Application No.: A.14-10-014
Exhibit No.: SCE-01, Volume 05
Witnesses: Richard Fisher
Matthew Sheriff

SOUTHERN CALIFORNIA
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(U 338-E)

PREPARED TESTIMONY IN SUPPORT OF SCE'S CHARGE READY APPLICATION

VOLUME 05 – PHASE 2 COST RECOVERY

Before the

Public Utilities Commission of the State of California

Rosemead, California

October 30, 2014

SCE-01: Prepared Testimony in Support of SCE's Charge Ready Application
Volume 05 – Phase 2 Cost Recovery

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I.

INTRODUCTION AND SUMMARY

This volume of testimony presents Southern California Edison Company's (SCE's) ratemaking proposal for the Charge Ready Program and Market Education Efforts (Phase 2). In summary, SCE requests Commission authorization for:

- Modification of the Charge Ready Program Balancing Account (CRPBA) established in Phase 1 to record the revenue requirement (i.e., incremental Operations & Maintenance (O&M) expenses, payroll taxes and capital-related revenue requirements) associated with Phase 2 of the Charge Ready Program and Market Education Efforts. SCE is proposing to recover 100% of the revenue requirements associated with up to $333.2 million[1] (2014 $) in O&M expenses and capital expenditures to implement Phase 2, as described in Volumes 3 and 4 of SCE's testimony.[2]
- Reasonableness review of the CRPBA limited to ensuring that all entries to the account are stated correctly and all recorded costs are associated with Phase 2 activities as defined and adopted by the Commission in a final Phase 2 decision in this proceeding.
- Inclusion of an annual forecast Phase 2 revenue requirement in distribution rates that will be trued-up to the actual recorded Phase 2 revenue requirements through monthly transfers of the CRPBA balance to SCE's existing Base Revenue Requirement Balancing Account (BRRBA).

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[1] The proposed spending cap excludes all applicable overheads, such as Allowance for Funds Used During Construction (AFUDC) or corporate overheads. When recording the revenue requirements in the CRPBA, SCE will include all applicable overheads.

[2] Over the ten-year Charge Ready program period, the revenue requirement will be greater than the estimated $333.2 million (constant 2014 $) of O&M and capital expenditures, since the revenue requirements will also include the recovery of overheads, such as AFUDC, a return on rate base, property, payroll, and income taxes.

II.

DESCRIPTION OF CHARGE READY PROGRAM BALANCING ACCOUNT (CRPBA)

As discussed in Volume 2, for its Phase 1 Pilot, SCE is requesting Commission authorization to establish the CRPBA to record the actual Charge Ready Pilot revenue requirement each month effective upon a Commission decision in Phase 1. In this Phase 2 testimony, SCE requests Commission authorization to modify the CRPBA to record the actual Phase 2 revenue requirement each month in the CRPBA, in addition to the on-going Phase 1 Pilot revenue requirements. Each month, SCE will record the actual O&M, payroll taxes and capital-related revenue requirement (i.e., depreciation, return on rate base, property taxes, and income taxes) in the CRPBA associated with both the Phase 1 and Phase 2 activities.

SCE proposes to include in distribution rates a forecast annual Phase 2 revenue requirement effective January 1 of each year commencing in 2016 through 2020.[3] To ensure that customers only pay the actual Charge Ready Phase 2 revenue requirements, SCE proposes to transfer the revenue requirement recorded in the CRPBA to the distribution sub-account of the BRRBA each month. In this way, any difference between the forecast Phase 2 revenue requirements included in rate levels and the actual recorded Phase 2 revenue requirements will be trued-up in the BRRBA. This proposed ratemaking will ensure that no more and no less than the reasonable revenue requirement associated with the Charge Ready Program is ultimately collected from customers. Any over-collection recorded in the BRRBA at the end of each year will be refunded to customers in the subsequent year. Likewise, any under-collection that is recorded in the BRRBA at the end of each year is recovered from customers in the subsequent year.

In addition to the Phase I Pilot revenue requirements proposed to be recorded in the CRPBA as described in Volume 2, and as described in more detail below, each month, SCE will record into the CRPBA the Phase 2 O&M and capital-related revenue requirements.

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[3] Also includes the Phase 1 Pilot revenue requirement. After 2020, the capital cost recovery for the Charge Ready Program will be included in SCE's GRCs.

A. O&M Expenses

The incremental O&M costs for the Charge Ready Program will be recorded in the CRPBA and will include items such as the incremental labor associated with the staffing requirements to manage the program, as well as certain non-labor expenses, discussed in Volumes 3 and 4 of SCE's supporting testimony.

B. Capital Revenue Requirements

SCE will record all capital-related revenue requirements (i.e., depreciation, property, payroll and income taxes, and return calculated at the authorized rate of return on rate base) associated with the Charge Ready Program capital additions in the CRPBA.[4] Consistent with D.12-12-034, SCE will calculate the rate of return on rate base using SCE's current authorized rate of return of 7.90 percent. SCE will continue to record entries in the CRPBA until capital-related revenue requirements are included in SCE's GRC revenue requirement commencing January 1, 2021.

C. Market Education Costs through 2017

SCE also proposes to record expenses related to Phase 2 Market Education in the CRPBA through 2017, or until a final decision is issued in the 2018 General Rate Case (GRC), whichever is later. SCE will request any future on-going funding in its GRC starting in 2018. These costs are incremental to the program-specific Charge Ready education and outreach (E&O) costs, as discussed in Volume 4. SCE's proposed Market Education efforts are ongoing programs with additional funding to be requested in future GRCs. This is unlike the proposed Charge Ready program, which is a limited-duration program designed to accelerate the market.

4 The capital additions will include applicable corporate overheads for such things as AFUDC, and pensions and benefits.

III.

PROPOSED REASONABLENESS REVIEW OF PHASE 2 EXPENDITURES

Assuming the Commission approves the scope of activities proposed by SCE and the forecasted Phase 2 costs, SCE's incurred costs that are consistent with the scope and within the cost levels adopted by the Commission should not be subject to an after-the-fact reasonableness review. If actual costs exceed the forecast, or if the actual scope of activities differs from what the Commission has approved, then SCE would file an application, or use other appropriate procedural vehicles, to request approval of the activities and recovery of the additional costs through a traditional after-the-fact reasonableness review.

SCE proposes that the recorded operation of the CRPBA be reviewed by the Commission in SCE's annual Energy Resource Recovery Account (ERRA) review applications, or other such proceeding as may be authorized by the Commission. This review of the CRPBA will ensure that all entries to the account are stated correctly and are consistent with Commission decisions. Commission review procedures for the Phase 2 costs should be limited to ensuring that all recorded costs are associated with activities as defined and within the cost levels adopted by the Commission in Phase 2 of this proceeding.

A. Cost Deflation for Reasonableness Determination

Because actual O&M expenses and direct[5] capital expenditures will be recorded in nominal dollars over four years of program spend, these costs will have to be deflated for price inflation between 2014 and later years. SCE proposes to accomplish this by deflating the recorded capital and O&M costs in nominal dollars by the same inflation indexes used to escalate costs from constant 2014 $ to nominal for forecasting. SCE proposes to use two deflation factors: Handy-Whitman Capital Cost Index for capital and IHS Global Insight O&M Cost Index for O&M. In the ERRA Review Proceeding following the completion of Phase 2 of the Charge Ready Program, SCE will include testimony supporting the

[5] Direct capital expenditures refers to project-related spend, controllable by program managers, and does not include AFUDC or overheads.

reasonableness of the O&M and capital expenditures spent on the Charge Ready Program. SCE will use the actual, published inflation indexes to deflate nominal costs back to constant 2014 $ to compare actual O&M expenses and direct[6] capital expenditures to the forecasted spend of $333.2 million (2014$).

[6] Direct capital expenditures refers to project-related spend, controllable by program managers, and does not include AFUDC or overheads.

IV.

FORECAST OF SCE'S CHARGE READY PROGRAM REVENUE REQUIREMENTS

Table IV-1 below presents SCE's forecast 2016 – 2020 revenue requirements for Phase 2 of the Charge Ready Program and the Market Education efforts.

Table IV-1
Phase 2 Forecast Charge Ready Program & Market Education Revenue Requirements (Nominal $)

Charge Ready Revenue Requirement - PHASE 2
Thousands of Dollars

Line No.	Item	2016	2017	2018	2019	2020
1.	**Operating Revenues**	**1,475**	**8,365**	**15,495**	**35,934**	**80,145**
2.	**Operating Expenses:**					
3.	O&M Expense	3,855	4,153	720	680	0
4.	A&G	40	44	20	24	0
5.	FF&U	16	93	172	400	890
6.	Depreciation	2,321	6,263	13,151	23,177	23,177
7.	Taxes Other than Income	242	776	1,638	2,987	3,602
8.	Taxes Based on Income	(6,342)	(7,834)	(10,978)	(11,070)	28,484
9.	Total Operating Expenses	131	3,495	4,723	16,198	56,154
10.	**Net Operating Revenue**	**1,344**	**4,870**	**10,772**	**19,736**	**23,991**
11.	**Rate Base (Average)**	17,008	61,640	136,352	249,818	303,681
12.	**Rate of Return**	7.90%	7.90%	7.90%	7.90%	7.90%

Beginning in 2016, SCE requests to include in distribution rate levels a forecast Phase 2 revenue requirement each year up until the time the CRP costs are included in SCE's GRC request (i.e., the 2021 GRC). The annual revenue change associated with the 2016 – 2020 Phase 2 forecast revenue requirements will be consolidated and made when all other previously authorized revenue changes are reflected in rates, consistent with current practice.

SCE proposes to file an advice letter each year to determine the Charge Ready Program revenue requirement to be included in distribution rates the following year. SCE proposes to file this advice letter by November 1st of each year beginning November 1, 2015. In the annual advice letters, SCE will update the Charge Ready Program revenue requirement to reflect the prior year recorded capital expenditures, any forecast capital expenditure changes in the following year, and also the most recently adopted rate of return on rate base, franchise fees and uncollectible rates and tax rates. SCE will then consolidate the changes in its distribution rates to reflect these updated Phase 2 revenue requirements in conjunction with other authorized rate level changes in its January 1 rate change.

A. Capital Expenditures / Additions

SCE's forecasted revenue requirement as shown in Table IV-1 above were derived based on the capital expenditures estimated of $324.6 million (constant 2014 $), as supported in Volume 3. Table IV-2 below shows estimated direct capital expenditures escalated for each calendar year. The total estimated nominal expenditures of $362.4 million, including applicable overheads,[7] are forecast to close to plant-in-service (i.e. rate base) as the assets are placed in service.

1. Capital Additions and Plant-In-Service

Capital expenditures are not included in rate base until the assets are ready for service. The accounting for this is prescribed by the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts (USoA).[8] Capital expenditures when incurred are originally accounted for in FERC Account 107, Construction Work In Progress (CWIP). During the period that capital costs reside in CWIP, they are not typically included in rate base, but instead accrue Allowance for Funds Used During Construction (AFUDC). The AFUDC rate is based on a prescribed formula in FERC USoA and represents construction financing costs.

When the underlying assets are identified as "ready for service", the cumulative costs, including AFUDC, are transferred from FERC Account 107 to FERC Account 106, Completed

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[7] SCE includes a 1% overhead adder for pensions and benefits.

[8] 18 CFR, Part 101, Electric Plant in Service.

Construction Not Classified or FERC Account 101, Electric Plant in Service. These cumulative transfers are called Capital Additions. At this same time, AFUDC accruals are stopped, the cumulative balance is included in rate base, and depreciation expense begins.

For purposes of forecasting capital in the Charge Ready Program, SCE has assumed that AFUDC accrual will be zero. However, on a recorded basis, the CRPBA will reflect actual recorded revenue requirements, including all applicable overheads and AFUDC to the extent that they are incurred.

The exception to this process will be for costs associated with the charging stations themselves, which SCE will not own, maintain, or operate. SCE is instead proposing to provide a rebate to the Customer Participant at an estimated $3,900 per charging station.[9] Under Generally Accepted Accounting Principles (GAAP), this cost would normally be considered an expense. However, SCE is proposing to treat this cost similar to capital and record it to a regulatory asset over the life of the charging station.[10] These costs will be amortized over 10 years, which spreads those costs over the expected ten year life of the asset (*see depreciation section below*).

Table IV-2
Summary of Charge Ready Program Calendar Year Capital Expenditures
($ 000)

Year	Direct Expenditures	Escalation	Overhead Adder	Total Expenditures
2016	34,518	1,521	235	36,274
2017	57,102	4,127	400	61,630
2018	96,685	10,320	699	107,705
2019	136,252	19,510	1,018	156,780
2020	-	-	-	-

9 Final rebate amount depends on results of Request for Information (RFI) process.

10 Accounting Standards Codification 980, Regulated Operations.

B. Depreciation Expense and Accumulated Depreciation

Table IV-1 above estimates the total annual forecast depreciation expense from 2016 through 2020. For estimation purposes, SCE divided the Capital Additions into three categories: (1) utility-side infrastructure that includes line transformers, services, meters, and easements; (2) customer-side infrastructure that includes the panel, conduit, wiring, and "make ready" stub; and (3) rebates for charging stations. For purposes of estimating depreciation expense in this Application, SCE has used a composite of authorized depreciation rates from its 2012 GRC to apply to the utility-side infrastructure that already have authorized rates,[11] and has used proposed rates for the customer-side infrastructure and costs of the rebates for charging stations that do not currently have authorized rates, as shown in Table IV-3 below.

For assets that SCE already has established depreciation rates for, SCE is proposing to use rates authorized in its most recent GRC for recording purposes. SCE will update the depreciation rates consistent with what is ultimately authorized in a final decision on its 2015 GRC Application[12] utilized in the CRPBA effective January 1, 2015. To the extent that authorized depreciation rates change in subsequent GRCs while the CRPBA is still in effect, SCE will similarly update the depreciation rates for this program to match authorized rates on the same effective date of the respective final GRC decision. To the extent that certain charging sites are no longer used after the program period, capital recovery for the investment in this program will continue under the normal group depreciation procedures.[13]

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[11] Uses a composite depreciation rate from May 1, 2013 plant balances.

[12] CPUC proceeding number A.13-11-003.

[13] SCE's assets are depreciated using broad group procedure. Generally, a broad group is defined by FERC plant account, with some exceptions. Assets within a broad group are expected to retire before and after the average service life, and by convention, are fully depreciated when retired. Under CPUC Standard Practice U-4, the depreciation rate is recalculated on a periodic basis (currently in GRCs) determining the annual accruals necessary to allocate the net book value less future net salvage over the average remaining life of the group. Thus, any over- or under-allocation is addressed in future periods.

SCE currently has no proposed depreciation rates related solely to charging stations and the wiring and equipment connecting the charging station to the meter. These assets are addressed below along with the other assets.

Table IV-3
Depreciation Rates and Parameters

Account	Description	Life	Remaining Life	Net Salvage %	Depreciation Rate
360.2	Easements	60	60	0%	1.67%
368	Line Transformers	30	20.9	0%	3.68%
369	Distribution Services	40	28	-85%	4.76%
370	Meters	20	19.4	-5%	5.35%
360.2, 368,369, 370	Composite				4.23%
371	Customer-Side Infrastructure	40	40	-85	4.63
GL Account 182	Charging Stations	10	10	0%	10.00%

1. Line Transformers, Services and Conductor, Meter, Easements

This category includes estimated costs for assets including the transformer, services and conductor, meter, and easements. For forecasting purposes, a composite rate of 4.23 percent is used based on account specific CPUC authorized depreciation rates.[14]

2. Customer-Side Panel and Wiring

These costs include the installation of the panel and wiring components from the meter to the charging station. These investments will be recorded to FERC Plant Account 371, Installations on Customers' Premises. SCE has no current investment in the Account, and no current authorized depreciation rate. SCE proposes to use the same depreciation parameters as used in FERC Plant Account 369, Services. This results in a depreciation rate of 4.63 percent.

[14] The calculation excludes FERC Plant Account 360.2, as it only accounts for a small percentage of the program's costs.

3. Charging Stations

The customer participant will own, maintain, and operate the charging station. SCE's cost for the charging station is the rebate that SCE will provide to the customer participant. As discussed above, SCE is proposing to amortize these costs as a regulatory asset over the expected ten-year life of the charging station. Although SCE will not own the assets, the rebates will constitute a significant portion of the cost of the charging station. The program requires the charging stations to remain in place and in working order for at least ten years to ensure the associated benefits accrue to the ratepayers. Because the utility's investment in the charging stations is necessary for the entire new infrastructure to function, that investment should be recoverable from ratepayers over time, as the benefits of the entire new investment accrue. It would be appropriate, and consistent with cost-of-service ratemaking principles, to allocate this cost over the estimated life of the charging station. Thus, ratepayers benefitting from the service of the charging station will be allocated a portion of the cost. This treatment has the added benefit of spreading out the cost of the charging stations over a longer period of time, rather than full recovery as an expense in the year incurred. The regulatory asset treatment is also consistent with Commission precedent—in D.14-03-021, the Commission concluded that costs for infrastructure not owned by the utility can be treated as a regulatory asset, included in rate base, and recovered through amortization.[15]

C. Rate of Return

As authorized in D.12-12-034, SCE calculated the rate of return on rate base using SCE's current authorized rate of return of 7.90 percent.

[15] *See* D.14-03-021, Conclusion of Law 16, pp. 73-74, concluding as a matter of law that "beyond-the-meter" costs for infrastructure not owned by the utility was not required to be expensed and could be capitalized as a regulatory asset recoverable over ten years, because the "beyond-the-meter" infrastructure was necessary for the entire new distribution infrastructure to function.

D. O&M Expenses

SCE's forecasted revenue requirements were derived based on the O&M expenses as supported in Volume 3 and 4, and summarized in Table IV-1 above. O&M labor expenses include all applicable overheads.[16]

E. Income Taxes

SCE estimates income taxes by following the rules and methods traditionally adopted in the Company's GRCs. Specifically, in computing tax depreciation, on property owned by SCE, SCE uses the twenty year MACRS (Modified Accelerated Cost Recovery System) tax life for federal purposes and a thirty year life, straight line method, for computing state tax depreciation. Deferred taxes are estimated as required by the normalization rules of the Internal Revenue Code (IRC) for property owned by SCE that are subject to the MACRS under IRC Section 168. SCE will use flow-through tax treatment on book and state tax depreciation differences, as required by this Commission. SCE computes tax basis by removing any recorded AFUDC and replacing it with tax capitalized interest following the rules of IRC Section 263A. SCE computes tax expense using the applicable Federal corporate tax rate of 35 percent for each year and an apportioned state corporate tax rate, as applicable.

For the rebate payments associated with the charging stations that will be owned, maintained and operated by customers, SCE will immediately deduct these rebate payments consistent with IRC Section 162. Because these rebate payments do not relate to property that will be owned by SCE, and because SCE will not be depreciating these costs pursuant to the normalization provisions of Section 168, SCE will use the flow-through tax method on the differences between book and tax treatment of these rebate payments.

F. Franchise Fees and Uncollectibles

Franchise Fees and Uncollectible (FF&U) expenses are calculated as a function of the revenue requirement, and are calculated using the respective FF&U factors authorized by the Commission in

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16 The forecast revenue requirements as presented in Table IV-1 include a composite benefit loader of 6.58%.

SCE's GRC. Current authorized rates are .2050 percent for uncollectibles and .9062 percent for Franchise Fees, as adopted in SCE's 2012 GRC.

G. <u>Summary of Phase 2 Cost Recovery Proposal</u>

In conclusion, SCE respectfully requests that the Commission in a Phase 2 decision:

(1) Authorize SCE to modify the CRPBA established in a Phase 1 decision to record the actual Charge Ready Program and Market Education Effort Phase 2 revenue requirements based on recorded costs reflecting all incremental O&M and capital expenditures related to Phase 2 activities;

(2) Limit reasonableness review of the CRPBA to ensuring all recorded entries to the account are stated correctly and are consistent with Commission decisions;

(3) Authorize the transfer of the monthly recorded CRPBA balance to the BRRBA for cost recovery; and

(4) Authorize SCE to include in distribution rates an estimated annual Phase 2 revenue requirement effective January 1 of each year through 2020, after which the Phase 2 revenue requirement will be included in SCE's GRC revenue requirement.

Appendix A

Witness Qualifications

SOUTHERN CALIFORNIA EDISON COMPANY

QUALIFICATIONS AND PREPARED TESTIMONY

OF RICHARD J. FISHER

Q. Please state your name and business address for the record.

A. My name is Richard J. Fisher, and my business address is 2244 Walnut Grove Avenue, Rosemead, California 91770.

Q. Briefly describe your present responsibilities at the Southern California Edison Company.

A. I am the Manager of Capital Asset Accounting in SCE's Finance operating unit. I manage a group responsible for plant accounting, book and tax depreciation, and capital recovery analytics including depreciation and working capital studies.

Q. Briefly describe your educational and professional background.

A. I have a Bachelor of Science degree in Business Administration, with an emphasis in Finance, Real Estate, and Law from California State Polytechnic University, Pomona, and a Masters of Business Administration from the University of Southern California. I am a member of the Society of Depreciation Professionals and have been qualified as a Certified Depreciation Professional. I joined Southern California Edison in the Capital Recovery Department in 1999 and from 1999-2006 I performed the role of a financial analyst. I was promoted to Manager of Capital Recovery in 2006. My responsibilities included functions involving depreciation and nuclear decommissioning accounting, depreciation studies, and the development of forecasting models for plant additions, rate base, and depreciation expense in direct support of the Company's regulatory filings. In 2008 I accepted a position in the Investor Relations group at Edison International, where my primary role was communicating the Company's financial and operational results with institutional equity and fixed income investors and analysts. In 2010 I rejoined Southern California Edison in the Controller's organization as a Manager of Capital Reporting and Integration to support system and business process integration across finance and accounting. In 2011 I was promoted to Principal Manager of Regulatory Analysis and Valuation Services. In early 2013, the Controller's organization went through a reorganization and I assumed my current role as Manager of Capital Asset Accounting.

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

A. The purpose of my testimony in this proceeding is to sponsor the portions of the following volumes of Exhibit SCE-01, entitled *Prepared Testimony in Support of SCE's Charge Ready Application*, as identified in the Tables of Contents thereto: Volume 02 – Phase 1 Charge Ready and Market Education Pilot; and Volume 05 – Phase 2 Cost Recovery.

Q. Was this material prepared by you or under your supervision?

A. Yes, it was.

Q. Insofar as this material is factual in nature, do you believe it to be correct?

A. Yes, I do.

Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best judgment?

A. Yes, it does.

Q. Does this conclude your qualifications and prepared testimony?

A. Yes, it does.

SOUTHERN CALIFORNIA EDISON COMPANY

QUALIFICATIONS AND PREPARED TESTIMONY

OF MATTHEW DAVID SHERIFF

Q. Please state your name and business address for the record.

A. My name is Matthew David Sheriff, and my business address is 2244 Walnut Grove Avenue, Rosemead, California 91770.

Q. Briefly describe your present responsibilities at the Southern California Edison Company (SCE).

A. I am currently a Senior Project Manager in the CPUC Revenue Requirements and Tariffs Department of SCE's Regulatory Affairs operating unit. As such, I am primarily responsible for preparation of SCE's Consolidated Revenue Requirements showing and forecasting SCE's system average rate.

Q. Briefly describe your educational and professional background.

A. I graduated from the University of Maryland Baltimore County in May of 1995 with a Bachelors of Arts Degree in Political Science. For the next seven years I worked at several venture-backed new media startups in marketing and business development roles. In August of 2002, I returned to graduate school to earn a Master of Business Administration (MBA) form the University of Southern California. Shortly after graduation, I worked for Raytheon Inc. as a senior financial analyst responsible for balance sheet and cash flow forecasting. In April of 2007, I began to work for Southern California Edison Company as Senior Financial Analyst in the Financial Planning and Analysis group of the Treasurer's department. In this role as a financial subject matter expert, I prepared cost-effectiveness analysis in support of applications before the CPUC, including SmartConnect, SONGS High Pressure Turbine and sale of SCE's interest in Four Corners. I was promoted to senior project manager while in this department. I started in my current position in January of 2014. I have not previously testified before the California Public Utilities Commission.

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

A. The purpose of my testimony in this proceeding is to sponsor the portions of the following volumes of Exhibit SCE-01, entitled *Prepared Testimony in Support of SCE's Charge Ready Application*, as identified in the Tables of Contents thereto: Volume 02 – Phase 1 Charge Ready and Market Education Pilot; and Volume 05 – Phase 2 Cost Recovery.

Q. Was this material prepared by you or under your supervision?

A. Yes, it was.

Q. Insofar as this material is factual in nature, do you believe it to be correct?

A. Yes, I do.

Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best judgment?

A. Yes, it does.

Q. Does this conclude your qualifications and prepared testimony?

A. Yes, it does.