

1 **Q. Does Mr. Brockman believe the Rural Deficit methodology proposed by Mr. Baker**
2 **in 1992 is fair for the 2015 Test Year? If yes, please explain why and reconcile Mr.**
3 **Brockman's current belief with what he believed in 1992 when he provided**
4 **testimony recommending an alternate approach to the Board.**
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6 A. Because the Rural Deficit is not causally related to the customers responsible for funding
7 it, Mr. Brockman believes its fairness cannot be evaluated from a traditional cost of
8 service perspective. The advantage of the existing allocation methodology is that it
9 incorporates a cost of service perspective which reflects the characteristics of the
10 customers funding the Rural Deficit.
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12 In allocating the Rural Deficit between customers who are paying widely disparate rates,
13 it is Mr. Brockman's view that Mr. Baker's method is more reasonable than any of the
14 single-customer-characteristic methods (i.e. number of customers-only, revenue-only,
15 energy-only), and somewhat less arbitrary than the 50% energy, 50% revenue method
16 Mr. Brockman suggested in 1992.
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18 In 1992, Mr. Brockman presented two alternatives for the Board's consideration. At that
19 time, it was Mr. Brockman's belief that there was no right method to allocate the Rural
20 Deficit from a traditional cost of service perspective. Mr. Brockman still holds that
21 belief.