestern Electric Power Company	50	
The Narragansett Electric Company	50	
The United Illuminating Company	48	
Toledo Edison Company, The	60	-20.00%
Trans Bay Cable LLC	40	
UGI Utilities, Inc.	50	
Vermont Transco LLC	45	0.10%
Westar Energy, Inc.	55	

Industry Average	53.62040816	-6.514667%
Rounded Industry Average	54 years	-7%

Calculation of Industry Average Depreciation Rate for Account 357	
Depreciation Rate = (1-Net Salvage Percentage) / Average Life = (1-(-0.07)) / 54 = 1.07/54 = 0.019814815	
LS Power Depreciation Rate for Account 357	1.98%

* Data compiled from 49 companies that list depreciation parameters for Account 357 in their respective FERC Form 1 filings for Q4 2018. Of these, 49 companies include an average service life for Account 357, and 15 include a net salvage percentage.

	Factors Used in Estimating Depreciation Charges for Account 358	
Company*	**Average Service Life**	**Net Salvage Percentage**
AEP Oklahoma Transmission Company, Inc.	45	
Alaska Electric Light and Power Company	30	
ALLETE, Inc.	50	
American Transmission Company LLC	50	-28.00%
American Transmission Systems, Incorporated	49	
Arizona Public Service Company	60	15.00%
Atlantic City Electric Company	39	
Avista Corporation	50	
Black Hills/Colorado Electric Utility Company, LP	45	
Central Hudson Gas & Electric Corporation	50	-5.00%
Chugach Electric Association, Inc.	32	
Cleveland Electric Illuminating Company, The	50	
Consolidated Edison Company of New York, Inc.	60	-15.00%
Consumers Energy Company	46	-25.00%
Delmarva Power & Light Company	40	
Emera Maine	69.41	1.00%
Florida Power & Light Company	65	-20.00%
Georgia Power Company	54	
Gulf Power Company	45	
International Transmission Company	60	-10.00%
ITC Great Plains, LLC	55	
ITC Midwest LLC	60	-10.00%
Jersey Central Power & Light Company	50	
Kansas Gas and Electric Company	49	
Massachusetts Electric Company	41.81	-0.29%
MDU Resources Group, Inc.	50	
Metropolitan Edison Company	40	
Michigan Electric Transmission Company LLC (10/06)	60	-10.00%
Mississippi Power Company	45.4	28.10%
Nevada Power Company, d/b/a NV Energy	45	
New England Electric Transmission Corporation	20	
New England Power Company	45	0.37%
Niagara Mohawk Power Company	75	
Ohio Edison Company	45	10.00%
Oklahoma Gas and Electric Company	40	-50.00%
Oncor Electric Delivery Company LLC	40	-10.00%
Orange and Rockland Utilities, Inc	33	
Otter Tail Power Company	42.08	-5.00%
Pacific Gas and Electric Company	55	-10.00%
PECO Energy Company	60	
Pennsylvania Electric Company	35	
Pennsylvania Power Company	40	
The Potomac Edison Company	44	-12.50%
PPL Electric Utilities Corporation	45	
Rockland Electric Company	50	
Sierra Pacific Power Company d/b/a NV Energy	50	
Southern California Edison Company	40	-15.00%
Southern Indiana Gas and Electric Company	35	
Southwestern Electric Power Company	50	
The Narragansett Electric Company	40	
The United Illuminating Company	50	
Toledo Edison Company, The	35	
Trans Bay Cable LLC	40	
UGI Utilities, Inc.	40	
Vermont Transco LLC	45	0.20%

West Penn Power Company	40	
Westar Energy, Inc.	40	

Industry Average	46.66140351	-8.14857%
Rounded Industry Average	47 years	-8%

Calculation of Industry Average Depreciation Rate for Account 358	
Depreciation Rate = (1-Net Salvage Percentage) / Average Life	
= (1-(-0.08)) / 47	
= 1.08/47	
= 0.022978723	
LS Power Depreciation Rate for Account 358	2.30%

* Data compiled from 57 companies that list depreciation parameters for Account 358 in their respective FERC Form 1 filings for Q4 2018. Of these, 57 companies include an average service life for Account 358, and 21 include a net salvage percentage.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

LS POWER GRID NEW YORK CORPORATION I	)	Docket No. ER20-___-000

AFFIDAVIT

DANE A. WATSON, being duly sworn, deposes and states: that the foregoing Direct Testimony and Exhibits of DANE A. WATSON was prepared by me or under my direct supervision, and that the statements contained therein and the Exhibits attached thereto are true and correct to the best of my knowledge and belief.

Dane A. Watson

Subscribed and sworn before me this 14th day of November 2019.

[Name]
Notary Public
My commission expires: [date]
September 17, 2023

JUAN F TISCARENO REYES
Notary Public
STATE OF TEXAS
ID#128386245
My Comm. Exp. Sept. 17, 2023